

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

STATE OF OKLAHOMA, ex rel. JOHN D.)
DOAK, Insurance Commissioner,)
)
Petitioner,)
)
vs.)
)
REPUBLIC MORTGAGE INSURANCE)
COMPANY, a North Carolina-domiciled insurer)
licensed to do business in the State of Oklahoma,)
)
Respondent.)
)

FILED

APR 24 2012

INSURANCE COMMISSIONER
OKLAHOMA

Case No. 12-0312-DIS

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 Republic Mortgage Insurance Company ("Company") is a North Carolina-domiciled insurer authorized to transact the business of casualty insurance in the State of Oklahoma pursuant to Certificate of Authority number 7099 (NAIC number 28452).

FINDINGS OF FACT

1. Due to the Company's financial condition, on January 19, 2012, the North Carolina Insurance Commissioner placed the Company under administrative supervision via Summary Order, which is incorporated herein by reference.

2. The North Carolina Insurance Commissioner's Summary Order found that continuation of the Company's business would be hazardous to the public or the holders of its policies. Specifically, the Company's September, 2011 quarterly statement showed a decrease in capital and surplus of 55% and a net loss of \$286,620,435 for preceding nine-month period.

3. Based on the North Carolina Insurance Commissioner's Summary Order, Idaho, Arkansas, and Alaska suspended the Company's Certificates of Authority to transact business in those states.

4. Based on the facts stated in the North Carolina Insurance Commissioner's Summary 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.

5. 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 Instante was mailed postage prepaid with return receipt requested on this 24th day of April, 2012, to:

William A. Simpson
Republic Mortgage Insurance Company
P.O. Box 2514
Winston-Salem, North Carolina 27102

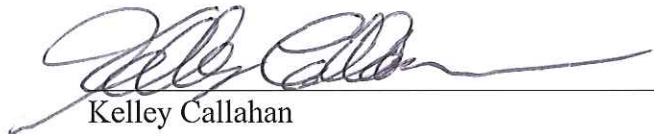
and was reported to:

NAIC, RIRS
via electronic notification

and that a copy was delivered to:

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

Susan Coble
North Carolina Department of Insurance
via email to susan.coble@ncdoi.gov



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

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

OFFICIAL USE

7001 0320 0004 4250 4073

Postage	\$
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Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
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Sent To
 Street, Ap
 or PO Box
 City, State

William A. Simpson
 Republic Mortgage Insurance Co
 P.O. Box 2514
 Winston-Salem, NC 27102
 sms/12-0312-¹DIS/Admin. Ord.

PS Form 3800, January 2001

See Reverse for Instructions

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:

William A. Simpson
 Republic Mortgage Insurance Co
 P.O. Box 2514
 Winston-Salem, NC 27102
 sms/12-0312-DIS/Admin. Ord.

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X Todd Morgan

☐ Agent

☐ Addressee

B. Received by (Printed Name)

Todd Morgan

C. Date of Delivery

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

2. Article Number

(Transfer from service label)

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PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1840