

OCT 1 2008

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

DEPT OF INSURANCE
BY MS

In the Matter of)
UNIVERSE LIFE INSURANCE COMPANY)
(NAIC No. 70181))
Petitioner.)

Docket No. 08A-153-INS

ORDER

A.R.S. §20-588(A)(3) provides that upon proper order of a court of competent jurisdiction deposited funds shall be released and returned to the liquidator of an insurer, upon application to and written order of the Director of Insurance.

FINDINGS OF FACT

1. Universe Life Insurance Company ("Petitioner") is an Idaho domiciled insurance company that received its certificate of authority to transact life insurance in Arizona effective November 24, 1954.

2. On December 4, 1998, the District Court of Fourth Judicial District of the State of Idaho, in and for the County of Ada, ("Liquidation Court"), in Case No. CV OC 9601126D, entered an Order Granting Petition for Liquidation and Approving Plan of Liquidation placing Universe in liquidation and appointing the Director of Insurance for the State of Idaho as Liquidator.

3. Petitioner seeks to withdraw from the insurance business in Arizona and has voluntarily surrendered its certificate of authority to the Director.

4. Petitioner currently has approximately \$200,000 (Two hundred thousand dollars) on deposit with the Arizona State Treasurer pursuant to a Security Deposit, Assignment and

1 Trust Agreement ("Security Deposit Agreement") for the protection of Arizona policyholders
2 and claimants ("Security Deposit").

3 5. The Arizona Life and Disability Insurance Guaranty Fund ("Arizona Fund")
4 represents that it has paid Arizona resident policyholders and claimants against policyholders
5 of Universe (including incurred loss adjustment and administrative expenses incident thereto)
6 an amount totaling \$161,382.21 (One hundred sixty one thousand three hundred eighty two
7 dollars and twenty one cents).

8 6. The Liquidator, the Arizona Fund, and the Director of the Arizona Department of
9 Insurance (the "Director" or "ADOI") have entered into an Agreement for Release of Deposit
10 dated September 10, 2008 (Exhibit A). The Agreement provides for \$161,382.21 to be
11 released to the Arizona Fund, and the remaining balance of the Security Deposit to be
12 released to the Liquidator.

13 7. Petitioner is not the subject of any pending investigation or market conduct
14 examination, and Petitioner does not owe this Department any filings or fees.

15 8. Petitioner deposited \$100.00 which was been credited to the Insurance
16 Examiners' Revolving Fund ("IERF") pursuant to A.R.S. § 20-159.

17 CONCLUSIONS OF LAW

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

20 2. The Arizona Fund is entitled to receive \$161,382.21 from the Security Deposit
21 pursuant to the Security Deposit Agreement and the Agreement for Release of Deposit.

22 3. The Liquidator is entitled to the release of the balance of its Security Deposit
23 pursuant to A.R.S. § 20-588(A)(3) and the Agreement for Release of Deposit.

1 THEREFORE, IT IS ORDERED that:

- 2 1. The surrender of the Petitioner's certificate of authority is accepted.
- 3 2. The \$100.00 deposited by Petitioner and credited to the IERF shall be released
- 4 to Petitioner.
- 5 3. The Security Deposit in the approximate amount of \$200,000 (Two Hundred
- 6 thousand dollars) shall be released as follows:
- 7 a. \$161,382.21 to the Arizona Fund; and
- 8 b. the remaining balance to the Liquidator.

9
10 DATED this 30th day of September 2008.

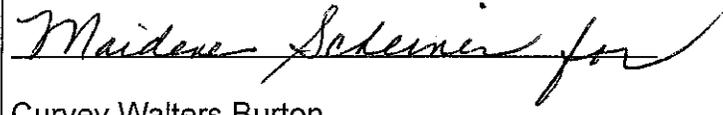
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13 _____
CHRISTINA URIAS
Director of Insurance

14 COPY of the foregoing mailed/delivered
15 this 1st day of October, 2008 to:

16 Shad Priest
17 Deputy Director
18 Idaho Department of Insurance
700 West State Street, 3rd Floor
P.O. box 83720
Boise, Idaho 83720-0043

19 Michael E. Surguine
20 Executive Director
Arizona Life and Disability Insurance Guaranty Fund
21 1110 W. Washington, Suite 270
Phoenix, Arizona 85007

1 Gerrie Marks, Deputy Director
Steve Ferguson, Assistant Director
2 Kurt Regner, Chief Financial Analyst
Cary W. Cook, Insurer Licensing Manager
3 Leslie Hess, Deputy Receiver
Arizona Department of Insurance
4 2910 North 44th Street, Suite 210
Phoenix, AZ 85018

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8 Curvey Walters Burton

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AGREEMENT FOR RELEASE OF DEPOSIT

This Agreement for Release of Deposit ("Release Agreement") is entered into and is effective this 10th day of September, 2008, between Christina Urias, Director of the Arizona Department of Insurance (the "Director" or "ADOI"), William W. Deal, Director of the Idaho Department of Insurance acting in the capacity of Court Appointed Liquidator ("Idaho Liquidator") of Universe Life Insurance Company in Liquidation ("Universe") an Idaho corporation, and the Arizona Life and Disability Insurance Guaranty Fund ("the Arizona Fund").

Recitals

A. On December 4, 1998, the District Court of the Fourth Judicial District of the State of Idaho, in and for the County of Ada ("Liquidation Court"), in Case No. CV OC 9601126D entered its Order Granting Petition for Liquidation and Approving Plan of Liquidation placing Universe in liquidation and appointing the Director of Insurance for the State of Idaho as Special Deputy Liquidator of Universe.

B. Universe has assets in Arizona which include a deposit held by the Director through the Arizona State Treasurer in an amount of approximately \$200,000 (Two hundred thousand dollars) ("Universe Deposit").

C. The Arizona Fund represents that it has paid Arizona residents who are policyholders or claimants against policyholders of Universe and has incurred loss adjustment and administrative expenses incident thereto which together total \$161,382.21.

D. The Arizona Fund and Idaho Liquidator believe that all of the covered claims of Arizona residents who are policyholders of and claimants against policyholders of Universe have been paid, and that there are no further obligations to or on behalf of such Arizona residents.

E. The Idaho Liquidator wishes to provide the Arizona Fund with early access to the Universe Deposit by requesting the Director distribute \$161,382.21 (One hundred sixty one thousand three hundred eighty two dollars and twenty one cents) of the Universe Deposit ("Arizona Fund Reimbursement") to the Arizona Fund in payment of Universe's obligations to Arizona residents.

Agreement

NOW, THEREFORE, in consideration of the mutual covenants set forth in this Agreement, the Idaho Liquidator, Director and Arizona Fund agree as follows:

1. Upon execution of this Release Agreement by all parties, the Director shall issue an Order releasing the Arizona Fund Reimbursement out of the Universe Deposit held in trust with the Arizona State Treasurer to the Arizona Fund as an early access distribution of assets of Universe in payment of Universe's obligations to Arizona residents, and releasing the remaining balance of the Universe Deposit to the Idaho Liquidator to become part of the general assets of the Universe liquidation.

2. The Idaho Liquidator hereby acknowledges the right and obligation of the Arizona Fund to apply the Arizona Fund Reimbursement to pay the covered claims of Arizona resident claimants and insured policyholders of Universe, together with loss adjustment and administrative expenses, and hereby consents to the Director's transfer of the Arizona Fund Reimbursement to the Arizona Fund.

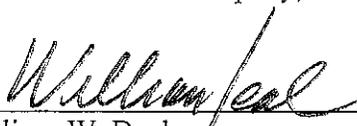
3. Should the Idaho Liquidator decide to make disbursements to guaranty associations under any early access plan or upon final distributions which may be approved by the Liquidation Court, the Arizona Fund agrees that the Arizona Fund Reimbursement will be credited against any distribution it may be entitled to receive and only the excess, if any, would be paid to the Arizona Fund.

IN WITNESS WHEREOF, the parties hereto have caused the Agreement to be executed as of the date first written above.

IDAHO LIQUIDATOR

Universe Life Insurance Company, in Liquidation

By:



William W. Deal

Idaho Director of Insurance and
Idaho Liquidator of Universe Life Insurance Company

DIRECTOR

Christina Urias, Director of the Arizona Department of Insurance

By: Leslie Hess
Leslie Hess, Deputy Receiver

ARIZONA FUND

Arizona Life and Disability Insurance Guaranty Fund

By: Michael E. Surguine
Michael Surguine
Executive Director