

DEC 30 1997

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

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BY ED

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In the Matter of the Withdrawal of)	Docket 97A-220-INS
)	
AMERICAN FINANCIAL REINSURANCE,)	ORDER
INC. (NAIC No. 60068),)	
)	
)	
Petitioner.)	
_____)	

On December 24, 1997, 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 recommend findings of fact and conclusions of law are adopted.
2. The Petitioner may file its Articles of Amendment to its Articles of Incorporation ("Articles of Amendment") 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 Petitioner's statutory deposit will be released to the Petitioner after the Department has received the following: (a) payment of \$563.51 to the Insurance Examiners' Revolving Fund ("IERF"); (b) payment of \$8,220.00 to the Department; (c) a copy of Petitioner's Articles of Amendment certified as having been filed with the Arizona Corporation Commission; and (d) a fully executed Form E126

1 (Notice of Trust Deposit Release). The statutory deposit cannot
2 be released until the Department receives a fully executed copy
3 of the official State Treasurer Release Receipt.

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

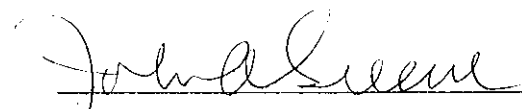
6 5. The Petitioner will file its 1997 Annual Statement
7 with the Department, together with all applicable fees, unless
8 Petitioner files its Articles of Amendment with the Arizona
9 Corporation Commission on or before December 31, 1997.

10 NOTIFICATION OF RIGHTS

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

16 The final decision of the Director may be appealed to
17 the Superior Court of Maricopa County for judicial review
18 pursuant to A.R.S. §20-166. A party filing an appeal must notify
19 the Office of Administrative Hearings of the appeal within ten
20 days after filing the complaint commencing the appeal, pursuant
21 to A.R.S. §41-1092.10.

22 DATED this 30 day of December, 1997

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26 John A. Greene
27 Director of Insurance
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COPY of the foregoing mailed
this 30th day of December, 1997 to:

Charles R. Cohen, Deputy Director
Gregory Y. Harris, Executive Assistant Director
Mary Butterfield, Assistant Director
Catherine O'Neil, Assistant Director
Gary Torticill, Assistant Director
Deloris Williamson, Assistant Director
Scott Greenberg, Business Administrator
Arizona Department of Insurance
2910 North 44th Street, Suite 210
Phoenix, Arizona 85018

Office of Administrative Hearings
1700 West Washington, Suite 602
Phoenix, Arizona 85007

Philip T. Paris
2929 North 44th Street, Suite 120
Phoenix, Arizona 85018

Esther Davis

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

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

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

10 8. Petitioner currently owes \$563.51 to the IERF and \$8,220.00 in penalties to
11 the Department.

12 RECOMMENDED ORDER

13 The undersigned Administrative Law Judge recommends that:

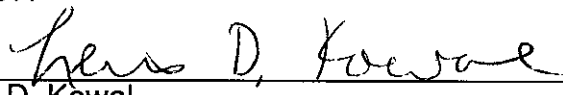
14 1. The Petitioner may file its Articles of Amendment to its Articles of
15 Incorporation ("Articles of Amendment") with the Arizona Corporation Commission.

16 2. The Petitioner is entitled to the release of its statutory deposit in the sum of
17 \$100,000.00 and Petitioner's statutory deposit shall be released to the Petitioner after
18 the Department has received the following (a) payment of \$563.51 to the IERF; (b)
19 payment of \$8,220.00 to the Department; (c) a copy of Petitioner's Articles of
20 Amendment certified as having been filed with the Arizona Corporation Commission;
21 and (d) a fully executed Form E126 (Notice of Trust Deposit Release). The statutory
22 deposit cannot be released until the Department receives a fully executed copy of the
23 official State Treasurer Release Receipt.

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

26 4. The Petitioner file its 1997 Annual Statement with the Department, together
27 with all applicable fees, unless Petitioner files its Articles of Amendment with the
28 Arizona Corporation Commission on or before December 31, 1997.

29 Done this day, December 24, 1997.

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Lewis D. Kowal
Administrative Law Judge

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Original transmitted by mail this
26 day of December, 1997, to:

Mr. John A. Greene, Director
Department of Insurance
2910 North 44th Street, #210
ATTN: Curvey Burton
Phoenix, AZ 85018-7256

By Chris Crawford Thomas