

DEC 26 2007

DEPT OF INSURANCE  
BY 

STATE OF ARIZONA  
DEPARTMENT OF INSURANCE

In the Matter of:

**THE WITHDRAWAL OF:**

**TRANSWESTERN INSURANCE  
COMPANY (NAIC NO. 11119)**

Petitioner.

**No. 07A-207-INS  
ORDER**

On December 21, 2007, the Office of Administrative Hearings, through Administrative Law Judge ("ALJ") Lewis Kowal, issued an Administrative Law Judge Decision ("Recommended Decision"), received by the Director of the Department of Insurance ("Director") on December 24, 2007, 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 Dissolution with the Arizona Corporation Commission.
3. Petitioner is entitled to the release of its statutory deposit in the sum of \$100,000.00. The statutory deposit shall be released to the Petitioner after the Department has received: a) a copy of Petitioner's Articles of Dissolution certified as having been filed with the Arizona Corporation Commission; b) a fully executed Request for Release of Certificate of Deposit Form E126CD; and c) an Official State Treasurer Receipt, Form E101.
4. The sum of \$100.00 previously credited to the IERF shall be refunded to the Petitioner, pursuant to A.R.S. § 20-159.

1 5. Petitioner shall file its 2007 Annual Statement with the Department, together  
2 with all applicable fees, unless Petitioner files its Articles of Dissolution with the Arizona  
3 Corporation Commission on or before December 31, 2007.

4 6. Petitioner shall pay its 2008 certificate of authority renewal fee to the  
5 Department if its Articles of Dissolution are not filed with the Arizona Corporation by March  
6 31, 2008.

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

9 NOTIFICATION OF RIGHTS

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

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

19 DATED this 26<sup>th</sup> day of December, 2007.

20  
21   
22 CHRISTINA URIAS, Director  
Arizona Department of Insurance

23  
24 COPY of the foregoing mailed this  
26<sup>th</sup> day of December, 2007 to:

25 Office of Administrative Hearings  
26 1400 West Washington, Suite 101  
Phoenix, Arizona 85007

1 Mary Butterfield, Assistant Director  
Catherine O'Neil, Consumer Legal Affairs Officer  
2 Steve Ferguson, Assistant Director  
Leslie R Hess, Financial Affairs Legal Analyst  
3 Kurt A. Regner, Chief Financial Analyst  
Mary E. Kosinski, Executive Assistant for Regulatory Affairs  
4 Arizona Department of Insurance  
2910 North 44th Street, Suite 210  
5 Phoenix, Arizona 85018

6 John L. Hay  
Gust Rosenfeld, PLC  
7 201 E. Washington, Suite 800  
Phoenix, Arizona 85004-2327  
8 Attorney for Petitioner

9   
10 Curvey Burton

11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

DEC 24 2007

DIRECTOR'S OFFICE  
INSURANCE DEPT.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30

IN THE OFFICE OF ADMINISTRATIVE HEARINGS

IN THE MATTER OF:  
THE WITHDRAWAL OF  
TRANSWESTERN INSURANCE  
COMPANY  
(NAIC NO. 11119)

No. 07A-207-INS

ADMINISTRATIVE  
LAW JUDGE DECISION

**HEARING:** December 18, 2007

**APPEARANCES:** John Hay, Esq. for Transwestern Insurance Company; Kurt  
Regner for the Arizona Department of Insurance

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

**FINDINGS OF FACT**

1. Petitioner has submitted an Affidavit of Lost Certificate of Authority to the Arizona Department of Insurance ("Department").
2. Petitioner has filed with the Department certified copies of Resolutions of the Petitioner's Board of Directors and of Petitioner's shareholder authorizing Petitioner to withdraw from the insurance business by dissolution.
3. Petitioner has no insurance obligations, whether by policies written direct or by reinsurance ceded to it.
4. Petitioner has filed its verified financial statement as of September 30, 2007, which is within 60 days of the Petition to Withdraw, which was filed with the Department on November 8, 2007.
5. 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. Petitioner also provided individual notice by mail to its known creditors.
6. Petitioner has a \$100,000.00 statutory deposit with the Department and a \$100.00 deposit with the Insurance Examiners' Revolving Fund ("IERF").

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30

**CONCLUSIONS OF LAW**

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

**ORDER**

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

2. Petitioner is entitled to the release of its statutory deposit in the sum of \$100,000.00 and the statutory deposit shall be released to the Petitioner after the Department has received: a) a copy of Petitioner's Articles of Dissolution certified as having been filed with the Arizona Corporation Commission; b) a fully executed Request for Release of Certificate of Deposit Form E126CD; and c) an Official State Treasurer 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).

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

5. Petitioner shall file its 2007 Annual Statement with the Department, together with all applicable fees, unless Petitioner files its Articles of Dissolution with the Arizona Corporation Commission on or before December 31, 2007.

6. Petitioner shall pay to the Department its 2008 certificate of authority renewal fee if Petitioner's Articles of Dissolution are not filed with the Arizona Corporation Commission on or before March 31, 2008.

Done this day, December 21, 2007.



\_\_\_\_\_  
Lewis D. Kowal  
Administrative Law Judge

1 Original transmitted by mail this  
2 27 day of Dec., 2007, to:

3  
4 Department of Insurance  
5 Christina Urias, Director  
6 2910 North 44th Street, Ste. 210  
7 Phoenix, AZ 85018

8  
9  
10 By Chris Finkler