

ARIZ. DEPT. OF INS.
STATE OF ARIZONA
FEB FILED

FEB 27 1997

DEPT. OF INSURANCE
BY

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

In the Matter of the Withdrawal of:)	Docket No. 97A-002-INS
)	
BARNETT LIFE INSURANCE)	ORDER
COMPANY (NAIC No. 78565))	
)	
Petitioner.)	
)	

On February 12, 1997, the Office of Administrative Hearings, through Administrative Hearings Law Judge Lewis D. Kowal, submitted "Recommended Decision of Administrative Law Judge" ("Recommended Decision"), a copy of which is attached and incorporated by this reference. The Director of the Arizona Department of Insurance has reviewed the Recommended Decision and enters the following order:

1. The recommended findings of fact and conclusions of law are adopted.
2. The Petitioner may file its Articles of Amendment to its Articles of Incorporation ("Articles of Amendment") with the Arizona Corporation Commission.
3. The Petitioner is entitled to the release of its statutory deposit in the sum of \$100,000.00 and Petitioner's statutory deposit will be released to the Petitioner after the Department has received the following: (a) payment of \$323.84 to the Insurance Examiners' Revolving Fund ("IERF"); (b) a copy of Petitioner's Articles of Amendment certified as filed by the Arizona Corporation Commission; and (c) a fully executed Form E126 (Notice of Trust Deposit Release). The statutory

1 deposit cannot be released until the Department receives a fully executed copy of the official State
2 Treasurer Release Receipt.

3 4. The sum of \$100.00 previously credited to the IERF will be refunded to the
4 Petitioner, pursuant to A.R.S. § 20-159.

5 5. The Petitioner will file its 1996 Annual Statement with the Department, together
6 with all applicable fees.

7 6. The Petitioner will pay to the Department its certificate of authority renewal fee if
8 the Articles of Amendment are not date stamped as having been filed with the Arizona Corporation
9 Commission on or before March 31, 1997.


10 7. The Petitioner will file its 1997 Annual Statement with the Department, together
11 with all applicable fees, unless Petitioner files its Articles of Amendment with the Arizona Corporation
12 Commission on or before December 31, 1997.

13 NOTIFICATION OF RIGHTS

14 The aggrieved party may request a rehearing with respect to this Order by filing a written
15 petition with the Office of Administrative Hearings within 30 days of the date of this Order, setting forth
16 the basis for such relief pursuant to A.A.C. R20-6-114(B).

17 The final decision of the Director may be appealed to the Superior Court of Maricopa
18 County for judicial review pursuant to A.R.S. § 20-166.

19 EFFECTIVE this 27 day of February, 1997

20
21 
22 John A. Greene
23 Director of Insurance

1 A copy of the foregoing mailed
this 27th day of February, 1997

2 Mary Butterfield, Assistant Director
3 Catherine O'Neil, Assistant Director
4 Gary Torticill, Assistant Director
5 Deloris Williamson, Assistant Director
6 Scott Greenberg, Business Administrator
7 Arizona Department of Insurance
8 2910 N. 44th Street, Suite 210
9 Phoenix, AZ 85018

10 Office of Administrative Hearings
11 1700 W. Washington, Suite 602
12 Phoenix, AZ 85007

13 Philip T. Paris
14 2929 N. 44th Street, Suite 120
15 Phoenix, AZ 85018

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1 **IN THE OFFICE OF ADMINISTRATIVE HEARINGS**

2
3 **IN THE MATTER OF**
4 **THE WITHDRAWAL OF:**

5 **BARNETTE LIFE INSURANCE**
6 **COMPANY (NAIC #78565)**

No. 97A-002-INS

RECOMMENDED DECISION
OF ADMINISTRATIVE
LAW JUDGE

9 HEARING: February 6, 1997

10 APPEARANCES: Philip T. Paris, Esq. for the Petitioner and Kurt Regner for the
11 Arizona Department of Insurance

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13 ADMINISTRATIVE LAW JUDGE: Lewis D. Kowal

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16 On February 6, 1997, a hearing took place, to consider the application of Barnett
17 Life Insurance Company (the "Petitioner"), that was filed with the Arizona Department of
18 Insurance (the "Department") to withdraw from the insurance business and for the
19 release of its statutory deposit pursuant to A.R.S. §20-588 and A.A.C. R20-6-303.

20 Based upon the entire record in this matter the following Recommended Findings
21 of Fact, Conclusions of Law and Recommended Order are made:

22 **FINDINGS OF FACT AND CONCLUSIONS OF LAW**

23
24 1. The Petitioner has surrendered its Certificate of Authority to the
25 Department.

26
27 2. The Petitioner has filed with the Department certified copies of Resolutions
28 of the Petitioner's Board of Directors and of the Petitioner's shareholder(s) to withdraw
29 from the insurance business, to amend its articles of incorporation to eliminate its
30 insuring powers, and to adopt a new corporate name which shall not include the word
"insurance".

1 3. The Petitioner has no insurance obligations owing to it, whether by policies
2 written direct or by reinsurance ceded to it.

3 4. The Petitioner has filed its certified financial statement as of December 9,
4 1996 with the Department.

5 5. At least ten business days before the hearing of this matter, Petitioner gave
6 special notice to creditors and policyholders of the Petitioner, setting forth the date,
7 place, nature and purpose of the hearing, as evidenced by an affidavit of publication.
8 Petitioner also provided individual notice by mail to its known creditors, as evidenced by
9 an affidavit.

10 6. The Petitioner has a \$100,000.00 statutory deposit with the Department
11 and a \$100.00 deposit with the Insurance Examiners' Revolving Fund ("IERF").

12 7. The Petitioner has complied with the provisions of A.R.S. §20-588 and with
13 A.A.C. R20-6-303, relating to the release of its \$100,000.00 statutory deposit.

14 8. Petitioner currently owes \$323.84 to the IERF.

15 **RECOMMENDED ORDER**

16 The undersigned Administrative Law Judge recommends that:

17 1. The Petitioner may file its Articles of Amendment to its Articles of
18 Incorporation ("Articles of Amendment") with the Arizona Corporation Commission.

19 2. The Petitioner is entitled to the release of its statutory deposit in the sum of
20 \$100,000.00 and Petitioner's statutory deposit shall be released to the Petitioner after
21 the Department has received the following: (a) payment of \$323.84 to the IERF; (b) a
22 copy of Petitioner's Articles of Amendment certified as filed by the Arizona Corporation
23 Commission; and (c) a fully executed Form E126 (Notice of Trust Deposit Release).
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1 The statutory deposit cannot be released until the Department receives a fully executed
2 copy of the official State Treasurer Release Receipt.

3 3. The sum of \$100.00 previously credited to the IERF shall be refunded to
4 the Petitioner, pursuant to A.R.S. §20-159.

5 4. The Petitioner shall file its 1996 Annual Statement with the Department ,
6 together with all applicable fees.

7 5. The Petitioner shall pay to the Department its certificate of authority
8 renewal fee if the Articles of Amendment are not date stamped as having been filed
9 with the Arizona Corporation Commission on or before March 31, 1997.

10 6. The Petitioner file its 1997 Annual Statement with the Department, together
11 with all applicable fees, unless Petitioner files its Articles of Amendment with the
12 Arizona Corporation Commission on or before December 31, 1997.

13
14 Done this day, February 12, 1997.

15 

16 _____
17 Lewis D. Kowal
18 Administrative Law Judge

19 Original transmitted by mail this
20 24 day of February, 1997, to:

21
22 John A. Greene
23 Director
24 Department of Insurance
25 2910 North 44th Street, #210
26 ATTN: Curvey Burton
27 Phoenix, AZ 85018-7256

28
29 By 
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