

MAR 27 1996

STATE OF ARIZONA
DEPARTMENT OF INSURANCE DEPT. OF INSURANCE

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In the Matter of the Withdrawal of)	Docket No. 96A-021-INS
)	
CARMEL LIFE INSURANCE COMPANY)	
(NAIC No. 93114))	
)	
Petitioner.)	ORDER
)	
)	

On March 26, 1996, the Office of Administrative Hearings, through Administrative Law Judge Lewis D. Kowal submitted "Recommended Findings of Fact, Conclusions of Law and Recommended Order Authorizing Withdrawal of Insurer from the Insurance Business and for a Release of Statutory Deposit", a copy of which is attached and incorporated by this reference. The Director of the Arizona Department of Insurance has reviewed the recommendation, and enters the following order:

1. The recommended findings of fact and conclusions of law are adopted.
2. The Petitioner is granted an exemption pursuant to A.R.S. §20-481.17 from the filing of a "Form B" registration statement for the year ending 1995.
3. The Petitioner may file its Articles of Amendment to its Articles of Incorporation ("Articles of Amendment") with the Arizona Corporation Commission.
4. The Petitioner is entitled to the release of its statutory deposit in the sum of \$100,000.00 and Petitioner's statutory deposit shall be released to the Petitioner after the

1 Department has received the following: (a) payment of
2 examination expenses, if due; (b) a copy of Petitioner's Articles
3 of Amendment certified as filed by the Arizona Corporation
4 Commission; and (d) a fully executed E126 (Notice of Trust
5 Deposit Release). The statutory deposit cannot be released until
6 the Department receives a fully executed copy of the official
7 State Treasurer Release Receipt.

8 5. The sum of \$100.00 previously credited to the
9 IERF will be refunded to the Petitioner, pursuant to A.R.S.
10 §20-159.

11 6. The Petitioner will file its 1995 Annual Statement
12 with the Department, together with all applicable fees, and a
13 certified copy of the Articles of Amendment having a stamped file
14 date of March 31, 1996, or a prior date of filing with the
15 Arizona Corporation Commission, or the Petitioner will be
16 responsible for any certificate of authority renewal fee.

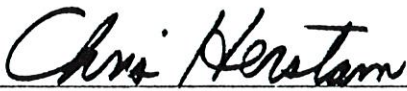
17 7. The Petitioner will file its 1996 Annual Statement
18 with the Department together with all applicable fees, unless
19 Petitioner files its Articles of Amendment with the Arizona
20 Corporation Commission on or before December 31, 1996.

21 NOTIFICATION OF RIGHTS

22 The aggrieved party may request a rehearing with
23 respect to this Order by filing a written petition with the
24 Office of Administrative Hearings within 30 days of the date of
25 this Order, setting forth the basis for such relief pursuant to
26 A.A.C. R20-6-114(B).

1 The final decision of the Director may be appealed to
2 the Superior Court of Maricopa County for judicial review
3 pursuant to A.R.S. §20-166.

4 EFFECTIVE this 27th day of March, 1996

5
6 
7 Chris Herstam
8 Director of Insurance

9 A copy of the foregoing
10 mailed this 27th day of
11 March, 1996

12 Charles R. Cohen, Deputy Director
13 Gregory Y. Harris, Executive Assistant Director
14 Mary Butterfield, Assistant Director
15 Catherine O'Neil, Assistant Director
16 Gary Torticill, Assistant Director
17 Deloris Williamson, Assistant Director
18 Nancy Howse, Chief Deputy Director
19 Scott Greenberg, Business Administrator
20 Barbara Lewis, Manager Compliance Section
21 Kelly Stephens, Assistant Deputy Director
22 Brian Stephan, Tax Unit Supervisor
23 Cary Cook, Solvency Support United Supervisor
24 Kurt Regner, Examiner
25 Department of Insurance
26 2910 N. 44th St., Suite 210
27 Phoenix, AZ 85018

28 Philip T. Paris
29 2929 N. 44th Street, #120
30 Phoenix, AZ 85018

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IN THE OFFICE OF ADMINISTRATIVE HEARINGS

MAR 26 1996

Office of Administrative Hearings
DEPARTMENT OF INSURANCE
By *Lewis D. Kowal*

In the Matter of the Withdrawal of

No. 96A-021-INS

CARMEL LIFE INSURANCE
COMPANY (NAIC No. 93114),

RECOMMENDED FINDINGS OF
FACT, CONCLUSIONS OF LAW
AND RECOMMENDED ORDER
AUTHORIZING WITHDRAWAL OF
INSURER FROM THE INSURANCE
BUSINESS AND FOR A RELEASE
OF STATUTORY DEPOSIT

Petitioner.

On March 25, 1996, a hearing took place at the Arizona Department of Insurance (the "Department"), 2910 North 44th Street, Phoenix, Arizona, to consider the application of Carmel Life Insurance Company (the "Petitioner"), NAIC No. 93114, 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, including all pleadings, motions, testimony and exhibits admitted during the hearing of this matter, Administrative Law Judge Lewis D. Kowal has prepared the following Recommended Findings of Fact, Conclusions of Law and Proposed Order for consideration and approval by the Director:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. The Petitioner has filed an Affidavit of Lost Certificate of Authority with the 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 shareholders 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".
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 December 31, 1995 with the Department.

1 5. At least ten business days before the hearing of this matter, Petitioner
2 gave special notice to creditors and policyholders of the Petitioner, setting forth the
3 date, place, nature and purpose of the hearing, as evidenced by the affidavit of
4 publication. Petitioner also provided individual notice by mail to its known creditors,
5 as evidenced by an affidavit.

6 6. The Petitioner has a \$100,000.00 statutory deposit with the
7 Department and a \$100.00 deposit with the Insurance Examiners' Revolving Fund
8 ("IERF").

9 7. The Petitioner has complied with the provisions of A.R.S. §20-588 and
10 with A.A.C. R20-6-303, relating to the release of its \$100,000.00 statutory deposit.

11 8. The Petitioner may have incurred examination expenses as a result of
12 this withdrawal.

13 9. Petitioner has requested and the Department did not object to an
14 exemption pursuant to A.R.S. §20-481.17 from the filing of a "Form B" registration
15 statement pursuant to A.R.S. §§20-481.09 and 20-481.10 for the year ending 1995.

16 RECOMMENDED ORDER

17 The undersigned Administrative Law Judge recommends that:

18 1. Petitioner is granted an exemption pursuant to A.R.S. §20-481.17 from
19 the filing of a "Form B" registration statement for the year ending 1995.

20 2. The Petitioner may file its Articles of Amendment to its Articles of
21 Incorporation ("Articles of Amendment") with the Arizona Corporation Commission.

22 3. The Petitioner is entitled to the release of its statutory deposit in the
23 sum of \$100,000.00 and Petitioner's statutory deposit shall be released to the
24 Petitioner after the Department has received the following: (a) payment of
25 examination expenses, if due; (b) a copy of Petitioner's Articles of Amendment
26 certified as filed by the Arizona Corporation Commission; and (d) a fully executed
27 E126 (Notice of Trust Deposit Release). The statutory deposit cannot be released
28 until the Department receives a fully executed copy of the official State Treasurer
29 Release Receipt.

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

32 5. The Petitioner file its 1995 Annual Statement with the Department,
33 together with all applicable fees, and a certified copy of the Articles of Amendment
34 having a stamped file date of March 31, 1996, or a prior date of filing with the

1 Arizona Corporation Commission, or the Petitioner will be responsible for any
2 certificate of authority renewal fee.

3 6. The Petitioner file its 1996 Annual Statement with the Department,
4 together with all applicable fees, unless Petitioner files its Articles of Amendment
5 with the Arizona Corporation Commission on or before December 31, 1996.

6 DATED this 26th day of March, 1996.


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8 OFFICE OF ADMINISTRATIVE HEARINGS

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10 

11 _____
12 LEWIS D. KOWAL
13 Administrative Law Judge

14
15 COPY of the foregoing mailed/delivered
16 this 26th day of March, 1996, to:

17 Chris Herstam, Director
18 Arizona Department of Insurance
19 2910 North 44th Street, Suite 210
20 Phoenix, AZ 85018

21
22 
23 _____
24 Lewis D. Kowal