

STATE OF ARIZONA

DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS

In the Matter of)
) Docket No. 21A-055-INS
)
4 **Northwestern National**)
Insurance Company, in Liquidation)
5 **(NAIC No.)**)
)
6) **ORDER FOR RELEASE OF**
) **WORKERS' COMPENSATION**
Petitioner.) **DEPOSIT**
7)

8 Arizona Revised Statutes (A.R.S.) § 23-961 provides that workers' compensation
9 deposits shall be held by the Director of Insurance and Financial Institutions (Director) as
10 security for fulfillment of the obligations of an insurer under Title 23. Upon proper order of
11 a court of competent jurisdiction to the receiver, the Director shall issue an Order releasing
12 deposited funds pursuant to A.R.S. § 20-588(A)(3).

FINDINGS OF FACT

13 1. Northwestern National Insurance Company ("Northwestern") is a Wisconsin
14 domiciled insurer that transacted workers' compensation insurance business in Arizona.

15 2. On May 2, 2019 the Circuit Court of Dane County, Wisconsin, case No.
16 2019CV001209, placed Northwestern into liquidation and appointed the Commissioner of
17 Insurance of the State of Wisconsin ("Petitioner") as liquidator. The order granted
18 Petitioner rights, title, and interest to Northwestern's assets for the purposes of conducting
the liquidation.

19 3. Northwestern placed a workers' compensation deposit pursuant to A.R.S. §
20 23-961 with the Department held through the Arizona State Treasurer, currently in the
21 approximate amount of \$ 240,000 ("WC Deposit").

22 4. On July 21, 2021, the Department entered into a Special Deposit Release
23 Agreement with Petitioner for the purpose of releasing the special deposit proceeds;
24 paying the Arizona Property and Casualty Guaranty Fund's claim; paying the

1 Department's administrative expenses; and turning over the remaining balance to the
2 Liquidator.

3 **CONCLUSIONS OF LAW**

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

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

8 **ORDER**

9 THEREFORE IT IS ORDERED that the WC Deposit in the approximate amount of
10 \$240,000 shall be released pursuant to the instructions in the Arizona Special Deposit
11 Release Agreement.

12 Dated this 25th day of July, 2021.

13 

14 _____
15 EVAN G. DANIELS, Director
16 **Arizona Department of Insurance and Financial Institutions**

1 COPY of the foregoing mailed/delivered
this 9th day of August, 2021 to:

2 Amy J. Malm, CPA, CFE, PIR
3 Administrator, Div of Financial Regulation
4 Wisconsin Office of the Commissioner of Insurance
5 P.O. Box 7873
6 Madison, WI 53707

7 Jim Boll, Esq.
8 St. Marie Boll
9 10 E Doty Street, Suite 617
10 Madison, WI 53703

11 Lori D. Nestor
12 Executive Director
13 Arizona Property & Casualty Insurance Guaranty Fund
14 100 N. 15th Ave., Ste. 261
15 Phoenix, AZ 85007

16 Deian Ousounov, Regulatory Legal Affairs Officer
17 Kurt Regner, CFE, Assistant Director
18 Cary W. Cook, Chief Financial Compliance Officer
19 Ana Starcevic, Paralegal Project Specialist
20 Arizona Department of Insurance and Financial Institutions
21 100 N. 15th Avenue, Suite 261
22 Phoenix, AZ 85007-2630

23 Ana Starcevic
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