



STATE OF MAINE  
 DEPARTMENT OF PROFESSIONAL  
 AND FINANCIAL REGULATION  
 BUREAU OF INSURANCE  
 34 STATE HOUSE STATION  
 AUGUSTA, MAINE  
 04333-0034

ANGUS S. KING, JR.  
 GOVERNOR

ALESSANDRO A. IUPPA  
 SUPERINTENDENT

**In re: FRONTIER  
 INSURANCE COMPANY  
 IN REHABILITATION**

**(ACCOUNT OF COMBINED MANAGEMENT,  
 INC.)**

**DOCKET NO. INS-01-2553**

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**AMENDED ORDER FOR  
 EXPEDITED TERMINATION**

**THIS ORDER SUPERSEDES ORDER FOR EXPEDITED TERMINATION DATED  
 DECEMBER 5, 2001.**

By an Order issued this day, the Superintendent ordered Frontier Insurance Company to cancel all existing Maine policies as of January 1, 2002, expressly reserving the authority to order earlier termination of particular accounts on a case-by-case basis as conditions warrant.

Combined Management, Inc. is an employee leasing company registered in the State of Maine pursuant to 32 M.R.S.A. § 14052, and has obtained workers' compensation insurance for itself and its client lessees from Frontier Insurance Company. Because continued operation with no guaranty fund protection for Combined's workers' compensation exposure places a substantial number of client lessees and leased employees at risk, and replacement coverage is available on a guaranteed issue basis if necessary pursuant to 24-A M.R.S.A. § 3711, the Superintendent finds that exigent circumstances exist warranting immediate termination of the Frontier policy.

Therefore, it is hereby *ORDERED* that Combined Management, Inc. shall obtain replacement coverage as soon as possible, and in no event with an effective date later than 12:01 a.m., December 15, 2001. The coverage with Frontier Insurance Company shall terminate immediately upon the inception of the replacement coverage, and Frontier shall promptly refund any unearned premium. Combined Management, Inc. or Frontier Insurance Company may petition the Superintendent for an adjudicatory hearing in this matter pursuant to 24-A M.R.S.A. § 229 if either of them contests any aspect of this Order.

**PER ORDER OF**

**DECEMBER 11, 2001**

**ALESSANDRO A. IUPPA  
 SUPERINTENDENT OF INSURANCE**



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<b>In re: FRONTIER</b>	]	
<b>INSURANCE COMPANY</b>	]	
<b>IN REHABILITATION</b>	]	
	]	<b>ORDER FOR</b>
<b>(ACCOUNT OF COMBINED</b>	]	<b>EXPEDITED TERMINATION</b>
<b>MANAGEMENT, INC.)</b>	]	
	]	
<b>DOCKET NO. INS-01-2553</b>	]	

By an Order issued this day, the Superintendent ordered Frontier Insurance Company to cancel all existing Maine policies as of January 1, 2002, expressly reserving the authority to order earlier termination of particular accounts on a case-by-case basis as conditions warrant.


Combined Management, Inc. is an employee leasing company registered in the State of Maine pursuant to 32 M.R.S.A. § 14052, and has obtained workers' compensation insurance for itself and its client lessees from Frontier Insurance Company. Because continued operation with no guaranty fund protection for Combined's workers' compensation exposure places a substantial number of client lessees and leased employees at risk, and replacement coverage is available on a guaranteed issue basis if necessary pursuant to 24-A M.R.S.A. § 3711, the Superintendent finds that exigent circumstances exist warranting immediate termination of the Frontier policy.

Therefore, it is hereby *ORDERED* that Combined Management, Inc. shall obtain replacement coverage as soon as possible, and in no event with an effective date later than December 12, 2001. The coverage with Frontier Insurance Company shall terminate immediately upon the inception of the replacement coverage, and Frontier shall promptly refund any unearned premium.

Combined Management, Inc. or Frontier Insurance Company may petition the Superintendent for an adjudicatory hearing in this matter pursuant to 24-A M.R.S.A. § 229 if either of them contests any aspect of this Order.

**PER ORDER OF**

**DECEMBER 5, 2001**

  
**ALESSANDRO A. IUPPA**  
**SUPERINTENDENT OF INSURANCE**



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SUPERINTENDENT

<b>In re: FRONTIER</b>	]	
<b>INSURANCE COMPANY</b>	]	<b>ORDER TO TERMINATE</b>
<b>IN REHABILITATION</b>	]	<b>COVERAGE</b>
	]	
<b>DOCKET NO. INS-01-2553</b>	]	

Per Order of the Superintendent, the certificate of authority of Frontier Insurance Company (NAIC Company Code # 34266) to transact insurance in the State of Maine was suspended on May 22, 2001. Frontier was required to continue to service existing business, but was no longer permitted to engage in soliciting new business or renewing existing business. On October 15, 2001, the Supreme Court of New York issued an Order of Rehabilitation, Index No. 405090/01, declaring Frontier Insurance Company insolvent and appointing the Superintendent of Insurance of the State of New York to serve as Rehabilitator. At present, Frontier continues to pay current claims.

The Maine Guaranty Fund is obligated "to pay covered claims existing prior to the determination of the insolvency or arising within 30 days after the determination of insolvency, or before the policy expiration date if less than 30 days after the determination of insolvency, or before the insured replaces the policy or causes its cancellation, if within 30 days of the determination," pursuant to 24-A M.R.S.A. § 4438(1)(A). Thus, should Frontier become unable to meet its claims obligations at some future time, Frontier policyholders in Maine may not be eligible for Maine Guaranty Fund protection for claims incurred on or after November 15, 2001. Pursuant to 24-A M.R.S.A. § 2908(8), the Superintendent may authorize midterm cancellation of coverage on less than 30 days' notice and without policyholder-specific cause if continuation of coverage would endanger the ability of the insurer to fulfill its contractual obligations.

Therefore, it is hereby *ORDERED* that:

1. Frontier Insurance Company shall cancel all existing Maine policies as of January 1, 2002, and shall waive any applicable advance notice requirement for any policyholder that requests an earlier termination date. The Superintendent reserves the authority to order earlier termination of particular accounts on a case-by-case basis as conditions warrant.
2. Frontier Insurance Company shall provide notification of cancellation to all affected policyholders within 5 business days of this Order via certified mail.



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3. Frontier Insurance Company shall provide notification of cancellation to all Maine producers who had placed the business with Frontier for existing Maine policyholders.
4. Frontier Insurance Company shall process all Maine claims and pay all valid Maine claims on an expedited basis, with no unnecessary delay.
5. Frontier Insurance Company shall return any unearned premium to affected policyholders by January 15, 2002.
6. Frontier Insurance Company shall provide the Maine Bureau of Insurance with a list of existing Maine policyholders, addresses, policy numbers, types of coverage, and original policy expiration dates.
7. Frontier Insurance Company shall report to the Maine Bureau of Insurance at least monthly on the status of its reinsurance coverage as compared to the underlying claims exposure.

Frontier Insurance Company may petition the Superintendent for an adjudicatory hearing in this matter pursuant to 24-A M.R.S.A. § 229 if it contests any aspect of this Order.

**PER ORDER OF**

**DECEMBER 5, 2001**



**ALESSANDRO A. IUPPA**  
**SUPERINTENDENT OF INSURANCE**