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STATE OF ARIZONA

DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS

In the Matter of:

**FRONTIER INSURANCE COMPANY
IN LIQUIDATION**

(SBS No. 49208888)

Petitioner.

No. 23A-088-INS

**ORDER FOR RELEASE OF
WORKERS' COMPENSATION
DEPOSIT**

Arizona Revised Statutes ("A.R.S.") § 23-961 provides that workers' compensation deposits shall be held by the Cabinet Executive Officer ("CEO") of the Arizona Department of Insurance and Financial Institutions as security for fulfillment of the obligations of an insurer under Title 23. Upon proper order of a court of competent jurisdiction to the receiver, conservator, rehabilitator or liquidator of the insurer, or to any other properly designated official or officials who succeed to the management and control of the insurer's assets, the CEO issues this Order releasing deposited funds pursuant to A.R.S. § 20-588(A)(3).

FINDINGS OF FACT

1. Frontier Insurance Company ("Frontier" or "Petitioner") is a New York domiciled property and casualty insurer conducting business in Arizona.

2. On or about November 16, 2012, the Supreme Court of the State of New York, County of Albany, in the Matter of the Rehabilitation of Frontier Insurance Company, Index No. 000097/2006, entered an Order of Liquidation against Frontier. The court found

1 Frontier insolvent and ordered its liquidation. Further, the court appointed the
2 Superintendent of the Department of Financial Services of the State of New York and
3 successors in office as Liquidator of Frontier.

4 3. In order to transact insurance business in Arizona, Frontier placed a workers'
5 compensation deposit ("Deposit") with the Arizona State Treasurer to protect Arizona
6 workers' compensation claimants currently in the approximate amount of \$154,880.00.

7 4. On November 27, 2023, the Arizona Department of Insurance and Financial
8 Institutions ("Department") entered into the Arizona Special Deposit Release Agreement
9 with Receiver for the purpose of releasing the special deposit proceeds; paying the claims of
10 the Arizona Property and Casualty Insurance Guaranty Fund; paying the Department's
11 administrative expenses; and turning over the remaining balance to Receiver.

12 **CONCLUSIONS OF LAW**

13 5. Petitioner is entitled to the release of the Deposit pursuant to A.R.S. § 20-
14 588(A)(3).

15 6. The Director has no personal liability for the release of the Deposit made in
16 good faith as provided in A.R.S. § 20-588(B).

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ORDER

THEREFORE, IT IS ORDERED that the Deposit in the approximate amount of \$154,880.00 shall be released and distributed pursuant to the instructions in the Arizona Special Deposit Release Agreement.

Effective this 1st day of December, 2023.

Barbara D. Richardson

Barbara D. Richardson
Cabinet Executive Officer
Executive Deputy Director
Arizona Department of Insurance and Financial Institutions

1 COPY of the foregoing mailed/delivered
this 4th day of December, 2023 to:

2 David Axinn, Special Deputy Superintendent and
3 Agent of Adrienne A. Harris, Superintendent of the Department of Financial Services
4 of the State of New York as Liquidator of Frontier Insurance Company
5 c/o New York Liquidation Bureau
180 Maiden Lane
New York, New York 10038
daxinn@nylb.org

6 Lori D. Nestor, Executive Director
7 Arizona Department of Insurance and Financial Institutions
Insurance Guaranty Funds Office
8 100 N. 15th Ave., Ste. 261
Phoenix, AZ 85007

9 Deian Ousounov, Assistant Director
10 Gio Espinosa, Regulatory Legal Affairs Officer
Kurt Regner, CFE, Assistant Director
11 Cary W. Cook, Chief Financial Compliance Officer
Ana Starcevic, Paralegal Project Specialist
12 Arizona Department of Insurance and Financial Institutions
100 N. 15th Avenue, Suite 261
13 Phoenix, AZ 85007-2630

14 *Ana Starcevic*

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