



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of)	
)	No. 11-0092
ReliaMax Surety Company)	
)	ORDER TO CEASE AND DESIST
Unauthorized Entity)	

To: The Respondents

ReliaMax Surety Company
5024 S. Bur Oak Place, Ste. 103
Sioux Falls, SD 57108

And via email at:
redmon@redmonlaw.com; mvanerdewyk@reliamax.com

Pursuant to RCW 48.01.020, 48.02.080, 48.05.030, 48.15.020, and 48.15.023, the Office of the Insurance Commissioner ("OIC") orders ReliaMax Surety Company, its officers, directors, trustees, agents, and affiliates ("Respondents") to immediately cease and desist from:

- A. Engaging in or transacting the unauthorized business of insurance or sale of unlicensed surety products in the State of Washington, including the collection or attempted collection of premium monies, and advertising of insurance and surety products;
- B. Soliciting any insurance or surety business in the State of Washington;
- C. Soliciting Washington residents, including credit unions or other financial institutions, to sell or purchase any plan or policy or coverage for any form of unauthorized insurance or unlicensed surety product;
- D. Soliciting Washington residents, including credit unions or other financial institutions, by e-mail, facsimile (fax), telephone, mail, internet, flyers, advertisements, or any other means to induce them to purchase any form of unauthorized insurance or surety product;
- E. Offering to Washington residents a plan or policy or coverage for any form of unauthorized insurance or unlicensed surety product without first submitting to examination by the Insurance Commissioner to determine the organization and solvency of the person or the entity offering such insurance or discount plan, and to determine whether or not such person or entity complies with the applicable provisions of the Insurance Code; and



- F. Offering to Washington residents any insurance or surety product as to which the rates and/or forms have not been filed with and approved by the Insurance Commissioner according to the requirements of Washington Law.

THIS ORDER IS BASED ON THE FOLLOWING:

1. Respondent Company is domiciled and is a licensed insurance company in the state of South Dakota. Respondents sell a surety product that insures credit unions for student loans.
2. Respondent Company is not authorized to engage in the business of insurance in Washington, and has filed no rates or forms with the OIC for any products to be sold in Washington. Respondent Company currently does not meet the criteria under RCW 48.05.340 for licensure as an insurance company in Washington, or to sell its surety product through a licensed surplus lines broker.
3. In January of 2011, the OIC received information from the Washington Department of Financial Institutions ("DFI") that Respondents were selling surety products in Washington without being licensed to do so.
4. There were a total of 3 unauthorized sales of Respondents' surety products in Washington, affecting 3 Washington credit unions. One of these Washington credit unions had around \$400 thousand in student loans that were covered by the Respondent Company's surety product, and was committed to do another \$225 thousand before June, 2011. Respondent Company has informed OIC that, as a Company, it had approximately \$500,000 insured in Washington, and has approximately \$300 million in student loans insured nationwide.

Any violation of the terms of this Order by Respondents, their officers, directors, agents, or affiliates, will render the violator(s) subject to the full penalties authorized by the Washington Insurance Code.

Respondents have the right to demand a hearing pursuant to chapters 48.04 and 34.05 RCW. This Order shall remain in effect subject to the further order of the Commissioner.

THIS ORDER IS EFFECTIVE IMMEDIATELY AND IS ENTERED at Tumwater, Washington, this 28th day of April, 2011.

MIKE KREIDLER
Insurance Commissioner

By 
Andrea L. Philhower
Legal Affairs Division
Office of Insurance Commissioner
State of Washington

CERTIFICATE OF MAILING

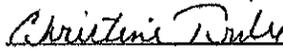
The undersigned certifies under the penalty of perjury under the laws of the State of Washington as follows:

I am now and at all times herein mentioned have been a citizen of the United States and a resident of the State of Washington. I am over the age of eighteen years, not a party to or interested in the above-entitled action, and competent to be a witness herein. On the date given below I caused to be served the foregoing ORDER TO CEASE AND DESIST on the following individuals via US Mail and e-mail.

ReliaMax Surety Company
5024 S. Bur Oak Place, Ste. 103
Sioux Falls, SD 57108

And via email at:
jredmon@redmonlaw.com; mvanerdewyk@reliamax.com

SIGNED this 28th day of April, 2011, at Tumwater, Washington.



Christine Tribe