



## **News for Immediate Release**

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### **Pennsylvania Insurance Department to Liquidate First Sealord Surety**

**Harrisburg** – Commonwealth Court has approved the Pennsylvania Insurance Department’s petition to liquidate First Sealord Surety Insurance, state Insurance Commissioner Michael Consedine announced today. First Sealord, a bond and surety company based in Villanova, had experienced a steep drop in its surplus.

“I petitioned Commonwealth Court for a liquidation order because First Sealord Surety is no longer able to meet its policyholder obligations or pay its debts as they come due,” said Consedine. “The court’s approval of our petition puts numerous policyholder safeguards in place and establishes an orderly payment process.”

First Sealord Surety began its operations in 1991 as a mono-line insurance company underwriting surety bonds. The firm insured construction general contractors and subcontractors against loss. Until recently, when it stopped writing bonds, it offered coverage in 39 states.

“Aggressively working with financially troubled companies is a critical part of our regulatory role,” Consedine added. “In the majority of cases, our work can help put a company back on a stable financial course. In the case of Sealord, the company fell too far, too fast.”

This liquidation order triggers the following process:

- The department, as liquidator, takes over, secures the company and marshals all available assets to pay policyholder claims.
- On-site liquidator analyzes the company’s most recent financial data to understand the full scope of company’s financial hole.
- Policies (bonds) terminate within 30 business days of liquidation order.
- Policyholders/bondholders are among the first priority of payments and will receive notice of that payment process shortly.
- Creditors are also paid in order of priority and follow a proof of claims process.
- The liquidator distributes any surplus funds to the shareholders.
- The company is then formally dissolved.

The Insurance Department is now on-site at the company. Sealord bondholders and producers with questions should call 717-787-7823. More information on the liquidation process can be found at [www.insurance.pa.gov](http://www.insurance.pa.gov).

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