

BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA

FILED

FEB 02 2024

STATE OF OKLAHOMA, ex rel. GLEN)
MULREADY, Insurance Commissioner,)
)
Petitioner,)
v.)
)
UNITED HOME INSURANCE COMPANY,)
)
Respondent.)

**INSURANCE COMMISSIONER
OKLAHOMA**

Case No. 23-0585-DIS

ORDER OF SUSPENSION OF CERTIFICATE OF AUTHORITY

COMES NOW the State of Oklahoma, ex rel. Glen Mulready, Insurance Commissioner, having reviewed information received relating to United Home Insurance Company, an Arkansas domiciled insurance company, (“Company”) and finds and orders as follows:

JURISDICTION

1. Glen Mulready is the Insurance Commissioner of the State of Oklahoma and, as such, is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code, 36 O.S. §§ 101 *et seq.*

2. United Home Insurance Company is authorized to do business in Oklahoma as a property and casualty insurer pursuant to SBS Company Number 44195347 and NAIC CoCode 17647.

FINDINGS OF FACT

3. The Company was ordered into liquidation by the Circuit Court of Pulaski County, Arkansas on November 16, 2023. The Commissioner of Insurance of the State of Wisconsin is the court appointed liquidator of the Company. (Exhibit “A”).

4. Oklahoma law mandates the revocation or suspension of an insurer’s certificate of authority if the insurer fails to maintain minimum statutory capital and surplus. *See* 36 O.S. § 618.

The Company no longer meets the requirements for an Oklahoma certificate of authority pursuant to 36 O.S. § 610 because of a deficiency of assets and for other reasons within the meaning of 36 O.S. § 618 and OAC 365:25-7-42.

5. The Company is in such a financial condition as to render further authorization of the Company to transact insurance business in this state hazardous to its policyholders or the people of this state within the meaning of 36 O.S. § 619(A)(3) and OAC 365:25-7-42.

CONCLUSIONS OF LAW

6. Pursuant to 36 O.S. §§ 618 and 619, the Insurance Commissioner has the authority to restrict the Company's insurance writings and suspend conduct of its insurance business in Oklahoma.

7. Pursuant to 36 O.S. §§ 618 and 619, the Insurance Commissioner, based on the above Findings of Fact, concludes as a matter of law that the Company should be immediately suspended from conducting business in Oklahoma. However, the Company should be allowed to continue to service existing policies, adjust claims under existing policies and do all matters necessary to attend to existing Oklahoma business and to abide by the terms of the Arkansas order of liquidation.

ORDER

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED by the Insurance Commissioner that United Home Insurance Company is hereby **SUSPENDED** from doing business in Oklahoma. The Company may continue to service existing policies, adjust claims under existing policies and do all matters necessary to attend to existing business in Oklahoma and to abide by the terms of the liquidation ordered by Arkansas. The Findings of Fact above constitute behavior that is detrimental to the public and constitutes a threat of immediate danger and

significant, imminent and irreparable public injury that is likely to continue if the Company is allowed to write new or renewal business. Therefore, this Order shall take effect immediately.


IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Company may request a hearing within thirty (30) days of receipt of this Order to determine if any reason exists that should preclude any of the actions taken herein. Any request for hearing should be in writing and addressed to Teresa L. Green, Oklahoma Insurance Department, Legal Division, 400 N.E. 50th St., Oklahoma City, OK 73105, and must state the grounds for the request to set aside or modify this Order. Pending hearing, this Order shall continue in full force and effect unless stayed by the Oklahoma Insurance Commissioner. Any such hearing shall be conducted according to the procedures for contested cases under the Oklahoma Insurance Code and the Oklahoma Administrative Procedures Act. The allegations contained herein shall be the subject matter for the hearing, and such allegations may be amended as additional information is discovered. The Oklahoma Insurance Commissioner or his appointed Hearing Examiner reserves the right to impose additional or different administrative discipline at the hearing, if warranted.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that if no hearing is requested within thirty (30) days of receipt of this Order, this Order shall become a Final Order.

WITNESS My Hand and Official Seal this 2nd day of February, 2024.



State of Oklahoma
Oklahoma Insurance Department



Brian Downs
First Deputy Insurance Commissioner
and Chief of Staff

CERTIFICATE OF MAILING

I, Teresa L. Green, hereby certify that a true and correct copy of the above foregoing *Order of Suspension of Certificate of Authority* was mailed via certified mail, with postage prepaid and return receipt requested, on this 5th day of February, 2024, to:

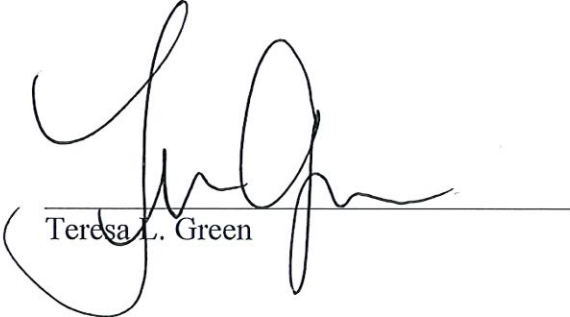
United Home Insurance Company
1201 W. Court St.
Paragould, AR 72450-4133

CERTIFIED MAIL NO. 9589 0710 5270 0679 4453 45

and a copy was delivered to:

Financial Division

and notification was sent to NAIC/RIRS.



Teresa L. Green

IN THE CIRCUIT COURT OF PULASKI COUNTY, ARKANSAS
CIVIL DIVISION

ALAN McCLAIN, INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS

PETITIONER

VS.

NO: 60CV-23-6619

UNITED HOME INSURANCE COMPANY,
AN ARKANSAS DOMICILED COMPANY

RESPONDENT

AMENDED ORDER OF LIQUIDATION WITH LIMITED RESERVATION

The Court, based upon the pleadings filed and the evidence presented, finds it is necessary to amend the Court's prior Order of Liquidation with Limited Reservation ("Liquidation Order") entered on November 14, 2023 and finds as follows;

1. The Court has jurisdiction over this matter and venue is proper in this Court.
2. Alan McClain, Insurance Commissioner for the State of Arkansas (Petitioner), filed his Motion/Petition for Liquidation ("Motion") on November 3, 2023.
3. The Petitioner filed this original action on September 5, 2023 seeking an Injunction and the Appointment of a Receiver regarding United Home Insurance Company ("UHIC"), an AR domestic insurance company for purposes of rehabilitation.

EXHIBIT A

4. On September 6, 2023, this Court entered a Permanent Injunction and Agreed Order Appointing Receiver for Rehabilitation (“Order”).

5. The Order appointed the Petitioner as Receiver (“Receiver”) and designated Mr. Michael E. Surguine as the Deputy Receiver.

6. Mr. Surguine has reviewed certain books and records of the UHIC, including the accounts at various banks in AR.

7. The officers and employees of UHIC have cooperated with the Receiver to date, but the amount of claims, both loss claims and claims by customers for refunds of premiums after policy cancellation, have exceeded what was anticipated by UHIC.

8. Although UHIC has assets, some of which have been liquidated to pay claims and others which can be liquidated, it has become clear to the Receiver, that the present claims and future claims against UHIC will exceed the assets of UHIC.

9. UHIC is no longer issuing policies and its financial condition is hazardous to current policyholders, creditors and/or the public.

10. Based on the facts and evidence presented, the Court finds that UHIC is an insolvent insurer and pursuant to ACA 23-68-106 and 107, and other relevant statutes, sufficient cause exists for UHIC to be converted from a rehabilitation proceeding to a liquidation, subject to the limited reservation related to certain AR policies, as set forth below.

11. This Order of Liquidation, as amended, and the specific finding that UHIC is an insolvent insurer, shall activate the guaranty funds in Arkansas and

the other states in which UHIC wrote insurance. The Receiver and Deputy Receiver are authorized to; give notice to policy holders of this liquidation and UHIC's insolvency; cancel policies within 30 days; provide notice to policy holders regarding submission of claims and payment of claims through the applicable guaranty funds; and, take such action as may be necessary to see that claims against UHIC are processed and paid pursuant to the statutes, rules and regulations of the applicable property and casualty guaranty funds related to this insolvent insurer.

12. The September 6, 2023 Order is incorporated herein as if set forth word for word, with the express clarification that the provisions, requirements and obligations set forth therein shall apply in UHIC's liquidation. Further, to the extent any clarification is needed, the Receiver and Deputy Receiver are authorized to take such action as necessary to complete the liquidation of UHIC. Such action includes, but is not limited to, that set forth in paragraph 11 above, taking possession and control of all assets of UHIC or UHIC's subsidiaries and to market, sell and liquidate them in a commercially reasonable manner as the Receiver or Deputy Receiver deem appropriate. To the extent any questions exist, the Petitioner may file a motion seeking court approval of such transactions.

13. The Receiver and Deputy Receiver have been advised of a proposal that involves approximately 9,300 Arkansas homeowner policies of UHIC, with a coverage amount of \$175,000 or less, which, if accepted, could reduce the claims against UHIC and the Arkansas guaranty fund. The proposal has the potential to allow the estimated 9,300 Arkansas policy holders to maintain uninterrupted

homeowners' coverage, in a market that is limited and, in some cases, not available for replacement policies.

14. Pending further order of this Court, the 9,300 policies of UHIC as of Nov. 9, 2023, as described in more detail in paragraph 13 above, shall remain in rehabilitation, allowing the Receiver and the AR Insurance Department additional time to determine if this proposal is acceptable. No notice of liquidation or cancellation of these policies of UHIC shall be given at this time. Once that decision is made to accept or reject the proposal, the Petitioner may file such additional motions as may be necessary seeking approval of the transaction or to have these approximate 9,300 policies brought within the liquidation proceeding.

IT IS SO ORDERED.

Honorable Herbert T Wright
Pulaski Co. Circuit Judge

Dated: _____

Prepared by:

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Attorneys for Receiver, Alan McClain



Case Title: ALAN MCLAIN V UNITED HOME INSURANCE COMPANY

Case Number: 60CV-23-6619

Type: AMENDED ORDER

So Ordered

A handwritten signature in black ink, appearing to read "Herb Wright", written over a horizontal line.

Honorable Herbert T Wright