

BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS

IN THE MATTER OF THE
CERTIFICATE OF AUTHORITY OF
SOUTH CAROLINA
INSURANCE COMPANY

A.I.D. NO. 2005- 051

ORDER OF SUSPENSION

Now on this day the matter of the Arkansas Certificate of Authority No. 1363 of South Carolina Insurance Company, NAIC #24953 ("Company"), a South Carolina-domiciled insurer, is taken under consideration by Julie Benafield Bowman, Insurance Commissioner for the State of Arkansas ("Commissioner"), as presented by Ms. Jean Langford, Chief Counsel, and the Finance Division for the Arkansas Insurance Department ("Department"). From the facts before the Commissioner, she finds as follows:

1. That the Commissioner has jurisdiction over the parties and the subject matter involved herein.
2. That the Company is a South Carolina-domiciled insurer authorized to transact property, casualty (including workers' compensation), surety, and marine insurance in the State of Arkansas.
3. That the Company was placed under administrative supervision by the Order of the South Carolina Insurance Department, effective August 21, 2002. That the Commissioner then issued the 2002 order to suspend the Arkansas Certificate of Authority of the Company by Order No. 2002-092. Subsequently by letter of June 13, 2003, to this Department, the Company asked for reinstatement of the Arkansas Certificate of Authority, based upon action taken on May 20, 2003, by the South Carolina Department, which had then issued its Order Lifting

Administrative Supervision and Relieving Supervision. Unfortunately, in 2005, the Company was placed into liquidation by the South Carolina domiciliary court due to its financial status.

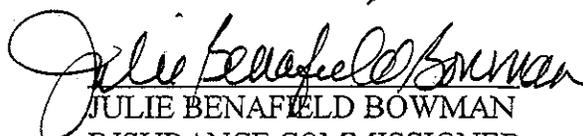
4. That the 2005 anniversary of that initial suspension is approaching. On this date the Commissioner has determined that the causes as stated make it appropriate and expedient to continue the suspension of the Company's Arkansas Certificate of Authority, pending review of the Company's financial status, as well as other facts and regulatory issues. It is noted that the Company is not writing any business under its suspension in Arkansas.

6. That, pursuant to Ark. Code Ann. §23-63-213 and §23-63-215 and §23-63-216 (e), the Commissioner hereby orders a continued suspension of the Arkansas Certificate of Authority of South Carolina Insurance Company. The suspension shall continue until further order of the Commissioner.

7. That the Company is required by Ark. Code Ann. §23-63-215(b) to, and shall file, its Annual Statements for current and future years; and shall report and pay all fees and taxes required under those laws during the period of suspension. During this period, the Company may not write new or renewal insurance policies in the State of Arkansas.

8. That, pursuant to the waiver provisions of Rule and Regulation 56, the Company's payment of the Rule 56 fee ("CFRF") due June 30, 2005 is hereby waived; and further, under the provisions of Rule and Regulation 5, any anti-fraud assessments due in 2005 are hereby waived.

IT IS SO ORDERED THIS 21ST DAY OF September, 2005.


JULIE BENAFIELD BOWMAN
INSURANCE COMMISSIONER
STATE OF ARKANSAS