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CERTIFIED MAIL
RETURN RECEIPT REQUESTED

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC
DEVELOPMENT
DIVISION OF INSURANCE
550 WEST 7TH AVENUE, SUITE 1560
ANCHORAGE, ALASKA 99501-3567

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC
DEVELOPMENT
DIVISION OF INSURANCE
550 WEST 7TH AVENUE, SUITE 1560
ANCHORAGE, ALASKA 99501-3567
PHONE: (907) 269-7900

Order No. SR 02-05(d)) Suspension of Certificate of
In the Matter of) Authority No. F- 666;
HIGHLANDS INSURANCE) Order under the Provisions
COMPANY) of AS 21.09.140 (a) (2)
NAIC NO. 22489)
_____)

WHEREAS, a Certificate of Authority to transact the business of insurance
in the State of Alaska was issued to **HIGHLANDS INSURANCE COMPANY**,
domiciled in the State of Texas.

WHEREAS, the District Court of Travis County, Texas, placed
HIGHLANDS INSURANCE COMPANY under an Order of Rehabilitation,
naming the Commissioner of Insurance of the State of Texas as Receiver on
November 6, 2003.

1 **WHEREAS**, the 2003 Third Quarter Statement, being the last statement
2 filed, shows that **HIGHLANDS INSURANCE COMPANY** fails to meet the
3 capital and surplus requirements of AS 21.09.070.

4
5 **WHEREAS, HIGHLANDS INSURANCE COMPANY** has failed to file
6 the 2004 Annual Statement as required by AS 21.09.200 by the March 1, 2005
7 due date.

8
9 **WHEREAS, HIGHLANDS INSURANCE COMPANY** has failed to pay
10 the 2005 continuation fee by June 30, 2004 as required by AS 21.09.130.

11 **WHEREAS**, the Certificate of Authority of **HIGHLANDS INSURANCE**
12 **COMPANY** to conduct the business of insurance in the State of Alaska was
13 suspended effective April 18, 2002 and the suspension has continued to the
14 present.

15
16 **IT IS HEREBY ORDERED**, pursuant to the provision of
17 AS 21.09.140 (a) (2) that Certificate of Authority No. F-666 issued to
18 **HIGHLANDS INSURANCE COMPANY** to transact the business of insurance
19 in the State of Alaska shall be suspended until such time as the insurer has
20 returned to full compliance with Alaska statutes and all orders issued in the
21 domestic state are removed resulting in the insurer's return to good standing in its
22 state of domicile. Pursuant to AS 21.09.160 (b), this suspension shall
23 automatically suspend the authority of all of its agents to act as agents of
24 **HIGHLANDS INSURANCE COMPANY** in this state.
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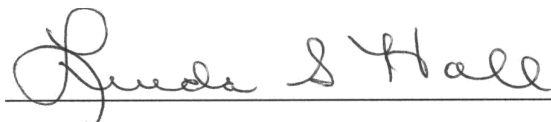
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IT IS FURTHER ORDERED, that during the period of the suspension, **HIGHLANDS INSURANCE COMPANY** shall not solicit or write any new business in the State of Alaska but shall file its Annual Statement, pay fees and any taxes due as provided by AS 21.09.170(b).

IT IS FURTHER ORDERED, that Certificate of Authority No. F-666 will continue to be held in safekeeping by **HIGHLANDS INSURANCE COMPANY** until such time as this order is replaced by an Order of Revocation or the Certificate of Authority is surrendered.

This Order is effective the 18th day of April 2005

Dated this 29th day of March 2005.



LINDA S. HALL, DIRECTOR
DIVISION OF INSURANCE