

STATE OF ALASKA
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE
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1 CERTIFIED MAILED
2 RETURN RECEIPT REQUESTED

3
4 STATE OF ALASKA
5 DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
6 DIVISION OF INSURANCE
7 P.O. BOX 110805
8 JUNEAU, AK 99811-0805

9 Order No. SR 94-15(f)) Order under the Provisions
10 In the Matter of) Of 21.09.150 (a) (3)
11 AMERICAN BONDING COMPANY) Suspension of Certificate of
12 NAIC NO. 10138) Authority No F-0823
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14 WHEREAS, a Certificate of Authority to transact the
15 business of insurance in the State of Alaska has been issued
16 to **AMERICAN BONDING COMPANY**, domiciled in Arizona.

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

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

1 **WHEREAS**, the 1998 Annual Statement showed a negative
2 capital and surplus as regards to Policyholders in the amount
3 of (\$2,369,513). The Alaska required minimum capital and
4 surplus per AS 21.09.070(b) for the kinds of insurance
5 authorized by the state of domicile for this insurer is
6 \$5,250,000. This results in an impairment of \$7,619,513.

7 **WHEREAS**, the State of Alaska has suspended the
8 Certificate of Authority for **AMERICAN BONDING COMPANY**
9 effective October 14, 1994, for a period of one year and has
10 renewed that suspension to the present.

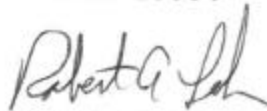
11 It is hereby ordered pursuant to the provision of AS
12 21.09.140(a) that Certificate of Authority No F-0823 issued to
13 **AMERICAN BONDING COMPANY** to transact the business of insurance
14 in the State of Alaska shall continue to be suspended for a
15 period of one year unless terminated sooner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

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

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

25 This order is effective 14th day of October 1999.

26 Date this 12th day of October 1999.



ROBERT A. LOHR, DIRECTOR
DIVISION OF INSURANCE