

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF BUSINESS REGULATION
JOHN O. PASTORE COMPLEX
1511 PONTIAC AVENUE
CRANSTON, RI 02920

IN THE MATTER OF:

Newport Insurance Company Ltd.,

Respondent.

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DBR No. : 15IN008

**ORDER TO RESPONDENT TO CEASE AND DESIST FROM ENGAGING IN
UNLICENSED INSURANCE ACTIVITIES**

The above-entitled matter came before the Department of Business Regulation (“Department”) pursuant to an Order to Show Cause Re Cease and Desist for Unlicensed Activities, Notice of Hearing and Appointment of Hearing Officer (“Order to Show Cause”) issued to Newport Insurance Company Ltd. (“Respondent”) on October 16, 2015. The hearing was held on November 16, 2015. The Respondent did not appear at hearing. The Department was represented by counsel who rested on the record.

Prior to the hearing, the Respondent had not contacted the Department, the Department’s counsel, or the undersigned. Pursuant to Section 9 of the *Central Management Regulation 2 – Rules of Procedure in Administrative Hearings* (“CMR2”), service may be made by hand-delivery or first class mail or certified mail on non-licensees to “the last known address which the Department reasonably believes will result in actual delivery.” In this matter, the Order to Show Cause was sent to the Respondent’s last known address of a non-licensee by first class and certified mail.¹ As the Respondent was

¹ See Respondent’s Exhibit Two (2) which contains one of the addresses used by the Department for service and is from the Respondent’s website under the “contact us” section. The Order to Show Cause was sent by

adequately notified of the time and date of the hearing, the hearing went forward. Additionally, Section 21 of CMR2 provides that a judgment may be entered based on pleadings and/or evidence submitted at hearing by a non-defaulting party. The Department has jurisdiction over this matter pursuant to R.I. Gen. Laws § 27-1-1 *et seq.*

At the hearing, the following exhibits were entered into evidence. The Department's Exhibit One (1) is a copy of a "bid bond" issued by "Newport Insurance Company;" however, there is no insurance licensed entity called Newport Insurance Company in the State of Rhode Island. This exhibit supports the allegations in paragraph five (5) of the Order to Show Cause regarding said "bid bond." Also introduced into evidence are print-outs from the Respondent's website indicating that it is in the market for performance and payment bonds which are insurance products for which one needs an insurance license and Respondent does not hold such a license. This exhibit relates to paragraph six (6) of the Order to Show Cause relating to its representations on its website. The Order to Show Cause indicates that the principals of the Respondent are the same as those who have previously engaged in unlicensed insurance business and been subject to cease and desist orders. See Department's Exhibits Three (3) and Four (4) (cease and desist order to Eastern Shores Casualty and Great Northern Bonding Company) and see paragraphs seven (7), eight (8), and nine (9) of the Order to Show Cause.

The Department requested that a default judgment be entered finding the facts alleged as true and that the Respondent be ordered to cease and desist from conducting any business for which an insurance license is required.

first class mail and certified mail to two (2) different addresses including the address from the website. See Order to Show Cause.

Based on the foregoing, the undersigned makes the following findings of fact:

1. Pursuant to Section 21 of CMR2, the Respondent is declared to be in default for failing to appear at the hearing.

2. Pursuant to Section 21 of the CMR2, the allegations in the Order to Show Cause are found to be true.

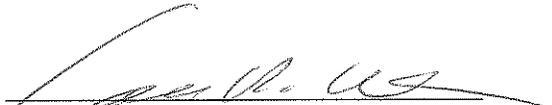
Based on the forgoing, the undersigned makes the following conclusions of law:

1. The Respondent violated R.I. Gen. Laws § 27-3-38 and R.I. Gen. Laws § 27-16-1 *et seq.*

On the basis of the forgoing, the undersigned makes the following recommendation:

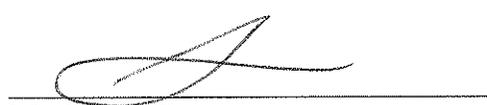
Pursuant to a R.I. Gen. Laws § 42-14-16.1, a cease and desist order shall be issued against the Respondent ordering the Respondent to cease and desist from engaging in any insurance activity requiring licensing in the State of Rhode Island.

Entered this 1st day of December, 2015.


Catherine R. Warren
Hearing Officer

I have read the Hearing Officer's recommendation in this matter and I hereby ADOPT/REJECT the findings of facts, the conclusions of law, and recommendation of the hearing officer in the above entitled Final Order.

Dated: 12/2/15


Macky McCleary
Director

Entered as Administrative Order No. 15~~7~~60 on this 2nd day of December, 2015.

NOTICE OF APPELLATE RIGHTS

THIS ORDER CONSTITUTES A FINAL ORDER OF THE DEPARTMENT OF BUSINESS REGULATION PURSUANT TO R.I. GEN. LAWS § 42-35-12. PURSUANT TO R.I. GEN. LAWS § 42-35-15, THIS ORDER MAY BE APPEALED TO THE SUPERIOR COURT SITTING IN AND FOR THE COUNTY OF PROVIDENCE WITHIN THIRTY (30) DAYS OF THE MAILING DATE OF THIS DECISION. SUCH APPEAL, IF TAKEN, MUST BE COMPLETED BY FILING A PETITION FOR REVIEW IN SUPERIOR COURT. THE FILING OF THE COMPLAINT DOES NOT ITSELF STAY ENFORCEMENT OF THIS ORDER. THE AGENCY MAY GRANT, OR THE REVIEWING COURT MAY ORDER, A STAY UPON THE APPROPRIATE TERMS.

CERTIFICATION

I hereby certify on this 2nd day of December, 2015 that a copy of the within Final Order and Notice of Appellate Rights was sent by first class mail, postage prepaid and certified mail, receipt requested to –

Newport Insurance Co.
109 Federal Street, Suite 109
Danbury, CT 06811

Newport Insurance Company
150 Colfax Street, Unit 12
Providence, RI 02905

and by electronic-delivery to –

Elizabeth Kelleher Dwyer, Esquire,
Joseph Torti, Deputy Director
Department of Business Regulation
Pastore Complex
1511 Pontiac Avenue
Cranston, Rhode Island.



A handwritten signature in cursive script, appearing to read "Kristin L. Murre", is written over a horizontal line.