

1 CERTIFIED MAILED
2 RETURN RECEIPT REQUESTED

3
4 STATE OF ALASKA
5 DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
6 DIVISION OF INSURANCE
7 3601 C Street, Suite 1324
8 Anchorage, Alaska 99503-5948

9 Order No. SR 94-15(g)) Suspension of Certificate of
10 In the Matter of) Authority No F-0823
11 AMERICAN BONDING COMPANY) Order under the Provisions
12 NAIC NO. 10138) Of AS 21.09.140(a)(2)
13)
14)
15)

16 WHEREAS, a Certificate of Authority to transact the
17 business of insurance in the State of Alaska has been issued to
18 AMERICAN BONDING COMPANY, domiciled in Arizona.

19 WHEREAS, the State of Arizona has placed AMERICAN BONDING
20 COMPANY under an Order of Suspension dated August 25, 1994.
21 The order was based upon the financial problems of its holding
22 company, Pace American Group, Inc. On September 26, 1994, the
23 Arizona Department of Insurance issued an order causing
24 AMERICAN BONDING COMPANY to cease the transaction of all new
25 and renewal surety business.

26 WHEREAS, the Superior Court for the State of Arizona, in
and for the county of Maricopa, issued an Order for the
Appointment of Receiver and Injunction for AMERICAN BONDING
COMPANY on February 2, 1995. AMERICAN BONDING COMPANY is still
under the order of receivership.

WHEREAS, the 1999 Annual Statement showed a negative
capital and surplus as regards policyholders of \$1,868,975.
The Alaska required minimum capital and surplus as per

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1 AS 21.09.070(b) for the kinds of insurance authorized by the
2 state of domicile for this insurer is \$5,250,000. This results
3 in an impairment of \$7,129,975.

4 WHEREAS, the Certificate of Authority for **AMERICAN BONDING**
5 **COMPANY**, to transact the business of insurance in the State of
6 Alaska was suspended effective October 14, 1994, and that
7 suspension has been continued to the present.

8 It is hereby ordered, pursuant to the provision of AS
9 21.09.140(a) that Certificate of Authority No F-0823 issued to
10 **AMERICAN BONDING COMPANY** to transact the business of insurance
11 in the state of Alaska shall be suspended for a period of one
12 year unless terminated sooner as permitted by statute.

13 Pursuant to AS 21.09.160(b), this suspension shall
14 automatically suspend the authority of all its agents to act as
15 agents of **AMERICAN BONDING COMPANY** in this state.

16 During the period of suspension **AMERICAN BONDING COMPANY**
17 shall not solicit or write any new business in Alaska, but
18 shall file the Annual Statement, pay fees and any taxes due as
19 provided by AS 21.09.170(b).

20 It is further ordered that Certificate of Authority No. F-
21 0823 will continue to be held in safekeeping by **AMERICAN**
22 **BONDING COMPANY** until such time as this Order of Suspension is
23 lifted or is replaced by an Order of Revocation.

24 This order is effective the 14th day of October 2000.

25 Date this 29th day of September 2000.

26 

ROBERT A. LOHR, DIRECTOR
DIVISION OF INSURANCE