STATE OF ARIZONA FILED

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| DEPT | OF  | INSURANCE |
|------|-----|-----------|
| BY   | · · | and       |

In the Matter of the Withdrawal of

KZAD Captive Insurance, Inc.

Docket No. 16A-156-INS

KZAD Captive Insurance, Inc (NAIC No. 15346)

ORDER

Petitioner.

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

## **FINDINGS OF FACT**

- 1. Petitioner is currently licensed in the State of Arizona as a captive insurer.
- 2. Petitioner surrendered its Certificate of Authority to the Department.
- 3. Petitioner filed with the Department certified copies of Resolutions of the Petitioner's Board of Directors and the Petitioner's shareholder(s) authorizing Petitioner to withdraw from the insurance business to amend its articles of incorporation to eliminate its insuring powers, and to adopt a new corporate name which shall not include the word "insurance" effective December 31, 2016.
- 4. Petitioner filed its certified financial statement as of September 30, 2016 with the Department.
- 5. Petitioner will have no outstanding obligations under any policies of insurance, whether written direct or through reinsurance ceded to it, to policyholders or claimants effective December 31, 2016.

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| 1        | 6. Petitioner has a \$100.00 deposit with the Insurance Examiners' Revolving Fund                  |  |  |  |  |  |
|----------|--|--|--|--|--|--|
| 2        | ("IERF").  |  |  |  |  |  |
| 3        | CONCLUSIONS OF LAW   |  |  |  |  |  |
| 4        | Petitioner has complied with the provisions of A.R.S. § 20-217, Title 20, Chapter 4,               |  |  |  |  |  |
| 5        | Article 14 and with A.A.C. R20-6-303 relating to the surrender of its Certificate of Authority and |  |  |  |  |  |
| 6        | its withdrawal from the insurance business.  |  |  |  |  |  |
| 7        | ORDER  |  |  |  |  |  |
| 8        | Petitioner's request to terminate its Certificate of Authority is granted.                         |  |  |  |  |  |
| 9        | 2. Petitioner may file its Amendment to its Articles of Incorporation ("Articles of                |  |  |  |  |  |
| 10       | Amendment") with the Arizona Corporation Commission ("ACC").                                       |  |  |  |  |  |
| 11       | 3. Petitioner shall provide the Department with an ACC certified copy of Petitioner's              |  |  |  |  |  |
| 12       | ACC filed Articles of Amendment.   |  |  |  |  |  |
| 13       | 4. Petitioner shall file its 2016 Annual Report with the Department unless it files                |  |  |  |  |  |
| 14       | Articles of Amendment with the ACC on or before December 31, 2016.                                 |  |  |  |  |  |
| 15<br>16 | 5. Petitioner shall pay its Certificate of Authority renewal fee to the Department                 |  |  |  |  |  |
|          | unless it files Articles of Amendment with the ACC on or before March 31, 2017.                    |  |  |  |  |  |
| 17<br>18 | 6. The Department shall refund to the Petitioner the \$100.00 that was previously                  |  |  |  |  |  |
| 19       | credited to the IERF pursuant to A.R.S. § 20-159.  |  |  |  |  |  |
| 20       | Effective this 6th day of Accember, 2016.  |  |  |  |  |  |
| 21       | Roscie R. Hess   |  |  |  |  |  |
| 22       | LESLIÉ R. HESS   |  |  |  |  |  |
| 23       | Interim Director of Insurance  |  |  |  |  |  |
| 24       |  |  |  |  |  |  |
|          |  |  |  |  |  |  |

| 1  | COPY of the foregoing mailed/delivered this 14 day of December, 2016, to:                                      |  |  |  |  |  |
|----|--|--|--|--|--|--|
| 2  |  |  |  |  |  |  |
| 3  | W. Rae Brown, CPA, Vice President<br>  Marsh Management Services Inc.<br>  2325 East Camelback Road, Suite 600 |  |  |  |  |  |
| 4  | Phoenix, Arizona 85016   |  |  |  |  |  |
| 5  | Mary Kosinski, Regulatory Legal Affairs Officer<br>Steven Fromholtz, Assistant Director                        |  |  |  |  |  |
| 6  | Kurt Regner, CFE, Assistant Director Catherine O'Neil, Consumer Legal Affairs Officer                          |  |  |  |  |  |
| 7  | Vincent Gosz, Chief Analyst Captive Division Arizona Department of Insurance                                   |  |  |  |  |  |
| 8  | 2910 N. 44 <sup>th</sup> Street, Suite 210<br>Phoenix, Arizona 85018   |  |  |  |  |  |
| 9  |  |  |  |  |  |  |
| 10 | Maiden Scheinen  |  |  |  |  |  |
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