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

**COMMISSIONER OF INSURANCE** **PETITIONER**

**VERSUS**

**License No.: 8200027**
**NAIC No.: 82082**
**Cause No.: 10-6076**

**CITIZENS NATIONAL LIFE INSURANCE COMPANY** **RESPONDENT**

**ORDER TO SUSPEND LICENSE**

**THIS MATTER** came before the Commissioner of Insurance ("Commissioner") for the purpose of reviewing the financial condition of Respondent, Citizens National Life Insurance Company. Upon review of this matter, the undersigned finds as follows:

I.

In accordance with Mississippi Code Annotated, Sections 83-5-17 and 83-6-39 (Supp. 1999), the Commissioner shall suspend or revoke the license of any insurer if the Commissioner finds that the insurer is in an unsound financial condition, insolvent, or impaired.

II.

On May 7, 2010, the Petitioner issued a Notice of Show Cause Hearing, via certified mail, to the Respondent scheduling a hearing for Tuesday, May 25, 2010, at 9:00 a.m., in the Offices of the Commissioner of Insurance for the State of Mississippi, 10th Floor, Woolfolk State Office Building, 501 North West Street, Jackson, Mississippi 39201. This Notice advised that the Petitioner had received and reviewed the Respondent's December 31, 2009 Annual Statement and determined that the Respondent reported a surplus of $548,971.00. A minimum surplus of $600,000.00 is required to be maintained by Respondent in accordance with Mississippi Code

Annotated, Sections 83-21-3(2) and 83-19-31(1)(a); resultantly, the Respondent was believed to be surplus impaired due to the fact that it failed to meet the minimum surplus requirements of Mississippi law.

III.

The purpose of this hearing was to provide the Respondent an opportunity to show cause why its license should not be suspended due to its failure to meet the minimum surplus requirements mandated by Mississippi law. This Notice of Show Cause Hearing advised the Respondent that in lieu of appearing at the hearing, the Respondent could waive same and elect to provide a written response to the Respondent prior to May 25, 2010.

IV.

The United States Postal Service provided written notice to Petitioner that the Respondent signed for receipt of the May 7, 2010 show cause hearing notice letter on May 12, 2010. Thereafter, the Respondent provided a written response to the Petitioner, requesting additional time to prepare a response to the Petitioner's May 7th notice. Ultimately, the Respondent requested that the Petitioner allow it an admitted practice to the effect that its total capital and surplus be combined to meet the Mississippi statutory requirements.

V.

The Respondent advised the Petitioner that it could not allow such an admitted practice because it would be contrary to the Mississippi statutory requirements. Resultantly, the Respondent requested that the Petitioner suspend its authority to write business in Mississippi, but not revoke its Certificate of Authority in order that the Respondent would have additional time to increase its surplus to exceed the Mississippi statutory minimum or to sell the Company.

VI.

Based upon the foregoing, the Petitioner finds that the Respondent is surplus impaired by virtue of its failure to meet the minimum surplus requirements imposed by the laws of the State of Mississippi.

**IT IS, THEREFORE, ORDERED** that License Number 8200027 is hereby fully **SUSPENDED,** effective immediately. This Order constitutes a suspension of Respondent's license to conduct business in the State of Mississippi pending a final determination by the Petitioner. No new business shall be conducted by the Respondent or any of its agents in the State of Mississippi throughout the duration of this suspension. It shall be the Respondent's responsibility to notify all agents of this suspension upon receipt of this Order.

**ORDERED** this the 3rd day of Aug, 2010.

MIKE CHANEY
COMMISSIONER OF INSURANCE