

BEFORE THE DEPUTY INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

IN RE: : Pursuant to the Insurance Company
 : Law, Act of May 17, 1921, P.L. 682,
The Request of Patrons Mutual Fire : as amended, 40 P.S. §§341 et seq.
Association of Northwestern Pennsylvania :
for Approval to Surrender its Certificate :
of Authority to Operate as an Insurance :
Company :
 : Order No. ID-RC-09-10

DECISION AND ORDER

AND NOW, on this 8th day of May, 2009, Stephen J. Johnson, Deputy Insurance Commissioner of the Commonwealth of Pennsylvania (“Deputy Commissioner”), hereby makes this Decision and Order:

Pursuant to the Insurance Company Law, and in consideration of the documents, representations, and reports received, as well as other inquiries and studies as permitted by law, the Deputy Commissioner hereby makes the following findings of fact:

FINDINGS OF FACT

Identity of Applicant

1. Patrons Mutual Fire Association of Northwestern Pennsylvania (Patrons”) is a mutual fire insurance company organized under the laws of the Commonwealth of Pennsylvania with its principal place of business in Meadville, Pennsylvania.
2. Patrons holds a certificate authorizing the transaction of the business of insurance in this Commonwealth (“Certificate of Authority”).

The Surrender Filing

3. On April 30, 2009, the Pennsylvania Insurance Department (“Department”) received a request (which, together with all material received subsequently, is hereinafter referenced as “Request”) from Patrons to voluntarily surrender its Certificate of Authority.

Background

4. On April 22, 2009, the Insurance Commissioner of the Commonwealth of Pennsylvania (“Commissioner”) issued an Order to Patrons approving the company’s request to reinsure its entire schedule of policies with Farmers Mutual fire Insurance Company of Marble, Pennsylvania (“Farmers Mutual”) through the execution of an Agreement of Acquisition of Assets and Assumption of Liabilities and an Assumption Reinsurance Agreement that provide, inter alia, for Farmers Mutual to assume the rights, duties and obligations of all policies issued by Patrons in exchange for all the assets of Patrons (“Bulk Transfer”).
5. The Bulk Transfer was completed on April 30, 2009.
6. The Bulk Transfer provided, inter alia, for Farmers Mutual to assume the rights, duties and obligations of all policies issued by Patrons.

The Filing

7. Patrons has provided documentation that its Board of Directors has resolved to surrender its Certificate of Authority.
8. If any of the above Findings of Fact are determined to be Conclusions of Law, they shall be incorporated in the Conclusions of Law as if fully set forth therein.

CONCLUSIONS OF LAW

1. Inasmuch as Patrons does not have any members, Patrons is not required to make provision for payment of member claims.
2. After the surrender of the Certificate of Authority, Patrons will no longer be authorized to transact the business of insurance in this Commonwealth.
3. Based on all the information and analyses received and the Department’s independent review, the Request is reasonable and in accordance with law.
4. If any of the above Conclusions of Law are determined to be Findings of Fact, they shall be incorporated in the Findings of Fact as if fully set forth therein.

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ORDER

Upon consideration of the foregoing, the Deputy Insurance Commissioner of the Commonwealth of Pennsylvania (“Deputy Commissioner”) hereby approves the Request for the voluntary surrender of the Certificate of Authority as filed on April 30, 2009, by Patrons Mutual Fire Association of Northwestern Pennsylvania (“Patrons”), subject to the following conditions:

1. Patrons shall not engage in transacting the business of insurance in the Commonwealth of Pennsylvania or in any other jurisdiction, without the prior approval of the Pennsylvania Insurance Department.
2. Should Patrons, as a continuing business corporation, determine that at some time in the future it would like to engage in the business of insurance, it will be necessary to file a new application with the Department for an appropriate certificate of authority.

This Order is effective immediately.

STEPHEN J. JOHNSON
Deputy Insurance Commissioner
Commonwealth of Pennsylvania