

SEP 2 1998

DEPT. OF INSURANCE
BY Kelli

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

In the Matter of the Withdrawal of:)	Docket No. 98A-098-INS
)	
MCKINNEY LIFE INSURANCE)	
COMPANY (NAIC No. 71557),)	ORDER
)	
Petitioner.)	
_____)	

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:

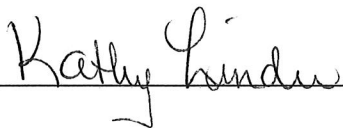
1. The recommended findings of fact and conclusions of law are adopted.
2. The Petitioner may file its Articles of Dissolution with the Arizona Corporation Commission.
3. The Petitioner is entitled to the release of its statutory deposit in the sum of \$100,000.00 and that the statutory deposit will be released to the Petitioner after the Department has received the following: (a) a copy of Petitioner's Articles of Dissolution 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 Williamson, 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 Philip T. Paris
15 2929 N. 44th Street, Suite 120
16 Phoenix, AZ 85018

17 
18 _____

19
20
21
22
23

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

IN THE OFFICE OF ADMINISTRATIVE HEARINGS

In The Matter Of The Withdrawal Of:

No. 98A-098-INS

**MC KINNEY LIFE INSURANCE
COMPANY,
(NAIC NO. 71557),**

Petitioner.

**RECOMMENDED DECISION
OF ADMINISTRATIVE
LAW JUDGE**

HEARING: August 27, 1998

APPEARANCES: Philip T. Paris, Esq. for the Petitioner

ADMINISTRATIVE LAW JUDGE: Lewis D. Kowal

On August 27, 1998, a hearing took place to consider the application of Mckinney 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.

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. The Petitioner has surrendered its certificate of authority to the Arizona Department of Insurance ("Department").
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) authorizing Petitioner to withdraw from the insurance business by dissolution.
3. The Petitioner has no insurance obligations owing to it, whether by policies written direct or by reinsurance ceded to it.
4. The Petitioner has filed its certified financial statement as of March 31, 1998, with the Department.
5. At least 10 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, as evidenced
2 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 statutory deposit.

7 **RECOMMENDED ORDER**

8 The undersigned Administrative Law Judge recommends that:


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

11 2. The Petitioner is entitled to the release of its statutory deposit in the sum of
12 \$100,000.00 and that the statutory deposit shall be released to the Petitioner
13 after the Department has received the following: (a) a copy of Petitioner's Articles of
14 Dissolution certified as having been filed with the Arizona Corporation Commission; and
15 (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 be refunded to the
19 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 Dissolution with the
22 Arizona Corporation Commission on or before December 31, 1998.

23 Done this day, August 31, 1998.

24 
25 Lewis D. Kowal
26 Administrative Law Judge

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

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 Thomas