

STATE OF NORTH DAKOTA
BEFORE THE INSURANCE COMMISSIONER

In the Matter of)	
)	
The Certificate of Authority of)	TEMPORARY ORDER
AF&L Insurance Company,)	SUSPENDING
FEIN 23-2401229,)	CERTIFICATE OF AUTHORITY
)	
Respondent.)	

N.D.C.C. § 26.1-01-03(1) requires the Commissioner of Insurance for the State of North Dakota to see that all the laws of the state respecting insurance companies and benevolent societies are executed faithfully.

AF&L Insurance Company ("Respondent") is an admitted foreign insurance company doing business in the State of North Dakota pursuant to N.D.C.C. Chapter 26.1-11 and is domiciled in the State of Pennsylvania.

N.D.C.C. § 26.1-11-08 requires the Commissioner to revoke or suspend all Certificates of Authority granted to a foreign insurance company, or to its agents, if upon examination or receipt of other evidence, the Commissioner is of the opinion that the company is in an unsound condition or that the company has failed to comply with any provision of the applicable laws of this state.

N.D.C.C. § 26.1-11-09 permits the Commissioner of Insurance to issue a Temporary Order Suspending the Certificate of Authority granted to a foreign insurance company if the Commissioner deems it necessary or appropriate in the public interest to do so.

During a review of all licensed foreign insurance companies, it was discovered that Respondent's surplus at June 30, 2012, was \$60,465. N.D.C.C. § 26.1-11-01(4) requires that a foreign stock insurer meet the surplus requirements as set forth in N.D.C.C. § 26.1-05-04 which are \$500,000 capital and \$500,000 surplus.

On or about February 28, 2005, Respondent's state of domicile, Pennsylvania, entered into a Letter of Agreement under which Respondent is currently operating. The Letter of Agreement allows Respondent to continue servicing its book of business, but does not authorize Respondent to write any new business.

On or about October 15, 2012, the North Dakota Insurance Department sent a letter to Respondent informing it that its surplus was below statutory minimums and requested that its surplus be brought into compliance by December 13, 2012. Respondent failed to respond to the request by the deadline.

Based on the foregoing information, the Insurance Commissioner of the State of North Dakota is of the opinion that the Respondent is in an unsound condition.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Certificate of Authority of Respondent authorizing it to transact the business of insurance in the State of North Dakota is **TEMPORARILY SUSPENDED** until further Order of the Commissioner; and

2. During the period of suspension, Respondent, its agents, brokers, and representatives shall immediately cease and desist from the placement of any new business of insurance in the State of North Dakota; Respondent shall continue to make all filings and pay all fees and taxes as is required by the laws of the State of North Dakota; and Respondent, its agents, brokers, and representatives shall continue to service and accept renewal premiums under the limitations imposed by the Pennsylvania Insurance Department.

This Order is effective and dated this 19 day of December, 2012.



Rebecca L. Ternes
Deputy Commissioner
N.D. Insurance Department
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