

AUG - 3 2015

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

DEPT OF INSURANCE
BY NS

1 In the Matter of the Merger of)
 2)
 3 **Pavonia Life Insurance Company of Arizona**)
 4 **(NAIC No. 64360)**)
 5)
 6 **Insurer,**)
 7)
 8 Into)
 9)
 10 **Pavonia Life Insurance Company of Michigan**)
 11 **(NAIC No. 93777),**)
 12)
 13 **Petitioner.**)
 14)

Docket No. 15A-087-INS

ORDER APPROVING MERGER

11 On May 20, 2015, pursuant to A.R.S. § 20-731, Pavonia Life Insurance Company of
 12 Michigan ("Petitioner") submitted an application to the Arizona Department of Insurance
 13 ("Department") for the merger of Pavonia Life Insurance Company of Arizona ("Insurer") with
 14 and into Petitioner.

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

FINDINGS OF FACT

17
 18 1. Insurer is duly qualified and authorized as a life and disability reinsurer in the
 19 State of Arizona.

20 2. Petitioner is duly qualified and authorized as a life and disability insurer in the
 21 State of Michigan.

22 3. No evidence has been produced that would indicate or form the basis for a
 23 finding that the Plan and Agreement of Merger previously filed with the Department:

- 1 a. Is contrary to law;
- 2 b. Is unfair in the terms and conditions of the exchange of securities;
- 3 c. Would substantially reduce the security of and service rendered to the
- 4 policyholders of the Insurer in this State or elsewhere.

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

7 5. The Department holds a \$300,000 statutory deposit on behalf of the Insurer.

8 6. Petitioner has prepared a Statement of Merger that it intends to file with the
9 Arizona Corporation Commission ("ACC").

10 **CONCLUSIONS OF LAW**

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

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

17 **ORDER**

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

19 2. Petitioner may file its Statement of Merger with the ACC.

20 3. Insurer shall file its 2015 Annual Statement including applicable fees with the
21 Department unless Petitioner files its Statement of Merger with the ACC on or before
22 December 31, 2015.

1 4. Insurer shall pay its Certificate of Authority renewal fee to the Department and
2 file its 2015 Annual Form "B" Registration Statement with the Department unless Petitioner
3 files its Statement of Merger with the ACC on or before March 31, 2015.

4 5. The Department shall release the \$300,000 statutory deposit of the Insurer to the
5 Petitioner after the Department receives the following: (a) an ACC certified copy of Petitioner's
6 ACC filed Statement of Merger, and (b) payment of any outstanding IERF invoices. The
7 Director has no personal liability for the release of such deposit so made by her in good faith
8 as provided in A.R.S. §20-588(B).

9 6. The Department shall refund to the Insurer the \$100.00 that was previously
10 credited to the IERF, pursuant to A.R.S. § 20-159.

11 Effective this 3rd day of August, 2015.

12 
13 **GERMAINE L. MARKS**
14 **Director of Insurance**

15 COPY of the foregoing mailed/delivered
16 this 3rd day of August, 2015, to:

17 Nadja Stavenhagen, Legal Counsel
18 Enstar
19 411 Fifth Avenue, Fifth Floor
20 New York, New York 10016

21 Germaine L. Marks, Director of Insurance
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