

DEC 30 1998

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

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In the Matter of the Merger of:)
)
BENSON MOTORS LIFE INSURANCE)
COMPANY (NAIC No. 83780),)
Insurer,)
into)
BENSON MOTORS INSURANCE)
COMPANY (NAIC No. 83755),)
Petitioner.)

Docket No. 98A-206-INS

ORDER

On December 24, 1998, the Office of Administrative Hearings, through Administrative Law Judge Lewis D. Kowal, issued a Recommended Decision of Administrative Law Judge ("Recommended Decision"), a copy of which is attached and incorporated by this reference. The Director of the Department of Insurance has reviewed the Recommended Decision and enters the following Order:

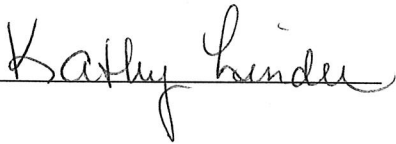
1. The recommended Findings of Fact and Conclusions of Law are adopted.
2. The Petitioner may file its Articles of Merger with the Arizona Corporation Commission.
3. The Plan and Agreement of Merger between the Insurer and the Petitioner shall be approved.

1 A copy of the foregoing mailed
this 30 day of December, 1998

2 Sara M. Begley, Deputy Director
3 Mary Butterfield, Assistant Director
Catherine O'Neil, Legal Affairs Officer
4 Gary Torticill, Assistant Director
Deloris Williamson, Assistant Director
5 Scott Greenberg, Business Administrator
Kurt Regner, Examiner
6 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, Suite 2460
11 Phoenix, AZ 85003

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IN THE OFFICE OF ADMINISTRATIVE HEARINGS

In the Matter of the Merger of
BENSON MOTORS LIFE INSURANCE
COMPANY (NAIC No. 83780) ,
Insurer
into
BENSON MOTORS INSURANCE
COMPANY (NAIC No. 83755)
Petitioner.

No. 98A-206-INS

RECOMMENDED DECISION
OF ADMINISTRATIVE
LAW JUDGE

HEARING: December 23, 1998

APPEARANCES: Thomas E. Haney, Esq. For the Petitioner

ADMINISTRATIVE LAW JUDGE: Lewis D. Kowal

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On December 23, 1998, a hearing was held to consider the Plan and Agreement of Merger whereby Benson Motors Life Insurance Company (the "Insurer"), will merge into Benson Motors Insurance Company (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

1. Insurer is duly qualified and authorized as an insurer in the State of Arizona.
2. Petitioner is duly qualified and authorized as an insurer in the State of Arizona.
3. Both the Insurer and the Petitioner have waived notice requirements of A.R.S. §41-1092.05(D).
4. The shareholder(s) of the Insurer and the shareholder(s) of the Petitioner have waived notice of the hearing.
5. No evidence has been produced at the hearing of this matter that would indicate or form the basis for a finding that the Plan and Agreement of Merger previously filed with the Department:

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

- 1 a. Is contrary to law.
2 b. Is unfair in the terms and conditions of the issuance and exchange of
3 securities.
4 c. Would substantially reduce the security of and service to be rendered to
5 policyholders of the Insurer in this State or elsewhere.

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

7 7. Based upon the Department's review of Petitioner's filing, the Department
8 recommended that the Director approve the Plan and Agreement of Merger filed in this
9 matter.

10 8. The Petitioner has requested that the \$100,000.00 statutory deposit held by
11 the State Treasurer in the name of the Insurer be transferred into a statutory deposit
12 account in the name of the Petitioner.

13 9. Petitioner has also requested that the \$100.00 deposit Insurer has with the
14 Insurance Examiners' Revolving Fund ("IERF") be released to Insurer upon approval of
15 the merger.

16 10. Petitioner has prepared Articles of Merger it intends to file with the Arizona
17 Corporation Commission.

18 **CONCLUSIONS OF LAW**

19 The evidence of record established that Petitioner has complied with the
20 provisions of A.R.S. §20-731 and established by credible evidence that the Plan and
21 Agreement of Merger between the Insurer and Petitioner should be approved.

22 **RECOMMENDED ORDER**

23 The undersigned Administrative Law Judge recommends that:

24 1. The Petitioner may file its Articles of Merger with the Arizona Corporation
25 Commission.

26 2. The Plan and Agreement of Merger between the Insurer and the Petitioner be
27 approved .

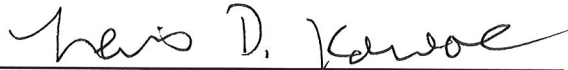
28 3. The statutory deposit of the Insurer in the amount of \$100,000.00 shall be
29 transferred into a statutory deposit account in the name of the Petitioner upon receipt
30 by the Department of Insurance of the following: (1) copies of the Articles of Merger of
the Insurer and the Petitioner certified as having been filed with the Arizona
Corporation Commission; and (2) fully executed Forms E125 (Notice of Trust Deposit
Delivery) and E126 (Notice of Trust Deposit Release). The statutory deposit cannot be

1 transferred until the Department receives a fully executed copy of the official State
2 Treasurer Release Receipt Form E101.

3 1. The sum of \$100.00 previously credited to the IERF be refunded to the
4 Insurer pursuant to A.R.S. §20-159.

5 2. The Insurer shall file its 1998 Annual Statement with the Department,
6 together with all applicable fees, unless the Insurer files its Articles of Merger with the
7 Arizona Corporation Commission on or before December 31, 1998.

8 Done this day, December 24, 1998.

9 

10 Lewis D. Kowal
11 Administrative Law Judge

12
13 Original transmitted by mail this
14 24th day of December, 1998, to:

15 Mr. Charles R. Cohen, Director
16 Department of Insurance
17 2910 North 44th Street, #210
18 Phoenix, AZ 85018-7256

19 ATTN: Curvey Burton

20
21 By Brenda H. Alderman