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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. 18-2584-11

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

WHEREAS, Certificate of Authority No. 1637 issued to FINANCIAL GUARANTY INSURANCE COMPANY ("FINANCIAL GUARANTY"), a New York-domiciled insurer licensed to transact property and casualty insurance in the state of Idaho under said certificate of authority, has been suspended by the Director of the Idaho Department of Insurance by orders dated January 6, 2010, and December 1, 2010, pursuant to Idaho Code § 41-326(1)(b); and

WHEREAS, FINANCIAL GUARANTY is required to maintain capital of One Million Dollars (\$1,000,000) and surplus of One Million Dollars (\$1,000,000) pursuant to Idaho Code § 41-313, however, as of June 30, 2011, FINANCIAL GUARANTY has reported a surplus of negative Three Billion Forty-three Million Thirty Thousand Nine Hundred Eighty Dollars (-\$3,043,030,980), as reflected in its statutory financial statement of that date, and therefore does

not meet the requirements for maintaining surplus set forth at Idaho Code § 41-313, and 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 Idaho Code § 41-326(1)(b) (based on deficiency of surplus) and § 41-327(3) (based on the filing of a delinquency proceeding), that Certificate of Authority No. 1637 issued to FINANCIAL GUARANTY be CONTINUED IN SUSPENSION effective immediately for a period of one (1) year from the date of this Order. The Director may terminate the license suspension sooner if the cause of said suspension is corrected and FINANCIAL GUARANTY is otherwise in compliance with the provisions of title 41, Idaho Code.

IT IS FURTHER ORDERED that FINANCIAL GUARANTY comply with the requirements of Idaho Code § 41-329, including § 41-329(2), which provides: "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 full force."

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

NOTIFICATION OF RIGHTS

This is a final order of the Department. 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* Idaho Code § 67-5246(4).

Pursuant to Idaho Code §§ 67-5270 and 67-5272, 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 of (a) the service date of this final order, (b) an order denying petition for reconsideration, or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration, whichever is later. *See* Idaho Code § 67-5273. The filing of an appeal to district court does not itself stay the effectiveness or enforcement of the order under appeal.

DATED this 20th day of October 2011.

STATE OF IDAHO
DEPARTMENT OF INSURANCE



WILLIAM W. DEAL
Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that, on this 20th day of October 2011, I 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

A. René Martin
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