



1           3.     The Petitioner filed a statement as referred to in A.R.S. §§20-481.02 and 20-  
2 481.03, in the form required by A.A.C. R20-6-1402, and §20-1070.

3           4.     WHI and its security holders waived the ten (10) day advance filing notice to be  
4 given as required by A.R.S. §20-481.07(D).

5           5.     The Petitioner has demonstrated that WHP will continue to maintain the  
6 requirements for a certificate of authority as required by A.R.S. §20-1070(D) subsequent to the  
7 change in control.

8           6.     No evidence has been produced that would indicate or form the basis for a  
9 finding that the Petitioner's acquisition of control of the WHI:

10          a.     Is contrary to law;

11          b.     Is inequitable to the shareholders of any domestic insurer involved;

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

14          d.     After the change of control, WHI would not be able to satisfy the requirements for  
15 the reissuance of a Certificate of Authority to write the line or lines of insurance for which it is  
16 presently licensed;

17          e.     Would have the effect of substantially lessening competition in insurance in this  
18 state, or tend to create a monopoly;

19          f.     Might jeopardize the financial stability of WHI or prejudice the interest of its  
20 policyholders, based upon the financial condition of any acquiring party;

21          g.     Is unfair and unreasonable to policyholders of WHI and is not in the public  
22 interest, based upon the plans or proposals that the acquiring party has to liquidate WHI, sell  
23  
24

1 its assets or consolidate or merge it with any person, or to make any other material change in  
2 its business or corporate structure or management;

3 h. Would not be in the public interest of policyholders of WHI and of the public to  
4 permit the merger or other acquisition of control based upon the competence, experience and  
5 integrity of those persons who would control the operation of WHI; or

6 i. Would likely be hazardous or prejudicial to the insurance-buying public.

7 7. Regarding WHI, the Petitioner filed the following to comply with A.R.S. §§20-  
8 481.03(A)(14) and 20-481.03(A)(15):

9 a. An agreement that the Petitioner will file with the Director the annual enterprise  
10 risk report pursuant to A.R.S. §20-481.10(D) while in control of WHI; and

11 b. An acknowledgement that the Petitioner and all subsidiaries in its control in the  
12 insurance holding company system will provide all information requested by the Director for the  
13 Director to evaluate enterprise risk to WHI.

#### 14 **CONCLUSIONS OF LAW**

15 1. The application established that none of the enumerated grounds set forth in  
16 A.R.S. §20-481.07(A) or §20-1070(D) exist so as to provide a basis for disapproval or rejection  
17 of Petitioner's acquisition of control of the Insurer.

18 2. Petitioner presented credible evidence for approval of its acquisition of control of  
19 the Insurer and the Petitioner to be a controlling person pursuant to the provisions of A.R.S.  
20 §§20-481 through 20-481.32, A.A.C. R20-6-1402, and §20-1070.

#### 21 **ORDER**

22 THEREFORE, I, KEITH A. SCHRAAD, Director of Insurance of the State of Arizona, for  
23 the purpose of protecting and preserving the public health, safety and welfare, and by virtue of  
24



1 the authority vested in me by A.R.S. §§20-142, 20-481 through 20-481.32, A.A.C. R20-6-1402,  
2 and 20-1070 hereby order that:

3 1. The acquisition of control of the Insurer by the Petitioner is approved.

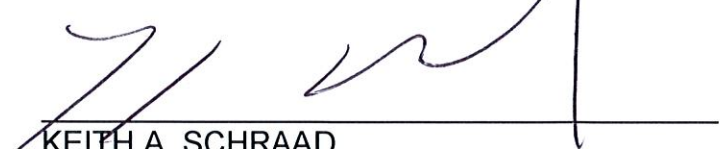
4 2. Subject to A.R.S. §20-481.21(A), all documents, materials and other information  
5 that is in the possession or control of the Department and that was obtained by or disclosed to  
6 the Director or any other person in the course of filing the application is confidential and  
7 privileged, is not subject to Title 39, Chapter 1, Article 2 and is not subject to subpoena.

8 3. The Petitioner shall advise the Director in writing of the effective date of the  
9 change of control.

10 4. Upon consummation of this acquisition, WHI shall file its registration statement in  
11 the form required by A.A.C. R20-6-1403(B) and within the time period prescribed by A.R.S.  
12 §20-481.13. If the registration statement would duplicate the information previously submitted  
13 by the Petitioner in the statement filed with the Department pursuant to A.R.S. §20-481.03 and  
14 there have been no material changes since the filing of that statement, then WHI shall submit a  
15 statement to that effect incorporating by reference the statement previously filed with the  
16 Department in lieu of the registration statement;

17 5. The failure to adhere to one or more of the above terms and conditions shall  
18 result without further proceedings in the suspension or revocation of the WHI's Certificate of  
19 Authority.

20 Effective this 26<sup>th</sup> day of September, 2019.

21  
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23   
24 KEITH A. SCHRAAD  
Director of Insurance

1 COPY of the foregoing mailed/delivered  
this 27<sup>th</sup> day of September, 2019, to:

2  
3 Todd E. Freed, Esq.  
4 Skadden, Arps, Slate, Meagher & Flom LLP  
5 Four Times Square  
6 New York, New York 10036

7 Mary Kosinski, Regulatory Legal Affairs Officer  
8 Steven Fromholtz, Assistant Director  
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*Francine Martiny*