

APR 27 2010

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

DEPT OF INSURANCE
BY CB

In the Matter of)

SOUTHWEST INSURANCE COMPANY)
(No. 3277))

Docket No. 10A-063-INS

ORDER

Petitioner.)

Upon the Petitioner's written application for the release of deposited funds, the Arizona Director of Insurance (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). Arizona Revised Statutes ("A.R.S.") §20-1098.03(B) provides that the minimum capital and surplus for captive insurers shall be in the form of cash or an unconditional letter of credit meeting the requirements of the statute.

FINDINGS OF FACT

1. Petitioner Southwest Insurance Company ("Petitioner") is a captive insurer domiciled in Arizona and holds a certificate of authority to transact casualty without workers' compensation and without employer liability.

2. In order to satisfy its minimum capital and surplus requirement, Petitioner previously posted with the Department a letter of credit issued by Bay Cities National Bank in the amount of \$250,000 ("Bay Cities LOC").

3. In connection with a change of captive manager, the Maricopa County Superior Court appointment of a receiver for various Montelucia properties (CV2009-007886), and the

1 notice of nonrenewal of the Bay Cities LOC, the Arizona Department of Insurance drew down
2 the \$250,000 Bay Cities LOC on November 20, 2009.

3 4. Petitioner's \$250,000 in cash is being held by the Arizona State Treasurer
4 through the Arizona Department of Insurance.

5 5. On April 26, 2010, the Petitioner requested the release of its \$250,000.

6 6. Petitioner's possession of its \$250,000 in cash meets the requirements of A.R.S.
7 § 20-1098.03.

8 **CONCLUSIONS OF LAW**

9 1. Petitioner's possession of its \$250,000 in cash meets the requirements of A.R.S.
10 § 20.1098.03.

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

13 3. The Petitioner is entitled to release of its \$250,000 in cash.

14 **ORDER**

15 **THEREFORE, IT IS ORDERED** that the Petitioner's \$250,000 (Two hundred fifty
16 thousand dollars) be released to the Petitioner.

17
18 DATED AND EFFECTIVE this 27th day of April, 2010.

19
20 
21 _____
22 CHRISTINA URIAS
23 Director of Insurance

1 COPY of the foregoing mailed/hand-delivered
this 27th day of April, 2010, to:

2
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Executive Vice President and General Counsel
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