

MAR 18 2008

DEPT OF INSURANCE
BY 

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

In the Matter of)
)
 PACIFICARE OF ARIZONA, INC.)
)
 (NAIC No. 95617))
)
 Petitioner)
)

Docket No. 08 A-031-INS

**ORDER RELEASING
EXCESS DEPOSIT**

Upon the Petitioner's written application for the release of deposited funds, the Director shall issue an Order releasing and returning the deposited funds to the Petitioner to the extent that the deposit is in excess of the amount required. A.R.S §20-588(A)(2).

FINDINGS OF FACT

1. PacifiCare of Arizona, Inc. ("Petitioner"), an Arizona domiciled Health Care Service Organization received its certificate of authority to transact Health Care Services in Arizona on June 30, 1997.

2. Effective August 1, 1997, FHP, Inc. ("FHP") NAIC No. 96083, a California domiciled Health Care Service Organization authorized to transact Health Care Services in Arizona, merged into PacifiCare of California ("POC"), an affiliate of Petitioner not licensed in Arizona.

3. Petitioner acquired all rights, title and interest in and to FHP's Arizona HSCO business, including FHP's deposits held by the Arizona State Treasurer, pursuant to a Transfer and Assumption Agreement dated June 30, 1997.

4. On April 30, 1999 in *Order*, Docket No. 99A-058-INS, the Arizona Department of Insurance accepted the surrender of FHP's certificate of authority, and ordered the transfers of

1 its Escrow Reserve deposit in the amount of \$1,100,000 and its Ordinary Deposit in the
2 amount of \$550,000 to Petitioner.

3 5. Petitioner currently has a deposit of approximately \$1,050,000 with the Arizona
4 State Treasurer for the protection of all of its policyholders, of which \$500,000 satisfies the
5 statutory deposit requirement prescribed in A.R.S § 20-1055.

6 6. On January 29, 2008, Petitioner filed an application for the release of \$500,000
7 from its Ordinary Deposit pursuant to A.R.S §§ 20-588(A) and 20-1055.

8 **CONCLUSIONS OF LAW**

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

11 2. The Petitioner is entitled to the release of \$500,000 from its Ordinary Deposit
12 pursuant to A.R.S. §§ 20-588(A)(2) and 20-1055.

13 **ORDER**

14
15 THEREFORE, IT IS ORDERED that \$500,000 shall be released to Petitioner.

16
17 DATED this 12th day of March 2008.

18
19 

20 **CHRISTINA URIAS**
21 Director of Insurance

1 COPY of the foregoing mailed/delivered
2 this 18th day of March, 2008 to

3 Robert W. Oberrender, Treasurer
4 PacifiCare of Arizona, Inc.
5 9900 Bren Road East
6 Minnetonka, MN 55343

7 Steve Ferguson, Assistant Director
8 Kurt Regner, Chief Financial Analyst
9 Leslie Hess, Legal Analyst, Financial Affairs
10 Herbert Swafford, Legal Analyst, Financial Affairs
11 Arizona Department of Insurance
12 2910 North 44th Street, Suite 210
13 Phoenix, AZ 85018

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Curvey Walters Burton