

**STATE OF OREGON  
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
INSURANCE DIVISION**

BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

In the Matter of the Certificate of Authority  
of AF&L Insurance Company, Warrington,  
Pennsylvania )

SUSPENSION ORDER

Case No. INS 05-03-003

**INTRODUCTION**

The Director of the Department of Consumer and Business Services (Director) hereby issues a Suspension Order to AF&L Insurance Company (“AF&L”) under Oregon Revised Statutes (ORS) 731.256 and 731.414 because the Director has reason to believe the following:

**FINDINGS OF FACT**

Since March 8, 1995, AF&L, a Pennsylvania corporation, has been issued a certificate of authority pursuant to ORS 731.402. It is currently authorized to transact health insurance within the state of Oregon.

On or about March 1, 2005, AF&L filed financial statements reflecting capital and surplus of \$(728,622) as of December 31, 2004.

**ULTIMATE FINDINGS OF FACT**

AF&L did not maintain at least \$2.5 million in capital and surplus, or any combination thereof, as required by ORS 731.554.

**CONCLUSIONS OF LAW**

AF&L did not comply with the minimum capital and surplus requirement of ORS 731.554(1) for a certificate of authority.

Such condition is a ground under ORS 731.414(1)(a) for suspending an insurer's certificate of authority without a hearing under ORS 731.414(2).

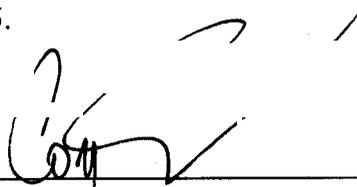
## ORDER

Pursuant to ORS 731.414, the Oregon certificate of authority issued to AF&L is suspended. The period of suspension shall be continuous from the date of this order until rescinded by further written order of the Director, pursuant to ORS 731.426(1). Pursuant to ORS 731.426(2), during the period of suspension, AF&L shall not solicit or issue new policies of insurance in this state or assume any Oregon risk. AF&L shall file its annual financial statement and pay any fees and taxes required to be paid. AF&L shall service any existing policies of insurance issued to persons residing in Oregon in accordance with Oregon law. AF&L may renew existing policies of insurance in this state.

Pursuant to ORS 731.422(2), the authority of all producers to represent AF&L within the state of Oregon is also suspended. The period of suspension shall be for the same period that the certificate of authority issued to AF&L is suspended. During the period of suspension, a producer may represent AF&L only to the extent that AF&L may service any existing policies of insurance issued to persons residing in Oregon and that AF&L has authorized the producer to represent it.

AF&L is hereby ordered to provide a copy of this suspension order to all appointed producers within 14 days of the date of this order. AF&L shall provide to the director within 21 days from the date of this order an affidavit certifying that notice to appointed producers has been provided.

Issued in duplicate the 25<sup>th</sup> day of April, 2005.

  
\_\_\_\_\_  
Cory Streisinger  
Director  
Department of Consumer and Business Services

## **NOTICE**

You are entitled to a hearing under ORS 183.415. You may be represented at a hearing by an attorney licensed in Oregon. If you want a hearing, you must deliver or mail a written request for a hearing to the Director addressed to Insurance Division, Hearings Section, 350 Winter Street NE Room 440-6, Salem, Oregon 97310. The written request must be received by the Director within 21 calendar days after the date this order is delivered or mailed to you.

If you request a hearing within the time allowed, then you will be notified of the time and location of the hearing and information regarding contested case proceedings before the Director.

If you do not request a hearing within the time allowed, then you will waive your right to a hearing. Also, if you do not request a hearing within the time allowed, or if you do not appear at a scheduled hearing, then this order shall become final.

Pursuant to the Suspension Order dated 4-25-05 case number INS 05-03-003 issued by Cory Streisinger, Director/Insurance Commissioner, Department of Consumer and Business Services, I certify that all current appointed producers in the state of Oregon have been notified regarding AF&L INSURANCE COMPANY's suspension, and have been advised of its terms relating to producer representation during the period of suspension.

I am \_\_\_\_\_ (title) and am authorized by  
\_\_\_\_\_ (company) to act on its behalf in this matter.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

\_\_\_\_\_  
Notary public in and for the state of

\_\_\_\_\_  
My commission expires \_\_\_\_\_