

August 31, 2001

Mr. William S. Taylor
Deputy Commissioner
c/o PHICO Insurance Company
1 PHICO Drive
PO Box 85
Mechanicsburg, PA 17055-0085

Re: PHICO Insurance Company, In Rehabilitation

Dear Mr. Taylor:

PHICO Insurance Company has an active certificate of authority in the State of Maine. Due to the August 16, 2001 Order for Rehabilitation, Docket No. 427MO2001, it is necessary to suspend PHICO Insurance Company's certificate of authority in Maine.

Pursuant to Title 24-A M.R.S.A. § 417(3), the certificate of authority for PHICO Insurance Company is suspended indefinitely, effective immediately. A hearing date on this matter is scheduled for 8:00 a.m. on Wednesday, September 19, 2001, as required by § 417(3). The hearing is to be held at the Maine Bureau of Insurance, 124 Northern Avenue, Gardiner, Maine.

Pursuant to 24-A M.R.S.A. §§ 229 and 419(1), PHICO Insurance Company may at any time file with the Superintendent a request to lift the suspension upon a showing that valid grounds for suspension no longer exist, and may petition for an adjudicatory hearing if the request to lift the suspension is denied.

Please contact Enya Carter at (207) 624-8496 or by e-mail at enya.h.carter@state.me.us if you should have any questions.

Per Order of

Alessandro A. Iuppa
Superintendent of Insurance