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FILED *43*

AUG 27 2007

Department of Insurance
State of Idaho

BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE

STATE OF IDAHO

| | | |
|----------------------------------|---|--------------------------|
| In the Matter of: |) | |
| |) | Docket No. 18-2399-07 |
| FIREMAN’S FUND INSURANCE COMPANY |) | |
| Certificate of Authority No. 303 |) | ORDER GRANTING |
| NAIC No. 21873 |) | REQUEST FOR |
| |) | BLOCK NON-RENEWAL |
| NATIONAL SURETY CORPORATION |) | |
| Certificate of Authority No. 977 |) | |
| NAIC No. 21881 |) | |
| |) | |
| THE AMERICAN INSURANCE COMPANY |) | |
| Certificate of Authority No. 222 |) | |
| NAIC No. 21857 |) | |
| _____ |) | |

The Director of the Department of Insurance (“Department”) of the State of Idaho, having read and being fully apprised of the FIREMAN’S FUND INSURANCE COMPANY, and NATIONAL SURETY CORPORATION, and THE AMERICAN INSURANCE COMPANY (“Petitioners”) request for permission to block non-renew its Surety Bond policies in Idaho; and

Petitioners, having made their request to the Director received by the Department on August 14, 2007, and in light of Idaho Code § 41-1841 and good cause appearing therefor;

IT IS HEREBY ORDERED that the Petitioner is allowed, pursuant to Idaho Code § 41-1841, to effectuate a block non-renewal of its Surety Bond policies in Idaho (consisting of one (1) policy) beginning no sooner than one hundred twenty (120) days from its August 14, 2007 request, which is December 12, 2007. The Petitioner is to provide reasonable notice to policyholders affected by the non-renewals allowed by this order in accordance with Idaho Code § 41-1842. This order is a final order and is effective immediately unless a party seeks reconsideration before the Director within fourteen (14) days per Idaho Code § 67-5246(5).

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.

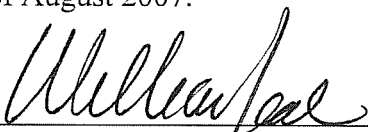
Pursuant to Sections 67-5270 and 67-5272, Idaho Code, any party aggrieved by this final order or orders previously issued in this case may appeal this final order and all previously issued orders in this case to district court by filing a petition in the district court of the county in which:

- 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 the service date of this final order, (b) of 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* 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 27th day of August 2007.



WILLIAM W. DEAL, Director
Idaho Department of Insurance

CERTIFICATE OF SERVICE

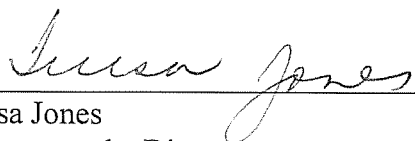
I HEREBY CERTIFY that I have on this 27th day of August 2007, caused a true and correct copy of the foregoing order to be served upon the following by the designated means:

Richard A. Kowalczyk
Senior Director, Surety
Fireman's Fund Insurance Companies
777 San Marin Drive
Novato, CA 94998

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

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



Teresa Jones
Assistant to the Director