

FEB 20 2018

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

DEPT OF INSURANCE
BY MS

In the Matter of the Conversion of:

**Copperpoint Mutual Insurance Company
(NAIC NO. 14216)**

No. 18A-007-INS

ORDER APPROVING CONVERSION

Petitioner.

On January 16, 2018, Copperpoint Mutual Insurance Company ("Petitioner" or "Insurer") submitted an application to the Arizona Department of Insurance ("Department") to convert from a domestic mutual insurer to a domestic stock insurer as part of a reorganization. Petitioner is seeking approval of the conversion pursuant to the provisions of Arizona Revised Statutes (A.R.S.) §§ 20-482 through 20-482.05.

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

FINDINGS OF FACT

1. The Insurer is a converting mutual insurer as defined in A.R.S. § 20-482(4).
2. The Petitioner filed submissions as required under A.R.S. §§ 20-482.02(B) and 20-482.03.
3. The plan of reorganization ("Plan") submitted by the Petitioner demonstrates that:
 - a. The applicable provisions of law, including A.R.S. §§ 20-482 through 20-482.05 and other applicable provisions of law, have been fully met;
 - b. The Plan protects the rights of policyholders;

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- c. The Plan is fair and equitable to the members and the Plan does not prejudice the interests of the members;
- d. The converted stock insurer has capital or surplus, or any combination thereof, that is required of a domestic stock insurer on initial authorization to transact like kinds of insurance, and otherwise is able to satisfy the requirements of the State of Arizona for transacting its insurance business;
- e. The Plan does not substantially reduce the security of the policyholders and the service to be rendered to the policyholders;
- f. The financial condition of the mutual holding company or any subsidiary of the mutual holding company does not jeopardize the financial stability of the converted stock insurer;
- g. The financial condition of the converting mutual insurer is not jeopardized by the conversion or reorganization, and the conversion or reorganization does not jeopardize the financial stability of the mutual holding company or any subsidiary of the mutual holding company; and
- h. The competence, experience and integrity of those persons who control the operation of the converted stock insurer are not contrary to the interests of policyholders of the converted stock insurer and of the public in allowing the Plan to proceed.

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1 **CONCLUSIONS OF LAW**

2 1. The plan of reorganization meets all the requirements set forth in A.R.S. § 20-
3 482.04(A).

4 **ORDER**

5 THEREFORE, I, KEITH A SCHRAAD, Interim Director of Insurance of the State of
6 Arizona, for the purpose of protecting and preserving the public health, safety and welfare, and
7 by virtue of the authority vested in me by A.R.S. §§ 20-142, 20-482 through 20-482.05 hereby
8 order that :

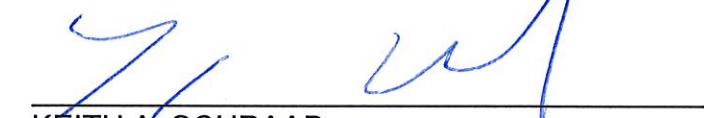
9 1. The conversion of the Petitioner from a mutual insurer to a stock insurer is
10 approved. The Interim Director's approval of the Plan expires if the Plan is not carried out
11 within one year after the filing date of the approval.

12 2. The Petitioner shall file with the Director a certification that the Plan has been
13 duly adopted by a vote of at least two-thirds of the eligible members.

14 3. The Petitioner shall file with the Director its amended or restated articles of
15 incorporation and bylaws on the effective date of the conversion.

16 4. Subject to A.R.S. §20-482.02(G), all documents, materials and other information
17 that are in the possession or control of the Department and that were obtained by or disclosed
18 to the Director or any other person in the course of filing the application are confidential and
19 privileged, are not subject to Title 39, Chapter 1, Article 2 and are not subject to subpoena.

20 Effective this 14th day of Feb., 2018.

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24 KEITH A. SCHRAAD
Interim Director of Insurance

1 COPY of the foregoing mailed/delivered
this 20th day of February, 2018, to:

2 Sara M. Begley, Senior Vice President
3 Copperpoint Insurance Companies
3030 North Third Street
4 Phoenix, Arizona 85012

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

9 
10 Maidene Scheiner