

AUG 4 2006

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

DEPT OF INSURANCE
BY PKO

In the Matter of)
HEARTLAND LLOYDS INSURANCE COMPANY)
(TX) (NAIC NO. 10590))
Petitioner)

Docket No. 06A-144-INS

**ORDER REDUCING
RETALIATORY DEPOSIT AND
RELEASING EXCESS FUNDS**

Arizona Revised Statutes § 20-588 provides, in part, that deposited funds shall be released and returned to the Petitioner to the extent that such deposit is in excess of the amount required.

FINDINGS OF FACT

1. Heartland Lloyds Insurance Company ("Petitioner"), a Texas domiciled insurer, was issued its certificate of authority to transact casualty without workers' compensation and property insurance in Arizona effective March 29, 2001.

2. In accordance with A.R.S. §§ 20-230 and 20-582(3), the Director ordered Petitioner to make a retaliatory deposit in the amount of \$2,000,000 (Two million dollars) with the Arizona State Treasurer ("Retaliatory Deposit"). The approximate current balance of the Retaliatory Deposit is \$2,100,000 (Two million one hundred thousand dollars).

3. Upon a review of all existing retaliatory deposits, the Arizona Department of Insurance determined that Petitioner's Retaliatory Deposit may be reduced to \$1,500,000 (One million five hundred thousand dollars) pursuant to A.R.S. § 20-230.

CONCLUSIONS OF LAW

1. The Director has jurisdiction over this matter.

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