

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-025-INS
)	
NALLEY WESTERN LIFE INSURANCE)	
COMPANY (NAIC No. 92282))	
)	
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 Dissolution 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 that the statutory deposit shall be released to the Petitioner after the Department has received the following: (a) payment of

1 examination expenses, if due; (b) payment of \$323.84 to the
2 IERF; (c) a copy of its Articles of Dissolution certified as
3 filed by the Arizona Corporation Commission; and (d) a fully
4 executed Form El26 (Notice of Trust Deposit Release). The
5 statutory deposit cannot be released until the Department
6 receives a fully executed copy of the official State Treasurer
7 Release Receipt.

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

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

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

20 NOTIFICATION OF RIGHTS

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

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

1 EFFECTIVE this 27th day of March, 1996

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4 Chris Herstam
Director of Insurance

5 A copy of the foregoing
6 mailed this 27th day of
March, 1996

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

23 Philip T. Paris
24 2929 N. 44th Street, #120
25 Phoenix, AZ 85018

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IN THE OFFICE OF ADMINISTRATIVE HEARINGS MAR 26 1996

Office of Administrative Hearing
~~DEPARTMENT OF INSURANCE~~
By Lewis Kowal

In the Matter of the Withdrawal of

No. 96A-025-INS

NALLEY WESTERN LIFE
INSURANCE COMPANY
(NAIC No. 92282),

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 Nalley Western Life Insurance Company (the "Petitioner"), NAIC No. 92282, 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 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 December 31, 1995 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

1 date, place, nature and purpose of the hearing, as evidenced by the affidavit of
2 publication. Petitioner also provided individual notice by mail to its known creditors,
3 as evidenced by an affidavit.

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

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

8 8. The Department may have incurred examination expenses as a result
9 of this withdrawal.

10 9. Petitioner currently owes \$323.84 to the IERF.

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

14 **RECOMMENDED ORDER**

15 The undersigned Administrative Law Judge recommends that:

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

18 2. The Petitioner may file its Articles of Dissolution with the Arizona
19 Corporation Commission.

20 3. The Petitioner is entitled to the release of its statutory deposit in the
21 sum of \$100,000.00 and that the statutory deposit shall be released to the Petitioner
22 after the Department has received the following: (a) payment of examination
23 expenses, if due; (b) payment of \$323.84 to the IERF; (c) a copy of its Articles of
24 Dissolution certified as filed by the Arizona Corporation Commission; and (d) a fully
25 executed Form E126 (Notice of Trust Deposit Release). The statutory deposit
26 cannot be released until the Department receives a fully executed copy of the official
27 State Treasurer Release Receipt.

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

30 5. The Petitioner file its 1995 Annual Statement with the Department,
31 together with all applicable fees, and a certified copy of the Articles of Dissolution
32 having a stamped file date of March 31, 1996, or a prior date of filing with the Arizona
33 Corporation Commission, or the Petitioner will be responsible for any certificate of
34 authority renewal fee.

