(907) 289-7910 (907) 485-5437 

STATE OF ALASKA
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE
P.O. BOX 110805
JUNEAU, AK 99811-0805

Order No. SR 93-01(h)

In the Matter of
PHILADELPHIA REINSURANCE
CORPORATION

NAIC NO. 12319

) Order under the Provisions
) Of 21.09.140 (a)
) Suspension of Certificate of
Authority No F-0758
)

WHEREAS, a Certificate of Authority to transact the business of insurance in the State of Alaska has been issued to PHILADELPHIA REINSURANCE CORPORATION, domiciled in Pennsylvania.

WHEREAS, on December 24, 1991 PHILADELPHIA

REINSURANCE CORPORATION was placed under an Order of

Supervision by its domiciliary state of Pennsylvania and that
order continues to the present.

WHEREAS, the Certificate of Authority for PHILADELPHIA
REINSURANCE CORPORATION, to transact the business of insurance
in the State of Alaska was suspended effective January 8,
1993. The suspension was due to disallowance of the Surplus
Fund Due to Discounting which reduced the total Capital and
Surplus of the company to less than the minimum required under
AS 21.090.070 and the hazardous financial condition of the
company.

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WHEREAS, the 1998 annual statement of PHILADELPHIA
REINSURANCE CORPORATION reflects that the company continues
to have less than the minimum required capital and surplus
after the disallowance of the Surplus Fund Due to
Discounting.

WHEREAS, PHILADELPHIA REINSURANCE CORPORATION continues in hazardous financial condition, their RBC is 39% which is considered a mandatory control level per AS 21.14.200 (11) and discounting of its reserves.

It is hereby ordered pursuant to the provision of AS 21.09.140(a) that Certificate of Authority No F-0758 issued to PHILADELPHIA REINSURANCE CORPORATION to transact the business of insurance in the State of Alaska shall continue to be suspended for a period of one year unless terminated sooner as permitted by statute.

During the period of suspension, PHILADELPHIA REINSURANCE CORPORATION shall not solicit or write any new or renewal business in Alaska, but shall file the 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-0758 will continue to be held in safekeeping by PHILADELPHIA

REINSURANCE CORPORATION until such time as this Order of

Suspension is lifted or is replaced by an Order of Revocation.

This order is effective 5th day of January 2000. Date this 4th day of January 2000.

ROBERT A. LOHR, DIRECTOR DIVISION OF INSURANCE