

LAWRENCE G. WASDEN
Attorney General

EDITH L. PACILLO, ISB No. 5430
Lead Deputy Attorney General
State of Idaho
Department of Insurance
700 W. State Street, 3rd Floor
P.O. Box 83720
Boise, Idaho 83720-0043
Telephone: (208) 334-4204
Facsimile: (208) 334-4298
edith.pacillo@doi.idaho.gov

FILED
MAY 10 2019 AM
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:

FIRST SEALORD SURETY, INC.

Certificate of Authority No. 3978
NAIC ID No. 28519

Docket No. 18-2745-19

**ORDER REVOKING CERTIFICATE
OF AUTHORITY**

Idaho Certificate of Authority No. 3978 issued to FIRST SEALORD SURETY, INC. (“FIRST SEALORD”), a Pennsylvania-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 entered March 20, 2012; February 6, 2013; January 3, 2014; November 20, 2014; October 16, 2015; September 13, 2016; August 1, 2017; and June 25, 2018.

Pursuant to Idaho Code §§ 41-324(1) and 41-335(1), among other requirements, to continue its Idaho certificate of authority, an insurer is required by March 1 of each year to pay a continuation fee and to file an annual financial statement for the preceding calendar year. Any

certificate of authority not so continued by the insurer shall expire. Idaho Code § 41-324(2).

According to records of the Idaho Department of Insurance (“Department”), FIRST SEALORD failed to file its annual statement for calendar years 2011 through 2018. Further, FIRST SEALORD failed to pay the required annual continuation fee for calendar years 2015 through 2019.

On February 8, 2012, FIRST SEALORD was placed into liquidation by order of the Commonwealth Court of Pennsylvania, in Case No. 1 FSS 2012, based on the petition of the Insurance Commissioner for the State of Pennsylvania. On or about April 19, 2018, the court entered an order discharging the liquidator and indicating that final distribution of the estate assets had been completed. The court’s order reflected a balance of \$126,065 in undistributed funds remained and would be used to pay administrative expenses.

Among other requirements to qualify for and maintain authority to transact insurance in Idaho, pursuant to Idaho Code § 41-313(1), FIRST SEALORD is required to possess at least One Million Dollars (\$1,000,000) each in paid-up capital stock and surplus.

Idaho Code § 41-326 provides at subsection (1)(b) that the Director shall refuse to continue or shall suspend or revoke a foreign insurer’s Idaho certificate of authority if the insurer “no longer meets the requirements for the authority, on account of deficiency of assets or otherwise.” It further provides, at subsection (2), that, in cases of insolvency, the Director may take such action without first holding a hearing.

The Director, having reviewed the foregoing and the requirements of Idaho Code §§ 41-324, 41-335, and 41-326, hereby finds that Certificate of Authority No. 3978 issued to FIRST SEALORD is EXPIRED pursuant to Idaho Code § 41-324(2), and further finds that FIRST SEALORD is insolvent and fails to meet the minimum requirements for capital and surplus.

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to Idaho Code § 41-326(1)(b), that Certificate of Authority No. 3978 issued to FIRST SEALORD is REVOKED effective immediately.

IT IS FURTHER ORDERED, pursuant to Idaho Code § 41-330(1), that, within four (4) days after notice of this revocation is provided, FIRST SEALORD 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 FIRST SEALORD in Idaho.

DATED this 18 day of May, 2019.

STATE OF IDAHO
DEPARTMENT OF INSURANCE



DEAN L. CAMERON
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.

A petition for judicial review must be filed within twenty-eight (28) days of: (a) the service date of this final order, (b) the service of an order denying motion for reconsideration, or (c) the failure within twenty-one (21) days to grant or deny a motion for reconsideration, whichever is later. *See* Idaho Code § 67-5273. The filing of a petition for judicial review does not itself stay the effectiveness or enforcement of the order under appeal. Idaho Code § 67-5274.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that, on this 10th day of May, 2019, I caused a true and correct copy of the foregoing ORDER REVOKING CERTIFICATE OF AUTHORITY to be served upon the following by the designated means:

First Sealord Surety, Inc. (in liquidation)
Pennsylvania Insurance Department
Jessica Altman, Commissioner
1326 Strawberry Square, 13th Floor
Harrisburg, PA 17120

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

Idaho Guaranty Association
Western Guaranty Fund Services
Attn: Chad Anderson, President
canderson@wgfs.org

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

Edith L. Pacillo
Lead Deputy Attorney General
Idaho Department of Insurance
P.O. Box 83720
Boise, ID 83720-0043

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



Pamela Murray