

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

STATE OF OKLAHOMA, ex rel. JOHN D.)
DOAK, Insurance Commissioner,)
 Petitioner,)
vs.)
FIRST SEALORD SURETY, INC., a)
Pennsylvania-domiciled insurer licensed to do)
business in the State of Oklahoma,)
 Respondent.)

Case No. 12-0310-DIS

FILED

APR 24 2012

INSURANCE COMMISSIONER
OKLAHOMA

ADMINISTRATIVE ORDER OF SUSPENSION INSTANTER

COMES NOW the State of Oklahoma, ex rel. John D. Doak, Insurance Commissioner, by and through counsel, and alleges and states as follows:

JURISDICTION

1. John D. Doak is the Insurance Commissioner of the State of Oklahoma and as such is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code, 36 O.S. §§ 101-7301.

2. Respondent First Sealord Surety, Inc. (“Company”) is a Pennsylvania-domiciled insurer authorized to transact the business of property and casualty insurance in the State of Oklahoma pursuant to Certificate of Authority number 0386 (NAIC number 28519).

FINDINGS OF FACT

1. On February 8, 2012, the Commonwealth Court of Pennsylvania ordered the Company into liquidation and appointed the Insurance Commissioner of the Commonwealth of Pennsylvania as the Statutory Liquidator.

2. Based on the statements of fact in the Pennsylvania court’s order, the Respondent is in unsound condition or in such condition as to render its further transaction of insurance in the State of Oklahoma hazardous to its policyholders or to the people of Oklahoma.

3. The Insurance Commissioner hereby finds that the condition and actions of the Respondent are such that the public health, safety, and welfare imperatively require emergency action.

CONCLUSIONS OF LAW

1. Pursuant to OKLA. STAT. tit. 36, § 619(A)(1), the Insurance Commissioner is granted the authority to revoke or suspend a Respondent's certificate of authority if Respondent is found by the Insurance Commissioner to have violated any provision of this Code other than those as to which refusal, suspension, or revocation is mandatory.

2. Pursuant to 36 O.S. § 619(A)(3), the Insurance Commissioner has the authority to revoke or suspend Respondent's certificate of authority if the Respondent is found by the Insurance Commissioner to be in unsound condition or in such condition as to render its further transaction of insurance in the State of Oklahoma hazardous to its policyholders or to the people of Oklahoma.

3. Pursuant to 36 O.S. § 619(C), in addition to or in lieu of any sanction, the Insurance Commissioner may require that respondent restrict its insurance writings.

4. Pursuant to 75 O.S. §§ 314(C)(2) and 314.1 and Insurance Department Rule 365:1-7-9, the Insurance Commissioner is authorized to take administrative action against Respondent on a summary and emergency basis pending proceedings for revocation or other action against the certificate of authority of Respondent if the Insurance Commissioner finds that the actions of the Respondent are such that the public health, safety and welfare imperatively requires emergency action, and incorporates a finding to that effect in his order.

ORDER

IT IS THEREFORE ORDERED by the Insurance Commissioner that Respondent's certificate of authority is hereby suspended instanter from writing any new insurance business in this state, and

Respondent is specifically ordered to immediately refrain from the activities set forth in 36 O.S. § 105, except insofar as said activities include the servicing of insurance or reinsurance contracts presently in force pending formal administrative proceedings in this matter. Said suspension instanter shall continue pending the final outcome of proceedings for revocation, suspension or other action.

IT IS FURTHER ORDERED that Respondent is hereby given notice of opportunity to request a hearing within thirty (30) calendar days of receipt of this order to determine if there are any reasons why Respondent's certificate of authority in the State of Oklahoma should not be subject to suspension. If Respondent does not request a hearing before the end of said thirty (30) day period, this order shall become a final order and said suspension shall continue in force until lifted by order of the Insurance Commissioner pursuant to the laws of the State of Oklahoma.

If Respondent requests a hearing before the Insurance Commissioner or his duly appointed hearing examiner, the proceedings shall be conducted within ten business days after receipt of the request and in accordance with the Oklahoma Insurance Code, OKLA. STAT. tit. 36 §§ 101 et seq., and the Oklahoma Administrative Procedures Act, OKLA. STAT. tit. 75, §§ 250 et seq., unless the ten day provision is waived by the Company.

WITNESS My Hand and Official Seal this 20th day of April, 2012.



JOHN D. DOAK
INSURANCE COMMISSIONER
STATE OF OKLAHOMA


Paul Wilkening
Deputy Commissioner of Administration

CERTIFICATE OF SERVICE

I, Kelley Callahan, hereby certify that a true and correct copy of the above and foregoing Administrative Order of Suspension Instantar was mailed postage prepaid with return receipt requested on this 24th day of April, 2012, to:

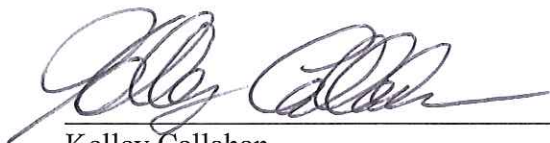
Kenneth Shaffer
Pennsylvania Insurance Department
Bureau of Liquidations and Rehabilitations
789 E. Lancaster Ave., Suite 200, P.O. Box 900
Villanova, PA 19085

and was reported to:

NAIC, RIRS
via electronic notification

and that a copy was delivered to:

Joel Sander, Deputy Commissioner of Finance
Financial Division
Oklahoma Insurance Department



Kelley Callahan
Senior Attorney
Oklahoma Insurance Department
3625 NW 56th Street
Oklahoma City, OK 73112-4511
Phone 405-521-2746
Fax 405-522-0125

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

SENDER: COMPLETE THIS SECTION

- 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.

1. Article Addressed to:

Kenneth Shaffer
 Pennsylvania Insurance Department
 Bureau of Liquidations & Rehabilitations
 789 E. Lancaster Ave., Suite 200
 P.O. Box 900
 Villanova, PA 19085
 sms/12-0310-DIS/Admin. Order

2. Article Number
(Transfer from service label)

7001 0320 0004 4250 4004

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from Item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

7001 0320 0004 4250 4004

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage	

Sent To: Kenneth Shaffer
 Pennsylvania Insurance Department
 Bureau of Liquidations & Rehabilitations
 789 E. Lancaster Ave., Suite 200
 P.O. Box 900
 Villanova, PA 19085
 sms/12-0310-DIS/Admin. Order

Street, Apt. No. or PO Box No.
 City, State, ZIP

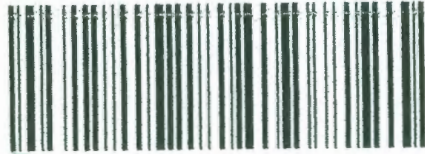
PS Form 3800, January 2007



See Reverse for Instructions

Oklahoma Insurance Department
Legal Division
5 Corporate Plaza
3625 N.W. 56th Street, Suite 101
Oklahoma City, OK. 73112

CERTIFIED MAIL



7001 0320 0004 4250 4004



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Kenneth Shaffer
Pennsylvania Insurance Department
Bureau of Liquidations & Rehabilitations
789 E. Lancaster Ave., Suite 200
P.O. Box 900
Villanova, PA 19085

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OKLAHOMA INSURANCE DEPARTMENT

MAY 21 2012

Legal Division

* 191 CE 1 N C 94 Q4/29/12
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19085@9600 B099
19085@9600

BC: 19085960000 DU *1397-00590-29-31

