

STATE OF ARIZONA

DEC 24 1997

DEPARTMENT OF INSURANCE DEPT. OF INSURANCE
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In the Matter of the Merger of)	Docket No. 97A-196-INS
)	
ASSOCIATED HEALTH PLANS, INC.)	ORDER
(NAIC No. 47082),)	
)	
Insurer,)	
)	
into)	
)	
UNITED DENTAL CARE OF ARIZONA,)	
INC. (NAIC No. 47708),)	
)	
)	
Petitioner.)	
_____)	

On December 23, 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 recommend findings of fact and conclusions of law are adopted.
2. The Plan and Agreement of Merger between the Insurer and the Petitioner is approved.
3. The statutory deposit of the Insurer in the amount of \$200,000.00 will be released upon receipt by the Department of Insurance of the following: (1) copies of the Articles of Merger of the Insurer and the Petitioner certified as having been filed with the Arizona Corporation Commission; (2) payment of \$85.42 to the Insurance Examiners' Revolving Fund ("IERF"); and (3) a fully

1 executed Form E126 (Notice of Statutory Deposit). The statutory
2 deposit will not be released until the Department receives a
3 fully executed copy of the Official State Treasurer Release
4 Receipt.

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

7 5. The Insurer will file a 1997 Annual Statement with
8 the Department together with all applicable fees unless
9 Petitioner files its Articles of Merger with the Arizona
10 Corporation Commission on or before December 31, 1997.

11 6. The Department waives the Form B filing requirement
12 for the Insurer for the years ending 1991 through 1995.

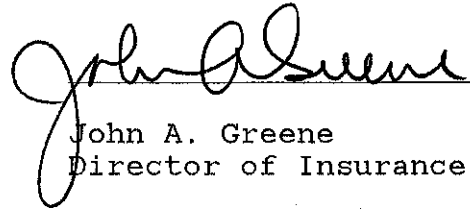
13 NOTIFICATION OF RIGHTS

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

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

3 DATED this 24 day of December, 1997

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6 John A. Greene
7 Director of Insurance
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COPY of the foregoing mailed
this 24th day of December, 1997 to:

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

Office of Administrative Hearings
1700 West Washington, Suite 602
Phoenix, AZ 85007

Philip T. Paris
2929 North 44th Street, Suite 120
Phoenix, Arizona 85018

Esther Davis

IN THE OFFICE OF ADMINISTRATIVE HEARINGS

In the Matter of the Merger of

No. 97A-196-INS

ASSOCIATED HEALTH PLANS, INC.
(NAIC No. 47082),

Insurer,

**RECOMMENDED DECISION
OF ADMINISTRATIVE
LAW JUDGE**

into

**UNITED DENTAL CARE OF ARIZONA,
INC. (NAIC No. 47708),**

Petitioner.

HEARING: December 11, 1997

APPEARANCES: Philip T. Paris, Esq. for the Petitioner; Kurt Regner for the
Arizona Department of Insurance

ADMINISTRATIVE LAW JUDGE: Lewis D. Kowal

On December 11, 1997, a hearing was held to consider the Plan and Agreement of Merger whereby Associated Health Plans, Inc. (the "Insurer"), will merge into United Dental Care of America, Inc. (the "Petitioner").

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

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. Insurer is duly qualified and authorized as a prepaid dental plan in the State of Arizona.

2. Petitioner is duly qualified and authorized as a prepaid dental plan 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(s) of the Insurer and the shareholder(s) of the Petitioner have waived notice of the hearing.

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

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

3 a. Is contrary to law.

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

6 c. Would substantially reduce the security of and service to be rendered to
7 members of the Insurer in this State or elsewhere.

8 6. The Insurer has surrendered its certificate of authority to the Department.

9 7. Special notice to creditors and policyholders of the Petitioner, setting forth
10 the date, place, nature and purpose of the hearing was published and mailed at least
11 ten (10) business days before said hearing, and known creditors received individual
notice by mail, as evidenced by the affidavit of publication.

12 8. Based upon the Department's review of Petitioner's filing which indicated
13 that the Petitioner has complied with the provisions of A.R.S. §20-731, the Department
14 recommended that the Director approve the Plan and Agreement of Merger filed in this
matter.

15 9. The Petitioner has requested that the \$200,000.00 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. Insurer owes the Insurance Examiners' Revolving Fund ("IERF") the sum
of \$85.42.

19 11. Petitioner requested that the \$100.00 deposit Insurer made to the IERF
20 be refunded.

21 12. Petitioner requested that the Department waive the Form B filing
22 requirement of Insurer for the years ending 1991 through 1995. The Department did
23 not object to that request.

24 RECOMMENDED ORDER

25 The undersigned Administrative Law Judge recommends that:

26 1. The Plan and Agreement of Merger between the Insurer and the
Petitioner be approved above.

27 2. The statutory deposit of the Insurer in the amount of \$200,000.00 be
28 released upon receipt by the Department of Insurance of the following: (1) copies of
29 the Articles of Merger of the Insurer and the Petitioner certified as having been filed with
30 the Arizona Corporation Commission; (2) payment of \$85.42 to the IERF; and (3) a fully

1 executed Form E126 (Notice of Statutory Deposit). The statutory deposit not be
2 released until the Department receives a fully executed copy of the official State
3 Treasurer Release Receipt.

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

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

9 5. The Department waives the Form B filing requirement for the Insurer for
10 the years ending 1991 through 1995.

11 Done this day, December 23, 1997.

12 
13 LEWIS D. KOWAL
14 Administrative Law Judge

15 Original transmitted by mail this
16 23 day of December, 1997, to:

17 Mr. John A. Greene, Director
18 Department of Insurance
19 ATTN: Curvey Burton
20 2910 North 44th Street, #210
21 Phoenix, AZ 85018-7256

22 By 
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