

OCT 5 2010

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

DEPT OF INSURANCE
BY CS

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2
3 In the Matter of the Merger of)
4 **CST Insurance Company**)
5 **(AZ No. 3288)**)
6 **Insurer,**)
7 **Into**)
8 **CST Insurance Company**)
9 **(Nevada),**)
10 **Petitioner.**)

Docket No. 10A-132-INS

ORDER APPROVING MERGER

11 On June 2, 2010, pursuant to A.R.S. § 20-731, CST Insurance Company - Nevada
12 ("Petitioner") submitted an application to the Arizona Department of Insurance ("Department")
13 for the merger of CST Insurance Company – Arizona ("Insurer") with and into Petitioner.

14 Based upon reliable evidence provided to the Director of Insurance by the Assistant
15 Director of the Financial Affairs Division of the Department, the Director finds as follows:

FINDINGS OF FACT

- 16
- 17 1. Insurer is duly qualified and authorized as a captive insurer in the State of
18 Arizona.
- 19 2. No evidence has been produced that would indicate or form the basis for a
20 finding that the Agreement and Plan of Merger previously filed with the Department:
- 21 a. Is contrary to law;
- 22 b. Is unfair in the terms and conditions of the exchange of securities;
- 23

1 c. Would substantially reduce the security of and service rendered to the
2 policyholders of the Insurer in this State or elsewhere.

3 3. Insurer has a \$100.00 deposit with the Insurance Examiners' Revolving Fund
4 ("IERF").

5 4. Petitioner has prepared Articles of Merger it intends to file with the Arizona
6 Corporation Commission ("ACC").

7 **CONCLUSIONS OF LAW**

8 1. The application established that none of the enumerated grounds set forth in
9 A.R.S. § 20-731 exist so as to provide a basis for disapproval or rejection of the Agreement
10 and Plan of Merger.

11 2. The evidence established that Petitioner has complied with the provisions of
12 A.R.S. § 20-731 and established by credible evidence that the Agreement and Plan of Merger
13 between Insurer and Petitioner should be approved.

14 **ORDER**

15 1. The Agreement and Plan of Merger between Insurer and Petitioner is approved.

16 2. Petitioner may file its Articles of Merger with the ACC.

17 3. The Petitioner shall file an ACC certified copy of Petitioner's ACC filed Articles of
18 Merger with the Department.

19 4. Insurer shall file its 2010 Annual Report including applicable fees with the
20 Department unless Petitioner files its Articles of Merger with the ACC on or before December
21 31, 2010.

22 5. Insurer shall pay its Certificate of Authority renewal fee to the Department unless
23 Petitioner files its Articles of Merger with the ACC on or before March 31, 2011.

