

1 CALIFORNIA DEPARTMENT OF INSURANCE  
LEGAL DIVISION

2 Corporate Affairs Bureau  
Laszlo Komjathy, Jr., Bar No. 099861  
3 45 Fremont Street, 24th Floor  
San Francisco, CA 94105  
4 Telephone: 415-538-4413  
Facsimile: 415-904-5896

5  
6 Attorneys for The California Department of  
Insurance

FILED

JAN 22 2018

ADMINISTRATIVE HEARING BUREAU

7  
8 **BEFORE THE INSURANCE COMMISSIONER**  
9 **OF THE STATE OF CALIFORNIA**  
10

11 In the Matter of

12 ACCESS INSURANCE  
COMPANY dba  
13 ACCESS GENERAL  
INSURANCE  
14 COMPANY,

15 a Texas Domestic Insurance  
Company

16 Respondent.  
17  
18  
19

File No. SF OSC-2018-00003

**ORDER TO SHOW CAUSE WHY  
INSURER'S CERTIFICATE OF  
AUTHORITY SHALL NOT BE  
REVOKED FOR FAILURE TO PAY  
PREMIUM TAXES and  
NOTICE OF HEARING;  
REVENUE AND TAXATION CODE  
SECTION 12802**

**Date: February 14, 2018**

**Time: 10:00 am**

**Place: Administrative Hearing Bureau,  
San Francisco, CA**

20 TO: ACCESS INSURANCE COMPANY dba ACCESS GENERAL  
21 INSURANCE COMPANY:

22 NOTICE IS HEREBY GIVEN that the Insurance  
23 Commissioner of the State of California (hereafter "Insurance  
24 Commissioner") has determined that ACCESS INSURANCE COMPANY  
25 (hereafter referred to as "Respondent") which is licensed to transact the  
26 business of insurance in the State of California has failed to pay all premium  
27 taxes, interest and penalties due and owing since April 2, 2009;

28 NOTICE IS FURTHER GIVEN that a public hearing will be held

1 before the Insurance Commissioner or his duly authorized Deputy on  
2 February 14, 2018, **commencing 10:00 a.m.** at the Department of  
3 Insurance hearing room located at 45 Fremont Street, 22<sup>nd</sup> Floor, San  
4 Francisco, CA 94105 for the purpose of determining the matters set forth  
5 herein.

6 I.

7 The acts, transactions and practices causing such conduct, conditions  
8 and grounds to exist necessitating the issuance of this order to show cause  
9 pursuant to Revenue and Taxation Code Section 12802 are as follows:

10 (A) Pursuant to Respondent's rate filing approved by the  
11 California Department of Insurance, Respondent charges  
12 policy fees, endorsement fees, reinstatement fees and  
13 installment fees to its policyholders as a condition for  
14 issuance of a policy. Despite Respondent charging said  
15 fees to its policyholders and authorizing its general agents  
16 to collect and retain said fees, Respondent failed to pay the  
17 associated premium taxes due on such fees;

18 (B) On February 12, 2013 a Notice of Deficiency Assessment  
19 was issued by the California State Board of Equalization to  
20 Respondent in the amount of \$1,047,437.87 together with  
21 interest of \$148,725.27 for the interest period of 04/02/09  
22 - 03/01/13 for a total of \$1,196,163.14 resulting from the  
23 failure of Respondent to pay premium taxes due on  
24 \$44,571,824 in premium related to policy, endorsement,  
25 and reinstatement fees charged by Respondent and paid by  
26 policyholders for their policies, but not declared and  
27 reported as premium by Respondent for the tax period  
28 01/01/08 - 12/31/2011. After payment of \$1,047,437.87

1 by Respondent on 12/18/2012 there remained \$148,725.27  
2 in unpaid taxes plus interest thereon and a penalty of  
3 \$14,725.28 (see Exhibit A-1 attached hereto and  
4 incorporated herein by reference);

5 (C) On February 12, 2013 a Notice of Deficiency Assessment  
6 was issued to Respondent in the amount of \$2,280,482.16  
7 together with interest of \$332,419.40 for a total of  
8 \$2,612,901.56 for premium taxes due and owing on  
9 \$97,041,794 in premium related to installment fees  
10 charged by Respondent and paid by policyholders for their  
11 policies, but not reported and declared by Respondent in its  
12 premium tax returns for the tax period 01/01/08 -  
13 12/31/11 (see Exhibit A-2 attached hereto and  
14 incorporated herein by reference);

15 (D) On or about March 13, 2013, Respondent filed timely  
16 Petitions for Redetermination with the State Board of  
17 Equalization;

18 (E) On October 15, 2013 a Notice of Deficiency Assessment  
19 was issued to Respondent in the amount of \$1,131,905.18  
20 for premium taxes due and owing on \$42,437,160 in  
21 premium related to policy, endorsement, reinstatement and  
22 installment fees charged by Respondent and paid by  
23 policyholders for their policies, but not reported and  
24 declared by Respondent in its premium tax returns for the  
25 tax period 01/01/2012 - 12/31/2012 (see Exhibit A-3  
26 attached hereto and incorporated herein by reference);

27 (F) On or about November 2013, Respondent filed a timely  
28 Petition for Redetermination with the State Board of

1 Equalization;

2 (G) On or about April 15, 2015, the Special Taxes and Fee  
3 Department Staff Analysis by the State Board of  
4 Equalization confirmed each of the assessments without  
5 making any adjustments as requested by Respondent;

6 (H) On December 1, 2016 an appeal conference was held at the  
7 State Board of Equalization;

8 (I) On March 11, 2016, the State Board of Equalization's  
9 Appeal Division issued its decision recommending that  
10 Respondent's Petitions for Redetermination be denied;

11 (J) Respondent's Petitions for Redetermination were scheduled  
12 for hearing before the State Board of Equalization on  
13 August 31, 2016 was continued several times at the  
14 request of Respondent and was most recently scheduled for  
15 hearing on October 24, 2017;

16 (K) On or about October 13, 2017, Respondent withdrew its  
17 request for hearing of its Petitions for Redetermination;

18 (L) On November 13, 2017, Notices of Redetermination were  
19 issued by the Board of Equalization upholding the  
20 deficiency assessments against Respondent.

21 a. Pursuant to the Notice of Redetermination related to the  
22 Notice of Deficiency attached hereto as Exhibit A-1, as of  
23 November 13, 2017 there is due and owing \$192,041.90  
24 and pursuant to Revenue and Taxation Code Section  
25 12632 additional interest of \$858.97 is due as of  
26 December 1, 2017 plus an additional penalty of  
27 \$14,725.28 is due as of 12/13/2017. Attached hereto  
28 Exhibit B-1 is a true and correct copy of the Notice of

- 1 Redetermination related to Exhibit A-1;
- 2 b. Pursuant to the Notice of Redetermination related to the
- 3 Notice of Deficiency attached hereto as Exhibit A-2 as of
- 4 November 13, 2017 there is due and owing
- 5 \$3,283,743.33 and pursuant to Revenue and Taxation
- 6 Code Section 12632 additional interest of \$13,302.81 is
- 7 due as of December 1, 2017 plus an additional penalty
- 8 of \$228,048.22 is due as of 12/13/2017. Attached
- 9 hereto Exhibit B-2 is a true and correct copy of the
- 10 Notice of Redetermination related to Exhibit A-2; and
- 11 c. Pursuant to the Notice of Redetermination related to the
- 12 Notice of Deficiency attached hereto as Exhibit A-3 as of
- 13 November 13, 2017 there is due and owing
- 14 \$1,385,378.97 and pursuant to Revenue and Taxation
- 15 Code Section 12632 additional interest of \$5,817.43 is
- 16 due as of December 1, 2017 plus an additional penalty
- 17 of \$99,727.33 is due as of 12/13/2017. Attached hereto
- 18 Exhibit B-3 is a true and correct copy of the Notice of
- 19 Redetermination related to Exhibit A-3;
- 20 d. As of December 15, 2017, Respondent's unpaid
- 21 premium tax obligations for tax years 01/01/08 through
- 22 12/31/12 including interest and penalties total
- 23 \$5,223,644.24.
- 24 (M) Wherefore, the Insurance Commissioner has a reasonable
- 25 basis to conclude that Respondent's Certificate of Authority
- 26 be revoked for failure to pay taxes, interest, and penalties
- 27 due from it and shall be revoked unless Respondent can
- 28 establish that the taxes, interest and penalties currently

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outstanding and due have been paid.

IN WITNESS WHEREOF, I have hereto set my hand and have  
affixed my official seal this 22nd day of January 2018.

DAVE JONES  
Insurance Commissioner

By:

A handwritten signature in black ink, appearing to read 'K B Schnoll', written over a horizontal line.

KENNETH B. SCHNOLL  
Deputy Commissioner

## EXHIBIT A-1

**BILLING AND REFUND NOTICE**STATE OF CALIFORNIA  
BOARD OF EQUALIZATIONP.O. BOX 942879 SACRAMENTO, CALIFORNIA 94279-0056  
SPECIAL TAXES AND FEES

(800) 400-7115

ACCESS INSURANCE COMPANY  
PO BOX 105259, STATUTORY ACCOUNTING  
ATLANTA GA 30348

FOR BOE USE ONLY		
RE	PM	
EFFECTIVE DATE OF PAYMENT		
MO	DAY	YEAR

Account: IT STF 034-002432

Notice ID: 0001 4356 926	February 12, 2013
Amount Due	148,725.27
Amount enclosed	
Additional charges are due if not paid by 03/01/13 (See instructions below)	
6	

**\*\* Notice of Deficiency Assessment \*\***

You are hereby notified of an amount due from you as shown below.

Insurance Tax	TAX	Interest	Penalty	Total
INSURANCE TAX				
DEFICIENCY issued 02/12/13 As determined by Field Billing Order For the Period 01/01/08-12/31/11				
Revenue	1,047,437.87			1,047,437.87
Interest 04/02/09-03/01/13		148,725.27		148,725.27
Payment 12/18/12	-900,185.12	-147,252.75		-1,047,437.87
Subtotal	147,252.75	1,472.52	0.00	148,725.27
AMOUNT-DUE				148,725.27

Additional interest will accrue in accordance with Revenue and Taxation Code Section 12632 on the unpaid TAX at the rate of 0.500 % per month. Interest of 736.26 will accrue if the TAX is not paid on or before 03/01/13.

Additional penalty of \$ 14,725.28 is due if not paid by 03/14/13.

This Notice of Deficiency Assessment is issued pursuant to the desk-audit examination that disclosed unreported policy, endorsement and reinstatement fees. RE: Proposed Deficiency Assessment dated December 27, 2012 Examiner: Edward Ederaine

**Information Concerning Your Deficiency Assessment**

As an insurer or surplus line broker against whom a deficiency assessment has been made, you may file a petition for redetermination of the deficiency assessment within 30 days from the date shown at the top of this notice with the State Board of Equalization. It need not

Make your check payable to the State Controller's Office and mail to: State Controller's Office, Division of Accounting and Reporting, State Tax Accounting and Reporting Bureau, P.O. Box 942850, Sacramento, CA 94250-5880. Include a copy of this notice with your payment.

00027521701



SPECIAL TAXES AND FEES

(800) 400-7115

Account: IT STF 034-002432

** Notice of Deficiency Assessment ** Page 2		Notice ID: 0001 4356 926		February 12, 2013		6
Insurance Tax INSURANCE TAX		TAX	Interest	Penalty	Total	

be in any special form, but it must set forth the grounds of objection to the deficiency assessment and the correction sought. At the time the petition is filed with the board, a copy of the petition must also be filed with the Commissioner of Insurance. If you file a petition for redetermination, you should be prepared to submit documentary evidence to support the specific grounds upon request.

If a hearing before the State Board of Equalization is desired, it should be requested in the petition. If you request a hearing, an appeals conference with a staff counsel may be scheduled prior to the Board hearing. The Board will give the petitioner and the commissioner at least 20 days notice of the time and place of an oral hearing.

The filing of a petition for redetermination will not prevent the accrual of interest on any amounts due. However, if you file a timely petition for redetermination, the finality penalty referred to above will not apply unless you fail to pay the amount redetermined within 30 days after the date of a Notice of Redetermination.

If you have any questions regarding this assessment, please direct your inquiry to the following individual with a copy to our office:

Mr. David Okumura, PTAB, Senior Insurance Examiner (Sup)  
Department of Insurance, F.S.B.  
300 South Spring Street, South Tower, 14th Floor-Suite 14501  
Los Angeles, CA 90013  
Telephone (213) 346-6097  
E-mail: David.Okumura@insurance.ca.gov

Make remittances payable to:

State Controller's Office  
Division of Accounting and Reporting  
State Tax Accounting and Reporting Bureau  
P.O. Box 942850  
Sacramento, CA 94250-5880

Make your check payable to the State Controller's Office and mail to: State Controller's Office, Division of Accounting and Reporting, State Tax Accounting and Reporting Bureau, P.O. Box 942850, Sacramento, CA 94250-5880. Include a copy of this notice with your payment.

## EXHIBIT A-2

**BILLING AND REFUND NOTICE**STATE OF CALIFORNIA  
BOARD OF EQUALIZATIONP.O. BOX 942879 SACRAMENTO, CALIFORNIA 94279-0056  
SPECIAL TAXES AND FEES (800) 400-7115

FOR BOE USE ONLY		
RE	PM	
EFFECTIVE DATE OF PAYMENT		
MO	DAY	YEAR

ACCESS INSURANCE COMPANY  
PO BOX 105259, STATUTORY ACCOUNTING  
ATLANTA GA 30348

Account: IT STF 034-002432

Notice ID: 0001 4454 093	February 12, 2013
Amount Due	2,612,901.56
Amount enclosed	
Additional charges are due if not paid by 03/01/13 (See instructions below)	
4	

**\*\* Notice of Deficiency Assessment \*\***

You are hereby notified of an amount due from you as shown below.

Insurance Tax	TAX	Interest	Penalty	Total
INSURANCE TAX				
<p>DEFICIENCY issued 02/12/13 As determined by Field Billing Order For the Period 01/01/08-12/31/11</p>				
Revenue	2,280,482.16			2,280,482.16
Interest 04/02/09-03/01/13		332,419.40		332,419.40
Subtotal	2,280,482.16	332,419.40	0.00	2,612,901.56
AMOUNT-DUE				2,612,901.56
<p>*****</p> <p>Additional interest will accrue in accordance with Revenue and Taxation Code Section 12632 on the unpaid TAX at the rate of 0.500 % per month. Interest of 11,402.41 will accrue if the TAX is not paid on or before 03/01/13.</p> <p>Additional penalty of \$ 228,048.22 is due if not paid by 03/14/13.</p> <p>This Notice of Deficiency Assessment is issued pursuant to the desk-audit examination that disclosed unreported finance and billing charges. RE: Proposed Deficiency Assessment dated January 24, 2013, Examiner: Edward Ederaine</p> <p>Information Concerning Your Deficiency Assessment</p> <p>As an insurer or surplus line broker against whom a deficiency assessment has been made, you may file a petition for redetermination of the deficiency assessment within 30 days from the date shown at the top of this notice with the State Board of Equalization. It need not be in any special form, but it must set forth the grounds of objection</p>				

Make your check payable to the State Controller's Office and mail to: State Controller's Office, Division of Accounting and Reporting, State Tax Accounting and Reporting Bureau, P.O. Box 942850, Sacramento, CA 94250-5880. Include a copy of this notice with your payment.

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SPECIAL TAXES AND FEES

(800) 400-7115

Account: IT STF 034-002432

** Notice of Deficiency Assessment ** Page 2		Notice ID: 0001 4454 093		February 12, 2013		4
Insurance Tax INSURANCE TAX		TAX	Interest	Penalty	Total	

to the deficiency assessment and the correction sought. At the time the petition is filed with the board, a copy of the petition must also be filed with the Commissioner of Insurance. If you file a petition for redetermination, you should be prepared to submit documentary evidence to support the specific grounds upon request.

If a hearing before the State Board of Equalization is desired, it should be requested in the petition. If you request a hearing, an appeals conference with a staff counsel may be scheduled prior to the Board hearing. The Board will give the petitioner and the commissioner at least 20 days notice of the time and place of an oral hearing.

The filing of a petition for redetermination will not prevent the accrual of interest on any amounts due. However, if you file a timely petition for redetermination, the finality penalty referred to above will not apply unless you fail to pay the amount redetermined within 30 days after the date of a Notice of Redetermination.

If you have any questions regarding this assessment, please direct your inquiry to the following individual with a copy to our office:

Mr. David Okumura, PTAB, Senior Insurance Examiner (Sup)  
Department of Insurance, F.S.B.  
300 South Spring Street, South Tower, 14th Floor-Suite 14501  
Los Angeles, CA 90013  
Telephone (213) 346-6097  
E-mail: David.Okumura@insurance.ca.gov

Make remittances payable to:

State Controller's Office  
Division of Accounting and Reporting  
State Tax Accounting and Reporting Bureau  
P.O. Box 942850  
Sacramento, CA 94250-5880

Make your check payable to the State Controller's Office and mail to: State Controller's Office, Division of Accounting and Reporting, State Tax Accounting and Reporting Bureau, P.O. Box 942850, Sacramento, CA 94250-5880. Include a copy of this notice with your payment.

## EXHIBIT A-3

**BILLING AND REFUND NOTICE**STATE OF CALIFORNIA  
BOARD OF EQUALIZATIONP.O. BOX 942879 SACRAMENTO, CALIFORNIA 94279-0056  
SPECIAL TAXES AND FEES (800) 400-7115ACCESS INSURANCE COMPANY  
PO BOX 105171  
ATLANTA GA 30348

FOR BOE USE ONLY		
RE	PM	
EFFECTIVE DATE OF PAYMENT		
MO	DAY	YEAR

Account: IT STF 034-002432

Notice ID: 0001 6450 228	October 15, 2013
Amount Due	1,131,905.18
Amount enclosed	
Additional charges are due if not paid by 11/01/13 (See instructions below)	
	0

**\*\* Notice of Deficiency Assessment \*\***

You are hereby notified of an amount due from you as shown below.

Insurance Tax INSURANCE TAX	TAX	Interest	Penalty	Total
DEFICIENCY ISSUED 10/15/13 As determined by Field Billing Order For the Period 01/01/12-12/31/12				
Revenue	997,273.26			997,273.26
Interest 04/02/13-11/01/13		34,904.59		34,904.59
Penalty			99,727.33	99,727.33
Subtotal	997,273.26	34,904.59	99,727.33	1,131,905.18
AMOUNT-DUE				1,131,905.18

Additional interest will accrue in accordance with Revenue and Taxation Code Section 12632 on the unpaid TAX at the rate of 0.500 % per month. Interest of 4,986.37 will accrue if the TAX is not paid on or before 11/01/13.

A 10% penalty has been added for negligence in accordance with Revenue and Taxation Code section 12634.

Additional penalty of \$ 99,727.33 is due if not paid by 11/14/13.

This Notice of Deficiency Assessment is issued pursuant to a desk-audit examination which disclosed unreported policy fees. RE: Proposed Deficiency Assessment dated September 12, 2013 (PDA13-09-04)  
Examiner: Edward Ederaine

**Information Concerning Your Deficiency Assessment**

As an insurer or surplus line broker against whom a deficiency

Make your check payable to the State Controller's Office and mail to: State Controller's Office, Division of Accounting and Reporting, State Tax Accounting and Reporting Bureau, P.O. Box 942850, Sacramento, CA 94250-5880. Include a copy of this notice with your payment.

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SPECIAL TAXES AND FEES

(800) 400-7115

Account: IT STF 034-002432

** Notice of Deficiency Assessment ** Page 2		Notice ID: 0001 6450 228		October 15, 2013		0
Insurance Tax INSURANCE TAX		TAX	Interest	Penalty	Total	
<p>assessment has been made, you may file a petition for redetermination of the deficiency assessment within 30 days from the date shown at the top of this notice with the State Board of Equalization. It need not be in any special form, but it must set forth the grounds of objection to the deficiency assessment and the correction sought. At the time the petition is filed with the board, a copy of the petition must also be filed with the Commissioner of Insurance. If you file a petition for redetermination, you should be prepared to submit documentary evidence to support the specific grounds upon request.</p> <p>If a hearing before the State Board of Equalization is desired, it should be requested in the petition. If you request a hearing, an appeals conference with a staff counsel may be scheduled prior to the Board hearing. The Board will give the petitioner and the commissioner at least 20 days notice of the time and place of an oral hearing.</p> <p>The filing of a petition for redetermination will not prevent the accrual of interest on any amounts due. However, if you file a timely petition for redetermination, the finality penalty referred to above will not apply unless you fail to pay the amount redetermined within 30 days after the date of a Notice of Redetermination.</p> <p>If you have any questions regarding this assessment, please direct your inquiry to the following individual with a copy to our office:</p> <p>Mr. David Okumura, PTAB, Senior Insurance Examiner (Sup) Department of Insurance, F.S.B. 300 South Spring Street, South Tower, 14th Floor-Suite 14501 Los Angeles, CA 90013 Telephone (213) 346-6097 E-mail: David.Okumura@insurance.ca.gov</p> <p>Make remittances payable to:</p> <p>State Controller's Office Division of Accounting and Reporting State Tax Accounting and Reporting Bureau P.O. Box 942850 Sacramento, CA 94250-5880</p>						

Make your check payable to the State Controller's Office and mail to: State Controller's Office, Division of Accounting and Reporting, State Tax Accounting and Reporting Bureau, P.O. Box 942850, Sacramento, CA 94250-5880. Include a copy of this notice with your payment.

## EXHIBIT B-1



**BILLING AND REFUND NOTICE**STATE OF CALIFORNIA  
BOARD OF EQUALIZATIONP.O. BOX 942879 SACRAMENTO, CALIFORNIA 94279-0056  
SPECIAL TAXES AND FEES (800) 400-7115

FOR BOE USE ONLY		
RE	PM	
EFFECTIVE DATE OF PAYMENT		
MO	DAY	YEAR

ACCESS INSURANCE COMPANY  
PO BOX 105171  
ATLANTA GA 30348

Account: IT STF 034-002432

Notice ID: 0002 7741 191	November 13, 2017
Amount Due	192,041.90
Amount enclosed	
Additional charges are due if not paid by 12/01/17 (See instructions below)	

## \* Notice of Redetermination \*

You are hereby notified that the action indicated below was taken on your petition for redetermination.

Insurance Tax	TAX	Interest	Penalty	Total
INSURANCE TAX				
DEFICIENCY ISSUED 02/12/13 As determined by Field Billing Order For the Period 01/01/08-12/31/11				
Revenue	1,047,437.87			1,047,437.87
Interest 04/02/09-03/01/13		148,725.27		148,725.27
Payment 12/18/12	-900,185.12	-147,252.75		-1,047,437.87
Interest 03/02/13-12/01/17		43,316.63		43,316.63
Subtotal	147,252.75	44,789.15	0.00	192,041.90
AMOUNT - DUE				192,041.90

Did you know that approximately 96 percent of all taxes and fees administered by the BOE are filed and paid on time? We want to help you be successful in resolving your tax and fee matters and avoid potential problems.

Additional interest will accrue in accordance with Revenue and Taxation Code Section 12632 on the unpaid TAX at the rate of 0.583 % per month. Interest of 858.97 will accrue if the TAX is not paid on or before 12/01/17.

Additional penalty of \$ 14,725.28 is due if not paid by 12/13/17.

On October 13, 2017 you withdrew your request for an oral hearing. Therefore, pursuant to the Decision and Recommendation dated March 11, 2016, your petition for redetermination has been denied without adjustment.

Make your check payable to the State Controller's Office and mail to: State Controller's Office, Departmental Accounting Office, P.O. Box 942850, Sacramento, CA 94250-0001. Include a copy of this notice with your payment.

00046663483

SPECIAL TAXES AND FEES

(800) 400-7115

Account: IT STF 034-002432

" Notice of Redetermination " Page 2		Notice ID: 0002 7741 191		November 13, 2017		-
Insurance Tax INSURANCE TAX		TAX	Interest	Penalty	Total	
<p>Case ID: 722272 petition for redetermination dated March 13, 2013.</p> <p>Make remittances payable to:</p> <p>State Controller's Office Departmental Accounting Office Insurance Tax Program P.O. Box 942850 Sacramento, CA 94250-0001</p>						

Make your check payable to the State Controller's Office and mail to: State Controller's Office, Departmental Accounting Office, P.O. Box 942850, Sacramento, CA 94250-0001. Include a copy of this notice with your payment.

## EXHIBIT B-2

**BILLING AND REFUND NOTICE**STATE OF CALIFORNIA  
BOARD OF EQUALIZATIONP.O. BOX 942879 SACRAMENTO, CALIFORNIA 94279-0056  
SPECIAL TAXES AND FEES (800) 400-7115ACCESS INSURANCE COMPANY  
PO BOX 105171  
ATLANTA GA 30348

FOR BOE USE ONLY		
RE	PM	
EFFECTIVE DATE OF PAYMENT		
MO	DAY	YEAR

Account: IT STF 034-002432

Notice ID: 0002 7934 663	November 13, 2017
Amount Due	3,283,743.33
Amount enclosed	
Additional charges are due if not paid by 12/01/17 (See instructions below)	
0	

## \* Notice of Redetermination \*

You are hereby notified that the action indicated below was  
taken on your petition for redetermination.Insurance Tax  
INSURANCE TAX

TAX

Interest

Penalty

Total

DEFICIENCY ISSUED 02/12/13  
As determined by Field Billing Order  
For the Period 01/01/08-12/31/11

Revenue	2,280,482.16			2,280,482.16
Interest 04/02/09-12/01/17		1,003,261.17		1,003,261.17
Subtotal	2,280,482.16	1,003,261.17	0.00	3,283,743.33

AMOUNT-DUE

3,283,743.33

\*\*\*\*\*

Did you know that approximately 96 percent of all taxes and fees administered by the BOE are filed and paid on time? We want to help you be successful in resolving your tax and fee matters and avoid potential problems.

Additional interest will accrue in accordance with Revenue and Taxation Code Section 12632 on the unpaid TAX at the rate of 0.583 % per month. Interest of 13,302.81 will accrue if the TAX is not paid on or before 12/01/17.

Additional penalty of \$ 228,048.22 is due if not paid by 12/13/17.

On October 13, 2017 you withdrew your request for an oral hearing. Therefore, pursuant to the Decision and Recommendation dated March 11, 2016, your petition for redetermination has been denied without adjustment.

Case ID: 722274 petition for redetermination dated March 13, 2013.

Make your check payable to the State Controller's Office and mail to: State Controller's Office, Departmental Accounting Office, P.O. Box 942850, Sacramento, CA 94250-0001. Include a copy of this notice with your payment.

00046693396

SPECIAL TAXES AND FEES

(800) 400-7115

Account: IT STF 034-002432

* Notice of Redetermination * Page 2		Notice ID: 0002 7934 663		November 13, 2017		0
Insurance Tax INSURANCE TAX		TAX	Interest	Penalty	Total	
<p>Make remittances payable to:</p> <p>State Controller's Office Departmental Accounting Office Insurance Tax Program P.O. Box 942850 Sacramento, CA 94250-0001</p>						

Make your check payable to the State Controller's Office and mail to: State Controller's Office, Departmental Accounting Office, P.O. Box 942850, Sacramento, CA 94250-0001. Include a copy of this notice with your payment.

## EXHIBIT B-3

**BILLING AND REFUND NOTICE**STATE OF CALIFORNIA  
BOARD OF EQUALIZATIONP.O. BOX 942879 SACRAMENTO, CALIFORNIA 94279-0056  
SPECIAL TAXES AND FEES (800) 400-7115

FOR BOE USE ONLY		
RE	PM	
EFFECTIVE DATE OF PAYMENT		
MO	DAY	YEAR

ACCESS INSURANCE COMPANY  
PO BOX 105171  
ATLANTA GA 30348

Account: IT STF 034-002432

Notice ID: 0002 7682 584	November 13, 2017
Amount Due	1,385,378.97
Amount enclosed	
Additional charges are due if not paid by 12/01/17 (See instructions below)	
8	

## \* Notice of Redetermination \*

You are hereby notified that the action indicated below was  
taken on your petition for redetermination.

Insurance Tax	TAX	Interest	Penalty	Total
INSURANCE TAX				
DEFICIENCY ISSUED 10/15/13 As determined by Field Billing Order For the Period 01/01/12-12/31/12				
Revenue	997,273.26			997,273.26
Interest 04/02/13-12/01/17		288,378.38		288,378.38
Penalty			99,727.33	99,727.33
Subtotal	997,273.26	288,378.38	99,727.33	1,385,378.97
AMOUNT-DUE				1,385,378.97

Did you know that approximately 96 percent of all taxes and fees administered by the BOE are filed and paid on time? We want to help you be successful in resolving your tax and fee matters and avoid potential problems.

Additional interest will accrue in accordance with Revenue and Taxation Code Section 12632 on the unpaid TAX at the rate of 0.583 % per month. Interest of 5,817.43 will accrue if the TAX is not paid on or before 12/01/17.

Additional penalty of \$ 99,727.33 is due if not paid by 12/13/17.

On October 13, 2017 you withdrew your request for an oral hearing. Therefore, pursuant to the Decision and Recommendation dated March 11, 2016, your petition for redetermination has been denied without adjustment.

Case ID: 777695 petition for redetermination dated November 13, 2013.

Make your check payable to the State Controller's Office and mail to: State Controller's Office, Departmental Accounting Office, P.O. Box 942850, Sacramento, CA 94250-0001. Include a copy of this notice with your payment.

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SPECIAL TAXES AND FEES

(800) 400-7115

Account: IT STF 034-002432

* Notice of Redetermination * Page 2	Notice ID: 0002 7682 584	November 13, 2017	8	
Insurance Tax INSURANCE TAX	TAX	Interest	Penalty	Total
<p>Make remittances payable to:</p> <p>State Controller's Office Departmental Accounting Office Insurance Tax Program P.O. Box 942850 Sacramento, CA 94250-0001</p>				

Make your check payable to the State Controller's Office and mail to: State Controller's Office, Departmental Accounting Office, P.O. Box 942850, Sacramento, CA 94250-0001. Include a copy of this notice with your payment.



**PROOF OF SERVICE**  
**In the Matter of ACCESS INSURANCE COMPANY**  
**Case No. SF OSC 2018-00003**

I am over the age of eighteen years and am not a party to the within action. I am an employee of the Department of Insurance, State of California, employed at 45 Fremont Street, 19th Floor, San Francisco, California 94105. On January 22, 2018, I served the following document(s):

**ORDER TO SHOW CAUSE RE: CEASE AND DESIST ORDER;  
INSURANCE CODE SECTION 1065.1**

on all persons named on the attached Service List, by the method of service indicated, as follows:

If **U.S. MAIL** is indicated, by placing on this date, true copies in sealed envelopes, addressed to each person indicated, in this office's facility for collection of outgoing items to be sent by mail, pursuant to Code of Civil Procedure Section 1013. I am familiar with this office's practice of collecting and processing documents placed for mailing by U.S. Mail. Under that practice, outgoing items are deposited, in the ordinary course of business, with the U.S. Postal Service on that same day, with postage fully prepaid, in the city and county of San Francisco, California.

If **OVERNIGHT SERVICE** is indicated, by placing on this date, true copies in sealed envelopes, addressed to each person indicated, in this office's facility for collection of outgoing items for overnight delivery, pursuant to Code of Civil Procedure Section 1013. I am familiar with this office's practice of collecting and processing documents placed for overnight delivery. Under that practice, outgoing items are deposited, in the ordinary course of business, with an authorized courier or a facility regularly maintained by one of the following overnight services in the city and county of San Francisco, California: Express Mail, UPS, Federal Express, or Golden State overnight service, with an active account number shown for payment.

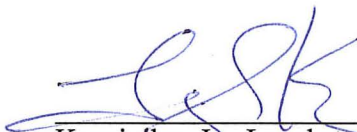
If **FAX SERVICE** is indicated, by facsimile transmission this date to fax number stated for the person(s) so marked.

If **PERSONAL SERVICE** is indicated, by hand delivery this date.

If **INTRA-AGENCY MAIL** is indicated, by placing this date in a place designated for collection for delivery by Department of Insurance intra-agency mail.

If **EMAIL** is indicated, by electronic mail transmission this date to the email address(es) listed.

Executed this date at San Francisco, California. I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

  
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Komjathy, Jr., Laszlo

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**SERVICE LIST**  
**In the Matter of ACCESS INSURANCE COMPANY**  
**Case No. SF OSC 2018-00003**

<u>Name/Address</u>	<u>Phone/Fax Numbers</u>	<u>Method of Service</u>
JOHN SEBASTINELLI 4 Embarcadero Center Suite 3000 San Francisco, CA	Ph. 415 655-1289 Fax 415 358-4796	Personal Service
Agent for Service		