



1 Respondent ("the Report"). The period covered by the on-site  
2 examination was concluded as of December 31, 1992.

3 3. The Examiner reviewed fifteen complaints received by  
4 the ADOI during the time period of the examination. Of these,  
5 Respondent failed to respond to an inquiry of the ADOI regarding  
6 a claim within fifteen (15) working days of receipt on two (2)  
7 inquiries.

8 4. The Examiner reviewed fifty (50) paid death claims and  
9 twelve (12) denied death claims out of a population of 249. As  
10 to these:

11 a. Respondent failed on six (6) denied death claims  
12 to acknowledge receipt of the claims within ten (10) working  
13 days unless payment is made within such time.

14 b. Respondent failed to accept or deny one (1)  
15 denied death claim within fifteen (15) working days after  
16 receipt of properly executed proofs of loss.

#### 17 CONCLUSIONS OF LAW

18 1. By failing to answer an inquiry of the ADOI regarding  
19 a claim within fifteen (15) working days of receipt, Respondent  
20 violated A.A.C. R4-14-801(E)(2).

21 2. By failing to acknowledge claims within ten (10)  
22 working days unless payment is made within such time, Respondent  
23 violated A.A.C. R4-14-801(E)(1) and A.R.S. § 20-461(A)(2).

24 3. By failing to advise claimants of the acceptance or  
25 denial of their claims within fifteen (15) working days after  
26 receiving receipt of properly executed proofs of loss,  
27 Respondent violated A.A.C. R4-14-801(G)(1)(a) and A.R.S. §  
28 20-461(A)(5).




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4. Respondent shall pay a civil penalty of ONE THOUSAND DOLLARS (\$1,000.00) to the Arizona Director of Insurance for remission to the State Treasurer for deposit in the State General Fund in accordance with A.R.S. § 20-220(B). Said \$1,000.00 shall be provided to the Administrative Law Division of the ADOI on or before September 9, 1994.

5. The Report of Market Conduct Examination as of December 31, 1992 to include the objections to the Report by Respondent, shall be filed with the ADOI.

DATED at Phoenix, Arizona this 13 day of September , 1994.

  
Chris Herstam  
Director of Insurance

CONSENT TO ORDER

1  
2 1. Respondent, Old American Insurance Company, has reviewed the  
3 foregoing Order.

4 2. Respondent is aware of its right to a hearing at which  
5 hearing Respondent may be represented by counsel, present  
6 evidence and cross-examine witnesses. Respondent has  
7 irrevocably waived its right to such public hearing and to any  
8 court appeals relating thereto.

9 3. Respondent admits the jurisdiction of the Director of  
10 Insurance, State of Arizona, and consents to the entry of this  
11 Order.

12 4. Respondent states that no promise of any kind or nature  
13 whatsoever was made to induce it to enter into this Order and  
14 that it has entered into this Order voluntarily.

15 5. Respondent acknowledges that the acceptance of this Order by  
16 the Director of Insurance, State of Arizona, is solely for the  
17 purpose of settling this litigation against it and does not  
18 preclude any other agency or officer of this state or  
19 subdivision thereof from instituting other civil or criminal  
20 proceedings as may be appropriate now or in the future.

21 6. GARY K. HOFFMAN represents that as <sup>Associate</sup> General Counsel and <sup>Vice President</sup> of Old  
22 American Insurance Company, he has been authorized by it to  
23 enter into this Order for and on its behalf.

OLD AMERICAN INSURANCE COMPANY

24  
25  
26 September 2, 1999  
27 (Date)

Gary K. Hoffman

1 COPY of the foregoing mailed/delivered  
2 this 13th day of September , 1994, to:

3 Gay Ann Williams  
4 Deputy Director  
5 Gregory Y. Harris  
6 Chief Administrative Law Judge  
7 Erin Klüg  
8 Manager  
9 Market Conduct Examinations Division  
10 Saul Saulson  
11 Supervisor  
12 Examinations Section  
13 Shirley Polzin  
14 Supervisor  
15 Life and Disability Section  
16 Deloris E. Williamson  
17 Assistant Director  
18 Rates & Regulations Division  
19 Gary Torticill  
20 Assistant Director and Chief Financial Examiner  
21 Corporate & Financial Affairs Division  
22 Ron Watkins  
23 Assistant Director  
24 Consumer Services and Investigations  
25 Mary Butterfield (L&D Orders only)  
26 Manager  
27 Health Policy Division  
28

DEPARTMENT OF INSURANCE  
2910 North 44th Street, Suite 210  
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