

DEC 17 2010

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

DEPT OF INSURANCE
BY CB

In the Matter of the Acquisition of Control of)
)
Advanta Insurance Company)
(NAIC No. 33987))
)
Insurer,)
)
 By)
)
Agrinational Insurance Company)
(NAIC No. 10541))
Petitioner.)

Docket No. 10A-187-INS

**ORDER APPROVING
ACQUISITION**

On November 16, 2010, Agrinational Insurance Company ("Petitioner") submitted an application for the acquisition of control of Advanta Insurance Company ("Insurer") to the Arizona Department of Insurance (the "Department") for approval of Petitioner as the controlling person of the Insurer pursuant to the provisions of A.R.S. §§20-481 through 20-481.30 and A.A.C. R20-6-1402.

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

FINDINGS OF FACT

1. The Insurer is a domestic insurer as referred to in A.R.S. §20-481.
2. The Petitioner filed a statement as referred to in A.R.S. §§20-481.02 and 20-481.03, in the form required by A.A.C. R20-6-1402.
3. The Insurer and its security holders waived the ten (10) day advance filing notice to be given as required by A.R.S. §20-481.07.

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

3 a. Is contrary to law;

4 b. Is inequitable to the shareholders of any domestic insurer involved;

5 c. Would substantially reduce the security of and service to be rendered to the
6 policyholders of the domestic insurer in this State or elsewhere;

7 d. After the change of control the domestic insurer, would not be able to satisfy the
8 requirements for the reissuance of a Certificate of Authority to write the line or lines of
9 insurance for which it is presently licensed;

10 e. Would have the effect of substantially lessening competition in insurance in this
11 state, or tend to create a monopoly;

12 f. Might jeopardize the financial stability of the Insurer or prejudice the interest of its
13 policyholders, based upon the financial condition of any acquiring party;

14 g. Is unfair and unreasonable to policyholders of the Insurer and is not in the public
15 interest, based upon the plans or proposals that the acquiring party has to liquidate the
16 insurer, sell its assets or consolidate or merge it with any person, or to make any other
17 material change in its business or corporate structure or management;

18 h. Would not be in the public interest of policyholders of the Insurer and of the
19 public to permit the merger or other acquisition of control based upon the competence,
20 experience and integrity of those persons who would control the operation of the Insurer; or

21 i. Would likely be hazardous or prejudicial to the insurance-buying public.

22 5. The Petitioner's officers and directors made representations material to the
23 issuance of the Order in this matter that none of its officers or directors have been charged

1 with or convicted of a felony or misdemeanor other than minor traffic violations.

2 **CONCLUSIONS OF LAW**

3 1. The application established that none of the enumerated grounds set forth in
4 A.R.S. §20-481.07(A) exist so as to provide a basis for disapproval or rejection of Petitioner's
5 acquisition of control of the Insurer.

6 2. Petitioner presented credible evidence for approval of its acquisition of control of
7 the Insurer and the Petitioner to be a controlling person pursuant to the provisions of A.R.S.
8 §§20-481 through 20-481.30 and A.A.C. R20-6-1402.

9 **ORDER**

10 THEREFORE, I, CHRISTINA URIAS, Director of Insurance of the State of Arizona, for
11 the purpose of protecting and preserving the public health, safety and welfare, and by virtue of
12 the authority vested in me by A.R.S. §§20-142, 20-481 through 20-481.30, and A.A.C. R20-6-
13 1402 hereby order that :

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

18 2. The Petitioner shall advise the Director in writing of the effective date of the
19 change of control.

20 3. Upon consummation of this acquisition, the Insurer shall file its registration
21 statement in the form required by A.A.C. R20-6-1403.B and within the time period prescribed
22 by A.R.S. §20-481.13. If the registration statement would duplicate the information previously
23 submitted by the Petitioner in the statement filed with the Department pursuant to A.R.S. §20-

1 481.03 and there have been no material changes since the filing of that statement, then the
2 Insurer shall submit a statement to that effect incorporating by reference the statement
3 previously filed with the Department in lieu of the registration statement;

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

7 Effective this 17th day of December, 2010.

8
9 
10 **CHRISTINA URIAS**
Director of Insurance

11 COPY of the foregoing mailed/delivered
12 this 17th day of December, 2010, to:

13 Peter A. Joy, ARM
14 Aon Insurance Managers (USA) Inc.
15 76 St. Paul Street, Suite 500
16 Burlington, Vermont 05401-4497

17 Kimberly Wack
18 Aon Insurance Managers
19 1850 North Central Avenue, Suite 1700
20 Phoenix, Arizona 85004

21 Gerrie Marks, Deputy Director
22 Mary Butterfield, Assistant Director
23 Steve Ferguson, Assistant Director
Catherine O'Neil, Consumer Legal Affairs Officer
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