

DEPARTMENT OF INSURANCE

STATE OF WYOMING

IN THE MATTER OF AF&L)
INSURANCE COMPANY,)

Docket No. 07-05

ORDER OF SUSPENSION OF CERTIFICATE OF AUTHORITY

WHEREAS AF&L Insurance Company, 1800 Street Road, Warrington, PA 18976, holds a Certificate of Authority to transact the business of insurance in the State of Wyoming as a disability insurer; and

WHEREAS WYO. STAT. § 26-3-108(a) provides that a foreign stock insurer authorized to transact disability insurance in the State of Wyoming shall possess and maintain unimpaired basic paid-in capital and surplus in an amount not less than \$1,000,000 capital and \$500,000 surplus; and

WHEREAS AF&L Insurance Company's Annual Statement as of December 31, 2006, shows it to have a negative surplus of \$294,290, and this amount is below the minimum surplus required to be maintained by AF&L Insurance Company pursuant to WYO. STAT. § 26-3-108(a); and

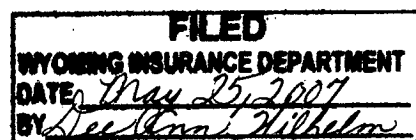
WHEREAS AF&L Insurance Company is unable to correct the deficiency and consents to suspension of its Certificate of Authority; and

WHEREAS AF&L Insurance Company asserts that the company has not written new business in Wyoming since February, 2005, and that the Company is preserving its assets for a potential sale; and

WHEREAS the Insurance Commissioner of the State of Wyoming shall immediately suspend the Certificate of Authority of any insurer that has impaired capital or surplus pursuant to WYO. STAT. § 26-3-115(a)(ii) and WYO. STAT. § 26-3-115(b);

IT IS HEREBY ORDERED that the Certificate of Authority of AF&L Insurance Company be and the same hereby is suspended for a period of one year;

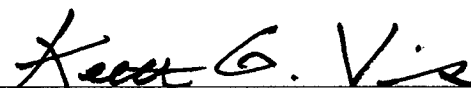
PROVIDED that during the suspension period, such Certificate of Authority may be reinstated upon AF&L Insurance Company's motion and adequate proof to the Insurance Commissioner of the State of Wyoming that said company has remedied its surplus impairment and meets the surplus requirements of WYO. STAT. § 26-3-108(a); and



PROVIDED, however, that if AF&L Insurance Company fails to request a hearing and prove to the satisfaction of the Insurance Commissioner of the State of Wyoming that it has remedied the surplus impairment, its Certificate of Authority shall terminate at the end of the one-year period and shall become permanently revoked pursuant to WYO. STAT. § 26-3-118.

IT IS FURTHER ORDERED that AF&L Insurance Company shall forthwith surrender and deliver its Certificate of Authority to transact the business of insurance in the State of Wyoming to the Insurance Commissioner of the State of Wyoming within ten (10) days after receipt of this Order of Suspension pursuant to WYO. STAT. § 26-3-113(c).

DONE in Cheyenne, Wyoming this 25th day of May, 2007.



KENNETH G. VINES
INSURANCE COMMISSIONER