

JUL 23 1997

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

DEPT. OF INSURANCE
BY ED

In the Matter of the Withdrawal of:)	Docket No. 97A-083-INS
)	
ORDESCO LIFE & ACCIDENT)	ORDER
INSURANCE COMPANY)	
(NAIC No. 74675),)	
)	
Petitioner.)	
)	

On July 18, 1997, 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 \$600,000.00 and Petitioner's statutory deposit will be released to the Petitioner after the Department has received the following: (a) payment of \$473.40 to the Insurance Examiners' Revolving Fund ("IERF"); (b) payment of \$625.00 to the Department; (c) a copy of Petitioner's Articles of Amendment certified as having been filed with the Arizona Corporation Commission; and (d) a fully executed Form E126 (Notice

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

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


5 5. The Petitioner will file its 1997 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, 1997.

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. A party filing an appeal must notify the Office of
14 Administrative Hearings of the appeal within ten days after filing the complaint commencing the appeal,
15 pursuant to A.R.S. §41-1092.10.

16 DATED this 23 day of July, 1997

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19 
20 John A. Greene
21 Director of Insurance
22
23

1 A copy of the foregoing mailed
this 23rd day of July, 1997

2 Charles R. Cohen, Deputy Director
3 Mary Butterfield, Assistant Director
4 Catherine O'Neil, Assistant Director
5 Gary Torticill, Assistant Director
6 Deloris Williamson, Assistant Director
7 Scott Greenberg, Business Administrator
8 Arizona Department of Insurance
9 2910 N. 44th Street, Suite 210
10 Phoenix, AZ 85018

11 Office of Administrative Hearings
12 1700 W. Washington, Suite 602
13 Phoenix, AZ 85007

14 Thomas E. Haney
15 1421 E. Thomas Road
16 Phoenix, AZ 85014

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1 **IN THE OFFICE OF ADMINISTRATIVE HEARINGS**

2
3 In the Matter of the Withdrawal of:

97A-083-INS

4 **ORDESCO LIFE & ACCIDENT**
5 **INSURANCE COMPANY**
6 **(NAIC No. 74675),**

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Petitioner.

RECOMMENDED DECISION
OF ADMINISTRATIVE
LAW JUDGE

HEARING: July 1, 1997. Record closed on July 16, 1997.

APPEARANCES: Thomas E. Haney, Esq. on behalf of the Petitioner; Kurt
Regner on behalf of the Arizona Department of Insurance.

ADMINISTRATIVE LAW JUDGE: Lewis D. Kowal

On July 1, 1997, a hearing took place, to consider the application of Ordesco Life & Accident Insurance Company (the "Petitioner") that was filed with the Arizona Department of Insurance (the "Department") 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 the following Recommended Findings of Fact, Conclusions of Law and Recommended Order are made:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. The Petitioner has surrendered its Amended 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 shareholder(s) to withdraw from the insurance business, to amend its articles of incorporation to eliminate its insuring powers, and to adopt a new corporate name which shall not include the word "insurance".

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

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

2. The Petitioner has filed its certified financial statement as of December 31, 1996 with the Department.

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

4. The Petitioner has a \$600,000.00 statutory deposit with the Department and a \$100.00 deposit with the Insurance Examiners' Revolving Fund ("IERF").

5. The Petitioner has complied with the provisions of A.R.S. §20-588 and with A.A.C. R20-6-303, relating to the release of its \$600,000.00 statutory deposit.

6. Petitioner currently owes \$473.40 to the IERF and \$625.00 to the Department for insurance fraud assessment for the fiscal year 1997-1998.

RECOMMENDED ORDER

The undersigned Administrative Law Judge recommends that:

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

2. The Petitioner is entitled to the release of its statutory deposit in the sum of \$600,000.00 and Petitioner's statutory deposit shall be released to the Petitioner after the Department has received the following: (a) payment of \$473.40 to the IERF; (b) payment of \$625.00 to the Department; (c) a copy of Petitioner's Articles of Amendment certified as having been filed with the Arizona Corporation Commission; and (d) a fully executed Form E126 (Notice of Trust Deposit Release). The statutory deposit cannot be released until the Department receives a fully executed copy of the official State Treasurer Release Receipt.

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

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4. The Petitioner shall file its 1997 Annual Statement with the Department, together with all applicable fees, unless Petitioner files its Articles of Amendment with the Arizona Corporation Commission on or before December 31, 1997.

Done this day, July 18, 1997.



Lewis D. Kowal
Administrative Law Judge

Original transmitted by mail this
11 day of July, 1997, to:

Mr. John Greene, Director
Department of Insurance
2910 North 44th Street, #210
Phoenix, AZ 85018-7256

ATTN: Curvey Burton

By 