STATE OF ARIZONA FILED

STATE OF ARIZONA

FEB 16 2017

DEPARTMENT OF INSURANCE

DEPT OF INSURANCE BY

In the Matter of the Withdrawal of
)
Scan Health Plan Arizona
(NAIC No. 12279)
)

Docket No. 17A-022-INS

ORDER

Petitioner.

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

FINDINGS OF FACT

- Petitioner is currently licensed in the State of Arizona as a health care services organization.
 - 2. Petitioner surrendered its Certificate of Authority to the Department.
- 3. Petitioner filed with the Department certified copies of Resolutions of the Petitioner's Board of Directors and the Petitioner's shareholder(s) authorizing Petitioner to withdraw from the insurance business and to amend its articles of incorporation to eliminate its insuring powers.
- 4. Petitioner filed its certified financial statement as of September 30, 2016 with the Department.
- 5. Petitioner has outstanding obligations under policies of insurance, whether written direct or through reinsurance ceded to it, to policyholders or claimants.

23

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

24

- 6. Petitioner has executed a Security Deposit, Assignment and Trust Agreement for the Sole Benefit of Arizona Policyholders and Claimants and has posted a security deposit in the amount of \$4,325,000.
- 7. Petitioner has a \$100.00 deposit with the Insurance Examiners' Revolving Fund ("IERF").
- 8. The Department holds a \$1,059,000 escrow reserve deposit on behalf of the Petitioner.
 - 9. The Department holds a \$521,000 statutory deposit on behalf of the Petitioner.

CONCLUSIONS OF LAW

- 1. Petitioner has complied with the provisions of A.R.S. § 20-217 and with A.A.C. R20-6-303 relating to the surrender of its Certificate of Authority and its withdrawal from the insurance business.
- 2. Petitioner has complied with the provisions of A.R.S. § 20-588 and with A.A.C. R20-6-303 relating to the release of its \$1,059,000 escrow reserve deposit and its \$521,000 statutory deposit.

ORDER

- 1. Petitioner's request to terminate its Certificate of Authority is granted.
- Petitioner may file its Amendment to its Articles of Incorporation ("Articles of Amendment") with the Arizona Corporation Commission ("ACC").
- 3. Petitioner is entitled to the release of its \$1,059,000 escrow reserve deposit and its \$521,000 statutory deposit. The Department shall release the Petitioner's statutory deposit after the Department receives the following: (a) an ACC certified copy of Petitioner's ACC filed Articles of Amendment; (b) payment of any outstanding IERF invoices, and (d) the filing of the

1	Petitioner's 2016 Annual Statement together with payment of all applicable fees. The Director
2	has no personal liability for the release of such deposit so made by her in good faith as
3	provided in A.R.S. §20-588(B).
4	4. Petitioner shall pay its Certificate of Authority renewal fee to the Department
5	unless it files Articles of Amendment with the ACC on or before March 31, 2017.
6	5. The Department shall refund to the Petitioner the \$100.00 that was previously
7	credited to the IERF pursuant to A.R.S. § 20-159.
8	Effective this 15 M day of Jebruary, 2017.
9	
10	LESLIE R. HESS
11	Interim Director of Insurance
12	COPY of the foregoing mailed/delivered
13	this 16 day of February, 2017, to:
14	Jennifer L. Kraham Kutak Rock LLP
15	8601 North Scottsdale Road, Suite 300 Scottsdale, Arizona 85253
16	Mary Kosinski, Regulatory Legal Affairs Officer
17	Steven Fromholtz, Assistant Director Kurt Regner, CFE, Assistant Director
18	Catherine O'Neil, Consumer Legal Affairs Officer Arizona Department of Insurance
19	2910 N. 44 th Street, Suite 210 Phoenix, Arizona 85018
20	
21	Maiden Scheme
22	
23	