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FILED 

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Department of Insurance
State of Idaho

Attorneys for Department of Insurance

BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE

STATE OF IDAHO

In the Matter of:

FINANCIAL GUARANTY INSURANCE
COMPANY,

Certificate of Authority No. 1637
NAIC No. 12815.

Docket No. 18-2584-10

**ORDER OF CONTINUATION OF
SUSPENSION OF CERTIFICATE OF
AUTHORITY**

WHEREAS, FINANCIAL GUARANTY INSURANCE COMPANY ("FINANCIAL GUARANTY"), a New York state domiciled insurer licensed for property and casualty insurance in the state of Idaho, has been suspended by the Idaho Department of Insurance by order dated January 6, 2010, pursuant to the provisions of Idaho Code § 41-326(1)(b); and

WHEREAS, FINANCIAL GUARANTY is required to have capital of One Million Dollars (\$1,000,000) and surplus of One Million Dollars (\$1,000,000) pursuant to Idaho Code § 41-313; and, as of June 30, 2010, FINANCIAL GUARANTY reported a negative surplus of Two Billion One Million Eight Hundred Sixty-seven Thousand Six Hundred Ninety-four Dollars (-\$2,001,867,694), as reflected in its June 30, 2010, Statutory Financial Statement, and therefore

no longer meets the requirements for maintaining surplus set forth at Idaho Code § 41-313, and therefore does not meet the requirements for a certificate of authority in the state of Idaho; and

WHEREAS, the Superintendent of Insurance of the New York Insurance Department entered an order dated November 24, 2009, requiring FINANCIAL GUARANTY to submit a Surplus Restoration Plan based on findings of its impaired financial status;

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to provisions of Idaho Code § 41-326(1)(b) (based on deficiency of surplus) and § 41-327(3) (based on delinquency proceedings), that Certificate of Authority No. 1637 issued to FINANCIAL GUARANTY be CONTINUED IN SUSPENSION effective immediately; and said suspension be continued for a period of one (1) year from the date of this order. The Director may terminate the suspension sooner if the cause for said suspension is terminated and FINANCIAL GUARANTY is otherwise in compliance with the provisions of Title 41, Idaho Code.

IT IS FURTHER ORDERED that FINANCIAL GUARANTY comply with each of the requirements of Idaho Code § 41-329, including § 41-329(2) which states: "During the suspension period the insurer shall not solicit or write any new business in this state, but shall file its annual statement, pay fees, licenses, and taxes as required under this code, and may service its business already in force in this state, as if the certificate of authority had continued in force."

IT IS FURTHER ORDERED, pursuant to the provisions of Idaho Code § 41-330, that FINANCIAL GUARANTY, within four (4) days after notice of this suspension is received, notify, by any available means, every person authorized to write business by said insurance company in the state of Idaho, to immediately cease any further writing of such business.

NOTIFICATION OF RIGHTS

This is a final order of the agency. Any party may file a motion for reconsideration of this

final order within fourteen (14) days of the service date of this order. The agency will dispose of the petition for reconsideration within twenty-one (21) days of its receipt, or the petition will be considered denied by operation of law. *See* section 67-5246(4), Idaho Code.

Pursuant to sections 67-5270 and 67-5272, Idaho Code, any party aggrieved by this final order or orders previously issued in this case may appeal this final order and all previously issued orders in this case to district court by filing a petition in the district court of the county in which:

- i. A hearing was held,
- ii. The final agency action was taken,
- iii. The party seeking review of the order resides, or operates its principal place of business in Idaho, or
- iv. The real property or personal property that was the subject of the agency action is located.

An appeal must be filed within twenty-eight (28) days (a) of this final order, (b) of an order denying any petition for reconsideration, or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration, whichever is later. *See* section 67-5273, Idaho Code. The filing of an appeal to district court does not itself stay the effectiveness or enforcement of the order under appeal.

DATED and EFFECTIVE this 1ST day of December 2010.



WILLIAM W. DEAL
Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have, on this 1st day of December 2010, caused a true and correct copy of the foregoing order to be served upon the following by the designated means:

Financial Guaranty Insurance Company
125 Park Avenue
New York, NY 10017

- ☒ first class mail
- ☒ certified mail
- ☐ hand delivery
- ☐ via facsimile

Idaho Guaranty Association
Attn: Dave Edwards
Western Guaranty Fund Services
dedwards@wgfs.org

- ☐ first class mail
- ☐ certified mail
- ☐ hand delivery
- ☒ via email

Thomas A. Donovan
Deputy Attorney General
Idaho Department of Insurance
P.O. Box 83720
Boise, ID 83720-0043

- ☐ first class mail
- ☐ certified mail
- ☒ hand delivery
- ☐ via facsimile



Teresa Jones
Assistant to the Director