

MAR 27 1996

STATE OF ARIZONA  
DEPARTMENT OF INSURANCE

DEPT. OF INSURANCE

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In the Matter of the Withdrawal of	)	Docket No. 96A-020-INS
	)	
CENCO INSURANCE COMPANY	)	
(NAIC No. 86703)	)	
	)	
Petitioner.	)	ORDER
	)	
	)	

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On March 26, 1996, the Office of Administrative Hearings, through Administrative Law Judge Lewis D. Kowal submitted "Recommended Findings of Fact, Conclusions of Law and Recommended Order Authorizing Withdrawal of Insurer from the Insurance Business and for a Release of Statutory Deposit", 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 is granted an exemption pursuant to A.R.S. §20-481.17 from the filing of a "Form B" registration statement for the year ending 1995.
3. The Petitioner may file its Articles of Dissolution with the Arizona Corporation Commission.
4. The Petitioner is entitled to the release of its statutory deposit in the sum of \$100,000.00 and that the statutory deposit be released to the Petitioner after the Department has received the following: (a) payment of

1 examination expenses, if due; (b) payment of \$323.84 to the  
2 IERF; (c) a copy of Petitioner's Articles of Dissolution  
3 certified as filed by the Arizona Corporation Commission; and (d)  
4 a fully executed Form E126 (Notice of Trust Deposit Release).  
5 The statutory deposit cannot be released until the Department  
6 receives a fully executed copy of the official State Treasurer  
7 Release Receipt.

8 5. The sum of \$100.00 previously credited to the  
9 IERF will be be refunded to the Petitioner, pursuant to A.R.S.  
10 §20-159.

11 6. The Petitioner will promptly remit payment for  
12 expenses incurred as a result of this withdrawal to the IERF.

13 7. The Petitioner will file its 1995 Annual Statement  
14 with the Department, together with all applicable fees, and a  
15 certified copy of the Articles of Dissolution having a stamped  
16 file date of March 31, 1996, or a prior date of filing with the  
17 Arizona Corporation Commission or the Petitioner will be  
18 responsible for any certificate of authority renewal fees.


19 8. The Petitioner will file its 1996 Annual Statement  
20 with the Department together with all applicable fees, unless  
21 Petitioner files its Articles of Dissolution with the Arizona  
22 Corporation Commission on or before December 31, 1996.

#### 23 NOTIFICATION OF RIGHTS

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

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

4 EFFECTIVE this 27th day of March, 1996

5  
6   
7 Chris Herstam  
8 Director of Insurance

8 A copy of the foregoing  
9 mailed this 27th day of  
10 March, 1996

10 Charles R. Cohen, Deputy Director  
11 Gregory Y. Harris, Executive Assistant Director  
12 Mary Butterfield, Assistant Director  
13 Catherine O'Neil, Assistant Director  
14 Gary Torticill, Assistant Director  
15 Deloris Williamson, Assistant Director  
16 Nancy Howse, Chief Deputy Director  
17 Scott Greenberg, Business Administrator  
18 Barbara Lewis, Manager Compliance Section  
19 Kelly Stephens, Assistant Deputy Director  
20 Brian Stephan, Tax Unit Supervisor  
21 Cary Cook, Solvency Support United Supervisor  
22 Kurt Regner, Examiner  
23 Department of Insurance  
24 2910 N. 44th St., Suite 210  
25 Phoenix, AZ 85018

18 Thomas E. Haney  
19 1421 East Thomas Road  
20 Phoenix, Arizona 85014

21   
22



IN THE OFFICE OF ADMINISTRATIVE HEARINGS MAR 26 1995

*Office of Administrative Hearing*  
~~DEPARTMENT OF INSURANCE~~  
By Lewis D. Kowal

In the Matter of the Withdrawal of  
**CENCO INSURANCE COMPANY**  
(NAIC No. 86703),

No. 96A-020-INS

**RECOMMENDED FINDINGS OF  
FACT, CONCLUSIONS OF LAW  
AND RECOMMENDED ORDER  
AUTHORIZING WITHDRAWAL OF  
INSURER FROM THE INSURANCE  
BUSINESS AND FOR A RELEASE  
OF STATUTORY DEPOSIT**

Petitioner.

On March 21, 1996, a hearing took place at the Arizona Department of Insurance (the "Department"), 2910 North 44th Street, Phoenix, Arizona, to consider the application of Cenco Insurance Company (the "Petitioner"), NAIC No. 86703, to withdraw from the insurance business and for the release of its statutory deposit pursuant to A.R.S. §20-588 and A.A.C. R20-6-303.

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

**FINDINGS OF FACT AND CONCLUSIONS OF LAW**

1. The Petitioner has surrendered its Certificate of Authority to the Department.
2. The Petitioner has filed with the Department certified copies of Resolutions of the Petitioner's Board of Directors and of the Petitioner's sole shareholder authorizing Petitioner to withdraw from the insurance business by dissolution.
3. The Petitioner has no insurance obligations owing to it, whether by policies written direct or by reinsurance ceded to it.
4. The Petitioner has filed its certified financial statement as of December 31, 1995 with the Department.
5. At least 10 business days before the hearing of this matter, Petitioner gave special notice to creditors and policyholders of the Petitioner, setting forth the

1 date, place, nature and purpose of the hearing, as evidenced by the affidavit of  
2 publication. Petitioner also provided individual notice by mail to its known creditors,  
3 as evidenced by an affidavit.

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

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

8 8. The Department may have incurred examination expenses as a result  
9 of this withdrawal.

10 9. Petitioner currently owes \$323.84 to the IERF.

11 10. Petitioner requested and the Department did not object to an exemption  
12 pursuant to A.R.S. §20-481.17 from the filing of a "Form B" registration statement  
13 pursuant to A.R.S. §§20-481.09 and 20-481.10 for the year ending 1995.

14 **RECOMMENDED ORDER**

15 The undersigned Administrative Law Judge recommends that:

16 1. Petitioner is granted an exemption pursuant to A.R.S. §20-481.17 from  
17 the filing of a "Form B" registration statement for the year ending 1995.

18 2. The Petitioner may file its Articles of Dissolution with the Arizona  
19 Corporation Commission.

20 3. The Petitioner is entitled to the release of its statutory deposit in the  
21 sum of \$100,000.00 and that the statutory deposit be released to the Petitioner after  
22 the Department has received the following: (a) payment of examination expenses, if  
23 due; (b) payment of \$323.84 to the IERF; (c) a copy of Petitioner's Articles of  
24 Dissolution certified as filed by the Arizona Corporation Commission; and (d) a fully  
25 executed Form E126 (Notice of Trust Deposit Release). The statutory deposit  
26 cannot be released until the Department receives a fully executed copy of the official  
27 State Treasurer Release Receipt.

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

30 5. The Petitioner promptly remit payment for expenses incurred as a result  
31 of this withdrawal to the IERF.

32 6. The Petitioner file its 1995 Annual Statement with the Department,  
33 together with all applicable fees, and a certified copy of the Articles of Dissolution  
34 having a stamped file date of March 31, 1996, or a prior date of filing with the Arizona



1 Corporation Commission or the Petitioner will be responsible for any certificate of  
2 authority renewal fees.

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

6 DATED this 26<sup>th</sup> day of March, 1996.

7  
8 OFFICE OF ADMINISTRATIVE HEARINGS

9  
10  
11 Lewis D. Kowal

12 LEWIS D. KOWAL

13 Administrative Law Judge

14 COPY of the foregoing mailed/delivered  
15 this 26<sup>th</sup> day of March, 1996, to:

16 Chris Herstam, Director  
17 Arizona Department of Insurance  
18 2910 North 44th Street, Suite 210  
19 Phoenix, AZ 85018

20  
21  
22 Lewis D. Kowal

23 Lewis D. Kowal