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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. 18-2584-13

**ORDER CONTINUING SUSPENSION OF  
CERTIFICATE OF AUTHORITY**

WHEREAS, Certificate of Authority No. 1637 issued to FINANCIAL GUARANTY INSURANCE COMPANY (FINANCIAL GUARANTY), a New York-domiciled company authorized to transact surety 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 January 6, 2010; December 1, 2010; October 20, 2011; and September 17, 2012, pursuant to Idaho Code § 41-326 and § 41-327; and

WHEREAS, FINANCIAL GUARANTY is required to maintain surplus of One Million Dollars (\$1,000,000) pursuant to Idaho Code § 41-313; however, as of March 31, 2013, FINANCIAL GUARANTY reported a surplus of negative Three Billion Forty-one Million One Hundred Twelve Thousand Two Hundred Twenty Dollars (-\$3,041,112,220), 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 thus does not meet the requirements for holding a certificate of authority in the state of Idaho; and

WHEREAS, FINANCIAL GUARANTY was placed into rehabilitation on June 28, 2012, by order of the Supreme Court of the State of New York, County of New York, in Index No. 401265/2012, based on the petition of the Superintendent of Financial Services of the State of New York, and remains in such status as of the current date;

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 rehabilitation proceedings continuing in place), 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 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(1), 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 insurance business for FINANCIAL GUARANTY in Idaho.

DATED this 9<sup>th</sup> day of August, 2013.

STATE OF IDAHO  
DEPARTMENT OF INSURANCE

  
For WILLIAM W. DEAL  
Director

**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.

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that, on this 9<sup>th</sup> day of August, 2013, 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:

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](mailto: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

  
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Teresa Jones  
Assistant to the Director