

STATE OF ARIZONA
Department of Insurance and Financial Institutions
FILED August 8, 2023 by AS

STATE OF ARIZONA

DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS

In the Matter of:

**LUMBERMEN'S UNDERWRITING
ALLIANCE**

IN LIQUIDATION

(SBS No. 49208475)

Petitioner.

No. 23A-053-INS

**ORDER FOR RELEASE OF
WORKERS' COMPENSATION
DEPOSIT**

Arizona Revised Statutes ("A.R.S.") § 23-961 provides that workers' compensation deposits shall be held by the Director of the Arizona Department of Insurance and Financial Institutions ("Director") as security for fulfillment of the obligations of an insurer under Title 23. Upon proper order of a court of competent jurisdiction to the receiver, conservator, rehabilitator or liquidator of the insurer, or to any other properly designated official or officials who succeed to the management and control of the insurer's assets, the Director shall issue an Order releasing deposited funds pursuant to A.R.S. § 20-588(A)(3).

FINDINGS OF FACT

1. Lumbermen's Underwriting Alliance ("LUA" or "Petitioner") is a Missouri domiciled property and casualty insurer conducting business in Arizona.

2. On or about May 23, 2016, the Circuit Court of Cole County, Missouri, in Case No. 15AC-CC00224, issued against LUA an Order of Liquidation with Finding of Insolvency. The court found LAU insolvent and ordered its liquidation. The court, further,

1 appointed the Director of the Missouri Department of Commerce and Insurance and his
2 successor in the office as Receiver.

3 3. In order to transact insurance business in Arizona, LUA placed a workers'
4 compensation deposit ("Deposit") with the Arizona State Treasurer to protect Arizona
5 workers' compensation claimants in the approximate amount of \$8,994,591.

6 4. On May 31, 2023, the Arizona Department of Insurance and Financial
7 Institutions ("Department") entered into the Arizona Special Deposit Release Agreement
8 with Receiver for the purpose of releasing the special deposit proceeds; paying the claims of
9 the Arizona Property and Casualty Insurance Guaranty Fund; paying the Department's
10 administrative expenses; and turning over the remaining balance to Receiver.

11 CONCLUSIONS OF LAW

12 5. Petitioner is entitled to the release of the Deposit pursuant to A.R.S. § 20-
13 588(A)(3).

14 6. The Director has no personal liability for the release of the Deposit made in
15 good faith as provided in A.R.S. § 20-588(B).

16 ORDER

17 THEREFORE, IT IS ORDERED that the Deposit in the approximate amount of
18 \$8,994,591 shall be released and distributed pursuant to the instructions in the Arizona
19 Special Deposit Release Agreement.

20 Effective this 8th day of August, 2023.

21 Barbara D. Richardson

22 Barbara D. Richardson, Director
Arizona Department of Insurance and Financial Institutions

1 COPY of the foregoing mailed/delivered
2 this 9th day of August, 2023 to:

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