

1 ("Insurers") with the Arizona Department of Insurance (the "Department") for approval of
2 Petitioner as the controlling person of the Insurers pursuant to the provisions of A.R.S.
3 §§20-481 through 20-481.30 and A.A.C. R20-6-1402.

4 Based upon reliable evidence provided to the Director of Insurance ("Director")
5 by the Assistant Director of the Financial Affairs Division of the Department, the Director
6 makes the following Findings of Fact, Conclusions of Law and enters the following
7 Order:

8 **FINDINGS OF FACT**

- 9 1. The Insurers are domestic insurers as referred to in A.R.S. §20-481.
- 10 2. The Petitioner filed a statement as referred to in A.R.S. §§20-481.02 and
11 20-481.03, in the form required by A.A.C. R20-6-1402.
- 12 3. The Insurers and their security holders waived the ten (10) day advance
13 filing notice to be given as required by A.R.S. §20-481.07.
- 14 4. No evidence has been produced that would indicate or form the basis for a
15 finding that the Petitioner's acquisition of control of the Insurers:
- 16 a. Is contrary to law;
- 17 b. Is inequitable to the shareholders of any domestic insurers involved;
- 18 c. Would substantially reduce the security of and service to be rendered to
19 the policyholders of the domestic insurers in this State or elsewhere;
- 20 d. After the change of control the domestic insurers, would not be able to
21 satisfy the requirements for the reissuance of a Certificate of Authority to write the line
22 or lines of insurance for which it is presently licensed;
- 23 e. Would have the effect of substantially lessening competition in insurance
24 in this state, or tend to create a monopoly;
- 25

1 f. Might jeopardize the financial stability of the Insurers or prejudice the
2 interest of its policyholders, based upon the financial condition of any acquiring party;

3 g. Is unfair and unreasonable to policyholders of the Insurers and is not in
4 the public interest, based upon the plans or proposals that the acquiring party has to
5 liquidate the insurers, sell their assets or consolidate or merge them with any person, or
6 to make any other material change in their business or corporate structure or
7 management;

8 h. Would not be in the public interest of policyholders of the Insurers and of
9 the public to permit the merger or other acquisition of control based upon the
10 competence, experience and integrity of those persons who would control the operation
11 of the Insurers; or

12 i. Would likely be hazardous or prejudicial to the insurance-buying public.

13 5. The Petitioner furnished completed fingerprint cards to the Department to
14 enable the Department to determine if Petitioner's officers or directors have been
15 charged with or convicted of a felony or misdemeanor other than minor traffic violations.
16 The results of the analysis of the fingerprint cards submitted by the Petitioner's officers
17 and directors have not been received by the Department. The Petitioner's officers and
18 directors made representations material to the issuance of the Order in this matter that
19 none of its officers or directors have been charged with or convicted of a felony or
20 misdemeanor other than minor traffic violations.

21 **CONCLUSIONS OF LAW**

22 1. The application established that none of the enumerated grounds set forth
23 in A.R.S. §20-481.07(A) exist so as to provide a basis for disapproval or rejection of
24 Petitioner's acquisition of control of the Insurers.

1 3. The Petitioner shall advise the Director in writing of the effective date of
2 the change of control.

3 4. Upon consummation of this acquisition, the Insurers shall file its
4 registration statement in the form prescribed by A.R.S. §20-481.10 and within the time
5 period prescribed by A.R.S. §20-481.13. If the registration statement would duplicate
6 the information previously submitted by the Petitioner in the statement filed with the
7 Department pursuant to A.R.S. §20-481.03 and there have been no material changes
8 since the filing of that statement, then the Insurers shall submit a statement to that effect
9 incorporating by reference the statement previously filed with the Department in lieu of
10 the registration statement;

11 5. The failure to adhere to one or more of the above terms and conditions
12 shall result without further proceedings in the suspension or revocation of the Insurers'
13 certificates of authority.

14 DATED this 15th day of February 2008.

17 
18 CHRISTINA URIAS
19 Director Of Insurance

20 COPY of the foregoing mailed
21 this 21st day of February, 2008,

22 Gerrie Marks, Deputy Director
23 Mary Butterfield, Assistant Director
24 Catherine O'Neil, Consumer Legal Affairs Officer
25 Steven Ferguson, Assistant Director
Leslie R. Hess, Financial Affairs Legal Analyst
Kurt Regner, Chief Financial Analyst
Department of Insurance
2910 North 44th Street, Suite 210
Phoenix, Arizona 85018

1 Lenin Arthanari
Low & Childers, P.C.
2 2999 North 44th Street, Suite 250
Phoenix, Arizona 85018
3

4 Robin Willcox, Senior Vice President, General Counsel and Secretary
Munich-American Holding Corporation
5 555 College Road East
Princeton, New Jersey 08543
6

7 Jane Boisseau
Dewey & LeBoeuf LLP
8 125 West 55th Street
New York, New York 10019
9

10
11 *Currency Buster*
12

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