

BEFORE ALLAN L. MCVEY, INSURANCE COMMISSIONER
OF THE STATE OF WEST VIRGINIA

In the Matter of:

AMBAC ASSURANCE CORPORATION (NAIC #18708)

Administrative Proceeding No. 22-IC-02111

ORDER ASSESSING CIVIL PENALTIES

The undersigned, Allan L. McVey, is the Insurance Commissioner (“Commissioner”) of the State of West Virginia, Offices of the Insurance Commissioner (“OIC”), and is charged with enforcing Chapter 33 of the *West Virginia Code*. Ambac Assurance Corporation (“AAC”), a Wisconsin domiciled insurance company, is licensed to transact the business of property and casualty insurance in the State of West Virginia, pursuant to *West Virginia Code* §§33-3-1 through 33b, under a Certificate of Authority (“COA”) issued by the Insurance Commissioner. AAC is subject to licensing under Article 3, Chapter 33 of the *West Virginia Code*, related legislative rules and the authority of the Commissioner, as a foreign insurance company.

AAC failed to submit a complete renewal application with supporting documents prior to the expiration of its COA as required by *West Virginia Code* §33-3-8. The application does not include:

- Signed Jurat, *West Virginia Code* §33-4-14, due March 1, 2022.
- Certificate of Compliance issued by state of domicile, *West Virginia Code* §33-3-2, by March 1, 2022.
- Certificate of Deposit issued by state of domicile or jurisdiction where their statutory deposit is held, *West Virginia Code* §33-3-6, due March 1, 2022.
- Certificate of Advertising Compliance, West Virginia CSR §§114-10-17.2 and 114-11-9.3, due March 1, 2022.

The aforementioned items were required to be submitted to the OIC no later than March 1, 2022. The filings were to be submitted to the OIC via the System for Electronic Rates and Forms Filing (SERFF). Notices were sent to all licensed insurers regarding this requirement on January 4, 2022, and February 10, 2022.

The Tax Audit Unit of the Financial Accounting Division confirmed that AAC paid the applicable fees on February 24, 2022.

West Virginia Code §33-3-8 requires all insurers to submit completed required forms with supporting documents and fees prior to March 1st in order to renew the COA by May 31 of each year. To date, AAC has not filed the required forms for renewal of its COA.

The OIC emailed AAC on March 22, 2022, informing the company of its failure to file the required documentation to renew its COA.

West Virginia Code §33-3-11 provides that the Commissioner may, after notice and hearing, refuse to renew, or may revoke or suspend the license of an insurer, if the insurer violates any provision of Chapter 33 other than those as to which refusal, suspension or revocation is mandatory or fails to comply with any lawful rule, regulation or order of the Commissioner. However, *West Virginia Code* §33-3-11(b) provides that, in lieu of taking action under *West Virginia Code* §33-3-11(a), in any case except where such action is mandatory, the Commissioner may, by order, require the insurer to pay a penalty in a sum not exceeding Ten Thousand Dollars (\$10,000.00).

The Commissioner hereby finds and concludes that AAC violated *West Virginia Code* §33-3-8 by failing to file the required document for the renewal of its COA.

It is, therefore, **ORDERED** that a civil penalty in the amount of Three Thousand Dollars (\$3,000.00) be, and it is, hereby, assessed against AAC, for the aforesaid violations. It is further

ORDERED that the civil penalty, totaling Three Thousand Dollars (\$3,000.00), shall be paid within 30 days after notice of this Order.

Pursuant to *West Virginia Code* §33-3-11(b), if AAC fails to pay such penalty within 30 days after notice of this Order, the company's license will be subject to revocation or suspension. Further, pursuant to *West Virginia Code* §33-2-13, should AAC feel aggrieved by this Order, it may make a written demand to the Commissioner for hearing in this matter. Such demand shall specify the grounds to be relied upon as a basis for the relief to be requested at the hearing.

ENTERED this 18th day of April 2022.



Allan L. McVey
CPCU, ARM, AAI, AAM, AIS
Insurance Commissioner