

JUL 29 2011

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

DEPT OF INSURANCE  
BY 

In the Matter of: )  
21<sup>st</sup> CENTURY INSURANCE COMPANY )  
OF THE SOUTHWEST, )  
(NAIC # 10245) )  
Respondent. )

No. 11A- 101- INS

CONSENT ORDER

The State of Arizona Department of Insurance ("Department") has received evidence that **21<sup>st</sup> Century Insurance Company of the Southwest** ("Respondent") violated provisions of Title 20, Arizona Revised Statutes. Respondent wishes to resolve this matter without the commencement of formal proceedings, and admits the following Findings of Fact are true and consents to entry of the following Conclusions of Law and Order.

**FINDINGS OF FACT**

1. 21<sup>st</sup> Century Insurance Company of the Southwest ("21st Century") holds a Certificate of Authority in Arizona to transact insurance as a property and casualty insurer.

2. From June 25, 2007 through March 17, 2010<sup>1</sup>, 21<sup>st</sup> Century mailed cancellation notices to 2,303 Arizona private passenger automobile insurance policyholders with retroactive cancellation effective dates.

3. On or about September, 2009, the Department notified 21<sup>st</sup> Century that its practice of mailing cancellation notices with retroactive effective dates violated A.R.S. § 20-1632.01(B).

<sup>1</sup> Five six-month periods.



1 **ORDER**

2 **IT IS ORDERED THAT:**

3 1. 21<sup>st</sup> Century shall abide by its oral agreement to end its violative practice and  
4 amend its electronic system effective April 23, 2010 so that the cancellation effective date is  
5 the mailing date of the notice of cancellation.

6 2. 21<sup>st</sup> Century shall reopen the one covered claim that occurred during the audit  
7 period and shall pay all amounts determined to be owed on that claim along with all  
8 appropriate interest.

9 3. On or before July 15, 2011, 21<sup>st</sup> Century shall report the results of the self-audit  
10 to the Department.

11 4. 21<sup>st</sup> Century shall immediately pay a civil penalty of \$90,000 to the Director for  
12 deposit into the State General Fund.

13 DATED AND EFFECTIVE this 28<sup>th</sup> day of July, 2011.

14   
15 \_\_\_\_\_  
16 CHRISTINA URIAS  
17 Director of Insurance

18 **CONSENT TO ORDER**

19 1. Respondent has reviewed the foregoing Findings of Fact, Conclusions of Law  
20 and Order.

21 2. Respondent admits the jurisdiction of the Director of Insurance, State of  
22 Arizona, and admits the foregoing Findings of Fact and consents to the entry of the foregoing  
23 Conclusions of Law and Order.

1 3. Respondent is aware of its right to notice and a hearing at which it may be  
2 represented by counsel, present evidence and examine witnesses. Respondent irrevocably  
3 waives its right to such notice and hearing and to any court appeals relating to this Consent  
4 Order.

5 4. Respondent states that no promise of any kind or nature whatsoever, except as  
6 expressly contained in this Consent Order, was made to it to induce it to enter into this  
7 Consent Order and that it has entered into this Consent Order voluntarily.

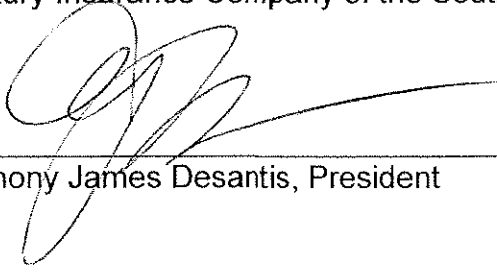
8 5. Respondent acknowledges that the acceptance of this Consent Order by the  
9 Director is solely to settle this matter against it and does not preclude any other agency,  
10 officer, or subdivision of this state including the Department from instituting civil or criminal  
11 proceedings as may be appropriate now or in the future not related to this matter.

12 6. Respondent acknowledges that this Consent Order is a public record and may  
13 be released in response to a request from the public. Respondent also acknowledges that  
14 the Department will post the status of Respondent's license on its website. The Department  
15 may, at its discretion, release the content of this Consent Order.

16 7. Anthony James Desantis represents that he is the President of 21<sup>st</sup> Century  
17 Insurance Company of the Southwest and that, as such, he is authorized to enter this  
18 consent order on its behalf.

21<sup>st</sup> Century Insurance Company of the Southwest

7/19/11  
Date

By :   
Anthony James Desantis, President

1 COPIES of the foregoing mailed/delivered  
this 29<sup>th</sup> day of July, 2011, to:

2 Anthony J. Desantis, President  
3 21<sup>st</sup> Century Insurance Company of the Southwest  
4 3 Beaver Valley Road  
5 Wilmington, DE 19803-1115  
6 Respondent

7 Mary E. Kosinski, Executive Assistant for Regulatory Affairs  
8 Mary Butterfield, Assistant Director  
9 Catherine M. O'Neil, Consumer Legal Affairs Officer  
10 Steve Ferguson, Financial Affairs Division  
11 Maria Chavira, Market Oversight Division  
12 Department of Insurance  
13 2910 North 44<sup>th</sup> Street, Suite 210  
14 Phoenix, Arizona 85018

15   
16 Curvey Walters Burton