



**Department of Community  
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**Division of Insurance**

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**ORDER R00-01**

**January 11, 2000**

**DIRECTOR'S APPROVAL OF ALHIGA'S RESPONSE TO  
THE INTERNATIONAL FINANCIAL SERVICES  
LIFE INSURANCE COMPANY INSOLVENCY**

By letter dated December 17, 1999, the Alaska Life and Health Insurance Guaranty Association (ALHIGA) has requested the approval of the Director of Insurance to become a Participating Guaranty Association in the Assumption Reinsurance Agreement between the National Organization of Life and Health Guaranty Associations, Madison National Life Insurance Company, Inc., the Participating State Guaranty Associations and the International Financial Services Life Insurance Company (IFSLIC), in Liquidation. In response to that request, the Director finds as follows:

**BACKGROUND**

1. IFSLIC is a "member insurer" of ALHIGA, as defined in AS 21.79.900(6). IFSLIC was licensed to sell insurance covered by AS 21.79 in the State of Alaska under Certificate of Authority #F-1492 dated July 1, 1983. (This Certificate was suspended by order of the Director dated May 18, 1999.)
2. A Final Order, Judgment and Decree to Liquidate the Business of a Domestic Insurer was entered as to IFSLIC on November 30, 1999, in the Circuit Court of Cole County, State of Missouri, in Case No. CV199-623CC.
3. An Assumption Reinsurance Agreement among National Organization of Life and Health Insurance Guaranty Associations and Participating State Life and Health Insurance Guaranty Associations and IFSLIC and Madison National Life Insurance Company, Inc., was entered on October 28, 1999. The aforementioned Missouri State Court approved said agreement by order dated November 30, 1999. Under the agreement, Madison National, a member of ALHIGA, will assume the IFSLIC policies, including covered policies issued to Alaska policyholders.
4. Under AS 21.79.060(d)(1), ALHIGA may satisfy its obligations to the insureds of an insolvent insurer by "guarantee, assume, reinsure, or provide for the guarantee, assumption, or reinsurance of the covered policies of the insolvent insurer held by residents."

5. ALHIGA proposes to satisfy any statutory obligation it may owe to Alaska IFSLIC policyholders by becoming a Participating Guaranty Association in the aforementioned Assumption Reinsurance Agreement.

**THE DIRECTOR HEREBY ORDERS:**

ALHIGA'S request to meet its statutory obligation to IFSLIC Alaska policyholders, if any, arising out of the IFSLIC insolvency by becoming a Participating Guaranty Association in the Assumption Reinsurance Agreement under which the IFSLIC policies will become reinsured through Madison National is approved.

This order is effective January 11, 2000.



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Robert A. Loh  
Director of Insurance