COPY

BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE
FOR THE STATE OF TENNESSEE

TENNESSEE INSURANCE DIVISION, Petitioner,	)	
vs.	)	No.: 03-51 12.01-043337J
THE HOME INSURANCE COMPANY, IN LIQUIDATION Respondent.	)	

RECEIVED
SEP 24 2003
Dept. of Commerce & Insurance
Financial Affairs/Analytical Section

AGREED ORDER

WHEREAS, Petitioner, the Tennessee Insurance Division, and the Respondent, The Home Insurance Company in liquidation, hereby stipulate and agree, subject to the approval of the Commissioner of Commerce and Insurance (hereinafter referred to as the "Commissioner") as follows:

GENERAL STIPULATIONS

1. It is expressly understood that this Agreed Order is subject to the Commissioner's acceptance and has no force and effect until such acceptance is evidenced by the entry of the Commissioner.

2. The Commissioner has determined that the resolution set forth in this Agreed Order is fair and reasonable, and in the best public interest.

3. This Agreed Order is executed by the Respondent for the purpose of avoiding further administrative action with respect to this cause. Furthermore, should this Agreed Order not be accepted by the Commissioner, it is agreed that presentation to and consideration of this Agreed Order by the Commissioner shall not unfairly or illegally prejudice the Commissioner from further participation or resolution of these proceedings.

4. Respondent fully understands that this Agreed Order will in no way preclude additional proceedings by the Commissioner against the Respondent for acts or omissions not specifically addressed in this Agreed Order or for facts and/or omissions that do not arise from the facts or transactions herein addressed.

5. Respondent expressly waives all further procedural steps, and expressly waives all rights to seek judicial review of or to otherwise challenge or contest the validity of the Agreed Order, the stipulations and imposition of discipline contained herein, and the consideration and entry of said Agreed Order by the Commissioner.

FINDINGS OF FACT

In Liquidation

6. The Home Insurance Company (hereinafter referred to as the "Respondent") is an insurance company domiciled in the State of New Hampshire.

7. An order of the Superior Court of Merrimack County, New Hampshire dated June 13, 2003 placed Respondent in liquidation. The Order appointed the Commissioner of Insurance of the State of New Hampshire as the Liquidator of the Respondent.

CONCLUSIONS OF LAW

8. Tenn. Code Ann. § 56-1-416 provides that the Commissioner shall revoke or suspend all certificates of authority granted to an insurance company if the Commissioner is of the opinion, upon examination or other evidence, that a foreign insurance company is in an unsound condition or has failed to comply with the law, and upon such a finding, no new business shall be done by the company or its agents under suspension or revocation while such default or disability continues, nor until its authority to do business is restored by the Commissioner.

9. The fact that the Respondent has been placed in liquidation establishes that

COPY

STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
Financial Affairs Section / Analytical Unit 0576
500 James Robertson Parkway, 4TH Floor
Nashville, Tennessee 37243
(615) 741-1670

MEMORANDUM

To: Martha Gotto 11-10-03

Thru: Jop Bunyasrie, Lead Analyst Jop 11/10/03

From: Trey Hancock, Analyst JH 11/10/03

Date: November 10, 2003

Re: **The Home Insurance Company (NAIC #22527)**
Suspension; Automatic Revocation at end of 2 years

The Home Insurance Company's Certificate of Authority has been reinstated from "revoked" to **"suspended"** in State of Tennessee pursuant to the Agreed Order signed by Commissioner Paula Flowers on September 15, 2003. The company will be automatically revoked at the end of 2 years if its Certificate remains suspended at that time.

COPY

BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE
FOR THE STATE OF TENNESSEE

TENNESSEE INSURANCE DIVISION, **Petitioner,**	)	
vs.	)	**No.: 03-51**
	)	**12.01-043337J**
THE HOME INSURANCE COMPANY, IN LIQUIDATION **Respondent.**	)	

RECEIVED
SEP 24 2003
Dept. of Commerce & Insurance
Financial Affairs/Analytical Section

AGREED ORDER

WHEREAS, Petitioner, the Tennessee Insurance Division, and the Respondent, The Home Insurance Company in liquidation, hereby stipulate and agree, subject to the approval of the Commissioner of Commerce and Insurance (hereinafter referred to as the "Commissioner") as follows:

GENERAL STIPULATIONS

1. It is expressly understood that this Agreed Order is subject to the Commissioner's acceptance and has no force and effect until such acceptance is evidenced by the entry of the Commissioner.

2. The Commissioner has determined that the resolution set forth in this Agreed Order is fair and reasonable, and in the best public interest.

3. This Agreed Order is executed by the Respondent for the purpose of avoiding further administrative action with respect to this cause. Furthermore, should this Agreed Order not be accepted by the Commissioner, it is agreed that presentation to and consideration of this Agreed Order by the Commissioner shall not unfairly or illegally prejudice the Commissioner from further participation or resolution of these proceedings.

4. Respondent fully understands that this Agreed Order will in no way preclude additional proceedings by the Commissioner against the Respondent for acts or omissions not specifically addressed in this Agreed Order or for facts and/or omissions that do not arise from the facts or transactions herein addressed.

5. Respondent expressly waives all further procedural steps, and expressly waives all rights to seek judicial review of or to otherwise challenge or contest the validity of the Agreed Order, the stipulations and imposition of discipline contained herein, and the consideration and entry of said Agreed Order by the Commissioner.

FINDINGS OF FACT

In Liquidation

6. The Home Insurance Company (hereinafter referred to as the "Respondent") is an insurance company domiciled in the State of New Hampshire.

7. An order of the Superior Court of Merrimack County, New Hampshire dated June 13, 2003 placed Respondent in liquidation. The Order appointed the Commissioner of Insurance of the State of New Hampshire as the Liquidator of the Respondent.

CONCLUSIONS OF LAW

8. Tenn. Code Ann. § 56-1-416 provides that the Commissioner shall revoke or suspend all certificates of authority granted to an insurance company if the Commissioner is of the opinion, upon examination or other evidence, that a foreign insurance company is in an unsound condition or has failed to comply with the law, and upon such a finding, no new business shall be done by the company or its agents under suspension or revocation while such default or disability continues, nor until its authority to do business is restored by the Commissioner.

9. The fact that the Respondent has been placed in liquidation establishes that

Respondent has been found to be in an unsound condition.

10. Respondent admits to the Findings of Fact, above, and further admits that such findings subject it to sanctions pursuant to Tenn. Code Ann. § 56-1-416. Respondent further admits that the Conclusions of Law, above, are fair and reasonable. In order to avoid any further expenses or costs associated with litigating this matter, Respondent, hereby desires to enter into this Agreed Order.

ORDER

NOW THEREFORE, on the basis of the foregoing, and the wavier of the Respondent of its rights to a hearing and appeal under Tennessee Insurance Law and Tennessee's Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-101, *et seq.*, and the admission by Respondent of the jurisdiction of the Commissioner, the Commissioner finds that the Respondent has agreed to the entry of this Order and that this Order is appropriate, and in the public interest.

IT IS ORDERED, pursuant to Tenn. Code Ann. § 56-1-416 of the Tennessee Insurance Law, that:

1. Respondent's Certificate of Authority is hereby suspended for a period of two (2) years. Should the Commissioner determine that the Respondent is in compliance with the law, she may at any time remove the suspension of the Respondent's Certificate of Authority. In the event the Respondent's Certificate of Authority is not reinstated within two (2) years from the date of this Order, the Respondent's Certificate of Authority may be revoked without further action by the Commissioner or the Division. Respondent may request the Commissioner to lift the suspension at any time or to extend the suspension for further time periods.

2. While the Respondent's Certificate of Authority is either suspended or revoked,

Respondent shall cease writing new business and shall non-renew all existing business in the State of Tennessee. Respondent shall, however, at all such times continue to pay license fees and taxes as required and applicable.

This Agreed Order is in the public interest and in the best interests of the parties, and represents a compromise and settlement of the controversy between the parties and is for settlement purposes only. By the signature affixed below, Respondent affirmatively states that it has freely agreed to the entry of this Agreed Order, that it has been advised that it may consult legal counsel in this matter, and has had the opportunity to consult with legal counsel should it had desired to do so, that it waives its right to a hearing on the matters underlying this Agreed Order and to a review of the Findings of Fact and Conclusions of Law contained herein, and that no threats or promises of any kind have been made by the Commissioner, the Division, or any agent or representative thereof. The parties, by signing this Agreed Order, affirmatively state their agreement to be bound by the terms of this Agreed Order and aver that no promises or offers relating to the circumstances described herein, other than the terms of settlement set forth in this Agreed Order, are binding upon them.

Nothing in this Agreed Order should be construed to limit the authority of the Insurance Division or the Commissioner to take further action against the Respondent should such action, in the opinion of the Insurance Division or the Commissioner, be necessary.

SO ORDERED.

ENTERED this the 15th day of ~~August~~ September, 2003.

Paula A. Flowers

Paula A. Flowers, Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY:

The Home Insurance Company In Liquidation

Daphne D. Smith
Acting Assistant Commissioner for Insurance
Department of Commerce and Insurance
500 James Robertson Parkway
Nashville, Tennessee 37247-0565

By: Michael L. Averill
Title: Senior Vice-President
The Home Insurance Company
In Liquidation

John F. Morris (BPR# 019144)
Chief Counsel
Department of Commerce and Insurance
Davy Crockett Tower, Fifth Floor
500 James Robertson Parkway
Nashville, Tennessee 37243
615 741 2199