

DEC 24 2014

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

DEPT OF INSURANCE
BY ms

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2
3 In the Matter of the Withdrawal of)
4 **PHP Risk Retention Group, Limited**)
5 **(NAIC No. 12995)**)
6)
7)
8 **Petitioner.**)

Docket No. 14A-134-INS

**ORDER APPROVING MERGER
AND SURRENDER OF
CERTIFICATE OF AUTHORITY**

9
10 On December 22, 2014, pursuant to A.R.S. § 20-731, PHP Risk Retention Group, Limited
11 ("Petitioner") submitted an application to the Arizona Department of Insurance ("Department") to
12 terminate its Certificate of Authority and for the merger of the Petitioner with and into Physicians
13 Proactive Protection, Inc. Risk Retention Group ("P3RRG").

14 Based upon reliable evidence provided to the Director of Insurance by the Assistant
15 Director of the Financial Affairs Division of the Arizona Department of Insurance ("Department"),
16 the Director finds as follows:

FINDINGS OF FACT

- 17
- 18 1. Petitioner surrendered its Certificate of Authority to the Department.
 - 19 2. Petitioner is currently licensed in the State of Arizona as a risk retention group.
 - 20 3. P3RRG is currently licensed in the State of South Carolina as a risk retention
 - 21 group.

1 4. Petitioner filed with the Department certified copies of Resolutions of the
2 Petitioner's Board of Directors and the Petitioner's shareholder(s) authorizing Petitioner to
3 withdraw from the insurance business in Arizona.

4 5. Petitioner filed its certified financial statement as of October 31, 2014 with the
5 Department.

6 6. Petitioner has prepared Articles of Merger it intends to file with the Arizona
7 Corporation Commission ("ACC").

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

10 a. Is contrary to law;

11 b. Is unfair in the terms and conditions of the exchange of securities;

12 c. Would substantially reduce the security of and service rendered to the
13 policyholders of the Insurer in this State or elsewhere.

14 8. Petitioner has outstanding obligations under policies of insurance, whether
15 written direct or through reinsurance ceded to it, to policyholders or claimants. Petitioner's
16 insurance obligations shall be an obligation of P3RRG.

17 9. Petitioner has a \$100.00 deposit with the Insurance Examiners' Revolving Fund
18 ("IERF").

19 **CONCLUSIONS OF LAW**

20 1. Petitioner has complied with the provisions of A.R.S. § 20-217, Title 20, Chapter
21 4, Article 14 and with A.A.C. R20-6-303 relating to the surrender of its Certificate of Authority
22 and its withdrawal from the insurance business.

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

4 3. The evidence established that Petitioner has complied with the provisions of
5 A.R.S. § 20-731 and established by credible evidence that the Agreement and Plan of Merger
6 between P3RRG and Petitioner should be approved.

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ORDER

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1. Petitioner's request to terminate its Certificate of Authority is granted.
2. The Agreement and Plan of Merger between Insurer and Petitioner is approved.
3. Petitioner may file its Articles of Merger with the ACC.
4. Petitioner shall provide the Department with an ACC certified copy of Petitioner's

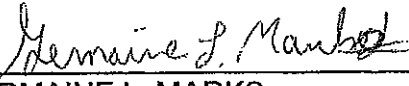
ACC filed Articles of Merger.

5. Petitioner shall file its 2014 Annual Statement including applicable fees with the Department unless it files Articles of Merger with the ACC on or before December 31, 2014.

6. Petitioner shall pay its Certificate of Authority renewal fee to the Department unless it files Articles of Merger with the ACC on or before March 31, 2015.

7. The Department shall refund to the Petitioner the \$100.00 that was previously credited to the IERF pursuant to A.R.S. § 20-159.

Effective this 23rd day of December, 2014.



GERMAINE L. MARKS
Director of Insurance

1 COPY of the foregoing mailed/delivered
this 24th day of December, 2014, to:

2 Linda Danna, Senior Vice President
3 Marsh Management Services, Inc.
4 151 Meeting Street, Suite 301
Charleston, South Carolina 29401

5 Germaine L. Marks, Director of Insurance
6 Mary Kosinski, Executive Assistant for Regulatory Affairs
7 Yvonne Hunter, Assistant Director
8 Kurt Regner, CFE, Assistant Director
9 Catherine O'Neil, Consumer Legal Affairs Officer
10 Vincent Gosz, Chief Analyst Captive Division
11 Stephen D. Clutter, Public Information Officer
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13 2910 N. 44th Street, Suite 210
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