

APR 21 2006

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

DEPT OF INSURANCE
BY 

In the Matter of)
)
UNITED GUARANTY COMMERCIAL INSURANCE)
COMPANY OF NORTH CAROLINA)
(NC) (NAIC NO. 16659))
)
Respondent.)

Docket No. 06A-063-INS

**RETALIATORY DEPOSIT
ORDER**

Arizona Revised Statutes § 20-582 requires that a deposit required pursuant to the retaliatory provision set forth in A.R.S. § 20-230 shall be held for the purposes specified in the Director's order requiring the deposit.

FINDINGS OF FACT

1. United Guaranty Commercial Insurance Company of North Carolina ("Respondent"), a foreign insurer domiciled in the State of North Carolina, has filed an application for a certificate of authority in the State of Arizona to transact casualty without workers' compensation insurance.

2. North Carolina Statutes § 58-5-10 prescribes a deposit of securities in the amount of \$200,000 market value upon an Arizona insurer to transact casualty insurance in North Carolina, for the benefit of the holders of all insurance contracts of the company who are citizens of North Carolina or who hold policies issued upon property in North Carolina.

3. North Carolina Statutes § 58-5-20 prescribes the types of securities eligible for deposit.

4. A.R.S. § 20-230(A) mandates the imposition of a retaliatory deposit.

1 **CONCLUSIONS OF LAW**

2 1. The Director has jurisdiction over this matter.

3 2. Grounds exist pursuant to A.R.S. § 20-230(A) for the Director to require the

4 Respondent to make a retaliatory deposit with the State of Arizona.

5 **ORDER**

6 IT IS ORDERED requiring Respondent to, within 30 days of the date of this Order,
7 deposit and maintain a retaliatory deposit in the amount of no less than Two Hundred
8 Thousand Dollars (\$200,000) market value with the State of Arizona for the benefit of the
9 holders of all insurance contracts of the company who are citizens of Arizona or who hold
10 policies issued upon property in Arizona for as long as Respondent is authorized to transact
11 insurance in Arizona.

12 IT IS FURTHER ORDERED requiring the deposit to be composed of interest bearing
13 bonds of the United States of America, or of the State of Arizona or its cities or counties, or of
14 certificates of deposit issued by any solvent bank domesticated in the State of Arizona.

15 Dated this 20th day of April, 2006

16 

17 _____
18 **CHRISTINA URIAS**
Director of Insurance

19 COPY of the foregoing mailed/delivered
20 this 21st day of April 2006, to:

21 Janet Franklin, Law Department Project Administrator
22 AIG United Guaranty - Law Department
23 P. O. Box 20597
Greensboro, NC 27420-0597

1 Steve Ferguson, Assistant Director
Ed Caldwell, Chief Financial Analyst – Foreign and Alternative Markets
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