

STATE OF ARIZONA

SEP 2 1998

DEPARTMENT OF INSURANCE

DEPT. OF INSURANCE
BY Kalu

In the Matter of the Withdrawal of:)
PASO DEL NORTE LIFE INSURANCE)
(NAIC No. 87440),)
Petitioner.)

Docket no. 98A-096-INS

ORDER

On August 31, 1998, 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 Amendment to its Articles of Incorporation ("Articles of Amendment") 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 Petitioner's statutory deposit will be released to the Petitioner after the Department has received the following: (a) a copy of Petitioner's Articles of Amendment certified as having been filed with the Arizona Corporation Commission; and (b) 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.

1 A copy of the foregoing mailed
this 2 day of September, 1998

2 Charles R. Cohen, Deputy Director
3 Mary Butterfield, Assistant Director
4 Catherine O'Neil, Consumer Legal Affairs Officer
5 Gary Torticill, Assistant Director
6 Deloris Williamsón, Assistant Director
7 Scott Greenberg, Business Administrator
8 Department of Insurance
9 2910 N. 44th Street, Suite 210
10 Phoenix, AZ 85018

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

14 Werner J. Meyer
15 Ryley, Carlock & Applewhite
16 101 North First Avenue, Suite 2700
17 Phoenix, AZ 85003-1973

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IN THE OFFICE OF ADMINISTRATIVE HEARINGS

In The Matter Of The Withdrawal Of:

No. 98A-096-INS

**PASO DEL NORTE LIFE INSURANCE,
(NAIC NO. 87440),**

**RECOMMENDED DECISION
OF ADMINISTRATIVE
LAW JUDGE**

Petitioner.

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HEARING: August 27, 1998

APPEARANCES: Werner Meyer, Esq. for the Petitioner

ADMINISTRATIVE LAW JUDGE: Lewis D. Kowal

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On August 27, 1998, a hearing took place to consider the application of Paso Del Norte Life Insurance Company (the "Petitioner") to withdraw from the insurance business and for the release of its statutory deposit pursuant to A.R.S. §20-588 and A.A.C. R20-6-303.

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

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FINDINGS OF FACT AND CONCLUSIONS OF LAW

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1. The Petitioner has filed an Affidavit of Lost Certificate of Authority with the Arizona Department of Insurance ("Department").

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2. The Petitioner has filed with the Department certified copies of Resolutions of the Petitioner's Board of Directors and of the Petitioner's shareholder(s) to withdraw from the insurance business, to amend its articles of incorporation to eliminate its insuring powers, and to adopt a new corporate name which shall not include the word "insurance".

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3. The Petitioner has no insurance obligations owing to it, whether by policies written direct or by reinsurance ceded to it.

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4. The Petitioner has filed its certified financial statement as of April 30, 1998, with the Department.

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5. At least ten business days before the hearing of this matter, Petitioner gave special notice to creditors and policyholders of the Petitioner, setting forth the date, place, nature and purpose of the hearing, as evidenced by an affidavit of publication.

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

1 Petitioner also provided individual notice by mail to its known creditors and
2 policyholders, as evidenced by 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 **RECOMMENDED ORDER**

8 The undersigned Administrative Law Judge recommends that:

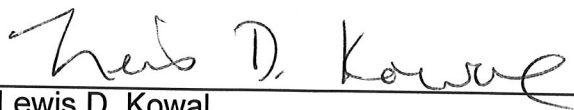
9 1. The Petitioner may file its Articles of Amendment to its Articles of
10 Incorporation ("Articles of Amendment") with the Arizona Corporation Commission.

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

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

20 4. The Petitioner shall file its 1998 Annual Statement with the Department,
21 together with all applicable fees, unless Petitioner files its Articles of Amendment with
22 the Arizona Corporation Commission on or before December 31, 1998.

23 Done this day, August 31, 1998.

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25 Lewis D. Kowal
26 Administrative Law Judge
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Original transmitted by mail this
31 day of August, 1998, to:

Mr. John A. Greene, Director
Department of Insurance
2910 North 44th Street, Ste. 210
Phoenix, AZ 85018

Attention: Curvey Burton

By Chris Crawford Thomson