

APR 30 1999

DEPT. OF INSURANCE
BY Kath

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

In the Matter of:)
)
PFL LIFE INSURANCE COMPANY)
(NAIC No. 86231))
Respondent,)
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Docket No. 98A-117-INS

ORDER

On April 20, 1999, the Office of Administrative Hearings, through Administrative Law Judge Lewis D. Kowal, issued a Recommended Decision of Administrative Law Judge ("Recommended Decision"), a copy of which is attached and incorporated by this reference. The Director of the 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 Department's disallowance of the use by the Petitioner of the premium tax

offset credits issued by the Arizona Life and Disability Insurance Guaranty Fund to National Old Line Insurance Company and Pacific Fidelity Life Insurance Company relative to the tax years 1992 through 1997 is upheld. Petitioner shall pay its outstanding Arizona premium tax obligation relative to the tax years 1992 through 1997 in the principal amount of \$690,903.36. Petitioner is relieved of the \$35,727.42 in penalties and \$239,710.54 in interest assessed by the Department relative to the unpaid principal amount. However, Petitioner shall pay interest on the principal amount at the rate of one per cent per month, in accordance with A.R.S. § 20-225(A), commencing after the expiration of thirty five days from the date a copy of this decision is served upon Petitioner.

1 NOTIFICATION OF RIGHTS

2 Pursuant to A.R.S. § 41-1092.09, the aggrieved party may request a rehearing with
3 respect to this Order by filing a written motion with the Director of the Department of Insurance within
4 30 days of the date of this Order, setting forth the basis for relief under A.A.C. R20-6-114(B).

5 The final decision of the Director may be appealed to the Superior Court of Maricopa
6 County for judicial review pursuant to A.R.S. §§ 12-904 and 20-166. A party filing an appeal must
7 notify the Office of Administrative Hearings of the appeal within ten days after filing the complaint
8 commencing the appeal, pursuant to A.R.S. § 12-904(B).

9 DATED this 30th of April, 1999

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12 Charles R. Cohen
13 Director of Insurance

14 A copy of the foregoing mailed
15 this 30 day of April, 1999

16 Sara Begley, Deputy Director
17 Catherine O'Neil, Consumer Legal Affairs Officer
18 Gary Torticill, Assistant Director
19 Kelly Stephens, Deputy Assistant Director
20 Jack King, Executive Director, Arizona Guaranty Funds
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