

STATE OF ARIZONA

DEC 22 1997

DEPARTMENT OF INSURANCE

DEPT. OF INSURANCE  
BY CPB

In the Matter of the	)	Docket No. 97A-236-INS
Redomestication of	)	
	)	
NEWPORT INSURANCE	)	<b>ORDER APPROVING</b>
COMPANY, from the State of	)	<b>REDOMESTICATION</b>
Arizona to the State of	)	
California.	)	
_____	)	

Newport Insurance Company ("Newport"), NAIC No. 24848, an Arizona domestic property and casualty insurer, has applied to the Director of Insurance for the State of Arizona ("Director") for approval to change its domicile from Arizona to California. After reviewing the filings, correspondence, and information provided to the Arizona Department of Insurance ("Department"), the Director makes the following findings of fact and conclusions of law and issues the following order:

FINDINGS OF FACT

1. Newport is a property and casualty insurer incorporated under the laws of the State of Arizona, and authorized to transact the business of insurance in Arizona since April 16, 1964.

2. On September 29, 1997, Newport filed its application to redomesticate from Arizona to California (the "Application") with the Department pursuant to Arizona Revised Statutes §20-231 (redomestication provisions).

3. Newport has filed all required documents with the Department for review in connection with the proposed redomestication including, but not limited to, proposed Articles of Reorganization/Amended and Restated Articles of Incorporation

1 evidencing the intention to redomesticate from the  
2 the State of Arizona to the State of California. All documents  
3 submitted by Newport in support of the Application are  
4 satisfactory.

5 4. Newport has been duly authorized to transact the  
6 business of insurance in the State of California as a foreign  
7 admitted insurer.

8 5. On December 16, 1997, California's Senior Staff  
9 Counsel, Arlene Joyce issued a letter certifying that the  
10 California Department of Insurance has no objection to the  
11 redomestication upon compliance with the provisions of  
12 California's statutory and regulatory requirements. (See letter  
13 attached as Exhibit "A").

14 6. The redomestication will not result in any changes  
15 in Newport's officers, directors, assets, business or in any  
16 other manner other than the change in state of domicile and home  
17 office address.

#### 18 CONCLUSIONS OF LAW

19 Based upon the above Findings of Fact, the Director  
20 concludes that:

21 1. The Director has jurisdiction over the subject  
22 matter and the parties to this transaction.

23 2. The proposed transfer of domicile of Newport from  
24 the State of Arizona to the State of California is not contrary  
25 to the interests of Newport's policyholders.

26 3. Upon effectuation of the redomestication, Newport  
27 will be qualified for continued licensure in Arizona as a foreign  
28 admitted insurer.

ORDER

1 IT IS, THEREFORE, ORDERED that:

2 1. The redomestication of Newport from the State of  
3 Arizona to the State of California is approved, subject to  
4 receipt by the Arizona Department of Insurance of the approval  
5 of the California Department of Insurance.

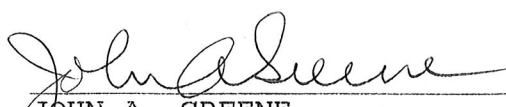
6 2. Upon the date such redomestication is effectuated,  
7 and the filing of appropriate documents, Newport's certificate  
8 of authority in Arizona shall be amended to no longer reflect  
9 Newport as a domestic insurer, but rather to reflect Newport as  
10 an admitted foreign insurer as of such date.

11 3. The records of the Department will, upon  
12 effectuation of the redomestication, reflect Newport as the  
13 continuing corporation of the corporation formed in Arizona, but  
14 with a change of current domicile from Arizona to California.

15 4. Newport, upon effectuating the redomestication, is  
16 entitled to the release of its statutory deposit in the par value  
17 sum of Seven Hundred Twenty Thousand Dollars (\$720,000), which  
18 shall be released to Newport as an excess deposit in accordance  
19 with ARS §20-581, et seq. after the Department has received the  
20 following: (1) payment of fees and examination expenses, (2) a  
21 copy of its Articles of Reorganization/Amended and Restated  
22 Articles of Incorporation as filed with and certified by the  
23 Arizona Corporation Commission, and (3) a notice of Statutory  
24 Deposit Release (Form E126).

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EFFECTIVE this 22 day of December, 1997.

  
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JOHN A. GREENE  
Director of Insurance

COPY of the foregoing mailed/delivered  
this 22nd 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 N. 44th Street, Suite 210  
Phoenix, Arizona 85018

John C. Spence, President  
Newport Insurance Company  
18581 Teller Avenue  
Irvine, CA 92612-1627

James W.F. Clark, Vice President  
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18581 Teller Avenue  
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Prentice-Hall Corporation System, Inc.  
3636 North Central Avenue, Suite 970  
Phoenix, AZ 85012

  
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STATE OF CALIFORNIA

CHUCK QUACKENBUSH, Insurance Commissioner

**DEPARTMENT OF INSURANCE**

**LEGAL DIVISION**

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SAN FRANCISCO, CA 94105  
FAX (415) 804-5729  
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**ARLENE JOYCE**  
Senior Staff Counsel  
(415) 538-4424

December 16, 1997

Department of Insurance  
State of Arizona  
Corporate and Financial Affairs Division  
2910 North 44th Street, Suite 210  
Phoenix, Arizona 85018-7256

Attention: A. Lee Books  
Senior Analyst

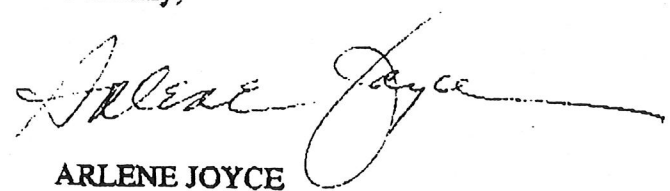
Re: Redomestication of Newport Insurance Company (NAIC #24848)  
from Arizona to California

Dear M. Books,

This will confirm that California has no objection to the redomestication of Newport Insurance Company from Arizona to California. A new Certificate of Authority will be issued within the next ten days showing the state of domicile as California, effective December 31, 1997.

Please feel free to telephone me at (415) 538-4424 if you have any questions. Or, you may send E-Mail to me addressed as follows: joycea@insurance.ca.gov

Cordially,

  
ARLENE JOYCE

AJ/a

cc: Jeff Wydra  
Balboa Life & Casualty  
Irvine, CA