

STATE OF ARIZONA  
Department of Insurance and Financial Institutions  
**FILED** March 27, 2024 by AS

**STATE OF ARIZONA**

**DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS**

In the Matter of the Conversion of:

**Foodservice Insurance Group, Inc.  
(NAIC NO. 11900)**

**No. 24A-022-INS**

**ORDER APPROVING CONVERSION**

**Petitioner.**

On March 18, 2024, Foodservice Insurance Group, Inc. (“Petitioner” or “Insurer”) submitted an application to the Arizona Department of Insurance and Financial Institutions (“Department”) to convert from a domestic stock insurer to a domestic mutual insurer. Petitioner is seeking approval of the mutualization pursuant to the provisions of Arizona Revised Statutes (A.R.S.) § 20-729.

Based upon reliable evidence provided to the Cabinet Executive Officer/Executive Deputy Director of Insurance and Financial Institutions (“Director”) by the Deputy Assistant Director of the Financial Affairs Division, the Department finds as follows:

**FINDINGS OF FACT**

1. The Insurer is a domestic stock insurer as defined in A.R.S. § 20-729(A).
2. The Petitioner filed submissions as required under A.R.S. § 20-729(B).
3. The plan of conversion (“Plan”) submitted by the Petitioner demonstrates that:
  - a. The applicable provisions of law, including A.R.S. § 20-729, have been fully met;
  - b. The Plan is equitable to both stockholders and policyholders;

- c. The Plan is subject to approval by a vote of the holders of not less than three-fourths of the Insurer's capital stock having voting rights and by a vote of not less than two-thirds of the Insurer's policyholders who vote on such plan in person, by proxy or by mail pursuant to such notice and procedure as may be approved by the Department;
- d. Mutualization will result in retirement of shares of the Insurer's capital stock at a price not in excess of the fair market value thereof as determined by competent disinterested appraisers;
- e. The Plan provides for the purchase of the shares of any nonconsenting stockholder in accordance with title 10, chapter 13 and such nonconsenting stockholders shall have all the rights and restrictions applicable under such section to stockholders of a private corporation who do not consent to the agreed manner of converting the shares of stock of such private corporation on proposal for consolidation;
- f. The Plan provides for definite conditions to be fulfilled by a designated early date on which such mutualization will be deemed effective; and
- g. The mutualization leaves the Insurer with surplus funds reasonably adequate for the security of its policyholders and to continue successfully in business in the states in which it is then authorized to transact insurance, and for the kinds of insurance included in its certificate of authority.

**CONCLUSIONS OF LAW**

The plan of conversion meets all the requirements set forth in A.R.S. § 20-729.

**ORDER**

THEREFORE, I, Barbara D. Richardson, Cabinet Executive Officer/Executive Deputy Director of Insurance and Financial Institutions of the State of Arizona, for the purpose of protecting and preserving the public health, safety and welfare, and by virtue of the authority vested in me by A.R.S. §§ 20-142, 20-729 hereby order that:

1. The conversion of the Petitioner from a stock insurer to a mutual insurer is approved.

2. The Petitioner shall file with the Department a certification that the Plan has been approved by a vote of the holders of not less than three-fourths of the Insurer's capital stock having voting rights and by a vote of not less than two-thirds of the Insurer's policyholders.

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

Effective this 27<sup>th</sup> day of March, 2024.

*Barbara D. Richardson*

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BARBARA D. RICHARDSON  
Cabinet Executive Officer  
Executive Deputy Director  
**Arizona Department of Insurance and Financial Institutions**

COPY of the foregoing mailed/delivered this 28<sup>th</sup> day of March, 2024, to:

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