

BEFORE THE IOWA INSURANCE COMMISSIONER

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IN THE MATTER OF THE CERTIFICATE )  
OF AUTHORITY OF FREESTONE )  
INSURANCE COMPANY ) SUMMARY ORDER OF SUSPENSION  
 )  
NAIC # 32271 )

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Now comes the Iowa Insurance Division (“Division”) pursuant to the provisions of the Iowa Insurers Supervision, Rehabilitation, and Liquidation Act – Iowa Code Chapter 507C and finds the following:

**I. PARTIES AND JURISDICTION**

1. The Commissioner of Insurance, Nick Gerhart, pursuant to Iowa Code § 505.8 (2013), administers and enforces the Iowa Insurers Supervision, Rehabilitation, and Liquidation Act – Iowa Code Chapter 507C.
2. Freestone Insurance Company (“Freestone”) is a Delaware corporation with a last known mailing address of 5501 LBJ Freeway, Suite 1200, Dallas, TX 75240.
3. Freestone is and has been issued a Certificate of Authority with the Division since November 1, 1996.

**II. FINDINGS OF FACT**

4. The Division issued Freestone a Certificate of Authority on November 1, 1996 and assigned NAIC number 32271.
5. Freestone filed a Uniform Consent to Service of Process (the “Consent”) on November 14, 2013. In submitting the Consent, Freestone designated the Commissioner as an agent for service of process.
6. On July 22, 2014, the Insurance Commissioner for the State of Delaware, as the Receiver of Freestone, filed a petition in the Court of Chancery of the State of Delaware, seeking the entry of a Liquidation and Injunction Order (“Liquidation Order”) against Freestone

and finding that Freestone was insolvent. The Liquidation Order became effective on August 15, 2014 with a bar date of December 31, 2015 for the filing of all claims against Freestone.

### **III. CONCLUSIONS OF LAW**

7. Iowa Code § 507C.60 (2013) provides that “without advance notice or a hearing, the commissioner may suspend immediately the certificate of authority of any insurer as to which proceedings for receivership, conservatorship, rehabilitation, or other delinquency proceedings have been commenced in any state by the public insurance supervisory official of that state.”

8. Freestone is and has been in receivership and subject to a Liquidation Order commended by the Insurance Commissioner of the State of Delaware which was effective on August 15, 2014.

### **IV. ORDER**

**IT IS THEREFORE ORDERED** that:

A. The Iowa Certificate of Authority issued to Freestone shall be immediately suspended. The period of suspension shall be continuous from the date of this Order until terminated by further written order of the Commissioner.

B. Freestone shall not solicit or issue new policies of insurance or assume any Iowa risk.

C. Freestone shall file its annual financial statement and pay any fees and taxes required to be paid under Iowa law.

D. Freestone shall service any existing policies of insurance issued to persons residing in Iowa.

Dated this 17th day of April, 2015.

Iowa Insurance Division

/s/

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JAMES N. ARMSTRONG  
Deputy Commissioner of Insurance  
Iowa Insurance Division

### **NOTICE**

Failure to comply with the provisions of this Order shall be grounds for further administrative action under Iowa Code Chapter 507C and other applicable insurance code chapters, or for injunctive relief in district court.

If you fail to request a hearing within 30 days of the date of this Order, the Order shall be a final Order of the Commissioner of Insurance and shall be enforceable by the Commissioner of Insurance in an administrative or court proceeding.

The failure to request a hearing can constitute a failure to exhaust your administrative remedies and limit the issues subject to judicial review. You may seek judicial review of this Order, pursuant to Iowa Code Chapter 17A, after the Order becomes final. The Order becomes final 30 days after it is issued if you do not timely request a contested case hearing, or 30 days following any ruling from a contested case hearing.

### **NOTICE OF RIGHT TO REQUEST HEARING**

NOTICE IS HEREBY GIVEN that Freestone Insurance Company may request a hearing in this matter. This request must be in writing and must be filed within 30 calendar days of the date of this Order, with Robert Koppin, Company Regulation Attorney, 601 Locust St., Fourth Floor, Des Moines, Iowa 50309. A notice of the hearing shall be prepared and shall be given at least 15 days before the date of the hearing unless the parties agree to an earlier date. The hearing shall be held within 90 days after the date of the notice of the hearing unless extended by the presiding officer for good cause with at least 15 days notice to the parties. The resulting hearing will be held in accordance with Iowa Code Chapter 17A.

Copy to:

Delaware Insurance Department  
Attn: Deputy Receiver George J. Piccoli  
Bureau of Rehabilitation and Liquidation  
704 N. King Street, Suite 602  
Wilmington, DE 19801

Freestone Insurance Company  
5501 LBJ Freeway, Suite 1200  
Dallas, TX 75240

Robert Koppin  
Company Regulation Attorney  
Local