

OCT 17 2016

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

DEPT OF INSURANCE  
BY MS

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2  
3 In the Matter of the Surrender of the Certificate of )  
4 Authority of )  
5 **Tower National Insurance Company** )  
6 **(NAIC No. 43702),** )  
7 )  
8 **Petitioner.** )

Docket No. 16A-120-INS

**ORDER**

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

**FINDINGS OF FACT**

13 1. Tower National Insurance Company ("Petitioner") is a Massachusetts domiciled  
14 insurance company that received its certificate of authority to transact property and casualty  
15 insurance in Arizona effective September 19, 2006.

16 2. Petitioner, the non-surviving entity, merged into Castlepoint National Insurance  
17 Company (CNIC), NAIC No. 40134, the surviving entity, a California domiciled insurer effective  
18 July 28, 2016. CNIC is authorized to transact insurance in Arizona. Petitioner voluntarily  
19 surrendered its certificate of authority to the Department.

20 3. The Insurance Commissioner of Massachusetts approved the merger of  
21 Petitioner into CNIC on July 18, 2016.

1 4. Petitioner has no outstanding obligations under any policy of insurance, whether  
2 written direct or through reinsurance ceded to it, to policyholders or claimants who are  
3 residents of this State.

4 5. Petitioner is not the subject of any pending investigation or market conduct  
5 examination and Petitioner does not owe this Department any filings or fees.

6 6. The Department holds a \$105,000 retaliatory deposit on behalf of the Petitioner.

7 7. Petitioner has a \$100.00 deposit with the Insurance Examiners' Revolving Fund  
8 ("IERF").


9 **CONCLUSIONS OF LAW**

10 Petitioner has complied with the provisions of A.R.S. § 20-217 and with A.A.C. R20-6-  
11 303 relating to the surrender of its Certificate of Authority.

12 **ORDER**

- 13 1. The surrender of the Petitioner's certificate of authority is accepted.  
14 2. The Department shall transfer the \$105,000 retaliatory deposit of the Petitioner to  
15 CNIC's account with the Department and it shall be held as a retaliatory deposit of CNIC.  
16 3. The Department shall refund to the Petitioner the sum of \$100.00 that was  
17 previously credited to the IERF pursuant to A.R.S. § 20-159.

18 Effective this 14th day of October, 2016.

19  
20   
21 **LESLIE R. HESS**  
22 **Interim Director of Insurance**  
23  
24

1 COPY of the foregoing mailed/delivered  
this 17<sup>th</sup> day of October, 2016, to:

2 William E. Hitzelberger, Treasurer  
3 Tower Group Companies  
4 59 Maiden Lane, 38<sup>th</sup> Floor  
New York, New York 10038

5 Mary Kosinski, Executive Assistant for Regulatory Affairs  
6 Steven Fromholtz, Assistant Director  
7 Kurt A. Regner, CFE, Assistant Director  
8 Catherine O'Neil, Consumer Legal Affairs Officer  
Arizona Department of Insurance  
2910 N. 44<sup>th</sup> Street, Suite 210  
Phoenix, Arizona 85018

9 Maidene Scherini

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