

FEB 20 2008

DEPT OF INSURANCE  
BY 

STATE OF ARIZONA  
DEPARTMENT OF INSURANCE

In the Matter of:

**THE WITHDRAWAL OF:**

**LEHMAN INSURANCE COMPANY  
(NAIC NO. 40037)**

Petitioner.

**No. 08A-005-INS**

**ORDER**

On February 6, 2008, the Office of Administrative Hearings, through Administrative Law Judge ("ALJ") Lewis Kowal, issued an Administrative Law Judge Decision ("Recommended Decision"), received by the Director of the Department of Insurance ("Director") on February 11, 2008, a copy of which is attached and incorporated by this reference. The Director of the Department of Insurance has reviewed the Recommended Decision and enters the following Order:

1. The Recommended Findings of Fact and Conclusions of Law are adopted.
2. Petitioner may file its Articles of Dissolution with the Arizona Corporation Commission ("ACC").
3. Petitioner is entitled to the release of its statutory deposit in the sum of \$500,000.00. Petitioner's statutory deposit shall be released to Petitioner after the Department has received all of the following:
  - (a) an ACC certified copy of Petitioner's filed Articles of Dissolution;
  - (b) an official State Treasurer Receipt Form E101; and
  - (c) Petitioner's 2007 Annual Statement and Annual Tax and Fees Report with the applicable filing fee.

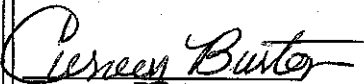


1 COPY of the foregoing mailed this  
2 20th day of February, 2008 to:

3 Office of Administrative Hearings  
4 1400 West Washington, Suite 101  
5 Phoenix, Arizona 85007

6 Mary Butterfield, Assistant Director  
7 Catherine O'Neil, Consumer Legal Affairs Officer  
8 Steve Ferguson, Assistant Director  
9 Leslie R Hess, Financial Affairs Legal Analyst  
10 Kurt A. Regner, Chief Financial Analyst  
11 Mary E. Kosinski, Executive Assistant for Regulatory Affairs  
12 Arizona Department of Insurance  
13 2910 North 44th Street, Suite 210  
14 Phoenix, Arizona 85018

15 Tasha N. Cycholl  
16 Low & Childers, PC  
17 2999 N. 44<sup>th</sup> Street, Suite 250  
18 Phoenix, Arizona 85018  
19 Attorney for Petitioner

20   
21 Curvey Burton

22  
23  
24  
25  
26

FEB 11 2008

DIRECTOR'S OFFICE  
INSURANCE DEPT.

## IN THE OFFICE OF ADMINISTRATIVE HEARINGS

In the Matter of the Withdrawal of  
**LEHMAN INSURANCE COMPANY**  
(NAIC NO. 40037),  
Petitioner.

No. 08A-005-INS

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**HEARING:** February 4, 2008 at 3:00 p.m.

**APPEARANCES:** Petitioner Lehman Insurance Company appeared through Tasha N. Cycholl, Esq., Low & Childers, PC; the Arizona Department of Insurance appeared through Kurt Regner.

**ADMINISTRATIVE LAW JUDGE:** Diane Mihalsky

On February 4, 2008, a hearing took place to consider the application of Lehman Insurance Company ("Petitioner") to withdraw from the insurance business, for the refund of its Insurance Examiners' Revolving Fund deposit, and for the release of its statutory deposit pursuant to A.R.S. § 20-588 and A.A.C. R20-6-303.

Based upon the entire record in this matter, the Administrative Law Judge makes the following Findings of Fact, Conclusions of Law, and Order.

**FINDINGS OF FACT**

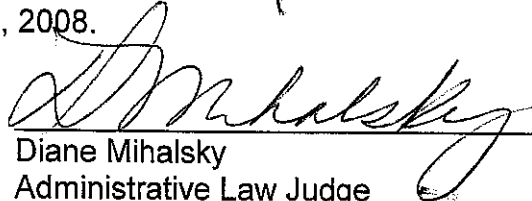
1. Petitioner has submitted an Affidavit of Lost Certificate of Authority to the Arizona Department of Insurance ("Department").
2. Petitioner has filed with the Department certified copies of Resolutions of the Petitioner's Board of Directors and of Petitioner's shareholder authorizing Petitioner to withdraw from the insurance business by dissolution.
3. Petitioner has no insurance obligations, whether by policies written direct or by reinsurance ceded to it and has no non-insurance obligations.
4. Petitioner has filed its verified financial statement as of December 20, 2007 with the Department, within 60 days of the filing of its request to resume the Application to Withdraw, which was filed with the Department on December 12, 2007.



1 4. Petitioner shall pay its 2008 Certificate of Authority renewal fee and file its  
2 2007 Annual Form B unless Petitioner files its Articles of Dissolution with the Arizona  
3 Corporation Commission on or before March 31, 2008.


4 5. Petitioner shall file its 2008 Annual Statement and Annual Tax and Fees  
5 Report with the Department, together with all applicable fees, unless Petitioner files its  
6 Articles of Dissolution with the Arizona Corporation Commission on or before December  
7 31, 2008.

8 Done this day, February 6, 2008.

9   
10 Diane Mihalsky  
11 Administrative Law Judge

12 Original transmitted by mail this  
13 8 day of February, 2008, to:

14 Christina Urias, Director  
15 Department of Insurance  
16 2910 North 44th Street, Ste. 210  
17 Phoenix, AZ 85018

18 By   
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30