

DEC 30 1997

DEPT. OF INSURANCE
BY ED

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

1 In the Matter of the Merger of:)
 2)
 3)
 4 WEST TENNESSEE LIFE INSURANCE)
 5 COMPANY (NAIC No. 85430),)
 6)
 7 Insurer,)
 8)
 9 into)
 10)
 11)
 12 CENTURY CREDIT LIFE INSURANCE)
 13 COMPANY (NAIC No. 90867),)
 14)
 15)
 16 Petitioner.)
 17)

Docket No. 97A-222-INS

ORDER

11
 12 On December 29, 1997, the Office of Administrative Hearings, through Administrative
 13 Law Judge Lewis D. Kowal submitted Recommended Decision of Administrative Law Judge
 14 ("Recommended Decision"), a copy of which is attached and incorporated by this reference. The
 15 Director of the Arizona Department of Insurance has reviewed the Recommended Decision and enters
 16 the following order:

- 17 1. The recommended findings of fact and conclusions of law are adopted.
- 18 2. The Plan and Agreement of Merger between the Insurer and the Petitioner is
 19 approved.
- 20 3. The statutory deposit of the Insurer in the amount of \$100,000.00 will be released
 21 upon receipt by the Department of Insurance of the following: (1) payment of \$1,250.18 to the Insurance
 22 Examiners' Revolving Fund ("IERF"); (2) copies of the Articles of Merger of the Insurer and the
 23

1 Petitioner certified as having been filed with the Arizona Corporation Commission; and (3) a fully
2 executed Form E126 (Notice of Statutory Deposit). The statutory deposit will not be released until the
3 Department receives a fully executed copy of the official State Treasurer Release Receipt.

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


6 5. The Insurer will file a 1997 Annual Statement with the Department, together with
7 all applicable fees, unless the Insurer files its Articles of Merger pursuant to A.R.S. § 10-1105 with the
8 Arizona Corporation Commission before December 31, 1997 and the State of Mississippi consents to the
9 merger.

10 NOTIFICATION OF RIGHTS

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

14 The final decision of the Director may be appealed to the Superior Court of Maricopa
15 County for judicial review pursuant to A.R.S. § 20-166. A party filing an appeal must notify the Office of
16 Administrative Hearings of the appeal within ten days after filing the complaint commencing the appeal,
17 pursuant to A.R.S. § 41-1092.10.

18 DATED this 30 day of December, 1997

19
20 
21 John A. Greene
22 Director of Insurance
23

1 A copy of the foregoing mailed
this 30th day of December, 1997

2 Charles R. Cohen, Deputy Director
3 Gregory Y. Harris, Executive Assistant Director
Mary Butterfield, Assistant Director
4 Catherine O'Neil, Assistant Director
Gary Torticill, Assistant Director
5 Deloris Williamson, Assistant Director
Scott Greenberg, Business Administrator
6 Department of Insurance
2910 N. 44th Street, Suite 210
7 Phoenix, AZ 85018

8 Office of Administrative Hearings
1700 W. Washington, Suite 602
9 Phoenix, AZ 85007

10 Thomas E. Haney
101 N. First Avenue, Suite 2460
11 Phoenix, AZ 85003

12
13 *Esther Davis*

IN THE OFFICE OF ADMINISTRATIVE HEARINGS

In the Matter of the Merger of
**WEST TENNESSEE LIFE INSURANCE
COMPANY (NAIC No. 85430),**

No. 97A-222-INS

Insurer,

**RECOMMENDED DECISION
OF ADMINISTRATIVE
LAW JUDGE**

into

**CENTURY CREDIT LIFE INSURANCE
COMPANY (NAIC No. 90867),**

Petitioner.

HEARING: December 22, 1997

APPEARANCES: Thomas E. Haney, Esq. for Petitioner; Kurt Regner for the
Arizona Department of Insurance

ADMINISTRATIVE LAW JUDGE: Lewis D. Kowal

On December 22 , 1997, a hearing was held to consider the Plan and
Agreement of Merger whereby West Tennessee Life Insurance Company (the
"Insurer"), will merge into Century Credit Life Insurance Company (the "Petitioner").

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

FINDINGS OF FACT AND CONCLUSIONS OF LAW

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

2. Petitioner is duly qualified and authorized as an insurer in the State of
Mississippi and an unauthorized insurer in the State of Arizona.

3. Both the Insurer and the Petitioner have waived the twenty-five (25) day
notice requirement of A.R.S. §20-731(C).

4. The shareholder(s) of the Insurer and the shareholder(s) of the Petitioner
have waived notice of the hearing.

1 5. No evidence has been produced at the hearing of this matter that would
2 indicate or form the basis for a finding that the Plan and Agreement of Merger
3 previously filed with the Department:

- 4 a. Is contrary to law.
5 b. Is unfair in the terms and conditions of the issuance and exchange
6 of securities.
7 c. Would substantially reduce the security of and service to be
8 rendered to policyholders of the Insurer in this State or elsewhere.

9 6. The Insurer has submitted an Affidavit of Lost Certificate of Authority to
10 the Department.

11 7. Special notice to creditors and policyholders of the Petitioner, setting forth
12 the date, place, nature and purpose of the hearing was published and mailed at least
13 ten (10) business days before said hearing, and known creditors received individual
14 notice by mail, as evidenced by the affidavit of publication.

15 8. Based upon the Department's review of Petitioner's filing which indicated
16 that the Petitioner has complied with the provisions of A.R.S. §20-731 and A.A.C. R20-
17 6-303, the Department recommended that the Director approve the Plan and
18 Agreement of Merger filed in this matter.

19 9. It is determined that Petitioner has complied with the provisions of A.R.S.
20 §20-731 and A.A.C. R20-6-303.

21 10. The Petitioner has requested that the \$100,000.00 statutory deposit held
22 by the State Treasurer in the name of the Insurer be transferred into a statutory deposit
23 account in the name of the Petitioner.

24 11. The Petitioner requested that the \$100.00 de[posit Insurer made to the
25 Insurance Examiners' Revolving Fund ("IERF") be refunded.

26 12. The Insurer owes the IERF the sum of \$1,250.18.

RECOMMENDED ORDER

27 The undersigned Administrative Law Judge recommends that:

28 1. The Plan and Agreement of Merger between the Insurer and the
29 Petitioner be approved.

30 2. The statutory deposit of the Insurer in the amount of \$100,000.00 be
released upon receipt by the Department of Insurance of the following: (1) payment of
\$1,250.18 to the IERF; (2) copies of the Articles of Merger of the Insurer and the
Petitioner certified as having been filed with the Arizona Corporation Commission; and
(3) a fully executed Form E126 (Notice of Statutory Deposit). The statutory deposit not

1 be released until the Department receives a fully executed copy of the official State
2 Treasurer Release Receipt.

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

5 4. The Insurer file a 1997 Annual Statement with the Department, together
6 with all applicable fees, unless the Insurer files its Articles of Merger pursuant to A.R.S.
7 §10-1105 with the Arizona Corporation Commission before December 31, 1997 and the
8 State of Mississippi consents to the merger.

9 Done this day, December 29, 1997.

10 
11 LEWIS D. KOWAL
12 Administrative Law Judge

13 Original transmitted by mail this
14 21 day of December, 1997, to:

15 Mr. John A. Greene, Director
16 Department of Insurance
17 ATTN: Curvey Burton
18 2910 North 44th Street, #210
19 Phoenix, AZ 85018-7256

20 By 
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