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DEPT OF INSURANCE
BY CB

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

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In the Matter of)
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Frontier Insurance Company in Rehabilitation)
(NY) (NAIC NO. 34266))
)
)
Petitioner.)
_____)

Docket No. 09A-080-INS

**ORDER RELEASING
SPECIAL 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. Frontier Insurance Company ("Petitioner") is a New York domiciled insurer that was licensed to transact casualty with workers' compensation, disability, marine and transportation, property, and surety insurance in Arizona on December 28, 1981 and licensed to transact vehicle insurance on April 3, 1998.

2. The Director suspended Petitioner's Arizona certificate of authority effective March 29, 2001.

3. Petitioner entered into rehabilitation by Order of the Supreme Court of the State of New York on August 27, 2001 and entered in the New York County Clerk's Office on October 15, 2001.

4. Before receiving its authority to transact vehicle insurance in Arizona, Petitioner posted a deposit ("Special Deposit") with the Arizona State Treasurer for the protection of

1 Arizona residents who purchased vehicle insurance policies from Petitioner which became
2 effective prior to January 23, 1998 (the "Policies") and claimants under the Policies.

3 5. Petitioner posted the Special Deposit pursuant to a Security Deposit Agreement
4 dated March 30, 1998 (the "Agreement") which provides that the Special Deposit shall be
5 maintained so long as the Policies are in force or until all claims associated with such policies
6 are settled or otherwise liquidated, whichever is later.

7 6. Petitioner submitted an affidavit from Ronald H. Labenski, acting Chief Financial
8 Officer of Petitioner, avowing that Petitioner no longer has any obligations under the Policies
9 for which the Special Deposit was required.

10 7. Petitioner's Special Deposit is approximately \$260,000.

11 8. Pursuant to A.R.S. § 20-588(A)(2), Petitioner filed an application dated April 3,
12 2009 for release of its Special Deposit.

13 9. Petitioner also has a workers' compensation deposit posted with the Arizona
14 State Treasurer which is not being released at this time.

15 **CONCLUSIONS OF LAW**

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

18 2. Petitioner has met the conditions of the Agreement for the release of the Special
19 Deposit.

20 3. Petitioner is entitled to the release of the Special Deposit pursuant to A.R.S. §
21 20-588(A)(2).

1 **ORDER**

2 THEREFORE IT IS ORDERED that the Special Deposit in the approximate amount of
3 \$260,000 shall be released to the Petitioner.

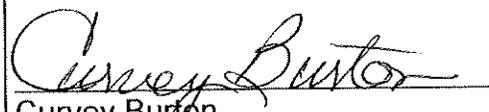
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5 Dated this 24th day of July, 2009

6
7 
8 **CHRISTINA URIAS**
Director of Insurance

9
10 COPY of the foregoing mailed/delivered
11 this 24th day of July, 2009, to:

12 Ronald J. Labenski, Chief Financial Officer
13 Frontier Insurance Company in Rehabilitation
14 195 Lake Louise Road
Rock Hill, NY 12775-8000

15 Steve Ferguson, Assistant Director
16 Kurt Regner, Chief Financial Analyst
17 Leslie Hess, Legal Analyst
18 Department of Insurance
2910 N. 44th Street, Suite 210
Phoenix, AZ 85018

19 
20 **Curvey Burton**