

1 2. The Petitioner filed a statement as referred to in A.R.S. §§20-481.02 and 20-
2 481.03, in the form required by A.A.C. R20-6-1402.

3 3. The Insurer and its security holders waived the ten (10) day advance filing notice
4 to be given as required by A.R.S. §20-481.07.

5 4. No evidence has been produced that would indicate or form the basis for a
6 finding that the Petitioner's acquisition of control of the Insurer:

- 7 a. Is contrary to law;
- 8 b. Is inequitable to the shareholders of any domestic insurer involved;
- 9 c. Would substantially reduce the security of and service to be rendered to the
10 policyholders of the domestic insurer in this State or elsewhere;
- 11 d. After the change of control the domestic insurer, would not be able to satisfy the
12 requirements for the reissuance of a Certificate of Authority to write the line or lines of
13 insurance for which it is presently licensed;
- 14 e. Would have the effect of substantially lessening competition in insurance in this
15 state, or tend to create a monopoly;
- 16 f. Might jeopardize the financial stability of the Insurer or prejudice the interest of its
17 policyholders, based upon the financial condition of any acquiring party;
- 18 g. Is unfair and unreasonable to policyholders of the Insurer and is not in the public
19 interest, based upon the plans or proposals that the acquiring party has to liquidate the
20 insurer, sell its assets or consolidate or merge it with any person, or to make any other
21 material change in its business or corporate structure or management;
- 22
- 23

1 the authority vested in me by A.R.S. §§20-142, 20-481 through 20-481.30, and A.A.C. R20-6-
2 1402 OR hereby order that :

3 1. The acquisition of control of the Insurer by the Petitioner is approved, subject to
4 the following express condition:

5 If the completed fingerprint cards furnished to the Department of Insurance reveal that
6 Petitioner's officers or directors have been charged with or convicted of a felony or
7 misdemeanor other than minor traffic violations, the individual(s) shall be removed as an
8 officer and/or director of the Petitioner within 30 days after notice to Petitioner by the
9 Department and shall be replaced with an officer or director acceptable to the Director. If
10 Petitioner fails to take the prescribed action within 30 days, this failure will constitute an
11 immediate danger to the public and the Director may immediately suspend or revoke Insurer's
12 Certificate of Authority without further proceedings.

13 2. Subject to A.R.S. §20-481.21, all documents, materials and other information
14 that is in the possession or control of the Department and that was obtained by or disclosed to
15 the Director or any other person in the course of filing the application is confidential and
16 privileged, is not subject to Title 39, Chapter 1, Article 2 and is not subject to subpoena.

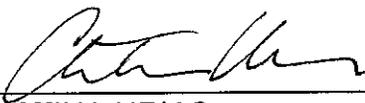
17 3. The Petitioner shall advise the Director in writing of the effective date of the
18 change of control.

19 4. Upon consummation of this acquisition, the Insurer shall file its registration
20 statement in the form required by A.A.C. R20-6-1403.B and within the time period prescribed
21 by A.R.S. §20-481.13. If the registration statement would duplicate the information previously
22 submitted by the Petitioner in the statement filed with the Department pursuant to A.R.S. §20-
23 481.03 and there have been no material changes since the filing of that statement, then the

1 Insurer shall submit a statement to that effect incorporating by reference the statement
2 previously filed with the Department in lieu of the registration statement;

3 5. The failure to adhere to one or more of the above terms and conditions shall
4 result without further proceedings in the suspension or revocation of the Insurer's Certificate of
5 Authority.

6 Effective this 24th day of September, 2010.

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9 **CHRISTINA URIAS**
Director of Insurance

10 COPY of the foregoing mailed/delivered
11 this 27th day of September, 2010, to:

12 Charles R. Cohen
13 Low & Cohen, PLLC
14 2999 North 44th Street, Suite 550
15 Phoenix, Arizona 85018

16 Gerrie Marks, Deputy Director
17 Mary Butterfield, Assistant Director
18 Steve Ferguson, Assistant Director
19 Catherine O'Neil, Consumer Legal Affairs Officer
20 Leslie Hess, Financial Affairs Legal Analyst
21 Kurt Regner, Chief Financial Analyst
22 Arizona Department of Insurance
23 2910 N. 44th Street, Suite 210
Phoenix, Arizona 85018

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