

**BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA**

STATE OF OKLAHOMA, ex rel. JOHN)
D. DOAK, Insurance Commissioner,)
)
Petitioner,)
v.)
)
AMERICAN PHOENIX)
LIFE & REASSURANCE COMPANY)
)
)
Respondent.)

Case No. 11-0987-DIS

FILED

OCT 11 2011

INSURANCE COMMISSIONER
OKLAHOMA

**NOTICE OF RIGHT TO HEARING WITH CONDITIONAL ORDER OF
DISCIPLINARY ACTION**

The State of Oklahoma, ex rel., John D. Doak, Insurance Commissioner, alleges and states as follows regarding the status of American Phoenix Life & Reassurance Company ("the Company"):

JURISDICTION

1. John D. Doak is the Insurance Commissioner of the State of Oklahoma ("the Insurance Commissioner") and as such is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code, 36 O.S. §§ 101 et seq. The Insurance Commissioner has jurisdiction over this matter pursuant to 36 O.S. §§ 1521 et seq. and OAC 365:27-7-60 because the Company is an accredited reinsurer allowed to place reinsurance in the State of Oklahoma pursuant to Certificate of Authority Number I010 (NAIC 91785).

FINDINGS OF FACT

1. Title 36, Section 5122 (C) (4) (a) provides that a reinsurer accredited in Oklahoma shall continuously maintain a surplus as to policyholders of Twenty Million Dollars (\$20,000,000).

2. According to the Company's Annual Statement for 2010, the Company had an annual surplus of \$14,788,524. The Company's Quarterly Statement for the Second Quarter of 2011 shows the Company's capital and surplus had diminished to only \$9,256,151. Such amounts are well below the required standard for accredited reinsurers to write business in Oklahoma.

CONCLUSIONS OF LAW

1. Pursuant to 36 O.S. §§ 618(2), 619(A)(3), 36 O.S. §§ 1521 et seq. and OAC 365:27-7-60, the Insurance Commissioner has the authority to suspend the certificate of authority of a reinsurer to write new business in Oklahoma if that Company does not meet the surplus requirements for proper accreditation.

2. Pursuant to 36 O.S. §§ 1521 et seq. and OAC 365:27-7-60, the Insurance Commissioner has the authority as a matter of law to order that all reinsurance policies, contracts or treaties already ceded to Oklahoma insureds by the Company remain in full force and effect pending this action.

ORDER

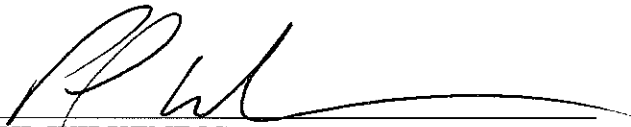
IT IS THEREFORE ORDERED that the accreditation of American Phoenix Life & Reassurance Company to issue new reinsurance policies, contracts or treaties in Oklahoma is suspended unless within thirty (30) days from receipt of this Order (1) the Company sufficiently demonstrates to the Oklahoma Insurance Department that it meets the Oklahoma statutory surplus as regards to policyholder requirement of a full Twenty Million Dollars (\$20,000,000), or (2) requests in writing a hearing on this matter. All reinsurance policies, contracts or treaties ceded to Oklahoma insureds as of the date of this Order is filed shall remain in full force and

effect pending this action and the Company shall continue to service and pay claims on such reinsurance according to terms.

IT IS FURTHER ORDERED that if the Company does not meet its statutory surplus obligations and no hearing is requested, this Conditional Order shall become final at the end of said thirty (30) day period without further action by the Oklahoma Insurance Department. Any request for hearing should be directed to Kelley C. Callahan, Senior Attorney, at the address set forth below.

WITNESS My Hand and Official Seal this 10 day of October, 2011.






PAUL WILKENING
Deputy Insurance Commissioner of Administration
Oklahoma Insurance Department

CERTIFICATE OF MAILING

I, Kelley C. Callahan, hereby certify that a true and correct copy of the attached Notice of Right to Hearing with Conditional Order of Disciplinary Action was mailed certified mail, return receipt requested on the 11th day of October, 2011 to:

American Phoenix Life & Reinsurance Company
ATTN: David Roger Pellerin
One American Row
P.O. Box 5056
Hartford, CT 06102-5056

And that a copy was delivered to the Oklahoma Insurance Department Financial and Examination Division.



KELLEY C. CALLAHAN
Senior Attorney

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PS Form 3800, August 2006 See Reverse for Instructions

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<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature <input type="checkbox"/> Agent <input checked="" type="checkbox"/> <i>Michael D. Jensen</i> <input type="checkbox"/> Addressee B. Received by (Printed Name) <input type="checkbox"/> Date of Delivery <i>Michael D. Jensen</i> <input type="checkbox"/> OCT 17 2011 C. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No
1. Article Addressed to: <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> American Phoenix Life & Reinsurance Company Attn: David Roger Pellerin One American Row P.O. Box 5056 Hartford, CT 06102-5056 sms/11-0987-DIS/Notice of Right </div>	RECEIVED OKLAHOMA BUSINESS FINANCE DEPARTMENT OCT 25 2011 Legal Division 3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.
2. Article (Trans)	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes