

AUG 19 2015

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

DEPT OF INSURANCE
BY MS

In the Matter of:

**PEAK PROPERTY & CASUALTY INSURANCE
CORPORATION,**
NAIC # 18139,

) Docket No.15A-111-INS
)
) **CONSENT ORDER**
)
)
)

Respondent.

Examiners for the Department of Insurance (the "Department") conducted a target market conduct examination of Peak Property & Casualty Insurance Corporation ("Peak"). In the Report of Target Market Conduct Examination of the Market Conduct Affairs of Peak Property & Casualty Insurance Corporation, the examiners allege that Peak, violated A.R.S. §20-2110.

Peak wishes to resolve this matter without formal proceedings, admits that the following Findings of Fact are true, and consents to the entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

1. Peak is authorized to transact property and casualty insurance pursuant to a Certificate of Authority issued by the Director.
2. The Director authorized the examiners to conduct a target market conduct examination of Peak. The examination covered the time period from January 1, 2014 through December 31, 2014 and concluded on June 8, 2015. Based on their findings, the examiners prepared the "Report of Target Market Conduct Examination of Peak Property & Casualty Insurance Corporation," dated December 31, 2014.
3. The examiners reviewed 19 of 19 private passenger automobile non-renewals, and 3 of 3 private passenger automobile cancellations, all non-renewed or cancelled for underwriting reasons during the time frame of the examination and found

1 that Peak failed to provide a compliant Summary of Rights for all 22 private passenger
2 non-renewals and cancellations.

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4 **CONCLUSIONS OF LAW**

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6 1. Peak violated A.R.S. §20-2110 by failing to send policyholders a
7 compliant Summary of Rights in the event of an adverse underwriting decision.

8 2. Grounds exist for the entry of the following Order in accordance with
9 A.R.S. §§20-220 and 20-2117.

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11 **ORDER**

12 **IT IS HEREBY ORDERED THAT:**

13 1. Peak shall provide insureds with a compliant Summary of Rights in the
14 event of an adverse underwriting decision.

15 2. Within 90 days of the filed date of this Order, Peak shall submit to the
16 Arizona Department of Insurance, for approval, evidence that Peak implemented
17 corrections and communicated these corrections to the appropriate personnel,
18 regarding the issues outlined in Paragraph 1 of the Order section of this Consent
19 Order. Evidence of corrective action and communication thereof includes, but is not
20 limited to, memos, bulletins, E-mails, correspondence, procedures manuals, print
21 screens, and training materials.

22 3. The Department shall be permitted, through authorized representatives,
23 to verify that Peak has complied with all provisions of this Order.


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1 4. The Company shall pay a civil penalty of \$10,000.00 to the Director for
2 deposit in the State General Fund in accordance with A.R.S. §20-220(B). This civil
3 penalty shall be provided to the Market Conduct Examinations Section of the
4 Department prior to the filing of this Order. Payment shall be submitted in the form of a
5 check, made payable to the Arizona Department of Insurance.

6 5. The "Report of Target Market Conduct Examination of Peak Property &
7 Casualty Insurance Corporation" of December 31, 2014, including the letter with its
8 objections to the Report of Examination, shall be filed with the Department upon the
9 filing of this Order.

10 DATED at Arizona this 13th day of August, 2015.

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13 _____
14 Germaine L. Marks
15 Director of Insurance
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1 CONSENT TO ORDER

2 1. Peak Property & Casualty Insurance Corporation has reviewed the
3 foregoing Order.

4 2. Peak Property & Casualty Insurance Corporation admits the jurisdiction
5 of the Director of Insurance, State of Arizona, admits the foregoing Findings of Fact,
6 and consents to the entry of the Conclusions of Law and Order.

7 3. Peak Property & Casualty Insurance Corporation is aware of the right to a
8 hearing, at which it may be represented by counsel, present evidence and cross-
9 examine witnesses. Peak Property & Casualty Insurance Corporation irrevocably
10 waives the right to such notice and hearing and to any court appeals related to this
11 Order.

12 4. Peak Property & Casualty Insurance Corporation states that no promise
13 of any kind or nature whatsoever was made to it to induce it to enter into this Consent
14 Order and that it has entered into this Consent Order voluntarily.

15 5. Peak Property & Casualty Insurance Corporation acknowledges that the
16 acceptance of this Order by the Director of the Arizona Department of Insurance is
17 solely for the purpose of settling this matter and does not preclude any other agency or
18 officer of this state or its subdivisions or any other person from instituting proceedings,
19 whether civil, criminal, or administrative, as may be appropriate now or in the future.

20 6. Kenneth J. Erler, who holds the office of
21 Secretary of Peak Property & Casualty Insurance Corporation, is
22 authorized to enter into this Order for them and on their behalf.

23 **PEAK PROPERTY & CASUALTY INSURANCE CORPORATION**

24
25 8/7/2015
Date

By

Kenneth J. Erler

1 COPY of the foregoing mailed/delivered
2 this 19th day of August , 2015, to:

3 Germaine L. Marks
4 Director of Insurance

5 Darren Ellingson
6 Deputy Director
7 Director's Office

8 Yvonne R. Hunter
9 Assistant Director
10 Consumer Affairs Division

11 Kurt Regner
12 Assistant Director
13 Financial Affairs Division

14 David Lee
15 Chief Financial Examiner

16 Erin Klug
17 Assistant Director
18 Rate & Form Division

19 Chuck Gregory
20 Special Agent Supervisor
21 Investigations Division

22 Helene I. Tomme
23 Market Examinations Supervisor
24 Market Oversight Division

25 DEPARTMENT OF INSURANCE
2910 North 44th Street, Suite 210
Phoenix, AZ 85018

Wendy Whitrock-Keller
Director of Privacy & Corporate Compliance
Peak Property & Casualty Insurance Corporation
1800 North Point Drive
Stevens Point, WI 54481-8020

Maidene Schenier