

STATE OF ARIZONA

DEC 29 2008

DEPARTMENT OF INSURANCE

DEPT OF INSURANCE
BY *[Signature]*

In the Matter of)
)
REALM NATIONAL INSURANCE)
COMPANY IN LIQUIDATION)
(NAIC No. 15466))
)
Petitioner.)

Docket No. 08A-213 -INS

**ORDER RELEASING WORKERS'
COMPENSATION DEPOSIT**

Arizona Revised Statutes (A.R.S.) § 23-961 provides that workers' compensation deposits shall be held by the Director of Insurance as security for fulfillment of the obligations of an insurer under Title 23. A.R.S. §20-588(A)(3) provides that deposited funds shall be released upon proper order of a court of competent jurisdiction to the receiver of the insurer, upon application to and written order of the Director of Insurance.

FINDINGS OF FACT

1. Realm National Insurance Company in Liquidation ("Petitioner") received its certificate of authority to transact casualty with workers' compensation, marine and transportation, property and vehicle insurance in Arizona on July 1, 1992.
2. Petitioner's certificate of authority was suspended on August 21, 2003.
3. Effective June 15, 2005, the Supreme Court of the State of New York, County of New York entered its Order placing Realm National Insurance Company in liquidation and appointing the Superintendent of Insurance of the State of New York as Liquidator of Petitioner in Index No. 401876/05.

1 4. Petitioner has a workers' compensation deposit in the approximate amount of
2 \$547,000 currently being held by the Director through the Arizona State Treasurer exclusively
3 as security for the fulfillment of Petitioner's workers' compensation obligations pursuant to
4 A.R.S. § 23-961 (the "Realm WC Deposit").

5 5. The Superintendent of Insurance of the State of New York acting in the capacity
6 of Court Appointed Liquidator of the Petitioner ("Liquidator"), The Industrial Commission of
7 Arizona ("ICA"), and the Director of the Arizona Department of Insurance (the "Director") have
8 entered into an Agreement to Release Workers' Compensation Deposit dated November 25,
9 2008 (Exhibit A) (the "Agreement"), wherein the Liquidator on behalf of the Petitioner, the ICA
10 and the Director agree that the Director release \$227,727 of the Realm WC Deposit held by
11 the Director to the ICA, and release the remaining balance of the Realm WC Deposit to the
12 Liquidator pursuant to the terms of the Agreement.

13
14 **CONCLUSIONS OF LAW**

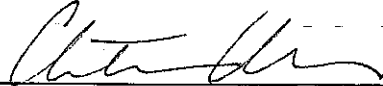
- 15 1. The Director has no personal liability for the release of such deposit so made by
16 her in good faith as provided in A.R.S. §20-588 (B).
17 2. ICA is entitled to the release of the workers' compensation deposit pursuant to
18 A.R.S. Title 23 and the Agreement.
19 3. The Liquidator is entitled to the release of the balance of the Realm WC Deposit
20 pursuant to A.R.S. § 20-588, Title 23 and the Agreement.

21 **ORDER**

22 THEREFORE, IT IS ORDERED that the Realm WC Deposit in the approximate amount
23 of \$547,000 shall be released as follows:

- 1 a. \$227,727 to the ICA; and
2 b. the remaining balance to the Liquidator.

3
4 DATED this 29th day of December 2008.

5
6 

7 CHRISTINA URIAS
8 Director of Insurance

9 COPY of the foregoing mailed/delivered
10 this 29th day of December 2008, to:

11 Mark G. Peters
12 Special Deputy Superintendent of Insurance
13 Realm National Insurance Company in Liquidation
14 New York Liquidation Bureau
15 123 William Street
16 New York, NY 10038-3889

17 Jeffrey A. Naimoli
18 Estate Management
19 New York Liquidation Bureau
20 123 William Street
21 New York, NY 10038-3889

22 Laura McGrory
23 Executive Director
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800 W. Washington
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Gerrie Marks, Deputy Director
Steve Ferguson, Assistant Director
Leslie Hess, Deputy Receiver
Arizona Department of Insurance
2910 North 44th Street, Suite 210
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Maiden Schenier
for
Curvey Walters Burton

EXHIBIT A - REDACTED. The document contains personal information that may be inappropriate for public disclosure, including names, addresses, contract numbers, amount requested by claimant, final determinations of claim amounts and calculated distribution amounts.