

**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS**

**IN THE MATTER OF THE
CERTIFICATE OF AUTHORITY OF
FRONTIER INSURANCE COMPANY**

A.I.D. NO. 2005- 056

ORDER OF SUSPENSION

Now on this day the matter of the Arkansas Certificate of Authority No. 2109 of Frontier Insurance Company ("Company"), NAIC #34266, a New York-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, Legal Division of the Arkansas Insurance Department ("Department"), and the Finance Division. From the facts, matters and other things 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 New York-domiciled insurer formerly authorized to transact property, casualty (including workers' compensation), surety, and marine insurance in the State of Arkansas.
3. That the Company agreed to voluntary rehabilitation on August 24, 2001; and a temporary order was entered by the New York Supreme Court for the County of New York. The New York Insurance Superintendent was appointed Rehabilitator for the troubled New York insurance company. Other state insurance departments at that time issued suspension orders against the Company. The Company's Arkansas Certificate of Authority was suspended by the Arkansas Commissioner's Order No. 2001-0221, signed August 30, 2001. That Certificate has

remained suspended by Commissioner's Order in the intervening years; and remains suspended until the effective date of this Order, as well.

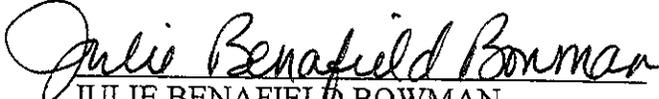
4. That, on this date in 2005, the Commissioner determined that the causes as stated make it appropriate and expedient to continue a suspension of the Company's Arkansas Certificate of Authority. The New York Company's staff wrote to this Department, in reply to the Arkansas Department's written request, and have asked that Arkansas continue the suspension against the Company, because it is still in receivership in the State of New York.

5. That, pursuant to Ark. Code Ann. §23-63-212(a)(3) and §23-63-215, the Commissioner hereby directs and orders the continued suspension of the Arkansas Certificate of Authority of Frontier Insurance Company, until further order of the Commissioner.

6. 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, unless waived; and shall report and pay all fees and taxes required under those laws during the period of suspension.

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

IT IS SO ORDERED THIS 30th DAY OF September 2005.


JULIE BENAFIELD BOWMAN
INSURANCE COMMISSIONER
STATE OF ARKANSAS