

STATE OF ARIZONA
FILED

SEP 30 1997

DEPT. OF INSURANCE
BY CD

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

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In the Matter of the Withdrawal of:)	Docket No. 97A-126-INS
)	
XELAN LIFE INSURANCE COMPANY)	ORDER
(NAIC No. 70351),)	
)	
Petitioner.)	
_____)	

On September 18, 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 recommended findings of fact and conclusions of law are adopted.
2. Petitioner will be 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 \$500,000.00 and that the statutory deposit will be released to the Petitioner after the Department has received the following: (a) payment of \$104.65 to the Insurance Examiners' Revolving Fund ("IERF"); (b) payment of \$9,100.00 to the Department; (c) a copy of Petitioner's Articles of Dissolution certified as

1 filed by the Arizona Corporation Commission; and (d) a fully executed Form E126 (Notice of Trust
2 Deposit Release). The statutory deposit will not be released until the Department receives a fully
3 executed copy of the official State Treasurer Release Receipt.

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

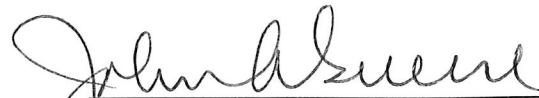
6 6. The Petitioner will file its 1997 Annual Statement with the Department, together
7 with all applicable fees, unless Petitioner files its Articles of Dissolution with the Arizona Corporation
8 Commission on or before December 31, 1997.

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10 NOTIFICATION OF RIGHTS

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

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

18 DATED this 29 day of September, 1997

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21 
22 John A. Greene
23 Director of Insurance

1 A copy of the foregoing mailed
this 30th day of September, 1997

2 Charles R. Cohen, Deputy Director
3 Gregory Y. Harris, Executive Assistant Director
4 Mary Butterfield, Assistant Director
5 Catherine O'Neil, Assistant Director
6 Gary Torticill, Assistant Director
7 Deloris Williamson, Assistant Director
8 Scott Greenberg, Business Administrator
9 Arizona Department of Insurance
10 2910 N. 44th Street, Suite 210
11 Phoenix, AZ 85018

12 Office of Administrative Hearings
13 1700 W. Washington, Suite 602
14 Phoenix, AZ 85007

15 Steven R. Henry
16 Low & Childers, P.C.
17 2999 N. 44th Street, Suite 250
18 Phoenix, AZ 85018

19 *Esther Davis*
20 _____

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22
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- 1 4. The Petitioner has filed its certified financial statement as of December 31,
2 1996 with the Department.
- 3 5. At least 10 business days before the hearing of this matter, Petitioner gave
4 special notice to creditors and policyholders of the Petitioner, setting forth the
5 date, place, nature and purpose of the hearing, as evidenced by the affidavit
6 of publication. Petitioner represented that it has no creditors in the State of
7 Arizona and has no remaining obligations or liabilities in the State of Arizona.
- 8 6. The Petitioner has a \$500,000.00 statutory deposit with the Department and
9 a \$100.00 deposit with the Insurance Examiners' Revolving Fund ("IERF").
- 10 7. The Petitioner has complied with the provisions of A.R.S. §20-588 and with
11 A.A.C. R20-6-303, relating to the release of its \$500,000.00 statutory deposit.
- 12 8. Petitioner currently owes \$104.65 to the IERF. Petitioner currently owes the
13 Department the sum of \$9,100.00 for the late filing of an audited financial
14 report that was due on June 3, 1996.
- 15 9. Petitioner has requested and the Department did not object to an exemption
16 pursuant to A.R.S. §20-481.17 from the filing of a "Form B" registration
17 statement for the year ending 1995.

RECOMMENDED ORDER

17 The undersigned Administrative Law Judge recommends that:

- 18 1. Petitioner be granted an exemption pursuant to A.R.S. §20-481.17 from the
19 filing of a "Form B" registration statement for the year ending 1995.
- 20 2. The Petitioner may file its Articles of Dissolution with the Arizona Corporation
21 Commission.
- 22 3. The Petitioner is entitled to the release of its statutory deposit in the sum of
23 \$500,000.00 and that the statutory deposit shall be released to the Petitioner
24 after the Department has received the following: (a) payment of \$104.65 to
25 the IERF; (b) payment of \$9,100.00 to the Department; (c) a copy of
26 Petitioner's Articles of Dissolution certified as filed by the Arizona Corporation
27 Commission; and (d) a fully executed Form E126 (Notice of Trust Deposit
28 Release). The statutory deposit cannot be released until the Department
29 receives a fully executed copy of the official State Treasurer Release Receipt.
- 30 4. The sum of \$100.00 previously credited to the IERF be refunded to the
Petitioner, pursuant to A.R.S. §20-159.

1 5. The Petitioner file its 1997 Annual Statement with the Department, together
2 with all applicable fees, unless Petitioner files its Articles of Dissolution with
3 the Arizona Corporation Commission on or before December 31, 1997.

4 Done this day, September 18, 1997.

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7
8 Lewis D. Kowal
9 Administrative Law Judge

10 Original transmitted by mail this
11 19 day of September, 1997, to:

12
13 Mr. John A. Greene, Director
14 Department of Insurance
15 2910 North 44th Street, #210
16 Phoenix, AZ 85018-7256

17 ATTN: Curvey Burton

18 By 