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OFFICE OF
INSURANCE COMMISSIONER

Thomas Unli, DIC
Patricia Peterson
Chief Hearing Officer

In The Matter of

AMERICAN COMMUNITY MUTUAL
INSURANCE COMPANY,

An Authorized Insurer

ORDER NO. 13-0065

AMENDED CONSENT ORDER
SUSPENDING CERTIFICATE OF
AUTHORITY

The Insurance Commissioner of the State of Washington, pursuant to the authority set forth in RCW 48.05.140 and RCW 48.05.170, having reviewed the official records and files of the Office of the Insurance Commissioner (OIC), makes the following:

FINDINGS OF FACT:

1. American Community Mutual Insurance Company (American Community) is a Michigan domiciled insurer that holds a Washington certificate of authority for the lines of disability and life insurance, WAOIC No. 253199.
2. On April 8, 2010, the company was placed in rehabilitation by the Circuit Court in Lansing Michigan. Rehabilitation is a corporate reorganization under the Michigan Insurance Code that allows the Michigan Office of Financial and Insurance Regulation (OFIR) to evaluate American Community's financial condition and take any necessary steps to protect policyholders and creditors.
3. On November 20, 2012 the Company Supervision Division sent the Deputy Rehabilitator, James Gerber (Gerber), a Notice of Intent to Revoke Certificate of Authority. The basis of the revocation was the financial condition of the company. The effective date of that notice was subsequently extended verbally.
4. On December 28, 2012 the OIC received American Community's demand for hearing which is pending before the Chief Hearing Officer for OIC.
5. Currently, American Community has no policyholders in Washington State and has no intention of selling new business in Washington State.

CONCLUSIONS OF LAW:

1. The Insurance Commissioner may inquire into and consider the fitness of owners and managers of foreign insurers before issuing a certificate of authority pursuant to RCW48.05.070.

2. The Insurance Commissioner may revoke the certificate of authority of any company deemed financially hazardous under RCW 48.05.140.

CONSENT TO ORDER:

American Community Mutual Insurance Company, acknowledging its duty to comply fully with the applicable laws of the State of Washington, consents to the following in consideration of its desire to resolve this matter without further administrative or judicial proceedings. The Insurance Commissioner consents to settle the matter on such terms and conditions as are set forth below.

1. American Community Mutual Insurance Company consents to the entry of this Order, waives any and all hearing rights, and waives further administrative or judicial challenges to this Order.

2. American Community Mutual Insurance Company's Washington State certificate of authority is suspended until December 31, 2013.

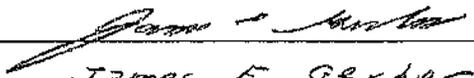
3. If the rehabilitation is not concluded by close of business December 31, 2013, the Washington State certificate of authority shall be revoked without any further administrative or judicial proceedings.

4. Should American Community Mutual Insurance Company as part of the rehabilitation receive offers of acquisition, within thirty days of the acceptance of the offer but prior to the closing of the acquisition, American Community Mutual Insurance Company agrees to provide the OIC with information about the acquiring party as contained in RCW 48.05.070. This information shall be sufficient to enable the OIC to determine whether the acquiring entity is eligible to hold a Washington State certificate of authority.

5. Further, should the abovementioned acquiring entity not have the requisite qualifications to maintain a Washington State certificate of authority, the OIC reserves the right to revoke the certificate of authority pursuant to RCW 48.05 et seq.

EXECUTED this 18 day of June, 2013.

AMERICAN COMMUNITY MUTUAL INSURANCE
COMPANY

By: 

Printed Name: James E Gerber

Corporate Title: Deputy Rehabilitator

ORDER

Pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner hereby Orders as follows:

1. American Community Mutual Insurance Company's Washington State certificate of authority is suspended until December 31, 2013.

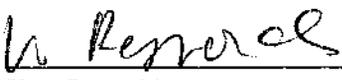
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4. Further, should the abovementioned acquiring entity not have the requisite qualifications to maintain a Washington State certificate of authority, the OIC reserves the right to revoke the certificate of authority pursuant to RCW 48.05 et seq.

ENTERED AT TUMWATER, WASHINGTON, this 21st day of June, 2013.

MIKE KREIDLER
Insurance Commissioner

By: 
Kate Reynolds
Staff Attorney
Legal Affairs Division