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Department of Insurance
State of Idaho

Attorneys for the 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. 18-2584-14

**ORDER CONTINUING SUSPENSION OF
CERTIFICATE OF AUTHORITY**

Idaho Certificate of Authority No. 1637 issued to FINANCIAL GUARANTY INSURANCE COMPANY (FINANCIAL GUARANTY), a New York-domiciled insurer licensed to transact surety insurance in the state of Idaho under said certificate of authority, was suspended by the Director of the Idaho Department of Insurance (Director) by orders dated January 6, 2010; December 1, 2010; October 20, 2011; September 17, 2012; and August 9, 2013.

As of March 31, 2014, FINANCIAL GUARANTY reported capital of three hundred fifteen million dollars (\$315,000,000) and surplus of negative two hundred forty-eight million

six hundred thousand dollars (-\$248,600,000), 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 FINANCIAL GUARANTY 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 Idaho 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 suspension sooner if the cause for 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, unless such action has already been taken pursuant to prior order of the Director.

DATED this 7th day of July, 2014.

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 7th day of July, 2014, 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

New York Dept. of Financial Services
Benjamin M. Lawsky, Superintendent
One State Street
New York, NY 10004

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

Idaho Guaranty Association
Western Guaranty Fund Services
Attn: Dave Edwards
dedwards@wgfs.org

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

Brandon Karpen
Deputy Attorney General
Idaho Department of Insurance
P.O. Box 83720
Boise, ID 83720-0043

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



Teresa Jones
Assistant to the Director