STATE OF ARIZONA

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STATE OF ARIZONA

DEPT OF WSURANCE

DEPARTMENT OF INSURANCE

In the Matter of) Docket No. 07A- 007 -INS
INTERINSURANCE EXCHANGE OF THE AUTOMOBILE CLUB)
(CA) (NAIC NO. 15598)) ORDER RELEASING EXCESS DEPOSIT
Petitioner.))

Arizona Revised Statutes § 20-588(A)(2) provides that upon application to and written Order of the Director deposited funds shall be released and returned to the Petitioner to the extent that such deposit is in excess of the amount required.

FINDINGS OF FACT

- 1. Interinsurance Exchange of the Automobile Club ("Petitioner"), is a California domiciled insurer that received its certificate of authority to transact casualty without workers' compensation, marine and transportation, vehicle and property insurance in Arizona effective June 10, 1996.
- 2. Petitioner is a reciprocal insurer as defined in A.R.S. § 20-762 and its attorneyin-fact is ACSC Management Services, Inc. ("ACSC").
- 3. Pursuant to an Order filed September 9, 2002 under Docket No. 02A-155-INS, the Director accepted Petitioner's surrender of its Arizona Certificate of Authority.
- 4. In accordance with Arizona Administrative Code R20-6-303, ACSC executed a Security Deposit, Assignment, and Trust Agreement for Sole Benefit of Arizona Policyholders and Claimants ("Security Deposit Agreement") on behalf of Petitioner on August 12, 2002 and, on August 19, 2002, Petitioner established a deposit in the amount of \$10,000,000 (Ten

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million dollars) for the benefit of all of its Arizona policyholders and claimants against its Arizona policyholders (the "Security Deposit").

- 5. Pursuant to the terms of the Security Deposit Agreement, Petitioner shall maintain a Security Deposit for so long as it has insureds who are residents of the State of Arizona.
- 6. In accordance with A.R.S. § 20-588(A)(2), on December 22, 2006, ACSC filed an affidavit on behalf of Petitioner with an attached claim report, in request for release of \$9,500,000 (Nine million five hundred thousand dollars) from the Security Deposit to Petitioner.
- 7. The claim report provided by ACSC identifies 3 (Three) outstanding claims for which Petitioner has established a reserve of \$13,000 each, for a total reserve of \$39,000.
- 8. Petitioner's Security Deposit currently totals approximately \$10,000,000 (Ten million dollars) and will total approximately \$500,000 (Five hundred thousand dollars) after the requested release, which exceeds the \$39,000 reserve for remaining Arizona claims.

CONCLUSIONS OF LAW

- 1. The Director has no personal liability for the release of the excess Security Deposit so made by her in good faith as provided in A.R.S. § 20-588(B).
- 2. Petitioner is entitled to the release of \$9,500,000 (Nine million five hundred thousand dollars) from its Security Deposit pursuant to A.R.S. § 20-588(A)(2).

ORDER

CHRISTINA URIAS

Director of Insurance

COPY of the foregoing mailed/delivered this __10+h day of __January___, 2007, to:

Interinsurance Exchange of the Automobile Club c/o Cortland Ray, Vice President ACSC Management Services, Inc.

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