

AUG 14 2006

DEPT OF INSURANCE
BY

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

In the Matter of:

**The Withdrawal of Eastern States
Reinsurance Company
(NAIC NO. 34010)**

Petitioner.

No. 06A-091-INS

ORDER

On August 8, 2006, 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 August 10, 2006, 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 may file its Articles of Amendment to its Articles of Incorporation ("Articles of Amendment") with the Arizona Corporation Commission.
3. Petitioner is entitled to the release of its statutory deposit in the sum of \$100,000.00 and Petitioner's statutory deposit shall be released to petitioner after the Department has received the following: (a) a copy of the Petitioner's Articles of Amendment certified as having been filed with the Arizona Corporation Commission; and (b) a fully executed Request for Release of Certificate of Deposit Form E126CD and an official State Treasurer Receipt Form E101. The Director of the Department has no personal liability for the release of such deposit made in good faith as provided for in A.R.S. §20-588 (B).
4. The sum of \$100.00 previously credited to the IERF shall be refunded to Petitioner pursuant to A.R.S. §20-159.

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2 Phoenix, Arizona 85007

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Patricia A. Saenz for

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Curvey Burton

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1 statement as of April 20, 2006, which is within 60 days of the application date of May 5,
2 2006.

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4 4. At least ten business days before the hearing of this matter, Petitioner gave
5 special notice to creditors and policyholders of the Petitioner, setting forth the date,
6 place, nature and purpose of the hearing, as evidenced by an affidavit of publication.
7 Petitioner also provided individual notice by mail to its known creditors, as evidenced by
8 an affidavit.

9 5. Petitioner has a \$100,000.00 statutory deposit with the Department and a
10 \$100.00 deposit with the Insurance Examiners' Revolving Fund ("IERF").

11 6. Petitioner waived the notice requirements set forth in A.R.S. § 41-
12 1092.05(D).

13 CONCLUSIONS OF LAW

14 Petitioner has complied with the provisions of A.R.S. § 20-588 and with A.A.C.
15 R20-6-303, relating to the release of its \$100,000.00 statutory deposit.

16 ORDER

17 1. Petitioner may file its Articles of Amendment to its Articles of Incorporation
18 ("Articles of Amendment") with the Arizona Corporation Commission.

19 2. Petitioner is entitled to the release of its statutory deposit in the sum of
20 \$100,000.00 and Petitioner's statutory deposit shall be released to Petitioner after the
21 Department has received the following: (a) a copy of Petitioner's Articles of
22 Amendment certified as having been filed with the Arizona Corporation Commission;
23 and (b) a fully executed Request for Release of Certificate of Deposit Form E126CD
24 and an official State Treasurer Receipt Form E101. The Director of the Department
25 has no personal liability for the release of such deposit made in good faith as provided
26 for in A.R.S. § 20-588(B).

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

29 4. Petitioner shall file its 2006 Annual Statement with the Department,
30 together with all applicable fees, unless Petitioner files its Articles of Amendment with
the Arizona Corporation Commission on or before December 31, 2006.

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5. Petitioner shall pay its certificate of authority renewal fee to the Department if Petitioner's Articles of Amendment are not filed with the Arizona Corporation Commission on or before March 31, 2007.

Done this day, August 8, 2006.

Lewis D. Kowal

Lewis D. Kowal
Administrative Law Judge

Original transmitted by mail this
9 day of August, 2006, to:

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

By *Chris Fishleder*