

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

In the Matter of:

AMERICAN SERVICE INSURANCE COMPANY, INC. (NAIC # 42897)

Administrative Proceeding No. 22-FINCON- 02395

ORDER TERMINATING REVOCATION AND REINSTATING
INSURANCE COMPANY CERTIFICATE OF AUTHORITY

WHEREAS Allan L. McVey is the Insurance Commissioner of the State of West Virginia (“Commissioner”) and is charged with enforcing the provisions of Chapter 33 of the West Virginia Code; and

WHEREAS, American Service Insurance Company, Inc. (“ASIC”), NAIC # 42897, is a foreign insurer domiciled in the State of Illinois holding a revoked Certificate of Authority to transact the business of insurance in the State of West Virginia; and

WHEREAS, On June 7, 2021, the West Virginia Offices of the Insurance Commissioner (the “WVOIC”) issued an Order of Revocation of ASIC’s Certificate of Authority in that ASIC was in an unsound condition or in such condition as to render its further transaction of insurance in West Virginia hazardous to its policyholders or to the people of West Virginia, pursuant to W. Va. Code §33-3-11; and

WHEREAS, On or about August 1, 2022, the WVOIC received a Petition to Remove Suspension from ASIC; and

WHEREAS, ASIC has represented in its Petition that it is no longer operating in a hazardous financial condition, has adequately satisfied the concerns that led to the revocation of their Certificate of Authority and desires the Commissioner to lift the revocation and reinstate the Certificate of Authority.

FINDINGS OF FACT

(1) ASIC is not operating in hazardous financial condition, is adequately reserved, and has a sufficient matching strategy to sustain its business.

(2) A review of ASIC's financial performance as of December 31, 2021, noted the following:

- ASIC reported negative Pretax Operating Profits.
- ASIC reported negative Net Loss.
- ASIC reported negative Cash Flows from Operations.
- As of December 31, 2022, ASIC reported total Net Admitted Assets of \$6,809,875; Total Liabilities of \$134,704; and Total Capital & Surplus of \$6,675,171.
- As of December 31, 2021, ASIC'S Risk Based Capital ("RBC") ratio was calculated to be 37,164.8%; indicating that their total adjusted capital is 371.6 times greater than their authorized control level RBC.

(3) A review of ASIC'S Annual Statement for Year Ended December 31, 2021, and Quarterly Statement as of June 30, 2022, revealed that ASIC was no longer operating in hazardous financial condition as determined per the standards outlined in W. Va. Code §33-34-3a. Specifically, ASIC was in compliance with W. Va. Code §33-34-3a(a)(5).

(4) ASIC has submitted all of the required documentation and information required to receive a license (i.e., Certificate of Authority) as set forth in W. Va. Code §33-3-7 and renew a license (i.e., Certificate of Authority) as set forth in W. Va. Code §33-3-8.

(5) ASIC was assessed and ORDERED to pay the costs of the 20-FINCON-02004 hearing in the amount of One Thousand One Hundred Eighty-Seven Dollars and 50/100 Cents (\$1,187.50).

CONCLUSIONS OF LAW

(1) ASIC resolved the hazardous conditions causing the suspension and those conditions have ceased to exist and are unlikely to reoccur.

(2) The Commissioner may terminate the revocation and reissue the license pursuant to W. Va. Code §33-3-11(c).

(3) No authority to transact insurance may be granted or continued to any insurer that is in arrears to the state for fees, licenses, taxes, assessments, fines or penalties accrued on insurance previously transacted in this state. W. Va. Code §33-3-2(e).

ORDER

Therefore, it is **ORDERED** that the Revocation Order issued in 20-FINCON-02004 revoking ASIC's Certificate of Authority to transact insurance in West Virginia, License No. 42897, is **TERMINATED**; and it is further, **ORDERED** that the Certificate of Authority to transact insurance in West Virginia held by ASIC, License No. 42897, is **REINSTATED** without restrictions or conditions, subsequent to the payment of the One Thousand One Hundred Eighty-

Seven Dollars and 50/100 Cents (\$1,187.50) assessed and ORDERED in the 20-FINCON-02004 order, and the payment of all fees and costs incidental to the issuance of a license.

ENTERED this 4th day of October 2022.



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

Prepared by:



Gregory A. Elam
Associate General Counsel (WVSB #6026)
State of West Virginia Offices of the Insurance Commissioner
P. O. Box 50540
Charleston, West Virginia 25305-0540