

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

**IN THE MATTER OF THE
CERTIFICATE OF AUTHORITY OF
~~THE SHELBY INSURANCE COMPANY, SHELBY~~
CASUALTY INSURANCE COMPANY, AND
VESTA FIRE INSURANCE CORPORATION**

A.I.D. NO. 2011-069

ORDER OF REVOCATION

Now on this day the matter of the Arkansas Certificates of Authority of VESTA FIRE INSURANCE CORPORATION, SHELBY CASUALTY INSURANCE COMPANY, and THE SHELBY INSURANCE COMPANY, Texas-domiciled insurers, is taken under consideration by Julie Benafield Bowman, Insurance Commissioner for the State of Arkansas (“Commissioner”), as presented by Amanda Capps Rose, Associate Counsel, Legal Division of the Arkansas Insurance Department (“Department”) and by the Finance Division of the Department. From the facts, matters and other things before the Commissioner, she finds as follows:

FINDINGS OF FACT

1. The Commissioner has jurisdiction over the parties and the subject matter involved herein.
2. Vesta Fire Insurance Corporation, NAIC No. 11762 (“Vesta”), is a Texas-domiciled insurer authorized to transact property and casualty insurance business in the State of Arkansas.
3. Shelby Casualty Insurance Corporation, NAIC No. 30503 (“Shelby Casualty”), is a Texas-domiciled insurer authorized to transact accident and health and property and casualty insurance business in the State of Arkansas.
4. The Shelby Insurance Company, NAIC No. 15156 (“Shelby”), is a Texas-domiciled insurer authorized to transact property and casualty insurance business in the State of Arkansas.

5. The Arkansas Certificates of Authority for Vesta, Shelby Casualty, and Shelby currently suspended due to hazardous financial conditions and receivership action in their state of domicile.

6. On August 1, 2006, the District Court of Travis County, Texas issued an Order Appointing Liquidator and Permanent Injunction ("Order"). Pursuant to the Order, Vesta Fire Insurance Corporation, Shelby Casualty Insurance Company, and The Shelby Insurance Company were placed in liquidation effective August 1, 2006.

CONCLUSIONS OF LAW

7. On this date the Commissioner has determined that the causes as stated make it appropriate and expedient to revoke the Company's Arkansas Certificate of Authority pursuant to Ark. Code Ann. §§ 23-63-212(b)(1) and 23-63-214 based on liquidation proceedings in the Company's state of domicile.

8. Ark. Code Ann. § 23-63-212 states, in pertinent part, as follows:

(b)(1) Except in cases of insolvency or impairment of required capital or surplus, or suspension or revocation by another state as referred to in subdivision (a)(3) of this section, the commissioner shall give the insurer at least ten (10) days' written notice in advance of any suspension or revocation under this section.

IT IS THEREFORE ORDERED AND ADJUDGED that the Arkansas Certificate of Authority of Vesta Fire Insurance Corporation, Shelby Casualty Insurance Company, and The Shelby Insurance Company are hereby immediately revoked.

IT IS SO ORDERED THIS 26th **DAY OF AUGUST, 2011.**



JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS