

JUL 23 1996

STATE OF ARIZONA
DEPARTMENT OF INSURANCE BY KHL. DEPT. OF INSURANCE

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In the Matter of the Withdrawal of:) Docket No. 96A-073-INS
)
STACEY LIFE INSURANCE)
COMPANY (NAIC No. 72192)) ORDER
)
Petitioner.)
_____)

On July 22, 1996, the Office of Administrative Hearings, through Administrative Law Judge Lewis D. Kowal submitted "Recommended Decision of Administrative Law Judge", a copy of which is attached and incorporated by this reference. The Director of the Arizona Department of Insurance has reviewed the recommendation, and enters the following order:

1. The recommended findings of fact and conclusions of law are adopted.

2. The Petitioner may file its Articles of Amendment to its Articles of Incorporation ("Articles of Amendment") with the Arizona Corporation Commission.

3. The Petitioner is entitled to the release of its statutory deposit in the sum of \$100,000.00 and Petitioner's statutory deposit shall be released to the Petitioner after the Department has received the following: (a) payment of examination expenses, if due; (b) payment of \$170.71 to the IERF; (c) a copy of Petitioner's Articles of Amendment certified as filed by the Arizona Corporation Commission; and (d) a fully executed Form E126 (Notice of Trust Deposit Release).

1 The statutory deposit cannot be released until the Department
2 receives a fully executed copy of the official State Treasurer
3 Release Receipt.

4 4. The sum of \$100.00 previously credited to the
5 IERF will be refunded to the Petitioner, pursuant to A.R.S.
6 §20-159.

7 5. The petitioner will file its 1996 Annual Statement
8 with the Department, together with all applicable fees, unless
9 Petitioner files its Articles of Amendment with the Arizona
10 Corporation Commission on or before December 31, 1996.

11 NOTIFICATION OF RIGHTS

12 The aggrieved party may request a rehearing with
13 respect to this Order by filing a written petition with the
14 Office of Administrative Hearings within 30 days of the date of
15 this Order, setting forth the basis for such relief pursuant to
16 A.A.C. R20-6-114(B).

17 The final decision of the Director may be appealed to
18 the Superior Court of Maricopa County for judicial review
19 pursuant to A.R.S. §20-166.

20 EFFECTIVE this 23rd day of July, 1996

21
22 Chris Herstam
23 Chris Herstam
24 Director of Insurance
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1 A copy of the foregoing
2 mailed this 23rd day of

3 July, 1996

4 Charles R. Cohen, Deputy Director
5 Gregory Y. Harris, Executive Assistant Director
6 Mary Butterfield, Assistant Director
7 Catherine O'Neil, Assistant Director
8 Gary Torticill, Assistant Director
9 Deloris Williamson, Assistant Director
10 Scott Greenberg, Business Administrator
11 Rose McNabb, Solvency Support Unit Supervisor
12 Kurt Regner, Examiner
13 Department of Insurance
14 2910 N. 44th St., Suite 210
15 Phoenix, AZ 85018

16 Office of Administrative Hearings
17 1700 West Washington, Suite 602
18 Phoenix, AZ 85007

19 Maxine G. Penny
20 J. Huell Briscoe & Associates, Inc.
21 4700 East Thomas Road, Suite 204
22 Phoenix, AZ 85018

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Kathy Lender

ARIZ. DEPT. OF INS.

JUL 23 1996

IN THE OFFICE OF ADMINISTRATIVE HEARINGS

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3 **IN THE MATTER OF THE**
4 **WITHDRAWAL OF**
5 **STACEY LIFE INSURANCE**
6 **COMPANY (NAIC NO. 72192)**

No. 96A-073-INS
RECOMMENDED DECISION
OF ADMINISTRATIVE
LAW JUDGE

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10 **HEARING:** June 20, 1996. The record of this matter closed on June 28, 1996.

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12 **APPEARANCES:** Frederick C. Berry, Jr. for the Petitioner and Kurt Regner,
13 Examiner, for the Arizona Department of Insurance.

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15 **ADMINISTRATIVE LAW JUDGE:** Lewis D. Kowal.

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18 On June 20, 1996, a hearing took place at the Office of Administrative Hearings
19 at 1700 West Washington, Phoenix, Arizona, to consider the application of Stacey Life
20 Insurance Company (the "Petitioner"), NAIC No. 72192, to withdraw from the insurance
21 business and for the release of its statutory deposit pursuant to A.R.S. §20-588 and
22 A.A.C. R20-6-303.

23 Based upon the entire record in this matter, including all pleadings, motions,
24 testimony and exhibits admitted during the hearing of this matter, Administrative Law
25 Judge Lewis D. Kowal has prepared the following Recommended Findings of Fact,
26 Conclusions of Law and Proposed Order for consideration by the Director:

27 **FINDINGS OF FACT AND CONCLUSIONS OF LAW**

28 1. The Petitioner has filed an Affidavit of Lost Certificate of Authority with the
29 Department.

30 2. The Petitioner has filed certified copies of Resolutions of the Petitioner's
Board of Directors and of the Petitioner's shareholder(s) to withdraw from the insurance

Office of Administrative Hearings
1700 West Washington, Suite 602
Phoenix, Arizona 85007
(602) 542-9826

1 business, to amend its articles of incorporation to eliminate its insuring powers, and to
2 adopt a new corporate name which shall not include the word "insurance".

3 3. The Petitioner has no insurance obligations owing to it, whether by policies
4 written direct or by reinsurance ceded to it.

5 4. The Petitioner has filed its certified financial statement as of June 20, 1996.

6 5. At least ten business days before the hearing of this matter, Petitioner gave
7 special notice to creditors and policyholders of the Petitioner, setting forth the date,
8 place, nature and purpose of the hearing, as evidenced by an affidavit of publication.
9 Petitioner also provided individual notice by mail to its known creditors, as evidenced by
10 affidavit.

11 6. The Petitioner has a \$100,000.00 statutory deposit with the Department
12 and a \$100.00 deposit with the Insurance Examiners' Revolving Fund ("IERF").

13 7. The Petitioner has complied with the provisions of A.R.S. §20-588 and with
14 A.A.C. R20-6-303, relating to the release of its \$100,000.00 statutory deposit.

15 8. The Petitioner may have incurred examination expenses as a result of this
16 withdrawal.

17 9. Petitioner currently owes \$170.71 to the IERF.

18 **RECOMMENDED ORDER**

19 The undersigned Administrative Law Judge recommends that:

20 1. The Petitioner may file its Articles of Amendment to its Articles of
21 Incorporation ("Articles of Amendment") with the Arizona Corporation Commission.

22 2. The Petitioner is entitled to the release of its statutory deposit in the sum of
23 \$100,000.00 and Petitioner's statutory deposit shall be released to the Petitioner after
24 the Department has received the following: (a) payment of examination expenses, if
25 due; (b) payment of \$170.71 to the IERF; (c) a copy of Petitioner's Articles of
26 Amendment certified as filed by the Arizona Corporation Commission; and (d) a fully
27 executed Form E126 (Notice of Trust Deposit Release). The statutory deposit cannot
28 be released until the Department receives a fully executed copy of the official State
29 Treasurer Release Receipt.
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