

AUG 29 2013

DEPT OF INSURANCE
BY 

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

In the Matter of:
**ADVANCED PHYSICIANS INSURANCE
RISK RETENTION GROUP, INC.
(NAIC NO. 12166)**

No. 13A-105-INS

**NOTICE OF DETERMINATION ORDER FOR
SUPERVISION AND NOTICE OF APPEAL
RIGHTS**

RESPONDENT.

The State of Arizona, Department of Insurance ("Department") received evidence that **Advanced Physicians Insurance Risk Retention Group, Inc. ("Respondent")** is in such a condition as to render the continuance of its business hazardous to the public or to holders of its policies or certificates of insurance in violation of provisions of Title 20, Arizona Revised Statutes ("A.R.S."). In light of the serious nature of these allegations, the Director of Insurance for the State of Arizona ("Director") finds that the public health, safety and welfare imperatively requires emergency action, within the meaning of A.R.S. § 41-1092.11(B).

FINDINGS OF FACT

1. Respondent is an Arizona domiciled risk retention group and presently holds a certificate of authority issued by the Department to transact casualty business without worker's compensation and employer liability.

2. Upon information and belief, Federal law enforcement arrested Respondent's only officer, Dike Ajiri, on federal health care fraud charges on August 27, 2013. This condition is such as to render the continuance of its business hazardous to the public or to holders of its policies or certificates of insurance pursuant to A.R.S. § 20-169.

3. Not all persons possessing, directly or indirectly, the power to cause the direction of the management and policies of the insurer, whether as the result of an official position or corporate office held by the person or through control are adequately competent, experienced and of good character to exercise such power. Such condition is considered hazardous to the continued operations of the company pursuant to A.A.C. R20-6-308(A)(14).

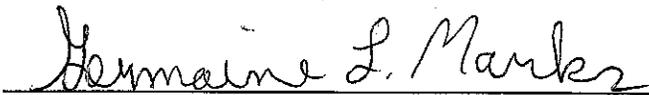
- 1 a. Dispose of, convey or encumber any of its assets or its business in force;
- 2 b. Withdraw any of its bank accounts;
- 3 c. Lend any of its funds;
- 4 d. Invest any of its funds;
- 5 e. Transfer any of its property;
- 6 f. Incur any debt, obligation or liability, either direct or contingent;
- 7 g. Merge or consolidate with another company;
- 8 h. Pay any dividends; or
- 9 i. Terminate, amend, or enter into any contracts including reinsurance treaties or
- 10 contracts.

11 5. In order to abate the Director's determination Respondent shall provide the
12 Department with a plan satisfactory to the Department that cures the deficiencies noted in the
13 Findings of Fact.

14 6. If Respondent fails to satisfy the requirements to abate the Director's
15 determination within sixty (60) days from the date hereof, the Director may take appropriate
16 action including but not limited to commencing a conservatorship pursuant to A.R.S. § 20-171.

17 7. Pursuant to A.R.S. § 20-171(C), the costs incident to the services of the Director
18 or her Supervisor, or both, shall be charged against the assets and funds of Respondent and
19 shall be paid when fixed and determined by the Director.

20 DATED this 29th day of August 2013.

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Germaine L. Marks
Director of Insurance

1 **NOTICE OF APPEAL RIGHTS**

2 This determination is an appealable agency action. A.R.S. § 41-1092(3). You have the right
3 to ask for a hearing on this determination by filing a request for hearing within **30 days** after
4 you receive this notice. If we receive your request for hearing **after** the 30-day period, we will
not accept it unless you can show that you had good cause to file it late.

5 Your request for hearing must include the following:

- 6 - the party appealing our decision;
- 7 - the party's address;
- 8 - the decision you are appealing or contesting; and
- 9 - a concise statement of the reason(s) for the hearing

10 The Office of Administrative Hearings will hold you hearing as soon as practicable unless: 1) a
11 party can show good cause to advance or delay the hearing; or 2) the parties agree to
12 advance or delay the hearing. We will send you a "Notice of Hearing" at least 30 days before
the hearing, which will tell you the date, time and location of the hearing as well as the issues
that the hearing will address and/or resolve.

13 If you request a hearing, you may also request an "informal settlement conference" by filing a
14 written request with us. A.R.S. § 41-1092.06. You may request an informal settlement
15 conference at any time but **not later than 20 days** before the scheduled hearing. We will hold
16 the conference at our office within 15 days after we receive your written request. We will have
17 a person with the authority to act on behalf of the Department present. If we do not settle the
18 case, please note that you waive all objections to our representative participating in the final
administrative decision of your matter.

19 You must address your hearing request or informal settlement conference request to:

20 Deputy Director
21 Arizona Department of Insurance
22 Notice of Appeal
23 2910 North 44th Street, Suite 210
Phoenix, Arizona 85018-7256

1 COPY of the foregoing mailed/delivered
this 29th day of August 2013 to:

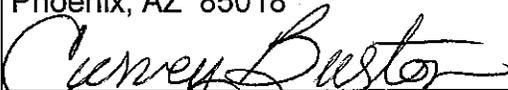
2 Advanced Physicians Insurance Risk Retention Group, Inc.
3 c/o Dike Ajiri, President
2700 N. Third Street, Suite 3050
4 Phoenix, AZ 85004
Respondent

5 Dike Ajiri, President
6 1229 N. North Branch, Suite 206
Chicago, IL 60642

7 James Gordon
8 GPW & Associates, Inc.
2700 N. Third Street 3050
9 Phoenix, AZ 85004
Statutory Agent for Respondent

10 Lynette Evans
Assistant Attorney General
11 1275 West Washington
Phoenix, AZ 85007
12 Attorney for the Arizona Department of Insurance

13 Kurt Regner, Financial Affairs Assistant Director
Cary Cook, Administrative Services Officer
14 Mary E. Kosinski, Executive Asst. for Regulatory Affairs
Darren Ellingson, Deputy Director
15 Arizona Department of Insurance
2910 North 44th Street, Suite 210
16 Phoenix, AZ 85018

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Curvey Walters Burton