

First Quarter 2006

# Insurance Regulator

State of Arizona  
**DEPARTMENT OF  
INSURANCE**

**Janet Napolitano**  
Governor  
**Christina Urias**  
Director

## ADOI Mission Statement



To faithfully execute state insurance laws in a manner that protects insurance consumers and encourages economic development.

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## Arizona's Health-e Connection Is Becoming A Reality

In less than three years from now, your doctor could get your test results electronically, keep your specialist instantly updated on your medications and make visits to an emergency room safer and less expensive for all of us.

On August 30, 2005, Governor Janet Napolitano issued Executive Order 2005-25 to establish an Arizona Health-e Connection Roadmap for state-wide interoperability for electronic health records, to reduce costs and enhance the quality of healthcare in Arizona. The Order called for the creation of a Steering Committee, which held a Call to Action Health Information Technology Summit on October 5, 2005. A diverse group of over 300 health care providers, public health agencies, employers, consumer and patient groups, insurers, administrators and other stakeholders participated in the Summit, creating the first steps towards making Arizona's Healthcare Information Technology ("HIT") and Health Information Exchange ("HIE") a reality. The goal: improve the quality, safety and efficiency of healthcare through information technology and exchange... to take healthcare out of the paper form/manila folder era into one of digital records and electronic sharing. The plan is to start with small, but realistic projects, such as immunization and pharmacy records, on a regional basis, then move to a statewide system.

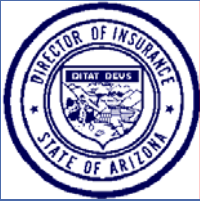
ADOI Director, Christina Urias, participated on the Steering Committee over the past six months and assisted in the Committee's development of a

Roadmap for 100% electronic connectivity and data exchange of health information in both public and private health care delivery systems within the next three years. Clinical, Technical, Privacy & Security, Financial and Governance Task Forces worked out the basic infrastructure details and, on April 4, 2006, the Committee submitted the Roadmap to the Governor for approval. Essentially, the task forces focused on urgency and feasibility concerns and considered various issues in each infrastructure area. For example, consumer privacy and security: Who would have access to the data? What authorization would be required? The groups also considered: Funding sources, Development of Patient Health Summaries, Data Storage and Test Results Delivery, Creation of a Directory of Clinicians and Healthcare Providers, Governance, and a multitude of other issues essential to the project. Thus far, Arizona is one of the leading states in the country in the development of this important healthcare initiative.

For more information, including the full text of the Roadmap, go to [www.azgita.gov](http://www.azgita.gov) and click on Arizona Health-e Connection.

### Other electronic health records resources:

[www.azgita.gov](http://www.azgita.gov)  
[www.azdojit.org](http://www.azdojit.org)  
[www.himaofaz.org](http://www.himaofaz.org)



STATE OF ARIZONA

The **Insurance  
Regulator**  
is published by the  
**Arizona  
Department of  
Insurance**

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Ste. 210  
Phoenix, AZ 85018  
602-364-3100  
[www.id.state.az.us](http://www.id.state.az.us)

**Janet Napolitano**  
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Public Information Officer

## Compliance Update: Health Care Delivery & Provider Timely Pay

Pursuant to legislation enacted in 2000, the ADOI launched two new programs in 2001 to: (1) oversee the delivery of health care services by health care services organizations (HCSOs); and, (2) administer Arizona's new provider timely pay and grievance law. For more information about the background and purpose of these programs, please see Regulatory Bulletin 2001-06 (<http://www.id.state.az.us/bulletin/2001-06.pdf>) regarding health care delivery oversight and Regulatory Bulletin 2006-02 (<http://www.id.state.az.us/bulletin/2006-02.pdf>) regarding the timely pay law.

Looking back on five years of enforcement activity under these programs, ADOI's Life & Health Division has compiled this list of common violations and compliance pitfalls in hopes of aiding HCSO compliance efforts in Arizona:

### **Violations that occur routinely due to systems errors or limitations:**

- An insurer or HCSO underpaying contracted providers because its claims system does not recognize an updated fee-schedule.
- An insurer or HCSO failing to establish an effective internal system for resolving payment disputes and other provider grievances.
- An HCSO denying clean claims submitted by non-contracted providers for covered (i.e. emergency or prior-authorized) services because its claims system automatically denies out-of-network claims.

### **Failure to comply with statutory time frames:**

- If a statute requires an insurer to take an action in five days, an insurer that has not taken the action on the sixth day is out of compliance.

### **Failure to comply with all aspects of a statutory section or subsection that has multiple requirements, for example:**

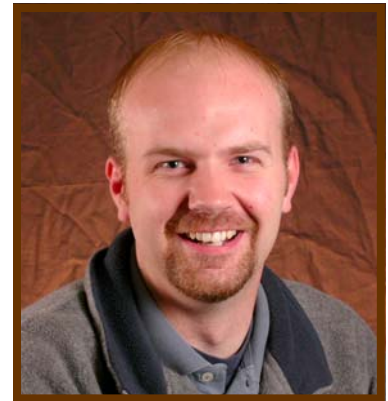
- When a statute requires an insurer to send a communication about a member health care appeal to the member and the member's provider, and the insurer sends it to one but not the other.
- When a statute requires an insurer to pay interest at a certain rate and starting on a certain date and the insurer pays at the correct rate but not starting on the correct date.
- When a rule requires an HCSO to cover primary care, specialty care and ancillary care that include diagnostic and therapeutic services, and the HCSO does not cover therapeutic services.

### **Failure to comply with ADOI requests for records, documents and data relating to the subject of an examination.**

For more information contact Laura Weng, Health Care Insurance Oversight Manager, at 602-364-2394 or [lweng@id.state.az.us](mailto:lweng@id.state.az.us).

## ADOI Employee of the Year: **Steven Fromholtz**

The 2006 ADOI Employee of the Year is Steven Fromholtz, Supervisor of the Producer Licensing Section.



Prior to joining the ADOI in 2003 as a Consumer Specialist in the Consumer Affairs Division, Steven was a property and casualty insurance producer in Arizona. He graduated from Central Michigan University in 1996 with a Bachelor of Science degree in Business Administration.

In his capacity as Licensing Supervisor, Steven manages the operations of the Licensing Section, represents Arizona’s interest in NAIC working groups and task forces, testifies at administrative hearings and coordinates automation initiatives with IBM, the NAIC and Arizona’s continuing education administrator. His inspiring leadership has further developed the licensing staff into a productive, professional team that has experienced no turnover in over a year. His outstanding communication skills allow him to handle the most complex licensee issues with acumen and finesse. The Department is proud to award him Employee of the Year honors.

### Fraud Report

The **National White Collar Crime Center** (NW3C) provides nationwide support for agencies involved in the prevention, investigation, and prosecution of economic and high-tech crimes, supporting and partnering with other appropriate entities. The NW3C is a congressionally-funded, non-profit corporation whose membership is primarily comprised of law enforcement agencies, state regulatory bodies with criminal investigative authority, and state and local prosecution offices.

Each year, the NW3C conducts a survey of public perceptions about white collar crime. The 2005 survey asked the public to rank seriousness of 12 crime scenarios on a scale of 1 (*Not Serious*) to seven (*Very Serious*). Not surprisingly, those surveyed rated car-jacking plus murder as the most serious. Interestingly, the public ranked **insurance fraud/fraudulent claims** as the 4<sup>th</sup> most significant crime after assault, robbery and burglary. The complete survey is available on the organization’s website [www.nw3c.org](http://www.nw3c.org).

As the statistics below illustrate, the Department of Insurance Fraud Unit aggressively fights insurance fraud in Arizona. The ADOI Investigations Division, funded by insurance industry assessments, has ten criminal investigators actively working to bring white collar offenders to justice. Created 12 years ago, the Fraud Unit receives more than two thousand insurance related fraud reports each year.

#### 2005 Arizona Fraud Unit Statistics

Total Referrals .....	2,346
Total Criminal Cases Opened.....	298
Cases to AG’s.....	81
Cases to County .....	49
Number of Indictments.....	20
Number of Convictions .....	76
Total Restitution .....	\$318,170
Total Fines .....	\$54,4074
Recovered Property Amount .....	\$66,400
Amount Saved Ins. Cos. ....	\$814,101
Total criminal Cases Closed .....	278

## Legislative Report

Once the Governor and the Legislature conclude budget negotiations, the ADOI will issue its annual Regulatory Bulletin summarizing insurance-related legislation from the 2006 session. In the meantime, here are summaries of two key bills passed this session on Annuities Suitability and Participation in Group Life Insurance.

**HB 2162** establishes suitability protections for Arizona consumers in the purchase of or the exchange of an annuity. Based on the NAIC's model legislation, the bill requires an insurer or insurance producer to "have reasonable grounds for believing that the recommendation is suitable for the consumer on the basis of the facts disclosed by the consumer as to the consumer's investments and other insurance products and as to the consumer's financial situation and needs."

The bill states that unless otherwise specified, the provisions do not apply to: 1) annuities recommendations involving direct response solicitations in which the recommendation is not based on information collected from the consumer; and, 2) contracts used to fund employee pension or welfare benefit plans, various retirement savings plans established or maintained by the employer, government or church plans, certain deferred compensation plans, liability settlements, or prepaid funeral contracts.

The enacted version of HB 2162 contained a typographical error in §20-1243.02 (2)(d), "a nonqualified deferred compensation arrangement established or maintained by an employee or plan sponsor." The drafters intended the word "*employee*" in this clause to be "*employer*." The Department and the bill's proponents will pursue a technical correction of this error in the next legislative session. Until then, the Department will treat the mistaken reference to "*employee*" as

"*employer*," in accordance with legislative intent.

Additionally, the bill requires insurers to either: establish and maintain a system to achieve compliance with the standards, or to hire a third party, such as a managing general agent or business entity, to establish and maintain the system. It also requires insurers, insurance producers, managing general agents and business entities to provide the Director with the information records (collected from consumers and used to make the recommendations) for at least five years, or until the regulator's next regular domiciliary examination, whichever is later. Finally, the bill grants the Director the authority to order corrective action and to administer the applicable penalties for violations.

The law will be effective on the general effective date, 90 days after the legislature adjourns, *sine die*.

**SB 1070** eliminates the group life insurance participation requirement (that 75% of the persons eligible for a group life insurance policy must participate in the policy). The bill removes this requirement from the provisions governing credit union groups, employee groups, labor union groups, and trustee groups. The bill also removes a requirement that 75% of the persons insured under a group life policy must elect to extend the policy to dependents in order for dependents to have coverage.

This bill will also be effective on the general effective date.

To obtain copies of these or other bills please visit [www.azleg.state.az.us](http://www.azleg.state.az.us).

## ADOI Continuing Education Review Committee

The ADOI is accepting applications for membership on the Arizona Insurance Continuing Education Review Committee (Committee). Individuals interested in serving on the Committee must be residents of Arizona and must have knowledge of the insurance industry. To apply, please complete the "CONTINUING EDUCATION REVIEW COMMITTEE Prospective Member Information" form on the next page and mail or deliver the form with attachments to Scott B. Greenberg at the address shown on the form.

The Committee performs the following functions (see A.R.S. § 20-2905):

- Establishes standards that apply to Arizona insurance continuing education courses and course providers
- Establishes performance standards for the entity that provides continuing education administration services, and
- Performs other tasks related to Arizona's continuing education program as prescribed by the Director.

Meetings are held on an ad hoc basis as deemed necessary by the Director or by any two members of the Committee (in 2005, one meeting was held). Appointed members are not eligible to receive compensation, but are eligible to receive reimbursement of pre-approved travel-related expenses.

For more information about Arizona producer CE requirements, visit <http://www.id.state.az.us/producer.html#ce>. Questions concerning the Continuing Education Review Committee may be directed to Mr. Greenberg by e-mail at [sgreenberg@id.state.az.us](mailto:sgreenberg@id.state.az.us).

### NEW ADOI PHONE NUMBERS

We apologize for any difficulties callers may have encountered using the new phone numbers. Here is a summary of the Phoenix office phone numbers:

Consumers:	602.364.2499
Consumers - Spanish:	602.364.2977
Health Care Appeals:	602.364.2399
Insurance Fraud:	602.912.8418
Life/Health Filings:	602.364.2393
Health Provider Hotline:	602.364.2395
Producer Licensing:	602.364.4457
Property/Casualty Filings:	602.364.3453

***If you encounter difficulty when calling a division,  
please call the Main Switchboard at 602.364.3100***

**Arizona Department of Insurance**  
**CONTINUING EDUCATION REVIEW COMMITTEE**  
**Prospective Member Information**

<b>APPLICANT IDENTIFICATION</b>			
Last Name:	First Name:	Middle Name/Initial:	
Mailing Address:		Office Phone: (____) ____ - _____	
City:	State: <b>AZ</b>	ZIP Code:	Home/Mobile Phone: (____) ____ - _____
Email Address:			
<b>PROFESSIONAL EXPERIENCE:</b> Please attach a résumé of your experience and education, and complete the following section.			
Arizona Insurance License # (if applicable):		Years of Experience as an Arizona-Licensed Insurance Producer: _____	
States in which Insurance Producer Licenses Are Held: _____ _____ _____ _____			
Professional Association/Organization Affiliations (please do not use acronyms): _____ _____ _____			
Professional Designations (please do not use acronyms): _____ _____ _____			
<b>BACKGROUND QUESTIONS:</b> If you answer "YES" to any of the following questions, please provide a statement that summarizes the reason for the "YES" response and please provide the documents that show the charges, findings of fact, conclusions of law, orders/judgments, and any document that shows the disposition of the case.			
Have you, or any business entity of which you were a member, officer or director, any time during the past ten years:			
o Been convicted of a felony?			<input type="checkbox"/> Yes <input type="checkbox"/> No
o Had any judgment, order or other determination made against you in any civil, administrative, judicial or quasi-judicial proceeding of any kind in any jurisdiction, including any criminal conviction, for theft, fraud, misappropriation, misrepresentation, coercive or dishonest practices, incompetence, untrustworthiness, financial irresponsibility, forgery or unauthorized transaction of insurance?			<input type="checkbox"/> Yes <input type="checkbox"/> No
o Had any professional, vocational, business license or certification refused, denied, suspended, revoked or restricted, or a fine imposed by any public authority?			<input type="checkbox"/> Yes <input type="checkbox"/> No
As of the date of this application, are you named as a defendant or respondent in any civil, administrative, judicial or quasi-judicial proceeding of any kind, including any criminal proceeding?			<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>ATTESTATION:</b> By my signature below, I hereby attest and affirm that the information provided on this document and on any documents provided therewith is true and correct to the best of my knowledge.			
_____		_____	
Applicant Signature		Date	

Send completed application with attachments to:  
**Scott B. Greenberg, Chairman**  
**CERC, 2910 North 44th Street, Suite 210, Phoenix, Arizona 85018-7269**

# AROUND ADOI

## Property & Casualty

### Surplus Line Insurer Qualifications

To remain on the Director's List of Qualified Unauthorized Insurers, the sponsoring broker of the insurer must file certain documents with the ADOI prior to June 1 of each year pursuant to Arizona Administrative Code rule R20-6-204 (G). Affidavit of Surplus Lines Broker & Insurer (SL Form R20-6-204, ED 12/00) is completed and submitted by the broker **only for those insurers on the list that wish to continue their listing.** Surplus Line Forms 110 and 111 must be filed by the sponsoring broker for new insurers that wish to make an initial appearance on the list.

Any questions on surplus line insurer qualifications should be directed to Gerry Tharp at 602-364-3453 or via email at [Gtharp@id.state.az.us](mailto:Gtharp@id.state.az.us).

### Homeowner and Mobile Homeowner Premium Comparison Surveys

The 2006 editions of the Homeowner and Mobile Homeowner Premium Comparison Surveys have been published. These surveys provide Arizona consumers with premium comparisons based on various hypothetical exposures. Both surveys are available on the Department's website, [www.id.state.az.us](http://www.id.state.az.us).

### Personal Automobile (2<sup>nd</sup> Edition) Premium Comparison/Market Monitoring Survey

The 2<sup>nd</sup> Edition of the Personal Automobile Premium Comparison Survey will be mailed on June 1, 2006 in conjunction with the Personal Automobile Market Monitoring Survey. The ADOI requests insurers that

receive these surveys complete and return them by the deadline shown in the survey.

## Life & Health

### Provider Timely Pay and Grievance Brochure

The ADOI's Provider Timely Pay and Grievance brochure was recently modified to reflect the changes to the law that took effect earlier this year. The revised publication can be viewed on the ADOI website at [http://www.id.state.az.us/publications/timely\\_pay.pdf](http://www.id.state.az.us/publications/timely_pay.pdf), or can be requested via phone, fax or email:

Phone: (602) 364-2394

Fax: (602) 364-2175

Email: [providerinfo@id.state.az.us](mailto:providerinfo@id.state.az.us)

## Market Oversight

### Title Insurance Survey

The ADOI is surveying all Title Insurance Agencies licensed in Arizona, requesting the total Written Premium and Policies issued for calendar year 2005. The Survey is available on line at [http://www.id.state.az.us/insforms.html#section\\_two-c](http://www.id.state.az.us/insforms.html#section_two-c).

Completed surveys should be sent to:

Janet Gamos  
Arizona Dept of Insurance  
2910 N. 44<sup>th</sup> St, Suite 210  
Phoenix, AZ 85018  
Fax 602-364-4998

Email [marketconduct@id.state.az.us](mailto:marketconduct@id.state.az.us)

Questions about the survey can be addressed to Janet Gamos at 602-364-4994 or [marketconduct@id.state.az.us](mailto:marketconduct@id.state.az.us).

# Regulatory Activity

## COMPANY ACTIONS

### NEW LICENSES ISSUED

#### Domestic Companies

Company Name	NAIC #	Effective Date	Type
1. CHARTER REINSURANCE COMPANY, INC.	12439	3/20/06	Life & Disability Reinsurer
2. DESERT PARTNERS CAPTIVE INSURANCE COMPANY	N/A	3/6/06	Captive Insurer
3. ODANA LIFE REINSURANCE COMPANY	N/A	2/6/06	Unaffiliated Credit Life & Disability Reinsurer
4. PSR2 RISK RETENTION GROUP, INC.	12499	1/19/06	Risk Retention Group

#### Foreign Companies

Company Name	State of Domicile	NAIC #	Effective Date	Type
1. AMERICAN HALLMARK INSURANCE COMPANY OF TEXAS	TX	43494	1/30/06	Property & Casualty Insurer
2. HOUSING AUTHORITY PROPERTY INSURANCE, A MUTUAL COMPANY	VT	10069	1/11/06	Property & Casualty Insurer
3. PRODUCERS AGRICULTURE INSURANCE COMPANY	TX	34312	1/17/06	Property Insurer
4. TOWER INSURANCE COMPANY OF NEW YORK	NY	44300	1/26/06	Property & Casualty Insurer
5. WELLCARE PRESCRIPTION INSURANCE, INC.	FL	10155	2/1/06	Disability Insurer

#### Risk Retention Groups Registered

Company Name	State of Domicile	NAIC #	Effective Date
1. CARE RISK RETENTION GROUP, INC.	DC	11825	3/24/06
2. NATIONAL MEDICAL PROFESSIONAL RISK RETENTION GROUP, INC.	SC	12529	3/28/06
3. PREFERRED CONTRACTORS INSURANCE COMPANY RISK RETENTION GROUP, LLC	MT	12497	1/27/06
4. SCAFFOLD INDUSTRY INSURANCE COMPANY RISK RETENTION GROUP, INC.	DC	12524	3/22/06

#### Service Company Permits (A.R.S. 20-1095, et seq.)

Company Name	State of Domicile	Effective Date
1. DIMENSION SERVICE CORPORATION	OH	1/19/06
2. HOMELIFE, LLC	AZ	3/15/06
3. MORS PROTECTION, LLC	AZ	3/31/06
4. WARRANTECH HOME SERVICE COMPANY	CT	2/7/06



**Third Party Administrators (TPA)**

Company Name	State of Domicile	Effective Date
1. COMRISK SPECIALTY PRODUCTS, INC.	AZ	3/14/06
2. PHYSICIANS PLANNING SERVICE CORP OF CONNECTICUT	CT	1/8/06
3. UNITED GROUP PROGRAMS, INC.	FL	1/3/06

**Utilization Review Agents**

Company Name	State of Domicile	Effective Date
NO ACTIVITY		

**CHANGE OF AUTHORITY**

Company Name	State of Domicile	NAIC #	Effective Date	Change
1. ACUITY, A MUTUAL INSURANCE COMPANY	WI	14184	2/23/06	Granted Disability & Workers' Compensation
2. BEVERLY HILLS LIFE INSURANCE COMPANY	AZ	92886	2/3/06	Converted to Life & Disability Reinsurer
3. CARLISLE LIFE INSURANCE COMPANY	AZ	88455	2/3/06	Converted to Life & Disability Reinsurer
4. EAGLE WEST INSURANCE COMPANY	CA	12890	3/30/06	Granted Property, Marine & Transportation
5. FIRST ACCEPTANCE INSURANCE COMPANY, INC.	TN	10336	1/6/06	Terminated Marine & Transportation
6. G.U.I.C. INSURANCE COMPANY	OH	38652	1/24/06	Granted Marine & Transportation
7. NOVA CASUALTY COMPANY	NY	42552	3/7/06	Granted Workers' Compensation
8. SENTRY CASUALTY COMPANY	WI	28460	2/27/06	Granted Disability & Workers' Compensation
9. STATE AUTO PROPERTY AND CASUALTY INSURANCE COMPANY	SC	25127	3/30/06	Granted Workers' Compensation
10. WESTERN AGRICULTURAL INSURANCE COMPANY	IA	27871	1/24/06	Terminated Workers' Compensation Limited to Reinsurance

**NAME CHANGES**

Old Name (to) New Name	State of Domicile	NAIC #	Effective Date
1. CHARTER LIFE INSURANCE COMPANY, INC. (to) CHARTER LIFE CAPTIVE INSURANCE COMPANY, INC.	AZ	N/A	1/30/06
2. GE LIFE AND ANNUITY ASSURANCE COMPANY (to) GENWORTH LIFE AND ANNUITY INSURANCE COMPANY	VA	65536	1/1/06
3. GENERAL ELECTRIC CAPITAL ASSURANCE COMPANY (to) GENWORTH LIFE INSURANCE COMPANY	DE	70025	1/1/06
4. MUTUAL PROTECTIVE INSURANCE COMPANY (to) MEDICO INSURANCE COMPANY	NE	31119	1/1/06
5. USAUTO INSURANCE COMPANY, INC. (to) FIRST ACCEPTANCE INSURANCE COMPANY, INC.	TN	10336	1/6/06

## ARIZONA REDOMESTICATIONS

Company Name	NAIC #	Effective Date	State of Domicile From	To
NO ACTIVITY THIS QUARTER				

## ACQUISITIONS/MERGERS/WITHDRAWALS

### Acquisitions of Arizona Companies

Company Name	NAIC #	Date Order Filed	Acquired By
NO ACTIVITY THIS QUARTER			

### Mergers involving Arizona Companies

Company Name Merged Into	State of Domicile	NAIC #	Date Order Filed
NO ACTIVITY THIS QUARTER			

### Withdrawals from Arizona

Company Name	State of Domicile	NAIC #	Date Order Filed
1. ADIRONDACK REINSURANCE COMPANY	AZ	N/A	2/15/06
2. BRADLEY LIFE INSURANCE COMPANY	AZ	N/A	3/28/06
3. GROCERS INSURANCE COMPANY	OR	40541	3/9/06
4. ING INSURANCE COMPANY OF AMERICA	FL	76953	2/1/06
5. INSURANCE INVESTORS LIFE INSURANCE COMPANY	TX	81868	2/22/06
6. LIFE INSURANCE COMPANY OF GEORGIA	GA	65471	2/6/06
7. MANUFACTURERS LIFE INSURANCE COMPANY OF AMERICA	MI	87793	1/11/06
8. SEA INSURANCE COMPANY OF AMERICA, THE	NY	20354	2/22/06
9. TRI CAPTIVE INSURANCE COMPANY, INC.	AZ	N/A	3/29/06

## SUPERVISIONS/RECEIVERSHIPS

Company Name	State of Domicile	NAIC #	Effective Date	Action Taken
1. OLD WEST ANNUITY & LIFE INSURANCE COMPANY	AZ	76791	1/13/06	Rehabilitation Terminated

## FINANCIAL EXAM REPORTS

Company Name	NAIC #	Date Report Filed
NO ACTIVITY THIS QUARTER		

## MARKET CONDUCT EXAMINATIONS

Company Name Findings	State of Domicile	NAIC #	Date Filed	Civil Penalty	Restitution + Interest
1. COUNTRY MUTUAL INSURANCE COMPANY Company procedures appear to be in compliance with A.R.S. §20-1632.01	IL	20990	1/11/06	\$0	NONE
2. NATIONWIDE MUTUAL FIRE INSURANCE CO. Company procedures appear to be in compliance with A.R.S. § 20-1632.01	OH	23779	2/7/06	\$0	NONE
3. NATIONWIDE MUTUAL INSURANCE CO. Company procedures appear to be in compliance with A.R.S. §20-1632.01	OH	23787	2/7/06	\$0	NONE
4. USAA CASUALTY INSURANCE COMPANY Company procedures appear to be in compliance with A.R.S. §20-1632.01	TX	25968	2/13/06	\$0	NONE
5. UNITED SERVICES AUTOMOBILE ASSN. Company procedures appear to be in compliance with A.R.S. §20-1632.01	TX	25941	2/13/06	\$0	NONE
6. MID-CENTURY INSURANCE COMPANY Company procedures appear to be in compliance with A.R.S. §20-1632.01	CA	21687	2/14/06	\$0	NONE
7. FARMERS INSURANCE CO. OF ARIZONA Company procedures appear to be in compliance with A.R.S. § 20-1632.01	AZ	21598	2/14/06	\$0	NONE
8. NATIONAL GENERAL ASSURANCE CO. Company procedures appear to be in compliance with A.R.S. § 20-1632.01	MO	42447	3/1/06	\$0	NONE
9. STATE FARM FIRE & CASUALTY INS. CO. Company agreed to implement periodic review of Homeowners policy limits.	IL	25143	3/23/06	\$0	NONE
10. AETNA LIFE INSURANCE COMPANY Improperly limited benefits payable for spinal treatment services in violation of A.R.S. § 20-461(A)(17) and (B).	CT	60054	3/28/06	\$7,500.00	\$805.00

## SUSPENSIONS/REINSTATEMENTS

Company Name	State of Domicile	NAIC #	Effective Date	Action
1. NATIONAL TRANSPORTATION RISK RETENTION GROUP, INC.	AZ	10764	2/10/06	Suspended
2. TRANSWESTERN INSURANCE COMPANY	AZ	11119	3/9/06	Suspended

## OTHER DISCIPLINARY ACTIONS

Company Name	State of Domicile	NAIC #	Effective Date	Action
1. United Healthcare of Arizona, Inc.	AZ	96016	3/10/06	\$243,250 Civil Penalty
2. United Healthcare Insurance Company	CT	79413	3/10/06	\$121,350 Civil Penalty

## PRODUCERS AND OTHER LICENSEES DISCIPLINED

Cause No. Name City – State	Allegation	Disposition
1. 05A-144 Angela Guilmenot Mesa, AZ	Failure to submit a full set of fingerprints to the Department; provided incomplete information in the license application.	1/23/06 Order License Revoked
2. 06A-003 Frank Dewayne Kaylor Pewaukee, WI	License suspension in resident State of Wisconsin.	1/23/06 Consent Order License Suspended
3. 05A-146 MCB Group Enterprises, LLC Phoenix, AZ	Failure to submit a full set of fingerprints to the Department; provided incomplete information in the license application.	2/15/06 Consent Order \$100.00 Civil Penalty
4. 05A-141 Kellee Christine Mitchell Tucson, AZ	Failure to submit a full set of fingerprints to the Department; provided incomplete information in the license application.	2/17/06 Order License Revoked
5. 05A-142 Edward George Henderson Tucson, AZ	Failure to submit a full set of fingerprints to the Department; provided incomplete information in the license application.	2/17/06 Order License Revoked
6. 06A-019 Daniel Francis Carnevale Tucson, AZ	Misrepresentation of the terms of any policy issued or to be issued.	2/21/06 License Suspended for 10 Days \$500.00 Civil Penalty \$878.87 Restitution

7. 06A-022 Prime Holdings Insurance Services, Inc., dba Prime Insurance Syndicate and Prime Insurance Syndicate, Inc., and Rick J. Lindsey, President	Unlawful transaction of insurance; failure to first obtain a certificate of authority from the Department or without having been listed as a qualified unauthorized insurer in the State of Arizona.	2/28/06 Order to Cease and Desist \$1,000 Civil Penalty
8. 06A-029 Susan Kay Duchene Scottsdale, AZ	Intentionally misrepresented terms of an actual or proposed insurance contract or application; admitted committing any insurance unfair trade practice or fraud; used fraudulent, coercive or dishonest practices, or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere.	3/6/06 Consent Order License Revoked
9. 06A-040 Heidi Duguid Green Sun City, AZ	Offered a prohibited inducement.	3/22/06 Consent Order \$500.00 Civil Penalty
10. 06A-006 Dawn Lei Dunham San Antonio, TX	Failure to provide certification of licensure from the new resident state within 30 days of becoming licensed in the new home state; failure to inform the Department in writing within 30 days of any change in the licensee's residential or business address.	3/24/06 Consent Order License Revoked \$100.00 Civil Penalty
11. 06A-008 David Greer Tayrien Peoria, AZ	Failure to provide certification of licensure from the new resident state within 30 days of becoming licensed in the new home state; failure to inform the Department in writing within 30 days of any change in the licensee's residential or business address.	3/27/06 Consent Order \$100.00 Civil Penalty

## RULES, BULLETINS, PRESS RELEASES

### Rules

Citation	Title	Action	Status
Articles 18	Prepaid Dental Plan Organization	Five-Year Review Statutorily required review of these Articles	The report should be heard at the 7/06/06 GRRC meeting.
Articles 20	Captive Insurers	Five-Year Review Statutorily required review of these Articles	The report should be heard at the 7/06/06 GRRC meeting.
Articles 4, 5, & 6		Five-Year Review Statutorily required review of these Articles	The report was approved at the 3/07/06 GRRC meeting.
Article 2	Transaction of Insurance	Notice of Rulemaking Docket Opening filed with Secretary of State 1/11/06	Drafting for proposal by 3 <sup>rd</sup> quarter of 2006.

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## Regulatory Bulletins

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Title	Date Issued
Establishment of Penalty Rates for Late Surplus Lines Tax Payments	March 20, 2006
Voluntary Expedited Filing Procedures for Compliance With The Provisions of The Terrorism Risk Insurance Extension Act of 2005	Jan 26, 2006
Health Care Provider Timely Payment and Grievance Law	Jan 20, 2006
Revision of Private Passenger Automobile Property Damage Threshold For Purposes Of A.R.S. § 20-1631(E)	Jan 19, 2006

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## Press Releases

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Title	Date Issued
Arizona Department of Insurance Orders United Healthcare to Correct Violations and Pay Fines	Mar 10, 2006
The Wildfire Season Is Upon Us... Is Your Insurance Policy Ready?	Feb 17, 2006
Auto Insurance Premium Comparison Illustrates Savings For Daily Bus Riders	Feb 15, 2006