

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 Freehold Mutual	:	<u>as amended</u> , 40 P.S. §§341 <u>et seq.</u>
Insurance Company for Approval to	:	
Surrender its Certificate of Authority to	:	
Operate as an Insurance Company	:	Order No. ID-RC-02-35

DECISION AND ORDER

AND NOW, on this __17th__ day of December, 2002, 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

Identify of Applicant

1. Freehold Mutual Insurance Company (“Freehold Mutual”) is a mutual fire insurance company organized under the laws of the Commonwealth of Pennsylvania with its principal place of business in Bear Lake, Pennsylvania.
2. Freehold Mutual holds a certificate authorizing the transaction of the business of insurance in this Commonwealth (“Certificate of Authority”).

Surrender Filing

3. On December 4, 2002, the Insurance Department of the Commonwealth of Pennsylvania (“Department”) received a request (which, together with all material received subsequently, is hereinafter referenced as “Request”) from Freehold Mutual to voluntarily surrender its Certificate of Authority.

Background

4. On December 17, 2002, the Insurance Commissioner of the Commonwealth of Pennsylvania (“Commissioner”) issued an Order to Freehold Mutual approving the company’s request to reinsure its entire schedule of policies with Farmers Mutual Fire Insurance Company of Marble, Pennsylvania through the execution of an Assumption Reinsurance Agreement and Agreement for Acquisition of Assets and Assumption of Liabilities (“Bulk Transfer”).
5. As a condition to the December 17, 2002, Order, Freehold Mutual is to surrender its Certificate of Authority immediately following the closing on the Bulk Transfer.
6. Freehold Mutual has provided documentation that its Board of Directors has resolved to surrender its Certificate of Authority.
7. 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. After the surrender of the Certificate of Authority, Freehold Mutual will no longer be authorized to transact the business of insurance in this Commonwealth.
2. Based on all the information and analyses received and the Department’s independent review, the Request is reasonable and in accordance with law.
3. 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 December 4, 2002, by Freehold Mutual Insurance Company (“Freehold Mutual”), subject to the following conditions:

1. Freehold Mutual 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. Freehold Mutual shall not surrender its Certificate of Authority unless and until Freehold Mutual and Farmers Mutual Fire Insurance Company of Marble, Pennsylvania have consummated the assumption reinsurance.
3. The surrender shall be effective upon receipt of the tender of the Certificate of Authority by the Insurance Department.
4. Should Freehold Mutual, 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