

FEB 25 2010

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

DEPT OF INSURANCE  
BY *CB*

In the Matter of )

**Kentucky National Insurance Company** )  
**(KY) (NAIC NO. 29149)** )

Petitioner. )

Docket No. 10A-037-INS

**ORDER RELEASING  
DEPOSIT**

Upon the Petitioner's written application for the release of deposited funds, the Director shall issue an Order releasing and returning the deposited funds to Petitioner to the extent that the deposit is in excess of the amount required. A.R.S. § 20-588(A)(2).

**FINDINGS OF FACT**

1. Kentucky Central Insurance Company, NAIC No. 11657, ("Kentucky Central") was a Kentucky domiciled insurer licensed to transact property, casualty, marine and transportation, and disability insurance in Arizona on December 18, 1974.
2. On November 3, 1995, Kentucky Central merged into Kentucky National Insurance Company ("Petitioner"), and voluntarily surrendered its certificate of authority to the Director.
3. At the time of Kentucky Central's merger with Petitioner, Kentucky Central had outstanding personal lines automobile insurance obligations to Arizona resident policyholders or claimants and Petitioner was not licensed to transact insurance in Arizona.

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4. In order to effectuate Kentucky Central's withdrawal from Arizona, on July 25, 1996, a \$50,000 deposit was established with the Arizona State Treasurer for the protection of Arizona policyholders and claimants only (the "Deposit").

5. On January 18, 2010, Petitioner filed an application for release of the Deposit pursuant to A.R.S. § 20-588(A)(2).

6. Petitioner provided the Director with an affidavit signed by its President on February 3, 2010 stating it has no outstanding liabilities to policyholders or claimants in the state of Arizona.

**CONCLUSIONS OF LAW**

1. The affidavit of Petitioner satisfies the requirement prescribed in AAC R20-6-303(B)(4).

2. The Director has no personal liability for the release of a deposit made in good faith as provided in A.R.S. § 20-588(B).

3. Petitioner is entitled to the release of the Deposit pursuant to A.R.S. § 20-213 and 20-588(A)(2).

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1 ORDER

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3 THEREFORE IT IS ORDERED that the Deposit in the amount of \$50,000 shall be  
4 released to Petitioner.

5 Dated this 25<sup>th</sup> day of February, 2010

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8 \_\_\_\_\_  
9 CHRISTINA URIAS  
10 Director of Insurance

11 COPY of the foregoing mailed/delivered  
12 this 25<sup>th</sup> day of February, 2010, to:

13 Enoch Graham Roberts, President  
14 Kentucky National Insurance Company  
15 2709 Old Rosebud Road  
16 Lexington, KY 40509

17 Steve Ferguson, Assistant Director  
18 Leslie Hess, Legal Analyst  
19 Kelly Stephens, Compliance Section Manager  
20 Department of Insurance  
21 2910 N. 44<sup>th</sup> Street, Suite 210  
22 Phoenix, AZ 85018

23   
Curvey Burton