

JUL 30 2008

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

DEPT OF INSURANCE
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In the Matter of the
Merger of
Heritage Union Life Insurance
Company
(NAIC No. 60158),
Insurer,
Into
Annuity & Life Reassurance America,
Inc.
(NAIC No. 62421),
Petitioner.

) Docket No. 08A-125-INS

ORDER APPROVING
MERGER

On May 15, 2008, pursuant to A.R.S. § 20-731, Annuity & Life Reassurance America, Inc. ("Petitioner") submitted an application to the Arizona Department of Insurance (the "Department") for the merger of Heritage Union 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 a life and disability insurer in the
3 State of Arizona.

4 2. Petitioner is duly qualified and authorized as a life and disability insurer in
5 the 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 \$1,502,001 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. Insurer shall file its 2008 Annual Statement including applicable fees with
7 the Department unless Petitioner files its Articles of Merger with the Arizona Corporation
8 Commission on or before December 31, 2008.

9 4. Insurer shall pay its Certificate of Authority renewal fee and file its 2008
10 Annual Form "B" Registration Statement if the Articles of Merger are not filed on or
11 before March 31, 2009.

12 5. The statutory deposit of the Insurer in the amount of \$1,502,001 shall be
13 transferred to an account in the name of Petitioner with the Department, and shall be
14 held as a statutory deposit of Petitioner. Insurer's statutory deposit shall be transferred
15 to an account in the name of the Petitioner after the Department receives the following:
16 (a) a copy of Petitioner's Articles of Merger certified as having been filed with the
17 Arizona Corporation Commission, and (b) payment of any outstanding invoices owing to
18 the IERF.

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

21 DATED this 29th day of July, 2008.

22
23 
24 CHRISTINA URIAS
25 Director Of Insurance

1 COPY of the foregoing mailed
2 this 30th day of July, 2008,

3 Gerrie Marks, Deputy Director
4 Mary Butterfield, Assistant Director
5 Catherine O'Neil, Consumer Legal Affairs Officer
6 Steven Ferguson, Assistant Director
7 Leslie R. Hess, Financial Affairs Legal Analyst
8 Kurt Regner, Chief Financial Analyst
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