

STATE OF ARIZONA
FILED

OCT 30 1997

DEPT. OF INSURANCE
BY ED

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

In the Matter of the Withdrawal of:)
)
SOUTHEASTERN CREDIT LIFE INSURANCE)
COMPANY (NAIC No. 81175),)
)
Petitioner.)

Docket No. 97A-156-INS

ORDER

On October 28, 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 Dissolution with the Arizona Corporation Commission.
3. The Petitioner is entitled to the release of its statutory deposit in the sum of \$100,000.00 and that the statutory deposit will be released to the Petitioner after the Department has received the following: (a) payment of \$425.50 to the Insurance Examiners' Revolving Fund ("IERF"); (b) a copy of Petitioner's Articles of Dissolution certified as having been filed with the Arizona Corporation Commission; and (c) a fully executed Form E126 (Notice of Trust Deposit Release). The statutory deposit will not be released until the Department receives a fully executed copy of the official State Treasurer Release Receipt.

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


5. The Petitioner will file its 1997 Annual Statement with the Department, together
with all applicable fees, unless Petitioner files its Article of Dissolution with the Arizona Corporation
Commission on or before December 31, 1997.

NOTIFICATION OF RIGHTS

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

The final decision of the Director may be appealed to the Superior Court of Maricopa
County for judicial review pursuant to A.R.S. § 20-166. A party filing an appeal must notify the Office of
Administrative Hearings of the appeal within ten days after filing the complaint commencing the appeal,
pursuant to A.R.S. §41-1092.10.

DATED this 29 day of October, 1997



John A. Greene
Director of Insurance

1 A copy of the foregoing mailed
this 30th day of October, 1997

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

8 Office of Administrative Hearings
1700 W. Washington, Suite 602
9 Phoenix, AZ 85007

10 Thomas E. Haney
101 N. First Avenue, #2460
11 Phoenix, AZ 85003

12 Esther Davis
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1 **IN THE OFFICE OF ADMINISTRATIVE HEARINGS**

2 In the Matter of the Withdrawal of

97A-156-INS

3 **SOUTHEASTERN CREDIT**
4 **LIFE INSURANCE COMPANY**
5 (NAIC NO. 81175),

RECOMMENDED DECISION
OF ADMINISTRATIVE
LAW JUDGE

6 Petitioner.

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8
9 **HEARING:** October 16, 1997

10 **APPEARANCES:** Thomas E. Haney, Esq. for the Petitioner; Kurt Regner for
11 the Arizona Department of Insurance

12 **ADMINISTRATIVE LAW JUDGE:** Lewis D. Kowal
13

14 On October 16, 1997, a hearing took place to consider the application of
15 Southeastern Credit Life Insurance Company (the "Petitioner"), to withdraw from the
16 insurance business and for the release of its statutory deposit pursuant to A.R.S. §20-
17 588 and A.A.C. R20-6-303.

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

20 **FINDINGS OF FACT AND CONCLUSIONS OF LAW**

- 21 1. The Petitioner has surrendered its Certificate of Authority to the Department.
- 22 2. The Petitioner has filed with the Department certified copies of Resolutions
23 of the Petitioner's Board of Directors and of the Petitioner's shareholder(s) authorizing
24 Petitioner to withdraw from the insurance business by dissolution.
- 25 3. The Petitioner has no insurance obligations owing to it, whether by policies
26 written direct or by reinsurance ceded to it.
- 27 4. The Petitioner has filed its certified financial statement as of July 1, 1997,
with the Department.
- 28 5. At least 10 business days before the hearing of this matter, Petitioner gave
29 special notice to creditors and policyholders of the Petitioner, setting forth the date,
30 place, nature and purpose of the hearing, as evidenced by the affidavit of publication.

Office of Administrative Hearings 1700 West Washington, Suite 602 Phoenix, Arizona 85007 (602) 542-9826
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1 Petitioner also provided individual notice by mail to its known creditors, as evidenced by
2 affidavit.

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

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

7 8. Petitioner currently owes \$425.50 to the IERF.

8 **RECOMMENDED ORDER**

9 The undersigned Administrative Law Judge recommends that:


10 1. The Petitioner may file its Articles of Dissolution with the Arizona
11 Corporation Commission.

12 2. The Petitioner is entitled to the release of its statutory deposit in the sum of
13 \$100,000.00 and that the statutory deposit shall be released to the Petitioner after the
14 Department has received the following: (a) payment of \$425.50 to the IERF; (b) a copy
15 of Petitioner's Articles of Dissolution certified as having been filed with the Arizona
16 Corporation Commission; and (c) a fully executed Form E126 (Notice of Trust Deposit
17 Release). The statutory deposit cannot be released until the Department receives a
18 fully executed copy of the official State Treasurer Release Receipt.

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

21 4. The Petitioner file its 1997 Annual Statement with the Department, together
22 with all applicable fees, unless Petitioner files its Article of Dissolution with the Arizona
23 Corporation Commission on or before December 31, 1997.

24 Done this day, October 28, 1997.

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LEWIS D. KOWAL
Administrative Law Judge

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Original transmitted by mail this
28 day of October, 1997, to:

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

By Chris Crawford Thomson