

STATE OF ARIZONA
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DEPT. OF INSURANCE

REPORT OF TARGET MARKET CONDUCT EXAMINATION

OF

COAST NATIONAL INSURANCE COMPANY

NAIC # 25089

AS OF

JUNE 30, 2008

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CHRISTINA URIAS
Director of Insurance

Honorable Christina Urias
Director of Insurance
State of Arizona
2910 North 44th Street
Suite 210, Second Floor
Phoenix, Arizona 85108-7256

Dear Director Urias:

Pursuant to your instructions and in conformity with the provisions of the Insurance Laws and Rules of the State of Arizona, an examination has been made of the market conduct affairs of the:

COAST NATIONAL INSURANCE COMPANY
NAIC # 25089

The above examination was conducted by William Hobert, Examiner-in-Charge, and Market Conduct Examiners Laura Sloan-Cohen, AIE and Robert De Berge.

The examination covered the period of July 1, 2007 through June 30, 2008.

As a result of that examination, the following Report of Examination is respectfully submitted.

Sincerely yours,

A handwritten signature in cursive script that reads "Helene I. Tomme".

Helene I. Tomme, CPCU, CIE
Market Conduct Examinations Supervisor
Market Oversight Division

FOREWORD

This target market conduct examination report of Coast National Insurance Company (herein referred to as the "Company"), was prepared by employees of the Arizona Department of Insurance (Department) as well as independent examiners contracting with the Department. A target market conduct examination is conducted for the purpose of auditing certain business practices of insurers licensed to conduct the business of insurance in the state of Arizona. The examiners conducted the examination of the Company in accordance with Arizona Revised Statutes (A.R.S.) §§ 20-142, 20-156, 20-157, 20-158 and 20-159. The findings in this report, including all work product developed in the production of this report, are the sole property of the Department.

The examination consisted of a review of the following Private Passenger Automobile line of business operations:

1. Complaint Handling
2. Marketing and Sales
3. Producer Compliance
4. Underwriting and Rating
5. Cancellations and Nonrenewals
6. Claims Processing

Certain unacceptable or non-complying practices may not have been discovered in the course of this examination. Additionally, findings may not be material to all areas that would serve to assist the Director.

Failure to identify or criticize specific Company practices does not constitute acceptance of those practices by the Department.

SCOPE AND METHODOLOGY

The examination of the Company was conducted in accordance with the standards and procedures established by the National Association of Insurance Commissioners (NAIC) and the Department. The market conduct examination of the Company covered the period of July 1,

2007 through June 30, 2008 for business reviewed. The purpose of the examination was to determine the Company's compliance with Arizona's insurance laws, and whether the Company's operations and practices are consistent with the public interest. This examination was completed by applying tests to each examination standard to determine compliance with the standard. Each standard applied during the examination is stated in this report and the results are reported beginning on page 7.

In accordance with Department procedures, the examiners completed a Preliminary Finding ("Finding") form on those policies, claims and complaints not in apparent compliance with Arizona law. The finding forms were submitted for review and comment to the Company representative designated by Company management to be knowledgeable about the files. For each finding the Company was requested to agree, disagree or otherwise justify the Company's noted action.

The examiners utilized both examinations by test and examination by sample. Examination by test involves review of all records within the population, while examination by sample involves the review of a selected number of records from within the population. Due to the small size of some populations examined, examination by test and by sample were completed without the need to utilize computer software.

File sampling was based on a review of underwriting and claim files that were systematically selected by using Audit Command Language (ACL) software and computer data files provided by the Company. Samples are tested for compliance with standards established by the NAIC and the Department. The tests applied to sample data will result in an exception ratio, which determines whether or not a standard is met. If the exception ratio found in the sample is, generally less than 5%, the standard will be considered as "met." The standard in the areas of procedures and form use will not be met if any exception is identified.

HISTORY OF THE COMPANY

The Company is a stock property and casualty insurance company organized under the laws of the State of California in July 1986. It is wholly owned by Coast National Holding Company, a California corporation. In July 1998, the Company and its affiliates, including Coast National Holding Company, were acquired by Bristol West Holdings, Inc. (formerly BRW Acquisition, Inc.), which was formed in 1998 by an affiliate of Kohlberg Kravis Roberts & Company.

In July 2007, Bristol West Holdings, Inc. was acquired by Mid-Century Insurance Company and the three insurance exchanges of the Farmers Insurance Group. Thus, in July 2007, the Company became a member of the Farmers Insurance Exchange and Zurich Financial Services holding company systems.

The Company writes private passenger auto liability and physical damage lines of business.

PROCEDURES REVIEWED WITHOUT EXCEPTION

The examiners review of the following Company departments¹ or functions indicates that they appear to be in compliance with Arizona statutes and rules:

Complaint Handling Producer Compliance Marketing and Sales

EXAMINATION REPORT SUMMARY

The examination revealed thirteen (13) compliance issues that resulted in seventy-nine (79) exceptions due to the Company's failure to comply with statutes and rules that govern all insurers operating in Arizona. These issues were found in three (3) of the six (6) sections of Company operations examined. The following is a summary of the examiners' findings:

Underwriting and Rating

In the area of Underwriting, three (3) compliance issues are addressed in this report. Each issue stems from one (1) authorization form used in the Company's underwriting process. The Company failed on the same authorization form to:

- specify the types of persons authorized to disclose information about the individual;
- specify that the length of time the authorization remains valid shall be no longer than one year from the date it is signed; and
- advise the individual or a person authorized to act on behalf of the individual that the individual or the individual's authorized representative is entitled to receive a copy of the authorization form.

¹ If a department name is listed there were no exceptions noted during the review.

Cancellation and Nonrenewals

In the area of Cancellations and Nonrenewals, four (4) compliance issues are addressed in this report as follows:

- The Company failed to nonrenew forty-six (46) policies for reasons allowed under the statute.
- The Company failed to provide two (2) named insured any nonrenewal notice.
- The Company failed to provide two (2) named insureds any specific reason for nonrenewal.
- The Company failed to provide one (1) named insured at least a forty-five (45) day advanced notice of its intent to nonrenew.

Claims Processing

In the area of Claims Processing, six (6) compliance issues are addressed in this report as follows:

- The Company failed on three (3) claim authorization forms to advise the individual or a person authorized to act on behalf of the individual that they are entitled to receive a copy of the authorization form.
- The Company failed on two (2) claim authorization forms to specify the length of time the authorization remains valid shall be no longer than the duration of the claim.
- The Company failed on one (1) claim authorization form to specify the purposes for which the information was collected.
- The Company failed on one (1) claim authorization form to specify the types of persons authorized to disclose information about the individual.
- The Company failed to correctly calculate and fully pay the sales tax payable on five (5) first party and twelve (12) third party total loss settlements.
- The Company failed to correctly calculate and fully pay fees payable on one (1) third party total loss settlement.

FACTUAL FINDINGS

RESULTS OF PREVIOUS MARKET EXAMINATIONS

During the past three (3) years, the Company had market conduct examinations conducted by Arizona and California.

FACTUAL FINDINGS

UNDERWRITING AND RATING

Private Passenger Automobile (PPA)

The examiners reviewed one hundred (100) new business and renewal policies from a population of 37,327 and one hundred (100) surcharged policies from a population of 48,191. The examiners found three (3) processing / form exceptions. No rating exceptions were found.

The following Underwriting and Rating Standards were met:

#	STANDARD	Regulatory Authority
1	The rates charged for the policy coverage are in accordance with filed rates (if applicable) or the Company Rating Plan.	A.R.S. §§ 20-341 through 20-385
2	Disclosures to insureds concerning rates and coverage are accurate and timely.	A.R.S. §§ 20-259.01, 20-262, 20-263, 20-264, 20-266, 20-267
4	All forms and endorsements forming a part of the contract should be filed with the director (if applicable).	A.R.S. § 20-398
5	File documentation adequately supports decisions made.	A.R.S. § 20-385
6	Policies and endorsements are issued or renewed accurately, timely and completely.	A.R.S. §§ 20-1120, 20-1121, 20-1654
7	Rescissions are not made for non-material misrepresentations.	A.R.S. §§ 20-463, 20-1109

The following Underwriting and Rating Standard failed:

#	STANDARD	Regulatory Authority
3	All mandated disclosures are documented and in accordance with applicable statutes, rules and regulations, including, but not limited to, the Notice of Insurance Information Practices and the Authorization for Release of Information.	A.R.S. § 20-2104, 20-2106, 20-2110, 20-2113

Underwriting and Rating Standard # 3 failed

Preliminary Findings #6, #7 and #9 – Authorization Disclosures – On the following authorization form used in the Company's underwriting process:

- Applicant Statement

the Company failed to:

- (a) specify the types of persons authorized to disclose information about the individual;
- (b) specify the authorization remains valid for one (1) year from the date it is signed; and
- (c) advise the individual or a person authorized to act on behalf of the individual they are entitled to receive a copy of the authorization form.

This form fails to comply with A.R.S. § 20-2106(3), (7)(b) and (9), respectively.

UNDERWRITING AND RATING FORMS

Failed to name the specific types of persons authorized to disclose information about the individual.

A.R.S. §§ 20-2106(3)

Population	Sample	# of Exceptions	% to Sample
N/A	N/A	1	N/A

Any error does not meet the Standard.

Failed to specify authorization remains valid for no longer than one year from the date signed

A.R.S. §§ 20-2106(7)(b)

Population	Sample	# of Exceptions	% to Sample
N/A	N/A	1	N/A

Any error does not meet the Standard.

Failed to advise the individual or a person authorized to act on behalf of the individual, that the individual or the individual's authorized representative is entitled to receive a copy of the authorization form.

A.R.S. §§ 20-2106(9)

Population	Sample	# of Exceptions	% to Sample
N/A	N/A	1	N/A

Any error does not meet the Standard.

Recommendation # 1

Within 90 days of the filed date of this report, provide documentation to the Department that procedures and controls are in place to ensure that compliant authorization forms used in the Company's underwriting process that:

- (a) specify the types of persons authorized to disclose information about the individual;
- (b) specify the authorization remains valid for one (1) year from the date it is signed; and
- (c) advise the individual or a person authorized to act on behalf of the individual they are entitled to receive a copy of the authorization form.

Subsequent Event

During the course of the examination, the Company provided the examiners with a revised "Applicant Statement," which was approved by the Department 1/22/09. The application has been submitted to IT for programming and will be completed on 2/12/09.

CANCELLATIONS AND NONRENEWALS

Private Passenger Automobile (PPA):

The examiners reviewed one-hundred (100) non-payment cancellations from a population of 6,066; all fifty-three (53) nonrenewals; and fifty (50) cancellations for underwriting reasons from a population of 420. The examiners found fifty-one (51) nonrenewal exceptions.

The following Cancellation and Nonrenewal Standard was met:

#	STANDARD	Regulatory Authority
1	Declinations, Cancellations and Nonrenewal shall comply with state laws and Company including the Summary of Rights to be given to the applicant and shall not be unfairly discriminatory.	A.R.S. §§ 20-448, 20-2108, 20-2109, 20-2110

The following Cancellation and Nonrenewal Standard failed:

#	STANDARD	Regulatory Authority
2	Cancellation and Nonrenewal notices comply with state laws, Company guidelines and policy provisions, including the amount of advance notice required and grace period provisions to the policyholder, nonrenewal based on condition of premises, and shall not be unfairly discriminatory.	A.R.S. §§ 20-191, 20-443, 20-448, 20-1631, 20-1632, 20-1632.01

Cancellation and Nonrenewal Standard # 2 failed

Preliminary Finding #10 – The Company failed to use reason permitted in the statute for nonrenewals. These are violations of A.R.S. § 20-1631(D).

PRIVATE PASSENGER AUTOMOBILE NONRENEWALS

Nonrenewed coverage for reasons not allowed by statute

A.R.S. § 20-1631(D).

Population	Sample	# of Exceptions	% to Sample
53	53	46	86.8%

A 86.8% error ratio does not meet the Standard; therefore, a recommendation is warranted.

Recommendation # 2

Within 90 days of the filed date of this report, provide documentation to the Department that Company procedures and controls are in place to ensure that the Company nonrenews private passenger automobile coverage for only reasons allowed by statute.

Subsequent Event

During the course of the examination, the Company provided the examiners a list of the updated guidelines with respect to nonrenewal reasons. Not all reasons listed comply with the applicable statute. (See Company response to Preliminary Finding # 10) The Company still needs to provide revised procedures and controls as described in Recommendation # 2.

The Company also reviewed pending nonrenewals and agreed to remove any that do not comply with the statute.

Preliminary Finding #11 - The Company failed to provide:

- (a) nonrenewal notices for two (2) insureds,
 - (b) a reason for the nonrenewal sent two (2) named insureds, and
 - (c) a forty-five (45) day advanced notice of impending nonrenewal to one (1) named insured.
- These represent five (5) violations of A.R.S. § 20-1632(A).

PRIVATE PASSENGER AUTOMOBILE NONRENEWALS

Failed to provide required nonrenewal notifications.

A.R.S. § 20-1632(A)

Population	Sample	# of Exceptions	% to Sample
53	53	5	9.4.0%

A 9.4% error ratio does not meet the Standard; therefore, a recommendation is warranted.

Recommendation # 3

Within 90 days of the filed date of this report, provide documentation to the Department that Company procedures and controls are in place to ensure that a compliant nonrenewal notice is mailed at least forty-five (45) days before the effective date of the nonrenewal and that the notice provides the specific facts which constitute the reasons for the nonrenewal.

Subsequent Event

During the course of the examination, the Company advised the examiners that they will create a weekly report to detect these errors so they can be corrected.

CLAIMS PROCESSING

Private Passenger Automobile (PPA):

The examiners reviewed fifty-two (52) claims closed without payment from a population of 747; fifty-two (52) paid claims from a population of 890; fifty-two (52) total loss claims from a population of 202; and fifty-two (52) subrogation claims from a population of eighty-one (81). The examiners found twenty-five (25) exceptions.

All claim files were reviewed to ensure compliance with Arizona Statutes and Rules.

The following Claim Processing Standards were met:

#	STANDARD	Regulatory Authority
1	The initial contact by the Company with the claimant is within the required time frame.	A.R.S. § 20-461, A.A.C. R20-6-801
2	Timely investigations are conducted.	A.R.S. § 20-461, A.A.C. R20-6-801
4	Claim files are adequately documented in order to be able to reconstruct the claim.	A.R.S. §§ 20-461, 20-463, 20-466.03, A.A.C. R20-6-801
6	The Company uses reservation of rights and excess of loss letters, when appropriate.	A.R.S. § 20-461, A.A.C. R20-6-801
7	Deductible reimbursement to insured upon subrogation recovery is made in a timely and accurate manner.	A.R.S. §§ 20-461, 20-462, A.A.C. R20-6-801
8	The Company responds to claim correspondence in a timely manner.	A.R.S. §§ 20-461, 20-462, A.A.C. R20-6-801
9	Denied and closed without payment claims are handled in accordance with policy provisions and state law.	A.R.S. §§ 20-461, 20-462, 20-463, 20-466, 20-2110, A.A.C. R20-6-801
10	No insurer shall fail to fully disclose to first party insureds all pertinent benefits, coverages, or other provisions of an insurance policy or insurance contract under which a claim is presented.	A.A.C. R20-6-801
11	Adjusters used in the settlement of claims are properly licensed.	A.R.S. §§ 20-321 through 20-321.02

The following Claim Processing Standard failed:

#	STANDARD	Regulatory Authority
3	The Company claim forms are appropriate for the type of product and comply with statutes, rules and regulations.	A.R.S. §§ 20-461, 20-466.03, 20-2106, A.A.C. R20-6-801

Claims Processing Standard # 3 failed

Preliminary Findings #1, #2, #3, #6, #8 and #9 – Authorization Disclosures – On the following claim authorization forms:

- Authorization for Release of Records As per HIPPA Privacy Regulation 45 CFR subsection 164.508 (form # None)
- Employment Information Authorization (form # None)
- Applicant Statement (form # None)

the Company failed to:

- (a) to specify the types of persons authorized to disclose information about the individual;
- (b) specify the purpose for which the information is collected;
- (c) specify the authorization remains valid for no longer than the duration of the claim; and
- (d) advise the individual or a person authorized to act on behalf of the individual they are entitled to receive a copy of the authorization form.

These forms fail to comply with A.R.S. § 20-2106(3), (6), (8)(b) and (9), as illustrated in the following table.

Form Description	Statute	Provision
Authorization for Release of Records As per HIPPA Privacy Regulation 45 CFR subsection 164.508	A.R.S. §20-2106	(9)
Employment Information Authorization	A.R.S. §20-2106	(6), (8)(b) and (9)
Applicant Statement	A.R.S. §20-2106	(3), (8)(b) and (9)

CLAIM FORMS

Failed to specify the types of persons authorized to disclose information about the individual.
A.R.S. § 20-2106(3)

Population	Sample	# of Exceptions	% to Sample
N/A	N/A	1	N/A

Any error does not meet the Standard.

Failed to specify the purposes for which the information is collected.
A.R.S. § 20-2106(6)

Population	Sample	# of Exceptions	% to Sample
N/A	N/A	1	N/A

Any error does not meet the Standard.

Failed to specify the authorization remains valid for no longer than the duration of the claim.

A.R.S. § 20-2106(8)(b)

Population	Sample	# of Exceptions	% to Sample
N/A	N/A	2	N/A

Any error does not meet the Standard.

Failed to advise the individual or a person authorized to act on behalf of the individual they are entitled to receive a copy of the authorization form.

A.R.S. § 20-2106(9)

Population	Sample	# of Exceptions	% to Sample
N/A	N/A	3	N/A

Any error does not meet the Standard.

Recommendation # 4

Within 90 days of the filed date of this report, provide documentation to the Department that in accordance with applicable state statutes these forms, as needed:

- (a) specify the types of persons authorized to disclose information about the individual;
- (b) specify the purpose for which the information is collected;
- (c) specify the authorization is valid for no longer than the duration of the claim; and
- (d) inform the individual or a person authorized to act on behalf of the individual that they are entitled to receive a copy of the authorization form.

Subsequent Event

During the course of the Examination, the Company supplied the examiners with proof that the Authorization for Release of Records As per HIPPA Privacy Regulation 45 CFR subsection 164.508 and the Employment Information Authorization have been revised to comply with the statute. The Applicant Statement has been withdrawn from use as a claim form.

The following Claim Processing Standard failed:

#	STANDARD	Regulatory Authority
5	Claims are properly handled in accordance with policy provisions and applicable statutes, rules and regulations.	A.R.S. §§ 20-461, 20-462, A.A.C. R20-6-801

Claims Processing Standard # 5 failed

Preliminary Findings #4 and #5 – Total Loss Sales Tax and Fees – The Company failed to accurately calculate and fully pay the correct:

- (a) sales tax with five (5) first and twelve (12) third party total loss settlements, and
- (b) fees with one (1) third party total loss settlement.

These represent eighteen (18) violations of the statute and/or regulation.

TOTAL LOSSES

Failed to correctly calculate and fully pay sales taxes and fees associated with vehicle total loss settlements

A.R.S. § 20-461(A)(6) and A.A.C. R20-6-801(H)(1)(b)

Population	Sample	# of Exceptions	% to Sample
202	52	18	34.6%

A 34.6% error ratio does not meet the Standard; therefore a recommendation is warranted

Recommendation # 5

Within 90 days of the filed date of this report, provide documentation to the Department that procedures and controls are in place to ensure the Company correctly calculates and pays any sales tax and title, registration or other fees owed any claimant in the settlement of a total loss in accordance with applicable state statutes and rules.

Subsequent Event

During the examination, the Company reimbursed five (5) first party and twelve (12) third party claimants their sales taxes and one (1) third party total loss claimant their fees, resulting in total restitution of \$328.33, which included \$31.59 interest.

SUMMARY OF FAILED STANDARDS

EXCEPTION	Rec. No.	Page No.
UNDERWRITING AND RATING		
<u>Standard #3</u> All mandated disclosures are documented and in accordance with applicable statutes, rules and regulations, including, but not limited to, the Notice of Insurance Information Practices and the Authorization for Release of Information.	1	12
CANCELLATIONS AND NON RENEWALS		
<u>Standard #2</u> Cancellation and Nonrenewal notices comply with state laws, Company guidelines and policy provisions, including the amount of advance notice required and grace period provisions to the policyholder, nonrenewal based on condition of premises, and shall not be unfairly discriminatory	2 & 3	14 & 15
CLAIMS PROCESSING		
<u>Standard #3</u> The Company claim forms are appropriate for the type of product and comply with statutes, rules and regulations.	4	19
<u>Standard #5</u> Claims are properly handled in accordance with policy provisions and applicable statutes, rules and regulations.	5	20

SUMMARY OF PROPERTY AND CASUALTY STANDARDS

A. Complaint Handling

#	STANDARD	PASS	FAIL
1	The company takes adequate steps to finalize and dispose of the complaints in accordance with applicable statutes, rules, regulations and contract language. (A.R.S. § 20-461, A.A.C. R20-6-801)	X	
2	The time frame within which the company responds to complaints is in accordance with applicable statutes, rules and regulations. (A.R.S. § 20-461, A.A.C. R20-6-801)	X	

B. Marketing and Sales

#	STANDARD	PASS	FAIL
1	All advertising and sales materials are in compliance with applicable statutes, rules and regulations. (A.R.S. § 20-442 and 20-443)	X	

C. Producer Compliance

#	STANDARD	PASS	FAIL
1	The producers are properly licensed in the jurisdiction where the application was taken. (A.R.S. §§ 20-282, 20-286, 20-287, 20-311 through 311.03)	X	
2	An insurer shall not pay any commission, fee, or other valuable consideration to unlicensed producers. (A.R.S. § 20-298)	X	

D. Underwriting and Rating

#	STANDARD	PASS	FAIL
1	The rates charged for the policy coverage are in accordance with filed rates (if applicable) or the Company Rating Plan. (A.R.S. §§ 20-341 through 20-385)	X	
2	Disclosures to insureds concerning rates and coverage are accurate and timely. (A.R.S. §§ 20-259.01, 20-262, 20-263, 20-264, 20-266, 20-267)	X	

3	All mandated disclosures are documented and in accordance with applicable statutes, rules and regulations, including, but not limited to, the Notice of Insurance Information Practices and the Authorization for Release of Information. (A.R.S. §§ 20-2104, 20-2106, 20-2110 and 20-2113)		X
4	All forms and endorsements forming a part of the contract should be filed with the director (if applicable). (A.R.S. § 20-398)	X	
5	File documentation adequately supports decisions made. (A.R.S. § 20-385)	X	
6	Policies and endorsements are issued or renewed accurately, timely and completely. (A.R.S. §§ 20-1120, 20-1121, 20-1654)	X	
7	Rescissions are not made for non-material misrepresentations. (A.R.S. §§ 20-463, 20-1109)	X	

E. Declinations, Cancellation and Nonrenewals

#	STANDARD	PASS	FAIL
1	Declinations, cancellations and nonrenewals shall comply with state laws and Company guidelines including the Summary of Rights to be given to the applicant and shall not be unfairly discriminatory. (A.R.S. §§ 20-448, 20-2108, 20-2109, 20-2110)	X	
2	Cancellations and nonrenewal notices comply with state laws, Company guidelines and policy provisions, including the amount of advance notice required and grace period provisions to the policyholder, and shall not be unfairly discriminatory. (A.R.S. §§ 20-191, 20-443, 20-448, 20-1631, 20-1632, 20-1632.01)		X

F. Claims Processing

#	STANDARD	PASS	FAIL
1	The initial contact by the Company with the claimant is within the required time frame. (A.R.S. § 20-461, A.A.C. R20-6-801)	X	
2	Timely investigations are conducted. (A.R.S. § 20-461, A.A.C. R20-6-801)	X	
3	The Company claim forms are appropriate for the type of product and comply with statutes, rules and regulations. (A.R.S. §§ 20-461, 20-466.03, 20-2106, A.A.C. R20-6-801)		X

#	STANDARD	PASS	FAIL
4	Claim files are adequately documented in order to be able to reconstruct the claim. (A.R.S. §§ 20-461, 20-463, 20-466.03, A.A.C. R20-6-801)	X	
5	Claims are properly handled in accordance with policy provisions and applicable statutes, rules and regulations. (A.R.S. §§ 20-268, 20-461, 20-462, A.A.C. R20-6-801)		X
6	The Company uses reservation of rights and excess of loss letters, when appropriate. (A.R.S. § 20-461, A.A.C. R20-6-801)	X	
7	Deductible reimbursement to insured upon subrogation recovery is made in a timely and accurate manner. (A.R.S. §§ 20-461, 20-462, A.A.C. R20-6-801)	X	
8	The Company responds to claim correspondence in a timely manner. (A.R.S. §§ 20-461, 20-462, A.A.C. R20-6-801)	X	
9	Denied and closed without payment claims are handled in accordance with policy provisions and state law. (A.R.S. §§ 20-461, 20-462, 20-463, 20-466, 20-2110, A.A.C. R20-6-801)	X	
10	No insurer shall fail to fully disclose to first party insureds all pertinent benefits, coverages, or other provisions of an insurance policy or insurance contract under which a claim is presented. (A.A.C. R20-6-801)	X	
11	Adjusters used in the settlement of claims are properly licensed (A.R.S. §§ 20-321 through 20-321.02)	X	