

1 CODE 2745
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9 IN THE SECOND JUDICIAL DISTRICT COURT OF
10 THE STATE OF NEVADA IN AND FOR THE COUNTY OF WASHOE

11 STATE OF NEVADA, EX REL.
12 COMMISSIONER OF INSURANCE, IN
13 HER OFFICIAL CAPACITY AS
STATUTORY RECIEVER FOR
DELIQUENT DOMESTIC INSURER,

14 Plaintiff(s),

15 vs.

16 PHYSICIANS INDEMNITY RISK
17 RETENTION)
GROUP, INC., a Nevada Domiciled
18 Association Captive – RRG Insurance
Company,

19 Defendant(s).

Case No. CV20-000496

Dept. No. 7

20 **ORDER APPOINTING INSURANCE COMMISSIONER, BARBARA D.**
21 **RICHARDSON, AS TEMPORARY RECEIVER PENDING FURTHER ORDERS OF**
22 **THE COURT; ORDER GRANTING TEMPORARY INJUNCTIVE RELIEF**
23 **PURSUANT TO NRS696B.270; AND, ORDER TO SHOW CAUSE**

24 WHEREAS a Petition for Appointment of Commissioner Barbara D. Richardson
25 (“Commissioner”) as Receiver of Physician’s Indemnity Risk Retention Group, Inc.
26 (“PIRRG”), and Other Permanent Relief and Request for Temporary Injunction, pursuant
27 to NRS 696B.270(1) (“Petition”) was filed in the above entitled Court on March 13, 2020
28 initiating these proceedings, and;

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1 GOOD CAUSE APPEARING, IT IS HEREBY ORDERED that, pursuant to NRS
2 696B.210, NRS 696B.220, NRS 696B.290 and NRS 696B.530, the Commissioner is
3 appointed as Temporary Receiver (“Receiver”), pending further orders by the Court, to
4 enter the business and immediately oversee the operation and conservation/rehabilitation
5 of the business.

6 IT IS HERBY FURTHER ORDERED that, pursuant to NRS 696B.270(1), pending
7 the show cause hearing and further orders by the Court, that Insurers, all officers,
8 directors, stockholders, members, subscribers, agents, employees, and all other persons,
9 except the Receiver or any person or persons designated by the Receiver are immediately
10 enjoined from transacting any further business on behalf of the Insurers or wasting or
11 disposing of any assets or property of Insurers.

12 IT IS HEREBY FURTHER ORDERED that, pursuant to NRS 696B.270, pending
13 further orders by the Court, the Insurer, the officers, directors, stockholders, members,
14 subscribers, agents, employees, and all other persons are immediately enjoined from
15 transacting any further business on behalf of the Insurer unless other directed by the
16 Receiver or from wasting or disposing of any assets or property of the Insurer. All property
17 and records of PIRRG, which includes all hard copy and electronic records, will be
18 immediately provided and turned over to the Receiver.

19 IT IS HEREBY FURTHER ORDERED that, pursuant to NRS 696B.340, pending
20 further orders by the Court, all persons are immediately enjoined from the commencement
21 or prosecution of any actions by or on behalf of the Insurer, or against the Insurer, and the
22 receivership court will have exclusive jurisdiction over any actions involving the Receiver
23 or Insurer. Further, all persons shall be restrained from obtaining any preferences,
24 judgments, attachments, or other liens as to any property of the Insurer or making any
25 levy against the Insurer or against their assets or any part thereof.

26 IT IS HEREBY FURTHER ORDERED that, pursuant to NRS 696B.270, pending
27 further orders by the Court, all persons other than the Receiver or as directed by the
28 Receiver are enjoined from the withdrawal of any funds from the Insurer’s accounts or the

1 removal of other property from the Insurer. The Receiver is authorized to take control and
2 transact business regarding all bank, investment, custody, trust, property, and other asset
3 accounts of PIRRG, and to place her name and other signatories on such accounts or
4 property in replacement of any or all officers, directors, stockholders, members,
5 subscribers, agents, employees, and all other persons that may be listed on such accounts
6 or property. The Receiver is authorized to collect and receive all assets and property on
7 behalf of PIRRG and to transact all business for PIRRG concerning such assets and
8 property.

9 IT IS HEREBY FURTHER ORDERED that, the Commissioner as Temporary
10 Receiver is authorized to impose such partial or full lien or moratoria on any disbursements
11 for such time and under such terms as she deems necessary and appropriate for the
12 protection of members and creditors, provided that such lien or moratoria shall apply in
13 the same manner to all similarly situated persons and provided that under no
14 circumstances shall the Receiver or her representatives be liable to any person for a good
15 faith decision to impose, or refrain from imposing, such lien or moratorium.

16 IT IS HEREBY FURTHER ORDERED that, the insurance policies and insurance
17 contracts of PIRRG will remain in effect pending further orders of this Court. The Receiver
18 is authorized, in her discretion, to continue the insurance defense of insurance policy claims
19 until further orders of this Court, with the Receiver to determine in her discretion those
20 defense costs that are both reasonable and appropriate to be incurred and paid after the
21 date of this order. All reinsurers, consultants, third parties, and anyone acting on behalf of
22 PIRRG will cease making any claim payments or defense costs of PIRRG, unless specifically
23 authorized by the Receiver as provided in this order.

24 IT IS HEREBY FURTHER ORDERED that, the Commissioner as Temporary
25 Receiver is authorized to appoint, without prior notice to or prior approval by the Court,
26 such Special Deputy Receiver, legal counsel, and consultants as she deems necessary for
27 the conduct of the Insurer's receivership, such Special Deputy Receiver thereby being
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1 vested with all the rights, duties, and authority of the Temporary Receiver, subject to the
2 supervision of the Commissioner as Temporary Receiver and of the Court.

3 IT IS HEREBY FURTHER ORDERED that, the Commissioner as Temporary
4 Receiver is authorized to issue such Directives as she deems appropriate to memorialize
5 and provide notice of the exercise of her authority under the Court's Orders and applicable
6 law.

7 IT IS HEREBY FURTHER ORDERED that, pursuant to NRS 696B.250, Respondent
8 PIRRG is ORDERED to appear and show cause why the Commissioner should not be
9 appointed as Permanent Receiver. **A telephonic hearing is set for March 31, 2020 at**
10 **1:00 p.m.** Parties to this matter must contact Court Call five (5) days prior to the hearing
11 to arrange to appear by telephone.

12 DATED this 19 day of March 2020.

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15 _____
DISTRICT JUDGE

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18 Respectfully submitted:

19 AARON D. FORD
Attorney General

20 By: /s/ Richard Paili Yien
21 RICHARD PAILI YIEN
22 Deputy Attorney General
Attorney for the Division of Insurance