

DEC 23 2005

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

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In the Matter of the Release of Statutory Deposit of:
MARMID LIFE INSURANCE COMPANY (NAIC #92851),
Petitioner.

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) Docket No. 05A-161-INS
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ORDER

On December 12, 2005, the Office of Administrative Hearings, through Administrative Law Judge ("ALJ") Lewis D. Kowal, issued an Administrative Law Judge Decision ("Recommended Decision"), received by the Director of the Department of Insurance ("Director") on December 19, 2005, a copy of which is attached and incorporated by this reference. The Director of the 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 is entitled to the release of its statutory deposit in the sum of \$540,000.00. The statutory deposit shall be released to Petitioner after the Department has received a fully executed Request for Release of Certificate of Deposit Form E126CD and an official State Treasurer Release Receipt Form E101.
3. The Director of the Department has no personal liability for the release of the statutory deposit made by her in good faith as provided in A.R.S. § 20-588(B).

1 NOTIFICATION OF RIGHTS

2 Pursuant to A.R.S. § 41-1092.09, Petitioner may request a rehearing with
3 respect to this order by filing a written motion with the Director of the Department of Insurance
4 within 30 days of the date of this Order, setting forth the basis for relief under A.A.C. R20-6-
5 114(B). Pursuant to A.R.S. § 41-1092.09, it is not necessary to request a rehearing before
6 filing an appeal to Superior Court.

7 Petitioner may appeal the final decision of the Director to the Superior Court of
8 Maricopa County for judicial review pursuant to A.R.S. § 20-166. A party filing an appeal must
9 notify the Office of Administrative Hearings of the appeal within ten days after filing the
10 complaint commencing the appeal, pursuant to A.R.S. § 12-904(B).

11 DATED this 22nd of December, 2005

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14 _____
CHRISTINA URIAS
15 Director of Insurance

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17 A copy of the foregoing mailed
this 23rd day of December, 2005

18 Gerrie L. Marks, Deputy Director
19 Mary Butterfield, Assistant Director
20 Catherine O'Neil, Consumer Legal Affairs Officer
21 Steve Ferguson, Assistant Director
22 Deloris Williamson, Assistant Director
23 Leslie R. Hess, Financial Affairs Legal Analyst
Kurt A. Regner, Chief Financial Analyst
Arizona Department of Insurance
2910 N. 44th Street, Suite 210
Phoenix, AZ 85018

1 Lewis D. Kowal
Office of Administrative Hearings
2 1400 W. Washington, Suite 101
Phoenix, AZ 85007

3 Philip T. Paris
4 2929 N. 44th Street, Suite 120
Phoenix, AZ 85018

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Arney Buster

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IN THE OFFICE OF ADMINISTRATIVE HEARINGS

IN THE MATTER OF:

No. 05A-161-INS

**THE RELEASE OF STATUTORY
DEPOSIT OF MARMID LIFE INSURANCE
COMPANY
(NAIC #92851)**

**ADMINISTRATIVE
LAW JUDGE DECISION**

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HEARING: December 12, 2005

APPEARANCES: Philip T. Paris, Esq. for Marmid Life Insurance Company; Kurt
Regner for the Arizona Department of Insurance

ADMINISTRATIVE LAW JUDGE: Lewis D. Kowal

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On December 12, 2005, a hearing took place to consider the application of Marmid Life Insurance Company ("Petitioner") for the release of its statutory deposit pursuant to A.R.S. § 20-588 and A.A.C. R20-6-303.

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Based upon the entire record in this matter, the following Findings of Fact, Conclusions of Law and Order are made:

FINDINGS OF FACT

1. At least 10 business days before the hearing of this matter, Petitioner gave special notice to creditors and policyholders of the Petitioner, setting forth the date, place, nature and purpose of the hearing, as evidenced by an affidavit of publication.
2. Petitioner waived the notice requirements set forth in A.R.S. § 41-1092.05(D).
3. Petitioner provided notice of the hearing to its creditors in accordance with applicable law.
4. Petitioner previously submitted its certificate of authority to the Arizona Department of Insurance ("Department") with its application for merger into HSBC Reinsurance (USA), Inc., a Vermont corporation.
5. Petitioner has filed with the Department the requisite certified financial statements and arranged for payment of insurance and non-insurance obligations of Petitioner.

1 6. On September 26, 2005, the Director of the Department issued an Order
2 approving the above-mentioned merger application and refunded \$100.00 to Petitioner
3 that was previously credited to the Insurance Examiners' Revolving Fund.

4 7. The Department has received a copy of Petitioner's Articles of Dissolution that was
5 filed with the Arizona Corporation Commission.

6 8. Petitioner has a \$540,000.00 statutory deposit on file with the Department.

7 **CONCLUSIONS OF LAW**

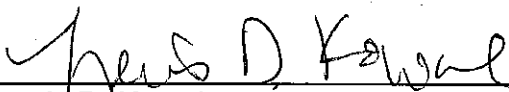
8 1. Petitioner has complied with the provisions of A.R.S. § 20-588 and A.A.C. R20-6-
9 303 relating to the release of its \$540,000.00 statutory deposit.

10 **ORDER**

11 1. Petitioner is entitled to the release of its statutory deposit in the sum of
12 \$540,000.00 and the statutory deposit shall be released to Petitioner after the
13 Department has received a fully executed Request for Release of Certificate of Deposit
14 Form E126CD and an official State Treasurer Release Receipt Form E101.

15 2. The Director of the Department has no personal liability for the release of the
16 statutory deposit made by her in good faith as provided in A.R.S. § 20-588(B).

17 Done this day, December 12, 2005.

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20 
21 Lewis D. Kowal
22 Administrative Law Judge

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24 Original transmitted by mail this
25 16 day of December, 2005, to:

26 Department of Insurance
27 Christina Urias, Director
28 2910 North 44th Street, Ste. 210
29 Phoenix, AZ 85018

30 By 