

DEC 20 2018

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

DEPT OF INSURANCE
BY YMEK

In the Matter of:

**NORTH CAROLINA MUTUAL LIFE
INSURANCE COMPANY,
(NAIC NO. 67032)**

Respondent.

No. 18A-155-INS

**ORDER SUMMARILY SUSPENDING
CERTIFICATE OF AUTHORITY AND
NOTIFICATION OF RIGHTS**

The Arizona Department of Insurance (the "Department") alleges that **North Carolina Mutual Life Insurance Company ("Respondent")** has violated provisions of Arizona Revised Statutes ("A.R.S."), Title 20. In light of the serious nature of these allegations, the Director of Insurance for the State of Arizona ("Director") finds that the public health, safety and welfare imperatively require emergency action, within the meaning of A.R.S. § 41-1092.11(B).

FINDINGS OF FACT


1. Respondent is domiciled in North Carolina and presently holds a certificate of authority issued by the Arizona Department of Insurance ("Department") to transact life and disability insurance.
2. Respondent's September 30, 2018 Quarterly Statement disclosed the following:
 - a. Statutory surplus in the amount of (\$28,636,265)¹ which does not meet the \$100,000 minimum required pursuant to A.R.S. §§ 20-210(A) and 20-211(A); and

¹ This is a negative number.

1 ORDER

2 IT IS ORDERED summarily suspending the Arizona certificate of authority held by
3 Respondent and, effective immediately, prohibiting the issuance of new and renewal Arizona
4 insurance.

5 DATED AND EFFECTIVE this 20th day of December, 2018.

6
7 
8 Keith A. Schraad
Interim Director of Insurance

9
10 NOTIFICATION OF RIGHTS

11 **You have the right to request a hearing on this determination by filing a notice of**
12 **appeal after your receipt of this notice.** The notice of appeal must identify the party
13 appealing, the party's address, the matter being appealed and must contain a detailed
14 statement of the reason for the appeal. Your hearing will be treated as a "contested case" and
15 promptly instituted and determined as prescribed by A.R.S. §§ 41-1001(4), 41-1092.05(E) and
16 41-1092.11(B) to the extent the Office of Administrative Hearings' calendar permits. In any
17 event, your hearing will be held within 60 days of the filing of your notice of appeal, unless the
18 hearing is advanced or delayed by agreement or a showing of good cause by any party. The
19 Department will serve a "Notice of Hearing" in accordance with A.R.S. § 41-1092.05(E) that
will inform you of the date, time and location of the hearing as well as the issues to be
determined.

20 If you file an appeal, you may also request an "informal settlement conference"
21 pursuant to A.R.S. § 41-1092.06 by filing a **written request no more than twenty (20) days**
22 **before the scheduled hearing.** The conference will be held within 15 days after our receipt
23 of your request. If an informal settlement conference is requested, a person with the authority
to act on behalf of the Department will be present. Please note that you waive any right to

1 object to participation of the Department's representative in the final administrative decision of
2 the matter if it is not settled.

3 Your notice of appeal and/or request for an information settlement conference may be
4 addressed to the attention of:

5 **Arizona Department of Insurance**
6 **Hearing Administration – Notice of Appeal**
7 **100 N. 15th Ave., Suite 102**
8 **Phoenix, Arizona 85007-2624**

9
10 **COPY** of the foregoing mailed/hand-delivered
11 this 24th day of December, 2018, to:

12 Michael Lamont Lawrence, President
13 North Carolina Mutual Life Insurance Company
14 411 W. Chapel Hill Street
15 Durham, NC 27701-3616
16 Respondent

17 North Carolina Mutual Life Insurance Company
18 c/o Charles Watts, Jr.
19 411 W. Chapel Hill Street
20 Durham, NC 27701-3616
21 Statutory Home Office of Respondent

22 Michael E. Surguine
23 Executive Director
Arizona Life and Disability Insurance Guaranty Fund
100 N. 15th Ave., Suite 102
Phoenix, Arizona 85007-2624

Kurt Regner, Assistant Director
Cary Cook, Chief Financial Compliance Officer
Mary E. Kosinski, Regulatory Legal Affairs Officer
Liane Kido, Financial Affairs Division
Arizona Department of Insurance
100 N. 15th Ave., Suite 102
Phoenix, Arizona 85007-2624

1 **COPY** of the foregoing delivered electronically
same date to:

2
3 Deian Ousounov
Assistant Attorney General
AdminLaw@azag.gov
4 Attorney for the Department of Insurance

5 
6 Francine Martinez

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23