

STATE OF ARIZONA

DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS

In the Matter of)
) **Docket No. 22A-050-INS**
 Stonewood Insurance Company)
 (NC) (NAIC NO. 11828))
) **RETALIATORY DEPOSIT**
) **ORDER**
 Respondent.)

Arizona Revised Statutes (A.R.S.) § 20-582(3) requires that a deposit required pursuant to the retaliatory provision set forth in A.R.S. § 20-230 shall be held for the purposes specified in the director’s order requiring the deposit.

FINDINGS OF FACT

1. Stonewood Insurance Company (“Respondent”), a foreign insurer domiciled in the State of North Carolina, has filed an application for a certificate of authority in the State of Arizona to transact casualty, marine & transportation, property, surety, and vehicle insurance.

2. North Carolina General Statute (N.C.G.S.) § 58-5-5 requires a foreign domiciled fire and/or marine insurance company to make and maintain a \$100,000 deposit with North Carolina as a condition of transacting the business of insurance in North Carolina.

3. North Carolina General Statute (N.C.G.S.) § 58-5-10 requires a foreign domiciled fidelity, surety, and casualty insurance company to make and maintain a \$200,000 deposit with North Carolina as a condition of transacting the business of insurance in North Carolina.

4. N.C.G.S. § 58-5-90 requires the deposit to be held for the benefit of the holders of all insurance contracts of the insurance company who are citizens or residents of North Carolina.

5. A.R.S. § 20-230(A) mandates the imposition of a retaliatory deposit.

1 **CONCLUSIONS OF LAW**

2 1. The Director has jurisdiction over this matter.

3 2. Grounds exist pursuant to A.R.S. § 20-230(A) for the Director to require the
4 Respondent to make a retaliatory deposit with the State of Arizona.

5 **ORDER**

6 IT IS ORDERED requiring Respondent to, within 30 days of the date of this Order,
7 deposit and maintain a retaliatory deposit in the amount of no less than \$300,000 with the
8 State of Arizona for the sole benefit and protection of policyholders residing in Arizona and
9 any risk that is resident, located or to be performed in Arizona, for as long as there is
10 outstanding any liability of Respondent for which this deposit was required.

11 Dated this 6th day of October, 2022

12 

13 _____
14 Evan G. Daniels, Director
Arizona Department of Insurance and Financial Institutions

15 COPY of the foregoing mailed/delivered
16 this 7th day of October, 2022, to:

17 Benson Jeffress, Assistant Vice President
18 Falls Lake Insurance
19 PO Box 97488
20 Raleigh, North Carolina 27624-7488
21 benson.jeffress@fallslakeins.com

22 Gio Espinosa, Regulatory Legal Affairs Officer
23 Kurt A. Regner, Assistant Director
24 Cary W. Cook, Assistant Financial Compliance Officer
Ana Starcevic, Paralegal Project Specialist
Arizona Department of Insurance and Financial Institutions
100 North 15th Avenue, Suite 261
Phoenix, AZ 85007-2630

