

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 The Fidelity Mutual Life : as amended, 40 P.S. §§341 et seq.
Insurance Company, in Rehabilitation for :
Approval to Surrender its Certificate of :
Authority to Operate as an Insurance : Order No. ID-RC-08-02
Company :

DECISION AND ORDER

AND NOW, on this 11th day of April, 2008, 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. The Fidelity Mutual Life Insurance Company, in Rehabilitation (“FML”) is a mutual life insurance company organized under the laws of the Commonwealth of Pennsylvania with its principal place of business in Radnor, Pennsylvania.
2. FML has held a certificate authorizing the transaction of the business of insurance in this Commonwealth (“Certificate of Authority”) since February 24, 1879.
3. Commonwealth Annuity and Life Insurance Company (“CAL”) is a stock life insurance company organized under the laws of the Commonwealth of Massachusetts with its principal place of business in Southborough, Massachusetts. CAL was issued a Certificate of Authority to transact life and accident & health insurance in Pennsylvania on December 19, 1974.

The Surrender Filing

4. On February 28, 2008, the Pennsylvania Insurance Department (“Department”) received a request (which, together with all material received subsequently, is hereinafter referenced as “Request”) from FML to voluntarily surrender its Certificate of Authority.

Background

5. FML was placed into rehabilitation by the Commonwealth Court of Pennsylvania (the “Commonwealth Court”) on November 6, 1992.
6. The Insurance Commissioner of the Commonwealth of Pennsylvania was appointed Rehabilitator of FML and filed Fourth Amended Plan of Rehabilitation (the “Plan”) in the Commonwealth Court. The Commonwealth Court approved the Plan on September 27, 2007.
7. The Plan facilitated an assumption and reinsurance of the entire book of FML business by CAL (the “Assumption”), effective January 1, 2008.
8. The Assumption provided, *inter alia*, for CAL to assume the rights, duties, and obligations of all policies issued by FML.

The Filing

9. FML has provided documentation that the Plan has authorized the surrender of FML’s Certificate of Authority.
10. 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 FML does not have any members, FML is not required to make provision for payment of member claims.
2. Inasmuch as FML will be a going concern, the Department's approval of the Request will have no impact on any creditors of FML.
3. After the surrender of the Certificate of Authority, FML will no longer be authorized to transact the business of insurance in this Commonwealth.
4. Based on all the information and analyses received and the Department's independent review, the Request is reasonable and in accordance with law.
5. 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.

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 The Fidelity Mutual Life : as amended, 40 P.S. §§341 et seq.
Insurance Company, in Rehabilitation for :
Approval to Surrender its Certificate of :
Authority to Operate as an Insurance :
Company : Order No. ID-RC-08-02

ORDER

Upon consideration of the foregoing, the Deputy Insurance Commissioner of the Commonwealth of Pennsylvania hereby approves the Request for the voluntary surrender of the Certificate of Authority as filed on February 28, 2008, by The Fidelity Mutual Life Insurance Company (“FML”), subject to the following conditions:

1. FML 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. The surrender shall be effective upon receipt of the tender of the Certificate of Authority by the Insurance Department.
3. Should FML, 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