

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF INSURANCE AND SECURITIES REGULATION**

Anthony A. Williams
Mayor



Lawrence H. Mirel
Commissioner

Office of Legal Affairs

In The Matter of:)
)
Frontier Insurance Company,)
)
Respondent)
)

ORDER#: SA01-001

**NOTICE OF SUMMARY ACTION
TO SUSPEND CERTIFICATE OF AUTHORITY**

**TO: Mr. Mark H. Mishler, President
195 Lake Louise Marie Road
Rock Hill, New York 12775**

**David Grimaldi, Registered Agent
1220 19th Street, NW
Washington, D.C. 20036**

In accordance with the provisions of the District of Columbia Administrative Procedure Act, D.C. Code § 1-1509(a) (1997 Supp.), notice is hereby given of the summary suspension of your certificate of authority to transact business of insurance in the District of Columbia, pursuant to D.C. Code § 35-1506 (a)(1) (1997 Repl.).

Whereas, Frontier Insurance Company, is a foreign corporation, authorized to transact property and casualty insurance business in the District of Columbia under a certificate of authority issued pursuant to D.C. Code § 35-1505 (1997 Repl.).

Whereas, D.C. Code § 35-1506(a)(3) (1997 Repl.) grants the Commissioner of the Department of Insurance and Securities Regulation the power to revoke or suspend the certificate of authority to transact business in the District of any company which is determined to be in such condition that further transaction of business by the company will be hazardous to its policyholders, creditors, or the general public.

Whereas, D.C. Code § 35-1506(b) (1997 Repl.) states that the Commissioner shall not revoke or suspend the certificate of authority of any company until he has given the company not less than 30 days notice of the proposed revocation or suspension and of the grounds alleged therefor, and has afforded the company an opportunity for a full hearing; provided, that if the Commissioner shall find upon examination that the further transaction of business by the

company would be hazardous to the public or to the policyholders or creditors in the District, he may suspend such authority without giving notice as herein required.

Whereas, the New York Insurance Department reported to the Commissioner that the Annual Statement of the Frontier Insurance Company indicated a surplus to policyholders of \$16 million as of December 31, 2000. As of December 31, 1999, the company reported surplus to policyholders in the amount of \$199.5 million. The company's business plan for 2001 indicated anticipated premium volume of \$132 million. Based on the foregoing, the New York Insurance Department determined, pursuant to Section 1104(c) of the New York Insurance Law, that the surplus to policyholders of the Frontier Insurance Company as of December 31, 2000 is not adequate in relation to its outstanding liabilities or financial needs.

Upon examination of Frontier Insurance Company, the Commissioner has determined that, based on the standards for determining the financial condition as outlined in D.C. Code § 35-3501(a)(6), the continued operation by the Respondent would be hazardous to the public and to the policyholders and creditors of the company in the District of Columbia, pursuant to D.C. Code § 35-1506(a)(3) (1997 Repl.).

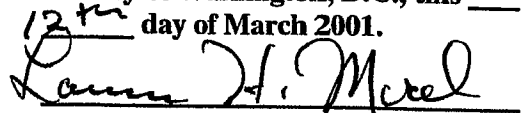
Therefore, **EFFECTIVE IMMEDIATELY**, it is hereby **ORDERED** by the Commissioner of the Department of Insurance and Securities Regulation:

That the Certificate of Authority authorizing Frontier Insurance Company, a foreign corporation in the District of Columbia, to transact business of insurance in the District of Columbia is **SUSPENDED** pending further notice;

That Frontier Insurance Company shall not transact any new insurance business or related activities in the District of Columbia; and

That Frontier Insurance Company shall continue to service existing insurance policies currently in force in the District of Columbia.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of this Administration at the City of Washington, D.C., this 12th **day of March 2001.**



**Lawrence H. Mirel
Commissioner
Department of Insurance and
Securities Regulation**