

BEFORE JAMES A. DODRILL, INSURANCE COMMISSIONER
OF THE STATE OF WEST VIRGINIA

In the Matter of:

FIRST SURETY CORPORATION

Administrative Proceeding: 20-AP-FINCON-02012

ORDER ASSESSING CIVIL PENALTIES

The undersigned, James A. Dodrill, 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*. First Surety Corporation (“FSC”), is a West Virginia domestic stock insurance company licensed to transact the business of fire, marine, casualty and surety insurance in the State of West Virginia under a Certificate of Authority initially issued by the Commissioner on December 31, 2005.

West Virginia Code §33-27-4 requires all insurers subject to registration under the Insurance Holding Company System Act to file an Annual Registration Statement (Form B) and Summary of Changes to Registration Statement (Form C) **by June 1 of each year** for the previous calendar year, unless the Commissioner, for good cause shown, extends the time for registration. To date, First Surety Corporation has not filed its Annual Registration Statement (Form B) or its Summary of Changes to Registration Statement (Form C) which were heretofore due on June 1, 2020. Moreover, First Surety Corporation has not applied to the Commissioner for an extension of time by which to file the documents and has not shown good cause for an extension to be granted.

On August 29, 2018, the Offices of the Insurance Commissioner provided written notice to First Surety Corporation that full and timely compliance with all filing deadlines by First Surety Corporation, and any other entity within the company’s holding company structure, would be

required and that, prospectively, First Surety Corporation's non-compliance with filing deadlines would not be tolerated by the Offices of the Insurance Commissioner. *See*, August 29, 2018 Letter from former Insurance Commissioner Allan McVey to Bradley Tuckwiller, President of First Surety Corporation, attached hereto. The letter further provided First Surety Corporation a schedule of key required filing deadlines and a website link to review all filing deadlines and any updates thereto. Nevertheless, First Surety Corporation has continued its non-compliance with mandatory filing deadlines as noted hereinabove.


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 §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 First Surety Corporation has violated *West Virginia Code* §33-27-4 by failing to timely file its Annual Registration Statement (Form B) and Summary of Changes to Registration Statement (Form C) by June 1, 2020, for the previous calendar year, and has not been excused from doing so in accordance with law. 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 First Surety Corporation, for its failure to file the Annual Registration Statement (Form B). It is further **ORDERED** that a further civil penalty in the amount of Three Thousand Dollars (\$3,000.00) be, and it is, hereby, assessed against First Surety Corporation, for its failure to file its Summary of Changes to Registration Statement (Form C). It is further

ORDERED that these civil penalties, totaling Six Thousand Dollars (\$6,000.00), shall be paid within 30 days after notice of this Order.

Pursuant to *West Virginia Code* §33-3-11(b), if First Surety Corporation fails to pay such penalties within 30 days after notice of this Order, the company's license may be subject to revocation or suspension. Further, pursuant to *West Virginia Code* §33-2-13, should FSC 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 15th day of June, 2020.



James A. Dodrill
Insurance Commissioner