

STATE OF ARIZONA

DEC 24 1996

DEPARTMENT OF INSURANCE

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BY Kay

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In the Matter of the Withdrawal of:	)	Docket No. 96A-190-INS
	)	
AUTOSURE LIFE INSURANCE	)	<b>ORDER</b>
COMPANY (NAIC No. 91154),	)	
	)	
Petitioner.	)	
	)	
	)	

On December 18, 1996, the Office of Administrative Hearings, through Administrative Law Judge Lewis D. Kowal, submitted "Recommended Decision of Administrative Law Judge" ("Recommended Decision"), a copy of which is attached and incorporated by this reference. The Director of the Arizona Department of Insurance has reviewed the Recommended Decision 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 \$110,000.00 and Petitioner's statutory deposit will be released to the Petitioner after the Department has received the following: (a) a copy of Petitioner's Articles of Amendment certified as filed with the Arizona Corporation Commission; and (b) a fully executed Form E126 (Notice of Trust Deposit

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

3 4. The sum of \$100.00 previously credited to the Insurance Examiners' Revolving  
4 Fund will be refunded to the Petitioner, pursuant to A.R.S. § 20-159.

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

8 NOTIFICATION OF RIGHTS

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

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

14 EFFECTIVE this 24<sup>th</sup> day of December, 1996

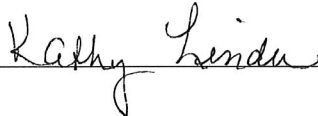
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16   
17 John King  
18 Director of Insurance  
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1 A copy of the foregoing mailed  
this 24<sup>th</sup> day of December, 1996

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

14 Office of Administrative Hearings  
15 1700 W. Washington, Suite 602  
16 Phoenix, AZ 85007

17 John L. Hay  
18 Gust Rosenfeld  
19 201 N. Central Avenue, Suite 3300  
20 Phoenix, AZ 85073-3300

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**IN THE OFFICE OF ADMINISTRATIVE HEARINGS**

In the Matter of the Withdrawal of

No. 96A-190-INS

**AUTOSURE LIFE INSURANCE  
COMPANY (NAIC No. 91154),**

**RECOMMENDED DECISION  
OF ADMINISTRATIVE  
LAW JUDGE**

Petitioner.

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9       **HEARING:** December 13, 1996

10       **APPEARANCES:** John L. Hay, Esq. for the Petitioner and Kurt Regner for the  
11 Arizona Department of Insurance.

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

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15       On December 13, 1996, a hearing took place, to consider the application of  
16 Autosure Life Insurance Company (the "Petitioner"), that was filed with the Arizona  
17 Department of Insurance (the "Department") to withdraw from the insurance business  
18 and for the release of its statutory deposit pursuant to A.R.S. §20-588 and A.A.C. R20-  
19 6-303.

20       Based upon the entire record in this matter the following Recommended Findings  
21 of Fact, Conclusions of Law and Recommended Order are made:

22                               **FINDINGS OF FACT AND CONCLUSIONS OF LAW**

- 23           1. The Petitioner has surrendered its Certificate of Authority to the  
24 Department.
- 25           2. The Petitioner has filed with the Department certified copies of Resolutions  
26 of the Petitioner's Board of Directors and of the Petitioner's shareholder(s) to withdraw  
27 from the insurance business, to amend its articles of incorporation to eliminate its  
28 insuring powers, and to adopt a new corporate name which shall not include the word  
29 "insurance".  
30

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

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

3           4.    The Petitioner has filed its certified financial statement as of June 30, 1996  
4           with the Department.

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

10           6.   Petitioner also provided notice of the date, time, place and purpose of this  
11           hearing to its shareholders by mail. That notice stated that the location of the hearing  
12           would be at the Department, 2910 North 44th Street, Suite 210, Phoenix, Arizona.  
13           Stuart Hixon, Petitioner's president credibly testified that he had arranged for an  
14           employee of the Wyatt Company, Petitioner's actuarial firm, to be present at the  
15           Department on the date and time set for the hearing of this matter. Mr. Hixon credibly  
16           testified that the employee telephoned Mr. Hixon on his cell phone at 8:35 a.m. on  
17           December 13, 1996 and informed him that no persons appeared at the Department for  
18           the hearing of this matter.

19           7.   Mr. Regner submitted an affidavit (Exhibit 6) which was stipulated into  
20           evidence by the parties, that states that no persons appeared at the receptionist's desk  
21           for the Department on December 13, 1996 between the hours of 8:30 a.m. and 9:05  
22           a.m. for the hearing of this matter.

23           8.   The Petitioner has a \$110,000.00 statutory deposit with the Department  
24           and a \$100.00 deposit with the Insurance Examiners' Revolving Fund ("IERF").

25           9.   The Petitioner has complied with the provisions of A.R.S. §20-588 and with  
26           A.A.C. R20-6-303, relating to the release of its \$110,000.00 statutory deposit.

27                               **RECOMMENDED ORDER**

28           The undersigned Administrative Law Judge recommends that:  
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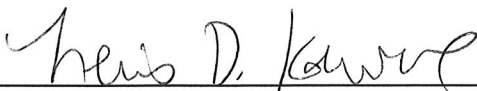
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2 Incorporation ("Articles of Amendment") with the Arizona Corporation Commission.

3 2. The Petitioner is entitled to the release of its statutory deposit in the sum of  
4 \$110,000.00 and Petitioner's statutory deposit shall be released to the Petitioner after  
5 the Department has received the following (a) a copy of Petitioner's Articles of  
6 Amendment certified as filed with the Arizona Corporation Commission; and (b) a fully  
7 executed Form E126 (Notice of Trust Deposit Release). The statutory deposit cannot  
8 be released until the Department receives a fully executed copy of the official State  
9 Treasurer Release Receipt.

10 3. The sum of \$100.00 previously credited to the IERF shall be refunded to  
11 the Petitioner, pursuant to A.R.S. §20-159.

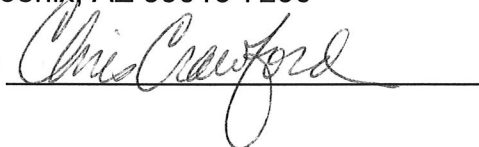
12 4. The Petitioner file its 1996 Annual Statement with the Department, together  
13 with all applicable fees, unless Petitioner files its Articles of Amendment with the  
14 Arizona Corporation Commission on or before December 31, 1996.

15  
16 Done this day, December 18, 1996.

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19 \_\_\_\_\_  
20 LEWIS D. KOWAL  
21 Administrative Law Judge

22 Original transmitted by mail this  
23 18 day of December, 1996, to:

24 John King, Director  
25 ATTN: Curvey Burton  
26 Department of Insurance  
27 2910 North 44th Street, #210  
28 Phoenix, AZ 85018-7256

28 By   
29 \_\_\_\_\_  
30