

MAR 15 1996

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

DEPARTMENT OF INSURANCE
By *[Signature]*

1 2 3 4 5 6 7 8 9 10 11	In the Matter of:)	Docket No. 96A-010-INS
)	
	LENDERS LIFE INSURANCE)	
	COMPANY (NAIC No. 93939))	
)	
	Insurer,)	ORDER
	into)	
)	
	PITTSBURGH NATIONAL LIFE)	
	INSURANCE COMPANY)	
	(NAIC No. 89923),)	
)	
	Petitioner.)	
	_____)	

12 On March 12, 1996, the Office of Administrative
 13 Hearings, through Administrative Law Judge Lewis D. Kowal
 14 submitted "Recommended Order Approving Merger and Transfer of
 15 Statutory Deposit", a copy of which is attached and incorporated
 16 by this reference. The Director of the Arizona Department of
 17 Insurance has reviewed the recommendation, and enters the
 18 following order:

- 19 1. The recommended findings of fact and conclusions
 20 of law are adopted.
- 21 2. The Plan and Agreement of Merger between the
 22 Insurer and the Petitions is approved.
- 23 3. The statutory deposit of the Insurer in the amount
 24 of \$200,000.00 will be transferred into a statutory deposit
 25 account in the name of the Petitioner upon receipt by the
 26 Department of the following: (1) payment of examination
 27 expenses; (2) copies of the Articles of Merger of the Insurer and
 28

19

1 the Petitioner certified as filed by the Arizona Corporation
2 Commission; and (3) fully executed Forms E125 and E126. The
3 statutory deposit will not be transferred until the Department
4 receives a fully executed copy of the official State Treasurer
5 Release Receipt.

6 4. The Petitioner will promptly remit to the
7 Insurance Examiners' Revolving Fund ("IERF") payment for
8 expenses incurred as a result of this merger.

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

11 6. The Insurer will file a 1996 Annual Statement with
12 the Department, together with all applicable fees, unless the
13 Insurer files its Plan of Merger pursuant to A.R.S. §10-1105 with
14 the Arizona Corporation Commission before December 31, 1996 and
15 returns a file-stamped copy to the Department.


16 7. The Insurer will file with the Department a 1995
17 Annual Statement together with all applicable fees and a copy of
18 the Articles of Merger having a stamped file date of March 31,
19 1996 or a prior date of filing with the Arizona Corporation
20 Commission or the Insurer will be responsible for any certificate
21 of authority renewal fee.

22 NOTIFICATION OF RIGHTS

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

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 15th day of March, 1996

5
6 
7 Chris Herstam
8 Director of Insurance

9 A copy of the foregoing
10 mailed this 15th day of
11 March , 1996, to:

12 Charles R. Cohen, Deputy Director
13 Gregory Y. Harris, Executive Assistant Director
14 Mary Butterfield, Assistant Director
15 Catherine O'Neil, Assistant Director
16 Gary Torticill, Assistant Director
17 Deloris Williamson, Assistant Director
18 Nancy Howse, Chief Deputy Director
19 Scott Greenberg, Business Administrator
20 Barbara Lewis, Manager Compliance Section
21 Kelly Stephens, Assistant Deputy Director
22 Brian Stephan, Tax Unit Supervisor
23 Cary Cook, Solvency Support United Supervisor
24 Kurt Regner, Examiner
25 Department of Insurance
26 2910 N. 44th St., Suite 210
27 Phoenix, AZ 85018

28 Thomas E. Haney
1421 East Thomas Road
Phoenix, Arizona 85014



IN THE OFFICE OF ADMINISTRATIVE HEARINGS

MAR 12 1996

Office of Administrative Hearings

~~DEPARTMENT OF INSURANCE~~

By

In the Matter of the Merger of

No. 96A-010-INS

LENDERS LIFE INSURANCE
COMPANY (NAIC No. 93939),

Insurer,

RECOMMENDED ORDER
APPROVING MERGER AND
TRANSFER OF STATUTORY
DEPOSIT

into

PITTSBURGH NATIONAL LIFE
INSURANCE COMPANY (NAIC
No. 89923),

Petitioner.

On March 11, 1996, a hearing was held at the Arizona Department of Insurance (the "Department") at 2910 North 44th Street, Suite 210, Phoenix, Arizona to consider the Plan and Agreement of Merger whereby Lenders Life Insurance Company (the "Insurer"), NAIC No. 93939, will merge into Pittsburgh National Life Insurance Company (the "Petitioner"), NAIC No. 89923.

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 by the Director of the Department ("Director"):

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. Insurer is duly qualified and authorized as a life and disability reinsurer in the State of Arizona.
2. Petitioner is duly qualified and authorized as a life and disability reinsurer in the State of Arizona.
3. Both the Insurer and the Petitioner have waived the twenty-five (25) day notice requirement of A.R.S. §20-731(C).
4. The shareholder of the Insurer and the shareholder of the Petitioner have waived the notice of the hearing of this matter.

1 5. No evidence has been produced at the hearing of this matter that
2 would indicate or form the basis for a finding that the Plan and Agreement of Merger
3 previously filed:

4 a. Is contrary to law.

5 b. Is unfair in the terms and conditions of the issuance and exchange of
6 securities.

7 c. Would substantially reduce the security of and service to be rendered
8 to policyholders of the domestic insurer in this State or elsewhere.

9 7. The Insurer has surrendered its Certificate of Authority to the
10 Department.

11 8. The Department's review of Petitioner's filing indicated that the
12 provisions of A.R.S. §20-731 have been satisfied and recommended that the
13 Director approve the Plan and Agreement of Merger filed in this matter.

14 9. The Department may have incurred examination expenses as a result
15 of this merger.

16 10. The Petitioner has requested that the \$200,000.00 statutory deposit
17 held by the State Treasurer in the name of the Insurer be transferred into a statutory
18 deposit account in the name of the Petitioner.

19 **RECOMMENDED ORDER**

20 The undersigned Administrative Law Judge recommends that:

21 1. The Plan and Agreement of Merger between the Insurer and the
22 Petitioner be approved.

23 2. The statutory deposit of the Insurer in the amount of \$200,000.00 be
24 transferred into a statutory deposit account in the name of the Petitioner upon
25 receipt by the Department of the following: (1) payment of examination expenses;
26 (2) copies of the Articles of Merger of the Insurer and the Petitioner certified as filed
27 by the Arizona Corporation Commission; and (3) fully executed Forms E125 and
28 E126. The statutory deposit not be transferred until the Department receives a fully
29 executed copy of the official State Treasurer Release Receipt.

30 3. The Petitioner promptly remit to the Insurance Examiners' Revolving
31 Fund ("IERF") payment for expenses incurred as a result of this merger.

32 4. The sum of \$100.00 previously credited to the IERF be refunded to the
33 Insurer pursuant to A.R.S. §20-159.
34

