

*MR*

STATE OF ARIZONA  
FILED

JUN 23 2011

DEPT OF INSURANCE  
BY *MS*

STATE OF ARIZONA  
DEPARTMENT OF INSURANCE

In the Matter of the Transfer of Deposit of )  
)  
)  
**Majestic Insurance Company in Rehabilitation** )  
**(NAIC No. 42269),** )  
**to** )  
**Technology Insurance Company, Inc.** )  
**(NAIC No. 42376)** )  
)  
**Petitioners** )  
)

Docket No. 11A-062-INS

**ORDER**

Based upon reliable evidence provided to the Director of Insurance by the Assistant Director of the Financial Affairs Division of the Department of Insurance, the Director finds as follows:

**FINDINGS OF FACT**

1. Majestic Insurance Company ("Majestic") is a California domiciled insurance company that received its certificate of authority to transact workers' compensation insurance in Arizona effective July 12, 1999.

2. On April 21, 2011, the California Superior Court, City and County of San Francisco ("Conservation Court") in Case No. CPF-11-511261 placed Majestic into conservation and appointed the California Insurance Commissioner statutory conservator ("Majestic Conservator").

3. On June 2, 2011, the Conservation Court approved a Plan of Rehabilitation ("Plan") for Majestic including the consummation, closing or performance of the rehabilitation transaction agreements referred to below. Under the Plan, the Loss Portfolio Transfer and Assumption Reinsurance Agreement, and other agreements comprising the Plan, substantially

1 all of the insurance liabilities of Majestic will be reinsured and assumed by Technology  
2 Insurance Company, Inc. ("Technology") (NAIC No. 42376), a New Hampshire domiciled  
3 insurance company authorized to write workers' compensation insurance in Arizona. The  
4 Petitioners expect the reinsurance and assumption transaction to close on June 30, 2011 ("the  
5 closing").

6 4. Majestic has a workers' compensation deposit and a security deposit (together  
7 the "Majestic Deposit") in Arizona totaling approximately \$4.5 million.

8 5. Majestic will maintain its certificate of authority in Arizona and is required to  
9 maintain a minimum \$110,000 workers' compensation deposit.

#### 10 CONCLUSIONS OF LAW

11 Pursuant to A.R.S. § 23-961(D) and the Plan, upon closing, Majestic is entitled to the  
12 release of the Majestic deposit except for the minimum required workers' compensation  
13 deposit, and Technology is required to increase its deposit to reflect the assumption of  
14 Majestic's liabilities.

#### 15 ORDER

16 1. No later than 5 business days after closing, the Department shall transfer the  
17 Majestic deposit, except for the minimum required workers' compensation deposit which  
18 Majestic shall maintain, to Technology's Arizona deposit account.

19 2. A workers' compensation deposit of \$110,000 shall remain in Majestic's workers'  
20 compensation deposit account.

21 3. Majestic's security deposit account shall be closed.

1 4. Technology will increase its current Arizona deposit to the amount required  
2 under Arizona Revised Statutes Title 23, to the extent the Majestic deposit transfer is  
3 insufficient to meet Technology's statutory deposit requirement.

4 5. The Director has no personal liability for the release of such deposit so made by  
5 her in good faith as provided in A.R.S. §20-588(B).

6 Effective this 23<sup>rd</sup> day of June 2011.

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CHRISTINA URIAS  
Director of Insurance

10  
11 COPY of the foregoing mailed/delivered  
12 this 23 day of June, 2011, to:

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