


STATE OF ARIZONA
FILED

MAY 14 2008

DEPT OF INSURANCE
BY 

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

In the Matter of the
Merger of
Central Pennsylvania Life Insurance
Company
(Company No. 5650),
Insurer,
Into
Penn-Ohio Life Insurance Company
(Company No. 3271),
Petitioner.

) Docket No. 08A-083-INS

ORDER APPROVING
MERGER

On April 15, 2008, pursuant to A.R.S. § 20-731, Penn-Ohio Life Insurance Company ("Petitioner") submitted an application to the Arizona Department of Insurance (the "Department") for the merger of Central Pennsylvania Life Insurance Company ("Insurer") with and into Petitioner.

Based upon reliable evidence provided to the Director of Insurance ("Director") by the Assistant Director of the Financial Affairs Division of the Department, the Director makes the following Findings of Fact, Conclusions of Law and enters the following Order:

1 FINDINGS OF FACT

2 1. Insurer is duly qualified and authorized as an unaffiliated credit life and
3 disability reinsurer in the State of Arizona.

4 2. Petitioner is duly qualified and authorized as a pure captive insurer in the
5 State of Arizona.

6 3. No evidence has been produced that would indicate or form the basis for a
7 finding that the Agreement and Plan of Merger previously filed with the Department:

- 8 a. Is contrary to law;
- 9 b. Is unfair in the terms and conditions of the exchange of securities;
- 10 c. Would substantially reduce the security of and service to be rendered to
11 the policyholders of the Insurer in this State or elsewhere.

12 4. Insurer has a \$100 deposit with the Insurance Examiners' Revolving Fund
13 ("IERF").

14 5. The Department holds a statutory deposit in the amount of \$100,000 on
15 behalf of the Insurer.

16 6. Petitioner has prepared Articles of Merger it intends to file with the Arizona
17 Corporation Commission.

18 CONCLUSIONS OF LAW

19 1. The application established that none of the enumerated grounds set forth
20 in A.R.S. § 20-731 exist so as to provide a basis for disapproval or rejection of the
21 Agreement and Plan of Merger.

22 2. The evidence established that Petitioner has complied with the provisions
23 of A.R.S. § 20-731 and established by credible evidence that the Agreement and Plan
24 of Merger between Insurer and Petitioner should be approved.
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ORDER

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2 1. Petitioner may file its Articles of Merger with the Arizona Corporation
3 Commission.

4 2. The Agreement and Plan of Merger between the Insurer and the Petitioner
5 shall be approved.

6 3. Petitioner is entitled to the release of Insurer's statutory deposit in the sum
7 of \$100,000. Insurer's statutory deposit shall be released to the Petitioner after the
8 Department receives the following: (a) a copy of Petitioner's Articles of Merger certified
9 as having been filed with the Arizona Corporation Commission; (b) a fully executed
10 Form E126CD (Request for Release of Certificate of Deposit) and a Treasurer Release
11 Receipt Form E101; (c) payment of any outstanding invoices owing to the IERF, and (d)
12 the filing of the Insurer's 2007 Annual Statement, together with payment of all applicable
13 fees. The Director has no personal liability for the release of such deposit so made by
14 her in good faith as provided in A.R.S. §20-588(B).

15 4. The sum of \$100.00 previously credited to the IERF shall be refunded to
16 the Insurer, pursuant to A.R.S. § 20-159.

17 5. Insurer shall pay its Certificate of Authority renewal fee if the Articles of
18 Merger are not filed with the Arizona Corporation Commission on or before August 1,
19 2008.

