

SEP 19 2006

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

DEPT OF INSURANCE  
BY pas

In the Matter of )  
)  
4 **CONSOLIDATED AMERICAN** )  
**INSURANCE COMPANY** )  
5 (NAIC No. 24945) )  
)  
6 Petitioner. )

Docket No. 06A-191-INS

**ORDER RELEASING  
WORKERS' COMPENSATION AND  
RETALIATORY DEPOSIT**

Arizona Revised Statutes (A.R.S.) § 23-961 provides that workers' compensation deposits shall be held by the Director of Insurance as security for fulfillment of the obligations of an insurer under Title 23. A.R.S. §20-588(A)(3) provides that deposited funds shall be released upon proper order of a court of competent jurisdiction to the receiver of the insurer, upon application to and written order of the Director of Insurance.

**FINDINGS OF FACT**

1. Consolidated American Insurance Company ("Petitioner") received its certificate of authority to transact casualty, workers' compensation, marine and transportation, property, surety and vehicle insurance in Arizona on October 31, 1974, and made workers' compensation and retaliatory deposits totaling approximately \$165,000 (one hundred sixty five thousand dollars), currently being held by the Arizona State Treasurer for the protection of Arizona policyholders and claimants.

2. Petitioner's certificate of authority was suspended on August 26, 2002.

3. On May 21, 2005, Petitioner was placed in liquidation in the Court of Common Pleas, Fifth Judicial Circuit, Richland County, South Carolina in Civil Action No. 05-CP-40-1230.

4. The Director of the South Carolina Department of Insurance acting in the capacity as Liquidator of the Petitioner ("SC Liquidator"), The Industrial Commission of Arizona ("ICA"), and the

1 Director of the Arizona Department of Insurance (the "Director") have entered into an Agreement to  
2 Release Deposits dated September 12, 2006 (Exhibit A), wherein the SC Liquidator on behalf of the  
3 Petitioner agrees to distribute the deposits held by the Director to the ICA in partial payment of  
4 Petitioner's Arizona workers' compensation obligations under A.R.S. Title 23.

5 **CONCLUSIONS OF LAW**

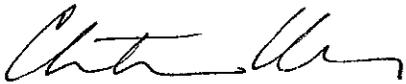
6 1. The Director has no personal liability for the release of such deposit so made by her in  
7 good faith as provided in A.R.S. §20-588(B).

8 2. ICA is entitled to the release of the workers' compensation deposit pursuant to A.R.S.  
9 Title 23 and the Agreement to Release Deposits.

10 **ORDER**

11 THEREFORE, IT IS ORDERED that the workers' compensation deposit in the amount of  
12 approximately \$115,000 (one hundred fifteen thousand dollars) and the retaliatory deposit in the amount  
13 of approximately \$50,000 (fifty thousand dollars) shall be released to the ICA.

14  
15 DATED this 18<sup>th</sup> day of September 2006.

16  
17   
18 \_\_\_\_\_  
CHRISTINA URIAS  
Director of Insurance

19 COPY of the foregoing mailed/delivered  
20 this 19<sup>th</sup> day of September 2006, to:

21 J. Smith Harrison, Jr.  
22 Special Deputy Liquidator  
23 Consolidated American Insurance Company, in Liquidation  
P.O. Box 407  
Columbia, SC 29202

1 Amy W. Troutman  
Office of Special Deputy Liquidator  
2 Consolidated American Insurance Company, in Liquidation  
P.O. Box 407  
3 Columbia, SC 29202

4 Larry Etchechury  
Director  
5 Industrial Commission of Arizona  
800 W. Washington  
6 Phoenix, Arizona 85007-2922

7 Michael E. Surguine  
Executive Director  
8 Arizona Property and Casualty Insurance Guaranty Fund  
1110 W. Washington, Suite 270  
9 Phoenix, Arizona 85007

10 Gerrie Marks, Deputy Director  
Steve Ferguson, Assistant Director  
11 Leslie Hess, Deputy Receiver  
Herbert Swafford, Legal Analyst  
12 Arizona Department of Insurance  
2910 North 44<sup>th</sup> Street, Suite 210  
13 Phoenix, AZ 85018

14

15   
16 \_\_\_\_\_

17 Curvey Walters Burton

18

19

20

21

22

23

**EXHIBIT A - REDACTED.** The document contains personal information that may be inappropriate for public disclosure, including names, addresses, contract numbers, amount requested by claimant, final determinations of claim amounts and calculated distribution amounts.