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**FILED** *af*

**JAN 08 2010**

**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 SUSPENSION OF  
CERTIFICATE OF AUTHORITY**

WHEREAS, FINANCIAL<sup>5</sup> GUARANTY INSURANCE COMPANY (“FINANCIAL GUARANTY”), a New York state domiciled insurer licensed for property and casualty insurance in the state of Idaho, 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 September 30, 2009, FINANCIAL GUARANTY reported a negative surplus of One Billion One Hundred Eighty Million Eight Hundred Thirty-four Thousand Five Hundred Seventy-seven Dollars (-\$1,180,834,577), as reflected in its September 30, 2009 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;

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to provisions of Idaho Code § 41-326(1)(b), that Certificate of Authority No. 1637 issued to FINANCIAL GUARANTY be SUSPENDED 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.

IT IS FURTHER ORDERED, that FINANCIAL GUARANTY promptly return Certificate of Authority No. 1637 to the Idaho Department of Insurance, as required by Idaho Code § 41-323(2).

### **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 this 6<sup>TH</sup> day of January 2010.

  
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WILLIAM W. DEAL  
Director

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that I have on this 6th day of January 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  
Nick Stevenson Santoro  
125 Park Avenue  
New York, NY 10017

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

New York Department of Insurance  
James J. Wrynn – Superintendent  
25 Beaver Street  
New York, NY 10004-2319

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

Idaho Guaranty Association  
Attn: Dave Edwards  
Western Guaranty Fund Services  
[dedwards@wgfs.org](mailto: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

  
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Teresa Jones  
Assistant to the Director