STATE OF ARIZONA

JUN 23 2006

DEPARTMENT OF INSURANCE

STATE OF ARIZONA FILED

		ANOZIAA 70 3TAT	S
ĺ	In the Matter of) Docket No. 06A-098 -INS	
IN:	COFACE NORTH AMERICA INSURANCE COMPANY (MA) (NAIC NO. 31887)	ORDER REDUCING RETALIATORY DEPOSIT A RELEASING EXCESS FUND	
	Petitioner.) RELEASING EXCESS FUND)	JO

Arizona Revised Statutes ("A.R.S.") § 20-588(A)(2) requires that any deposit made in this state pursuant to A.R.S. Title 20 shall be released and returned to the insurer to the extent such deposit is in excess of the amount required.

Based upon reliable evidence provided to the Director of Insurance by the Financial Affairs Division of the Department of Insurance, the Director finds as follows:

FINDINGS OF FACT

- 1. Coface North America Insurance Company ("Petitioner"), a foreign insurer domiciled in the State of Massachusetts, received a certificate of authority to transact casualty without workers' compensation and surety insurance in the State of Arizona effective December 9, 2004.
- 2. Pursuant to an Order filed October 17, 2004 under Docket No. 04A-167-INS, Petitioner established and has continuously maintained a deposit of at least \$500,000 (Five hundred thousand dollars) with the Arizona State Treasurer for the sole protection of policyholders residing in Arizona and any risk that is resident, located or to be performed in Arizona (the "Retaliatory Deposit").

20

21

22

23

- 3. The Massachusetts Division of Insurance has confirmed that the special deposit required to be made in Massachusetts by an Arizona insurer as a condition of transacting insurance business in Massachusetts pursuant to Massachusetts General Laws, ("MGL") Chapter 175, Section 151, was reduced from \$500,000 (Five Hundred Thousand Dollars) to \$100,000 (One hundred thousand dollars) effective February 7, 2005.
- The Massachusetts Division of Insurance further confirmed that its Bulletin 2005-03 was mailed to all Arizona insurers licensed as of February 2, 2005 and included information needed to reduce their Massachusetts deposits.
- 5. Petitioner currently has a Retaliatory Deposit of approximately \$550,000 (Five hundred fifty thousand dollars) with the Arizona State Treasurer.
- 6. Arizona Revised Statutes § 20-230(A) prescribes the conditions for imposition of a retaliatory deposit.

CONCLUSIONS OF LAW

- 1. The Director has jurisdiction over this matter.
- 2. Grounds exist pursuant to A.R.S. § 20-230(A) for the Director to reduce Petitioner's Retaliatory Deposit to \$100,000 (One hundred thousand dollars).
- 3. Grounds exist pursuant to A.R.S. § 20-588(A)(2) for the Director to release funds in excess of \$100,000 (One hundred thousand dollars) from the Retaliatory Deposit to Petitioner because said funds are in excess of the amount required by A.R.S. § 20-230(A).

ORDER

1. Petitioner's Retaliatory Deposit requirement is reduced from \$500,000 (Five Hundred Thousand Dollars) to \$100,000 (One hundred thousand dollars).