

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

BEFORE THE INSURANCE COMMISSIONER OF THE STATE OF OREGON

In the Matter of the Certificate of Authority of)	TERMINATION OF SUSPENSION
AMERICAN FINANCIAL SECURITY LIFE)	AND REINSTATEMENT OF
INSURANCE COMPANY,)	CERTIFICATE OF AUTHORITY
Clayton, Missouri)	Case No. INS 93-04-006
)	

INTRODUCTION

American Financial Security Life Insurance Company is a foreign stock life and health insurance company. On April 8, 1993, the Director of the Department of Insurance and Finance (now known as the Department of Consumer and Business Services) ("Director") suspended American Financial Security Life Insurance Company's certificate of authority. American Financial Security Life Insurance Company has applied to the Insurance Commissioner to terminate the suspension and reinstate its certificate of authority.

Therefore, pursuant to ORS 183.450 and ORS 183.470, the Insurance Commissioner makes the following:

FINDINGS OF FACT

American Financial Security Life Insurance Company ("AFSLIC") was organized under the laws of Missouri on January 25, 1957, under the name of Survivor's Benefit Insurance Company. On December 1, 1981, the name was changed to Penn Diversified Insurance and Annuity Company, and on May 17, 1989, changed to its current name of American Financial Security Life Insurance Company. AFSLIC was granted a Certificate of Authority in Oregon on June 17, 1982, to transact life insurance within the State of Oregon. Effective September 27, 1990, the Certificate of Authority was amended

reflecting the class addition of Health insurance.

On or about March 30, 1993, at the request of the Director of the Department of Insurance of Missouri, the Circuit Court of Cole County issued an order, CV193-107CC, placing AFSLIC into rehabilitation because AFLIC was operating in a hazardous condition. Rehabilitation is a form of delinquency proceeding.

The Director issued a Suspension Order on April 8, 1993 (Case No. INS 93-04-006) because AFSLIC had been placed into rehabilitation as required by ORS 731.418(2).

On November 6, 2002, the Circuit Court of Cole County issued a Final Termination Judgment Case No. CV193-107CC and ordered that all pending motions and causes of action filed in the case by AFSLIC or by Thomas A. Warmus in his capacity as a former director or officer of AFSLIC were overruled and dismissed with prejudice. It was further ordered that American Financial Security Life Insurance Company was restored to the possession of its property and the control of its business, subject to such orders of administration as the Director of the Missouri Department of Insurance may enter against it.

On November 6, 2002, the Missouri Department of Insurance placed AFSLIC on administrative supervision.

AFSLIC's certificate of authority in the State of Oregon expired June 1, 2005, pursuant to ORS 731.410. The Certificate of Authority was reinstated, effective June 17, 2005.

On October 11, 2006, the Missouri Department of Insurance notified American Financial Security Life Insurance Company of the determination to rescind the order of administrative supervision retroactive to November 22, 2005.

On February 15, 2012, AFSLIC filed documents with the Director regarding its current financial and operational status and requested the Director terminate the suspension of AFSLIC and reinstate its

certificate of authority. Financial statements filed with the Director reflect that as of December 31, 2011, AFSLIC possessed policyholder surplus of \$3,525,485.

ULTIMATE FINDINGS OF FACT

AFSLIC possesses capital and surplus of more than \$2,500,000 as required by ORS 731.554(1) and AFSLIC possesses an active Oregon certificate of authority.

The Director determines that the cause of the suspension has terminated.

CONCLUSIONS OF LAW

AFSLIC meets the requirements for a certificate of authority.

The Director may terminate the suspension and reinstate the certificate of authority pursuant to ORS 731.426(4).

ORDER

The Director hereby terminates the suspension of, and reinstates, the certificate of authority issued to AFSLIC pursuant to ORS 731.426(1).

The authority of AFSLIC's agents to represent it in Oregon is also reinstated pursuant to ORS 731.426(5).

Issued the 18 day of September, 2012.


Louis Savage
Insurance Commissioner

RIGHT TO A HEARING

The party has the right to a hearing pursuant to ORS 183.415. A party may request a hearing by sending a written request to the Insurance Division. A party may send the request to the Insurance Division by delivering it to the Labor and Industries Building, 350 Winter Street NE, Salem, Oregon; or mailing it to PO Box 14480, Salem, OR 97309-0405, or faxing it to 503-378-4351; or e-mailing it to mitchel.d.curzon@state.or.us. The Insurance Division must *receive* the request within 21 days from the date this notice was *sent* to the party.

If the Insurance Division receives from or on behalf of a party a written request for a hearing by the due date described above, then the Insurance Division will refer the request to the Office of Administrative Hearings (OAH). OAH will schedule the hearing and notify the party of the date and location of the hearing and other related information. OAH will conduct the hearing in accordance with the Oregon Administrative Procedures Act, ORS Chapter 183; and related rules, Oregon Administrative Rules (OAR) 137-03-0502 *et seq.* A party that is a corporation, partnership, limited liability company, unincorporated association, trust, or government agency must be represented at a hearing by an attorney licensed in Oregon except as otherwise provided by law. Subsequently, OAH will issue a proposed order, and the Director will issue a final order.

If the Insurance Division does not receive from or on behalf of a party a written request for a hearing by the due date described above; or a party that has timely requested a hearing withdraws the request, notifies the Insurance Division or OAH that the party will not appear at a hearing, or does not appear at a scheduled hearing, then the Director will issue a final order by default taking the action proposed therein. If the Director issues a final order by default, then the record of this proceeding to date, including the designated portion of the Insurance Division's file on the party, automatically become part of the contested case record for the purpose of proving a *prima facie* case.