

STATE OF ARIZONA
FILED

SEP 2 1998

DEPT. OF INSURANCE
BY Kath

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

1 In the Matter of the Merger of:) Docket no. 98A-073-INS
 2)
 3)
 4 DAUPHIN LIFE INSURANCE)
 5 COMPANY (NAIC No. 89982),) **ORDER**
 6)
 7 Insurer,)
 8)
 9 into)
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 11)
 12 FIRST MARYLAND LIFE INSURANCE)
 13 COMPANY (NAIC No. 91111),)
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 12 On August 31, 1998, the Office of Administrative Hearings, through Administrative Law
 13 Judge Lewis D. Kowal submitted Recommended Decision of Administrative Law Judge
 14 ("Recommended Decision"), a copy of which is attached and incorporated by this reference. The
 15 Director of the Arizona Department of Insurance has reviewed the Recommended Decision and enters
 16 the following order:

- 17 1. The recommended findings of fact and conclusions of law are adopted.
- 18 2. The statutory deposit of the Insurer in the amount of \$100,000.00 will be
 19 transferred into a statutory deposit account in the name of the Petitioner upon receipt by the Department
 20 of Insurance of the following: (1) copies of the Articles of Merger of the Insurer and the Petitioner
 21 certified as filed by the Arizona Corporation Commission; and (2) a fully executed Forms E125 (Notice
 22 of Trust Deposit Delivery) and E126 (Notice of Trust Deposit Release). The statutory deposit will not
 23

1 be transferred until the Department receives a fully executed copy of the official State Treasurer Release
2 Receipt.

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


5 4. The Insurer will file its 1998 Annual Statement with the Department together with
6 all applicable fees unless Petitioner files its Articles of Merger with the Arizona Corporation
7 Commission on or before December 31, 1998.

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

16 DATED this 2 of September, 1998

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19 John A. Greene
20 Director of Insurance
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1 A copy of the foregoing mailed
this 2 day of September, 1998
2
3 Charles R. Cohen, Deputy 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 Department of Insurance
10 2910 N. 44th Street, Suite 210
11 Phoenix, AZ 85018

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

15 Thomas E. Haney
16 101 N. First Avenue, #2460
17 Phoenix, AZ 85003

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- 1 a. Is contrary to law.
- 2 b. Is unfair in the terms and conditions of the issuance and exchange of
- 3 securities.
- 4 c. Would substantially reduce the security of and service to be rendered to
- 5 policyholders of the Insurer in this State or elsewhere.
- 6 6. The Insurer has surrendered its certificate of authority to the Department.
- 7 7. Special notice to creditors and policyholders of the Petitioner, setting forth
- 8 the date, place, nature and purpose of the hearing was published and mailed at least
- 9 ten (10) business days before said hearing, and known creditors received individual
- 10 notice by mail, as evidenced by the affidavit of publication.
- 11 8. Based upon the Department's review of Petitioner's filing which indicated
- 12 that the Petitioner has complied with the provisions of A.R.S. §20-731, the Department
- 13 recommended that the Director approve the Plan and Agreement of Merger filed in this
- 14 matter.
- 15 9. The Petitioner has requested that the \$100,000.00 statutory deposit held
- 16 by the State Treasurer in the name of the Insurer be transferred into a statutory deposit
- 17 account in the name of the Petitioner.
- 18 10. The Petitioner has requested that the \$100.00 deposit Insurer made to the
- 19 Insurance Examiners' Revolving Fund ("IERF") be returned to Insurer.
- 20 11. The Department represented that the Insurer has on file with the
- 21 Department a \$100,000.00 statutory deposit and a \$100.00 deposit with the IERF.

22 **RECOMMENDED ORDER**

23 The undersigned Administrative Law Judge recommends that:

- 24 1. The statutory deposit of the Insurer in the amount of \$100,000.00 shall be
- 25 transferred into a statutory deposit account in the name of the Petitioner upon receipt
- 26 by the Department of Insurance of the following: (1) copies of the Articles of Merger of
- 27 the Insurer and the Petitioner certified as filed by the Arizona Corporation Commission;
- 28 and (2) fully executed Forms E125 (Notice of Trust Deposit Delivery) and E126 (Notice
- 29 of Trust Deposit Release). The statutory deposit shall not be transferred until the
- 30 Department receives a fully executed copy of the official State Treasurer Release
- Receipt.
2. The sum of \$100.00 previously credited to the IERF shall be refunded to
- the Insurer pursuant to A.R.S. §20-159.

