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Department of Insurance
State of Idaho

Attorneys for Department of Insurance

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE
OF THE STATE OF IDAHO**

In the Matter of:

AF&L INSURANCE COMPANY

Certificate of Authority No. 2859
NAIC ID No. 35963

Docket No. 18-2302-13

**ORDER CONTINUING SUSPENSION
OF CERTIFICATE OF AUTHORITY**

Idaho Certificate of Authority No. 2859 issued to AF&L INSURANCE COMPANY (AF&L), a Pennsylvania-domiciled insurer licensed to transact disability insurance, excluding managed care, in the state of Idaho under said certificate of authority, was suspended by the Director of the Idaho Department of Insurance (Director) by orders entered May 4, 2005; July 26, 2006; June 12, 2007; May 19, 2008; June 9, 2009; May 4, 2010; April 6, 2011; March 5, 2012; and January 24, 2013.

As of September 30, 2013, AF&L reported capital of three million seven hundred fifty thousand dollars (\$3,750,000) and surplus of negative three million seven hundred forty-four

thousand eight hundred fifty dollars (-\$3,744,850), as reflected in its statutory financial statement of that date.

The Director, having reviewed the foregoing and the requirements of Idaho Code §§ 41-313(1) and 41-326(1)(b), and good cause appearing therefor,

THE DIRECTOR HEREBY FINDS that AF&L does not meet the requirements for maintaining surplus set forth at Idaho Code § 41-313(1), and thus fails to meet the requirements for holding 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 shall comply with 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 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, unless AF&L has already taken such action pursuant to prior order of suspension by the Director.

DATED this 23RD day of December, 2013.

STATE OF IDAHO
DEPARTMENT OF INSURANCE



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 23rd day of December, 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:

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

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

Pennsylvania Insurance Department
Michael Consedine, Commissioner
1326 Strawberry Square, 13th Floor
Harrisburg, PA 17120

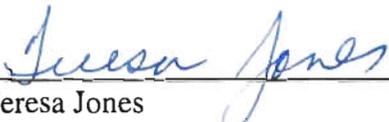
- first class mail
- certified mail
- hand delivery
- facsimile
- email

Candie Kinch
Idaho Life and Health Guaranty Association
3355 N. Five Mile Road #210
Boise, ID 83713
ckinch@idlifega.org

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

A. René Martin
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Idaho Department of Insurance
P.O. Box 83720
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- facsimile
- email



Teresa Jones
Assistant to the Director