

SEP 30 1997

DEPT. OF INSURANCE
BY ED

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

In the Matter of the Withdrawal of:)	Docket No. 97A-139-INS
)	
COLORTYME LIFE INSURANCE COMPANY)	ORDER
(NAIC No. 78875),)	
)	
Petitioner.)	
_____)	

On September 26, 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. The Petitioner may file its Articles of Dissolution 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 that the statutory deposit will be released to the Petitioner after the Department has received the following: (a) payment of \$840.37 to the Insurance Examiners' Revolving Fund ("IERF") and payment of \$140.00 to the Department; (b) a copy of Petitioner's Articles of Dissolution certified as filed by the Arizona Corporation Commission; and (c) a fully executed Form E126 (Notice of Trust Deposit Release). The statutory deposit will not be released until the Department receives a fully executed copy of the official State Treasurer Release Receipt.

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 Thomas E. Haney
16 1421 E. Thomas Road
17 Phoenix, AZ 85014

18 *Ether Davis*

1 **IN THE OFFICE OF ADMINISTRATIVE HEARINGS**

2 In the Matter of the Withdrawal of

97A-139-INS

3 **COLORTYME LIFE INSURANCE**
4 **COMPANY** (NAIC No. 78875),

RECOMMENDED DECISION
OF ADMINISTRATIVE
LAW JUDGE

5 Petitioner.
6
7
8

9 **HEARING:** September 23, 1997.

10 **APPEARANCE:** Thomas E. Haney, Esq. for the Petitioner and Kurt Regner
11 for the Arizona Department of Insurance

12 **ADMINISTRATIVE LAW JUDGE:** Lewis D. Kowal
13

14
15 On September 23, 1997, a hearing took place to consider the application of
16 Colortyme Life Insurance (the "Petitioner") to withdraw from the insurance business and
17 for the release of its statutory deposit pursuant to A.R.S. §20-588 and A.A.C. R20-6-
303.

18 Based upon the record in this matter, the following recommended Findings of
19 Fact, Conclusions of Law and Recommended Order are made:

20 **FINDINGS OF FACT AND CONCLUSIONS OF LAW**

21 1. The Petitioner has surrendered its Certificate of Authority to the
22 Department.

23 2. The Petitioner has filed with the Department certified copies of Resolutions
24 of the Petitioner's Board of Directors and of the Petitioner's shareholder(s) authorizing
Petitioner to withdraw from the insurance business by dissolution.

25 3. The Petitioner has no insurance obligations owing to it, whether by policies
26 written direct or by reinsurance ceded to it.

27 4. The Petitioner has filed its certified financial statement as of May 31, 1997,
28 with the Department.

29 5. At least 10 business days before the hearing of this matter, Petitioner gave
30 special notice to creditors and policyholders of the Petitioner, setting forth the date,

1 place, nature and purpose of the hearing, as evidenced by the affidavit of publication.
2 Petitioner also provided individual notice by mail to its known creditors, as evidenced by
3 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 with
7 A.A.C. R20-6-303, relating to the release of its \$100,000.00 statutory deposit.

8 8. Petitioner currently owes \$840.37 to the IERF and \$140.00 to the
9 Department for the late filing of Petitioner's 1996 Annual Statement and Certificate of
10 Disclosure.

11 **RECOMMENDED ORDER**

12 The undersigned Administrative Law Judge recommends that:

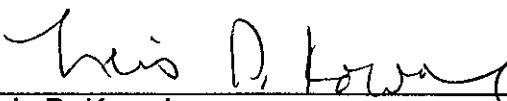
13 1. The Petitioner may file its Articles of Dissolution with the Arizona
14 Corporation Commission.

15 2. The Petitioner is entitled to the release of its statutory deposit in the sum of
16 \$100,000.00 and that the statutory deposit shall be released to the Petitioner
17 after the Department has received the following: (a) payment of \$840.37 to the IERF
18 and payment of \$140.00 to the Department; (b) a copy of Petitioner's Articles of
19 Dissolution certified as filed by the Arizona Corporation Commission; and (c) a fully
20 executed Form E126 (Notice of Trust Deposit Release). The statutory deposit cannot
21 be released until the Department receives a fully executed copy of the official State
22 Treasurer Release Receipt.

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

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

28 Done this day, September 26, 1997.

29 
30 _____
Lewis D. Kowal
Administrative Law Judge

Original transmitted by mail this
1 26 day of September, 1997, to:

2
3 Mr. John A. Greene, Director
4 Department of Insurance
5 ATTN: Curvey Burton
6 2910 North 44th Street, #210
7 Phoenix, AZ 85018-7256

8 By Chris Crawford Morrison
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