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MAR 05 2012

Department of Insurance  
State of Idaho

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE**

**STATE OF IDAHO**

In the Matter of:

AF&L INSURANCE COMPANY

Certificate of Authority No. 2859  
NAIC No. 35963

Docket No. 18-2302-12

**ORDER CONTINUING SUSPENSION  
OF CERTIFICATE OF AUTHORITY**

WHEREAS, Certificate of Authority No. 2859 issued to AF&L INSURANCE COMPANY (AF&L), a Pennsylvania-domiciled insurer licensed for 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 (Director) by orders dated May 4, 2005; July 26, 2006; June 12, 2007; May 19, 2008; June 9, 2009; May 4, 2010; and April 6, 2011, pursuant to Idaho Code § 41-326(1)(b); and

WHEREAS, AF&L 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 December 31, 2011, AF&L reported a surplus of negative Three Million Six Hundred Eighty-two Thousand Four Hundred Five Dollars (-\$3,682,405), as reflected in its statutory financial

statement of that date, and therefore does not meet the requirements for maintaining surplus set forth in Idaho Code § 41-313 and fails to meet the requirements for maintaining a certificate of authority in the state of Idaho;

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to Idaho Code § 41-326(1)(b), that Certificate of Authority No. 2859 issued to AF&L be CONTINUED IN SUSPENSION, effective immediately, 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 corrected and AF&L is otherwise in compliance with title 41, Idaho Code.

IT IS FURTHER ORDERED that AF&L 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(1), that, within four (4) days after notice of this suspension is provided, AF&L 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 insurance business for AF&L in Idaho.

#### **NOTIFICATION OF RIGHTS**

This is a final order of the Director. 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).

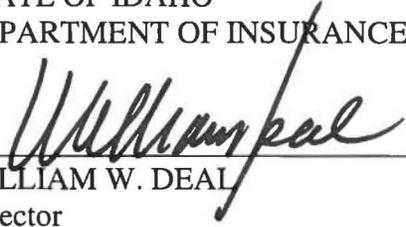
Pursuant to Idaho Code §§ 67-5270 and 67-5272, any party aggrieved by this final order or orders previously issued in this case may appeal this final order and all previously issued orders in this case to district court by filing a petition in the district court of the county in which:

- 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 5<sup>TH</sup> day of March, 2012.

STATE OF IDAHO  
DEPARTMENT OF INSURANCE

  
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WILLIAM W. DEAL  
Director

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that, on this 5th day of March, 2012, I caused a true and correct copy of the foregoing ORDER CONTINUING SUSPENSION OF CERTIFICATE OF AUTHORITY to be served upon the following by the designated means:

AF&L Insurance Company  
165 Veterans Way, Suite 300  
Warminster, PA 18974

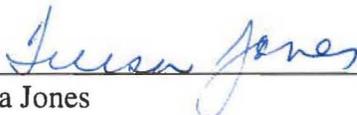
- first class mail
- certified mail
- hand delivery
- facsimile
- email

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

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

  
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Teresa Jones