

**FILED**  
**FEB 03 2020**  
Department of Insurance  
State of Idaho

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

**STATE OF IDAHO**

In the Matter of:

NORTH CAROLINA MUTUAL LIFE  
INSURANCE COMPANY

Certificate of Authority No. 1205  
NAIC No. 67032

Docket No. 18-3628-20

**ORDER CONTINUING SUSPENSION  
OF CERTIFICATE OF AUTHORITY**

Idaho Certificate of Authority No. 1205 issued to NORTH CAROLINA MUTUAL LIFE INSURANCE COMPANY (“NC MUTUAL”), a North Carolina-domiciled insurer licensed to transact life and 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 order entered March 11, 2019.

On December 3, 2018, NC MUTUAL was placed under an Order of Rehabilitation by the Superior Court of Wake County, North Carolina, in Case No. 18 CVS 14480, based on the petition of the Director of the North Carolina Commissioner of Insurance and the consent of the board of directors of NC MUTUAL.

Among other requirements to qualify for and maintain authority to transact insurance in Idaho, pursuant to Idaho Code § 41-313(1), NC MUTUAL is required to possess at least One Million Dollars (\$1,000,000) each in unimpaired basic surplus and additional surplus.

As of November 30, 2018, NC MUTUAL possessed total surplus of negative Twenty-nine Million Two Hundred Thirty-three Thousand Seventy-six Dollars (-\$29,233,076), as reflected in the Rehabilitator's Monthly Report filed in the above-referenced rehabilitation proceeding on February 1, 2019.

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 or impairment of required capital or surplus, the Director may take such action without first holding a hearing.

Idaho Code § 41-327(3) provides that the Director may, without advance notice or hearing, "immediately suspend the certificate of authority of any insurer as to which proceedings for receivership, conservatorship, rehabilitation, or other delinquency proceedings, have been commenced in any state by the public insurance supervisory official of such state."

The Director, having reviewed the foregoing and the requirements of Idaho Code §§ 41-313(1), 41-326(1)(b), and 41-327(3), and good cause appearing therefor,

The Director hereby finds that NC MUTUAL does not meet the requirements for maintaining surplus set forth at Idaho Code § 41-313(1), and thus does not meet the requirements for holding a certificate of authority in the state of Idaho.

The Director hereby further finds that NC MUTUAL is subject to delinquency proceedings within the meaning of Idaho Code § 41-327(3).

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to Idaho Code §§ 41-326(1)(b) and 41-327(3), that Certificate of Authority No. 1205 issued to NC MUTUAL 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 NC MUTUAL is otherwise in compliance with title 41, Idaho Code.

IT IS FURTHER ORDERED that NC MUTUAL 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, NC MUTUAL 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 NC MUTUAL in Idaho, unless NC MUTUAL has already taken such action pursuant to prior order of suspension by the Director.

IT IS FURTHER ORDERED that, within 60 days of the date of this order, NC MUTUAL file with the Director a complete listing of its policies owned by or issued to residents of the state of Idaho. Such list shall include the name and address of each policyholder and insured, policy type, face amount, and cash surrender value of the policy, as applicable.

DATED this 3<sup>rd</sup> day of February, 2020.

STATE OF IDAHO  
DEPARTMENT OF INSURANCE



DEAN L. CAMERON  
Director

## NOTIFICATION OF RIGHTS

This is a final order of the agency. 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 motion for reconsideration within twenty-one (21) days of its receipt, or the motion will be considered denied by operation of law. See Idaho Code § 67-5246(4).

Any such motion for reconsideration shall be served on the Director of the Idaho Department of Insurance, addressed as follows:

Dean L. Cameron, Director  
Idaho Department of Insurance  
700 W. State Street, 3<sup>rd</sup> Floor  
P.O. Box 83720  
Boise, ID 83720-0043

Pursuant to Idaho Code §§ 67-5270 and 67-5272, any party aggrieved by this final order or orders previously issued in this case may file a petition for judicial review 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 3<sup>rd</sup> day of February, 2020, 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:

North Carolina Mutual Life Insurance Company 411 W. Chapel Hill Street Durham, NC 27701-3616	<input checked="" type="checkbox"/> first class mail <input type="checkbox"/> certified mail <input type="checkbox"/> hand delivery <input type="checkbox"/> facsimile <input type="checkbox"/> email
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North Carolina Department of Insurance Mike Causey, Commissioner 1201 Mail Service Center Raleigh, NC 27699-1201	<input checked="" type="checkbox"/> first class mail <input type="checkbox"/> certified mail <input type="checkbox"/> hand delivery <input type="checkbox"/> facsimile <input type="checkbox"/> email
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Idaho Life and Health Guaranty Association Attn: Candie Kinch 6700 N. Linder Road, Suite 156, Box 144 Meridian, ID 83646 <a href="mailto:ckinch@idlifega.org">ckinch@idlifega.org</a>	<input type="checkbox"/> first class mail <input type="checkbox"/> certified mail <input type="checkbox"/> hand delivery <input type="checkbox"/> facsimile <input checked="" type="checkbox"/> email
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Edith L. Pacillo Lead Deputy Attorney General Idaho Department of Insurance P.O. Box 83720 Boise, ID 83720-0043	<input type="checkbox"/> first class mail <input type="checkbox"/> certified mail <input checked="" type="checkbox"/> hand delivery <input type="checkbox"/> facsimile <input type="checkbox"/> email
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Pamela Murray