

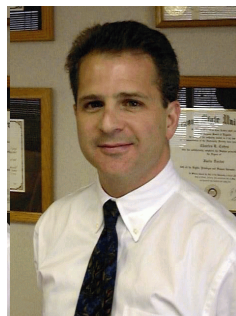


FROM THE DIRECTOR. . .

The phrase, "Speed to Market," is common parlance amongst insurance regulators these days. It refers to a highly efficient system of state regulation of insurance products (ie., rates and forms) that adequately protects consumers without unduly impeding insurers' ability to rapidly respond to market demand for new products.

An NAIC commissioner-level Working Group, Improvements to State Based Systems (IS3) headed by Director Lee Covington of Ohio, has produced an excel-

lent report containing important recommendations to guide state insurance depart-



ments in moving their product regulation systems closer to the "speed to market" ideal. The beauty of these recom-

mendations is that they are ways a state insurance department can modernize its approach to product regulation using existing tools and without delegating its regulatory authority.

Based on this report, I have formed a working group within the ADOI. Though the report is focused on commercial P&C products, we are actively pursuing the following objectives with respect to both P&C (personal and commercial lines) and life product filings: (1) updating and articulating
(Continued on Page 2)

ADOI Taking Over HMO Regulatory Oversight

ADOI is prepared to assume regulatory authority over the delivery of health care services by HMOs effective July 1, 2001. The Arizona Legislature transferred that authority to ADOI from the Department of Health Services last year as part of Senate Bill 1330.

A key element of the law authorizes ADOI to assure that each HMO maintains an appropriate system for operating an effective health care plan and delivering basic health care services. This new ADOI responsibility puts oversight for HMO quality assurance and network adequacy in the same agency that licenses HMOs and over-

sees their solvency.

Managed care oversight will also be integrated with the responsibility the Legislature gave ADOI, effective Jan. 1, 2001, for administering a new law that provides time limits and procedures for health insurers to pay providers and resolve provider grievances. The timely pay and grievance law is part of House Bill 2600,

or the Managed Care Accountability Act, which was also enacted in 2000. The timely pay and grievance law, however, applies to all health insurers, not just managed care plans. This integration contributes to a strong regulatory structure, because provider payment issues often are related to an insurer's network stability and financial solvency.

The ADOI managed care oversight program is being developed in the Life & Health Division under the leadership of Assistant Director, Alix Shafer, who joined the agency for this purpose last October.
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Mission Statement

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

More

From the Director

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substantive review standards; (2) developing standardized review processes and time frames; (3) developing transmittal cover sheets, filing completion checklists, filing compliance checklists and compliance self-certification forms; (4) updating our rate and form filing exemption orders; and (5) implementing SERFF.

Very soon, we will seek public comment on our work product. We anticipate implementing our improvements through bulletins, orders, rules and, perhaps, legislation.

The ADOI cannot make "speed to market" a reality without the cooperation of insurers making product filings. Insurers will have to take responsibility for making quality, compliant filings and for promptly responding to our follow-up inquiries. The improvements we make at ADOI should help insurers hold up their end.

I believe the work of IS3 epitomizes what state insurance regulators can and should accomplish through our membership in the NAIC. I am confident this ADOI project will produce a vastly improved, modernized, highly efficient product regulation system, true to the speed to market ideal.

Insurance Regulator,
ADOI's quarterly newsletter,
is available on our web site:
www.state.az.us/id

More

ADOI Oversees Managed Care

(Continued from Page 1)

In addition, Laura Weng was hired as the program manager, and an HMO compliance administrator is expected to be on board soon. Two insurance analysts and an administrative assistant are expected to be added after July 1.

ADOI also hired a rules analyst, Margaret McClelland, to draft managed care rules to be adopted as part of the Arizona Administrative Code. Rule making will be one of the first steps for the managed care program. The ADOI plans to adopt temporary rules by July 1, 2001, and then initiate formal rule-making to replace rules originally promulgated by the Department of Health Services.

The rule-making process will involve outlining regulatory criteria for network adequacy and quality assurance, establishing reporting requirements, and defining indicators that would trigger enforcement action by the ADOI. In drafting the rules, the agency will work closely with a managed care advisory group formed by Director Cohen that has members from the managed care industry, the provider community and consumers groups.

In addition to adopting managed care oversight rules, the Life & Health Division will investigate managed care, timely pay, and grievance complaints and develop a compliance examination process. Life & Health also will receive and analyze semi-

annual grievance reports from health care insurers covered by the timely pay and grievance law.

The ADOI also will begin regulating the operation of prepaid dental plans on July 1, 2001, in accordance with last year's Senate Bill 1172. As with the managed care program, this authority is being transitioned from the Department of Health Services to the ADOI. Two members of the Office of Oral Health who have been managing prepaid dental oversight at the Department of Health Services will transfer to the ADOI to run the program here.

Consolidation of regulatory oversight responsibilities for managed care organizations into one agency will undoubtedly strengthen all elements of the program. This is good news for the industry and consumers of managed care products.

Laura Weng Named Manager Of ADOI Managed Care Program

Laura Weng joined ADOI on March 12 as the agency's new Managed Care Program Manager. She comes from AHCCCS with experience in regulating managed care plans, corrective action programs, strategic planning and related work. In addition, Laura, who has a law degree, has 20 years of health care operations experience, starting as a registered nurse and progressing to senior VP of a large multi-hospital system.

Legislative Report

This is a status report as of April 10 on bills sponsored by ADOI. More current information is available at www.azleg.state.az.us.

Information sharing with federal regulators

SB 1020, has passed the House Financial Institutions and Insurance (FII) Committee. It enables various financial services regulators and law enforcement officials to interact, communicate and share information with each other, and to maintain confidentiality of shared information in appropriate cases.

Uniform Producer Licensing Act

SB 1366 is pending on the House consent calendar. This bill is patterned after the NAIC Uniform Producer Licensing Act, which establishes uniform licensing standards and reciprocal licensing processes for non-residents. If adopted by a majority of states, it will create an efficient system of multi-state insurance producer licensing, and enable each enacting state to retain its authority to make producer licensing decisions.

Privacy of personal financial information

SB 1288 has passed the House FII Committee. Current Arizona law generally prohibits insurance companies, producers and support organizations from sharing a consumer's personal information, unless the consumer affirmatively consents, subject to certain limited exceptions. SB 1288 amends current law to ensure that all Arizona stan-

dards are at least as stringent as new federal minimum standards in Gramm Leach Bliley.

HMO Insolvency Administration

HB 2117, passed third reading in the Senate and returned to the House for conference committee amendments. It facilitates the fair and efficient administration of an HMO receivership. The bill clarifies that the claims of the enrollees of an insolvent HMO have the same priority as the claims of policyholders of an insolvent insurance company; provides that the claims of contract providers, who must hold enrollees harmless, have priority over the claims of general creditors; extends guaranteed issuance rights to enrollees of an insolvent HMO who otherwise lack such rights under HIPAA; and limits the ability of contract providers to terminate contracts with an insolvent HMO if the HMO continues paying the providers' post-receivership claims.

Fraud Unit

HB 2430 makes Fraud Unit investigators eligible to obtain peace officer status. Transmitted to the Governor for signature.

Solicitation materials by HMOs and Prepaid Dental Plans; repeal

SB 1021, enacted, repeals statutes that address prior approval of "solicitation" materials. Statutes are inconsistent with last year's healthcare reform bill that eliminated prior approval of advertising materials. (Ch. 79).

Benefit insurers; benefit stock insurers; repeal

SB 1022, enacted, repeals two articles governing two antiquated types of insurers that no longer exist in Arizona. (Ch. 58).

Increase in fee ranges limits

SB 1023 passed the House Committee of the Whole. It amends the ADOI fee statute to increase the allowable fee limits to meet the statutory requirement to recoup at least 95 percent of the agency's appropriated budget. Must return to the Senate for concurrence and final reading.

Status of some other insurance-related bills

HB 2589, the Comprehensive Health Plan, establishes a risk pool for uninsurables. Passed by the Senate Banking and Insurance Committee.

HB 2119, enacted, eliminates mandatory hearings on insurer acquisitions and mergers, but allows the Director to hold hearings if deemed necessary. (Ch. 16).

HB 2580, enacted, allows an LLC to be licensed as a title insurance agent. (Ch. 57).

HB 2116, passed by the Senate Banking and Insurance Committee, establishes a captive insurance program. (See also SB 1096 as amended in the House FII Committee).

HB 2118, sent to the Governor, extends the cycle time for mandatory financial exams to five years from three. Authorizes a sliding scale assessment on insurers to cover the cost of financial analyst positions.

SB 1010, awaiting House action on Senate amendments, addresses non-cancellation of auto insurance issues.

Regulator Profile



Scott Greenberg, ADOL's Chief Operating Officer, keeps the agency running smoothly by focusing on three main areas.

He directs ADOL's administrative functions: accounting, payroll, human resources, procurement, facilities management, and risk management.

Scott also directs producer licensing, and administers pre-license examination and continuing education requirements.

In addition, he evaluates satisfaction levels of ADOL customers; forecasts fiscal effects of proposed legislation; and coordinates strategic planning and budgeting.

Scott joined ADOL in 1989, and in 1990 he was appointed Business Manager. He was promoted to Business Administrator in 1994, and in 1997 the position was re-classified to ADOL Business and Licensing Administrator. He was appointed Chief Operating Officer in September 2000.

Scott earned a Master of Business Administration degree from Arizona State University in 1988, and received a B.S. in accounting from ASU in 1986.

If anything epitomizes Scott, it's his belief that: "There's at least one solution to every problem, and at least one path around every barrier."

New Process for External Review of Health Care Appeals

By Elise Bartlett

The last of several amendments to the health care appeals law enacted during the 2000 legislative session became effective on March 1, 2001.

External independent review of cases involving an issue of medical necessity is now performed by Independent Review Organizations (IROs) under contract with the State of Arizona.

Formerly, a health care insurer chose the medical reviewer for each case from a list compiled by the ADOL (from nominations by insurers). The change was designed to overcome a public perception of bias generated by the insurer selecting and directly paying the medical reviewer.

Under the revised process, a health care insurer submits a request from a member or provider for external medical review to the ADOL within five business days of receiving the request. The ADOL then sends the case to one of its contracted IROs. The IRO sends its written decision to the ADOL along with an invoice for its per case rate. The ADOL pays the IRO from a revolving fund established in Senate Bill 1330 and then bills the insurance company whose payment reimburses the revolving fund. Under the new system, the ADOL, not the insurance company, is responsible for mailing the written decision to the insured, the treating provider and the insurance company itself, and

the utilization review agent, if appropriate.

Contracts were awarded by the State Procurement Office to six IROs, at a per case rate for standard and for expedited reviews. The six are CarePoint Analytics Inc., dba Permedion; CORE Inc.; Hayes Plus Inc.; Health Services Advisory Group Inc.; Maximus Inc., dba Center for Health Dispute Resolution, and Prest & Associates Inc. The standards provided in the appeals statute to insure a fair and impartial decision include a prohibition that neither the reviewing organization nor the individual reviewer may have a substantial interest in the insurer at issue in a particular case. The individual reviewer assigned to the case may not be a policyholder of an insurer under review.

The restructured process also creates three tiers for expedited appeals, permitting a fast-track external expedited review, which was not available under the former system. In order to begin an appeal at the expedited level, the member's treating provider must submit a written certification that waiting through the standard process of 60 days "is likely to cause a significant negative change in the member's medical condition at issue that is subject to the appeal."

These changes are expected to strengthen the Arizona appeals process through increased consumer confidence in the overall program and in individual decisions.

Fraud Unit Report

Members of the ADOI Fraud Unit are instructing Phoenix police officers and others on the finer points of spotting and investigating insurance fraud.

The courses for Phoenix PD, sanctioned by the Arizona Police Officers Standards and Training Board, earn the law enforcement officers credits toward their required annual training.

Special Agents Russ Davis and Steve Peters have conducted more than 20 courses for officers assigned to the Squaw Peak Precinct, the first Phoenix unit to receive the training. By the time the current schedule is completed, Davis and Peters will have trained more than 220 Phoenix police officers. Half of the 200 Squaw Peak officers have already completed the course.

The law enforcement classes include the following topics:

- Staged accidents
- Exaggerated loss claims in connection with burglary and theft
- Arson claims
- Vehicle damage and theft -- personal and commercial
- Mom & Pop fraud, usually one-time perpetrators
- Document fraud, including fraudulent death certificates to collect death benefits
- A review of Insurance Statutes as well as Title 13, the Criminal Code
- Latest scams
- Current trends in organized rings

Peters commented: "Law enforcement agencies appreciate knowing more details on insurance fraud. They tell us they regularly run into insurance fraud situations but until now weren't sure how to proceed."

Each officer receives an ADOI Fraud Unit certificate for completing the course. Lesson plan includes a slide presentation custom-designed for the Phoenix Police Department.

Other law enforcement groups that have taken the class include the Pinal County Sheriff's Office, Pima County Sheriff's Office, Pinal County Department of Public Safety, Pima County DPS, and the Tucson Police Department.

Courses conducted for citizen groups vary in length and content based on their requests and needs. Among the groups Davis and Peters have addressed are the National Association of Insurance & Financial Advisors; local NAIFA chapters in west Phoenix, Scottsdale and Tucson; service clubs such as the Rotary and Kiwanis; and insurance industry professionals, including adjusters and claims experts.

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Changes to Administration of Workers' Comp Assigned Risk Plan

Arizona's workers' compensation law was amended last year to effect a modern system that contemplates a multi-rating organization environment. The changes, contained in House Bill 2017, which became effective July 18, 2000, resulted from recommendations made by various study groups over a three-year period.

A provision of the law addressing a workers' compensation assigned risk plan and plan administrator has an effective date of July 1, 2001.

The new law makes it clear that there shall be only one workers' compensation assigned risk plan and requires the ADOI Director to contract with a qualified party to act as the plan administrator. Last fall, the Department of Administration, on the Director's behalf, received proposals from interested parties. The National Council on Compensation Insurance, Inc. (NCCI) was ultimately selected through the procurement process to be the plan administrator. Travelers Insurance Company was selected as the plan's servicing carrier.

As part of its proposal, the NCCI was required to submit a plan of operation that governs the activities of the administrator and the servicing carrier. The plan of operation is available at the ADOI for review by the public.

Around ADOI

Rates and Regulations

Workers' Compensation Deviations Update

Annually, on or before Oct. 1, the workers' compensation rating organization files with ADOI rates to which all workers' compensation insurers must adhere unless they file deviations. Deviations remain in effect until Sept. 30 unless, before that date, the rating organization changes the rates or the deviations are amended by the insurer or disapproved by the Director. A deviation is a uniform percentage decrease or increase applied to the rating organization's most current statewide manual rates. Excluding the Arizona State Compensation Fund, 54 insurers, with a 26.86% market share, are deviating from current rates effective Oct. 1, 2000. When the State Compensation Fund's contribution is included, the market share of deviating insurers increases to 62.36%. A list of the deviations is on the ADOI web site.

Publications

New, Updated Publications Available on the Internet

Several new and updated publications are available on the ADOI web site. They include: Timely Pay/Grievances Health Care Providers Rights; and A Consumer Guide to Health Care Appeals.

Guaranty Funds

Life and Disability Board Meets May 8

The Board of Directors of the Arizona Life and Disability Insurance Guaranty Fund will meet Tuesday, May 8, at 1 p.m. in the ADOI second floor conference room. Meetings also are slated to be held Aug. 14, and Nov. 5 at the same hour and location.

Property and Casualty Board Meets July 10

The Arizona Property and Casualty Insurance Guaranty Fund Board of Directors is scheduled to meet in the second floor conference room of the ADOI at 8:30 a.m. on July 10, and Sept. 11. The board last met on April 10.

Financial Affairs

Alternative Financial Statement for UCLDR

The Financial Affairs Division received several responses to its Feb. 22, 2001, Request For Comment memorandum proposing an alternative financial statement form for Unaffiliated Credit Life and Disability Reinsurers (UCLDR). All respondents agreed with the proposals and some offered additional suggestions for consideration. ADOI will finalize UCLDR Calendar Year 2000 filing requirements and will issue a Bulletin in the near future.

Tucson Office

Dave Ulrich New Tucson Manager

Dave Ulrich, a Consumer Services Specialist II, has been promoted to Manager of the ADOI Tucson Office effective Feb. 5. Dave, whose career spans approximately 25 years as an agent, manager and owner of his own agency, joined ADOI in August 1998, and on Feb. 5, 2001, he accepted the Manager position in Tucson office succeeding Olivia Duarte, who retired. Ulrich's knowledge of Arizona insurance law and investigative skills make him an excellent candidate for this position.

Receivership

Leslie Hess Deputy Receiver, Legal Analyst

Leslie Hess has joined ADOI as the Deputy Receiver and legal analyst for the Financial Affairs Division. She works on the legal issues that involve admissions, solvency regulation and holding company transactions, and as Deputy Receiver she supervises the rehabilitation or liquidation of insolvent insurers. After graduating from George Washington University Law School in 1986, she served as legal counsel to security firms in New York, moved to Arizona in 1991, joined the Corporation Commission, Securities Division, and was named General Counsel in 1997.

COMPANY ACTIONS

NEW LICENSES ISSUED

Domestic Companies

	Company Name	NAIC #	Effective Date	Type
1.	AMERICAN SPECIALTY HEALTH REINSURANCE COMPANY	10098	1/24/01	Life & Disability Reinsurer
2.	FIRST NATIONAL REINSURANCE COMPANY OF THE USA	10822	3/21/01	Life & Disability Reinsurer
3.	HNC REINSURANCE COMPANY	N/A	3/30/01	Unaffiliated Credit Life & Disability Reinsurer
4.	MAYO REGIONAL HEALTH PLANS	52637	3/22/01	Service Corporation

Foreign Companies

	Company Name	State of Domicile	NAIC #	Effective Date	Type
1.	ALEA NORTH AMERICA REINSURANCE COMPANY	DE	44776	3/30/01	Accredited Reinsurer
2.	ANESTHESIOLOGISTS PROFESSIONAL ASSURANCE COMPANY	FL	37656	3/19/01	Casualty Insurer
3.	CALIFORNIA INDEMNITY INSURANCE COMPANY	CA	32271	1/5/01	Casualty Insurer
4.	COLUMBIAN NATIONAL TITLE INSURANCE COMPANY	KS	51373	3/20/01	Title Insurer
5.	COMMERCIAL CASUALTY INSURANCE COMPANY	CA	32280	1/5/01	Casualty Insurer
6.	DEALERS ASSURANCE COMPANY	OH	16705	3/14/01	Casualty Insurer
7.	EMC PROPERTY & CASUALTY COMPANY	IA	25186	3/29/01	Property & Casualty Insurer
8.	FCCI INSURANCE COMPANY	FL	10178	1/17/01	Property & Casualty Insurer
9.	GREAT RIVER INSURANCE COMPANY	MS	18468	2/23/01	Property & Casualty Insurer
10.	HEARTLAND LLOYDS INSURANCE COMPANY	TX	10590	3/29/01	Property & Casualty Insurer
11.	INSURANCE INVESTORS LIFE INSURANCE COMPANY	TX	81868	2/6/01	Life Insurer
12.	LINCOLN GENERAL INSURANCE COMPANY	PA	33855	2/2/01	Property & Casualty Insurer
13.	NATIONAL MUTUAL BENEFIT	WI	56073	3/26/01	Fraternal Benefit Society
14.	NATIONAL TRUST INSURANCE COMPANY	TN	20141	1/17/01	Property & Casualty Insurer
15.	NCM AMERICAS, INC.	MD	25422	3/28/01	Casualty Insurer
16.	SEB TRYGG LIFE (USA) ASSURANCE COMPANY LIMITED	AZ	89071	1/22/01	Life Insurer
17.	STATE NATIONAL SPECIALTY INSURANCE COMPANY	FL	22608	1/18/01	Property & Casualty Insurer
18.	SUN SURETY INSURANCE COMPANY	SD	10909	3/29/01	Casualty Insurer
19.	UNITED GUARANTY CREDIT INSURANCE COMPANY	NC	40525	3/6/01	Mortgage Guaranty Insurer

20.	VIRGINIA FARM BUREAU MUTUAL INSURANCE COMPANY	VA	26034	1/24/01	Accredited Reinsurer
21.	WINDSOR LIFE INSURANCE COMPANY	TX	65960	3/19/01	Life & Disability Insurer

Risk Retention Groups Registered

	Company Name	State of Domicile	NAIC #	Effective Date
1.	ALLIANCE OF NONPROFITS FOR INSURANCE, RISK RETENTION GROUP	VT	10023	3/23/01

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

	Company Name	State of Domicile	Effective Date
1.	ACCELERATION NATIONAL SERVICE CORPORATION	OH	3/9/01
2.	WORLD WIDE WARRANTY, INC.	NV	3/27/01

Third Party Administrators (TPA)

	Company Name	State of Domicile	Effective Date
1.	AFFINITY GROUP UNDERWRITERS, INC.	VA	1/11/01
2.	AMERICAN SPECIALTY INSURANCE SERVICES, INC.	IN	3/28/08
3.	DAN SERVICES, INC.	NC	1/24/01
4.	DCG RESOURCE OPTIONS, LLC	ME	1/03/01
5.	DORAL DENTAL SERVICES OF ARIZONA, INC.	AZ	3/28/01
6.	EXCESS RISK UNDERWRITERS, INC.	FL	1/11/01
7.	FOUNDATION FOR MEDICAL CARE OF KERN COUNTY	CA	3/13/01
8.	GROUP EXECUTIVE INSURANCE MARKETING, INC.	AZ	2/27/01
9.	MARICOPA FOUNDATION for MEDICAL CARE dba: ARIZONA FOUNDATION for MEDICAL CARE	AZ	3/05/01

Utilization Review Agents

	Company Name	State of Domicile	Effective Date
1.	MAYO HEALTH PLAN ARIZONA	AZ	2/08/01

CHANGE OF AUTHORITY

	Company Name	State of Domicile	NAIC #	Effective Date	Change
1.	AGL LIFE ASSURANCE COMPANY	PA	60232	1/24/01	Granted Variable Annuities & Variable Life
2.	MANUFACTURERS LIFE INSURANCE COMPANY (U.S.A.), THE	MI	65838	2/12/01	Granted Variable Life
3.	NEW YORK MARINE AND GENERAL INSURANCE COMPANY	NY	16608	1/24/01	Granted Casualty Without Workers' Compensation & Property
4.	NGL AMERICAN LIFE INSURANCE COMPANY	WI	97241	1/25/01	Granted Disability
5.	ROSEMURGY LIFE INSURANCE COMPANY	AZ	75990	1/31/01	Converted to Unaffiliated Credit Life and Disability Reinsurer

6.	TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA	NY	69345	1/19/01	Converted to Life & Disability Insurer
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NAME CHANGES

	Old Name (to) New Name	State of Domicile	NAIC #	Effective Date
1.	COLLEGE LIFE INSURANCE COMPANY OF AMERICA, THE (to) AMERICO FINANCIAL LIFE AND ANNUITY INSURANCE COMPANY	TX	61999	1/2/01
2.	FOUNDATION HEALTH SYSTEMS LIFE & HEALTH INSURANCE COMPANY (to) d.b.a.: HEALTH NET LIFE INSURANCE COMPANY	CO	66141	1/2/01
3.	PFL LIFE INSURANCE COMPANY (to) TRANSAMERICA LIFE INSURANCE COMPANY	IA	86231	3/1/01
4.	PHOENIX AMERICAN LIFE INSURANCE COMPANY (to) GE GROUP LIFE ASSURANCE COMPANY	CT	80926	1/1/01
5.	VIRGINIA INSURANCE RECIPROCAL, THE (to) RECIPROCAL OF AMERICA	VA	33812	1/1/01

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
1. PREFERRED CARE LIFE INSURANCE COMPANY	60072	3/28/01	Ronald Edward Pack

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. CHAPPARAL LIFE INSURANCE COMPANY	AZ	73148	3/26/01
2. CHRISTIAN MUTUAL LIFE INSURANCE COMPANY	NH	61867	1/11/01
3. ELAR LIFE INSURANCE COMPANY	AZ	89699	3/7/01
4. FELIX LIFE INSURANCE COMPANY	AZ	N/A	3/26/01
5. OZARK LIFE INSURANCE COMPANY	AZ	N/A	3/9/01
6. ROPER'S LIFE INSURANCE COMPANY	AZ	N/A	3/9/01
7. UNITED SECURITY LIFE INSURANCE COMPANY d.b.a. : FINANCIAL SECURITY LIFE OF MISSISSIPPI	MS	70696	3/1/01
8. VISION SERVICE PLAN OF ARIZONA, INCORPORATED	AZ	53880	1/5/01

SUSPENSIONS/REINSTATEMENTS

Company Name	State of Domicile	NAIC #	Effective Date	Action
1. ACCELERATION NATIONAL INSURANCE COMPANY	OH	35742	1/18/01	Suspended

2.	COMMERCIAL COMPENSATION CASUALTY COMPANY	CA	10650	1/31/01	Suspended
3.	FRONTIER INSURANCE COMPANY	NY	34266	3/29/01	Suspended
4.	LUMBER MUTUAL INSURANCE COMPANY	MA	14435	2/23/01	Suspended
5.	MILLERS INSURANCE COMPANY, THE	TX	23531	1/25/01	Suspended
6.	UNITED CAPITOL INSURANCE COMPANY	IL	39330	3/29/01	Suspended

SUPERVISIONS/RECEIVERSHIPS

	Company Name	State of Domicile	NAIC #	Effective Date	Action Taken
1.	AMERISTAR LIFE INSURANCE COMPANY	AZ	87190	1/2/01	Receivership Terminated

FINANCIAL EXAM REPORTS

	Company Name	NAIC #	Date Report Filed
1.	AMERICAN EQUITY INSURANCE COMPANY	43117	2/27/01
2.	ARIZONA HOME INSURANCE COMPANY	38490	2/2/01
3.	ARIZONA RETIREMENT CENTERS, INC.	96032	2/20/01
4.	GRANDVIEW TERRACE LIMITED PARTNERSHIP	60192	2/27/01
5.	KEY BANK LIFE INSURANCE, LTD.	85324	3/22/01
6.	MAYO HEALTH PLAN ARIZONA	95395	1/11/01
7.	RAINIER INSURANCE COMPANY	43915	1/19/01
8.	SCOTTSDALE SURPLUS LINES INSURANCE COMPANY	10672	2/1/01
9.	SOUTHWEST PROTECTIVE LIFE INSURANCE COMPANY	97519	3/8/01
10.	STANFORD LIFE INSURANCE COMPANY	77372	2/1/01
11.	SUNTRUST INSURANCE COMPANY	85995	3/22/01
12.	TRANSAM ASSURANCE COMPANY	71986	1/23/01
13.	TRANSNATION TITLE INSURANCE COMPANY	50012	1/5/01
14.	WESTMINSTER VILLAGE, INC.	95419	1/30/01

MARKET CONDUCT EXAM REPORTS/ORDERS

	Company Name	State of Domicile	NAIC #	Date Filed	Civil Penalty	Restitution + Interest
1.	20 TH CENTURY INSURANCE COMPANY	AZ	10245	2/7/01	\$0	\$3,082.46

2.	AETNA LIFE INSURANCE COMPANY Operating an unauthorized pre-paid dental plan. Operating an unauthorized EPO plan. Improper claims processing. Failure to provide a Summary of Rights. Denying coverage to qualified applicants.	CT	60054	3/7/01	\$75,000	\$0
3.	AMERICAN AUTOMOBILE INSURANCE COMPANY ASSOCIATED INDEMNITY CORPORATION	MO CA	21849 21865	2/1/01 2/1/01	\$0 \$0	\$0 \$0
4.	AMERICAN HOME ASSURANCE COMPANY COMMERCE AND INDUSTRY INSURANCE COMPANY NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA. NEW HAMPSHIRE INSURANCE COMPANY Applied unfiled rates in premium calculation. Violations of prior consent order.	NY CT PA PA	19380 19410 19445 23841	1/18/01 1/18/01 1/18/01 1/18/01	\$17,000 \$0 \$0 \$0	\$344,998.80 \$0 \$0 \$0
5.	AMERICAN INTERNATIONAL INSURANCE COMPANY Applied unfiled rates in premium calculation. Improper claims processing. Improper cancellation procedures	NY	32220	2/23/01	\$33,000	\$5,505.49
6.	AMERICAN NATIONAL LIFE INSURANCE COMPANY OF TEXAS Use of unfiled forms. Failure to distribute health care appeals packets. Improper claims processing.	TX	71773	3/16/01	\$18,000	\$0
7.	AMERICAN PREMIER INSURANCE COMPANY Improper claims processing. Failure to provide a Summary of Rights	IN	37001	3/1/01	\$9,000	\$500
8.	AMERICAN SUMMIT INSURANCE COMPANY Misrepresented to mobile homeowners that a replacement policy provided coverage that was equal to the existing policy.	MN	19623	1/18/01	\$8,000	\$0
9.	AMERICAN TRAVELLERS LIFE INSURANCE COMPANY Use of unfiled advertising. Improper claims processing. Use of unfiled and non-compliant forms. Failure to provide a Summary of Rights. Distributing misleading and deceptive advertising. Violations of a prior consent order.	PA	76325	1/5/01	\$30,000	\$0
10.	AMEX ASSURANCE COMPANY Use of non-compliant forms. Violations of a prior consent order. Improper claims processing. Improper cancellation procedures.	IL	27928	3/1/01	\$7,000	\$1,808.50
11.	ATLANTA CASUALTY INSURANCE COMPANY Failure to provide a Summary of Rights. Improper claims processing.	IL	21792	3/1/01	\$6,000	\$0

12.	AUTO-OWNERS INSURANCE COMPANY	MI	18988	1/18/01	\$10,000	\$0
	OWNERS INSURANCE COMPANY	OH	32700	1/18/01	\$0	\$0
	Use of unfiled rates to determine premium. Improper cancellation procedures. Violation of a prior consent order.					
13.	C. M. LIFE INSURANCE COMPANY	CT	93432	2/8/01	\$5,000	\$0
	Improper replacement procedures. Failure to provide a Summary of Rights. Use of non-compliant forms.					
14.	CLARENDON NATIONAL INSURANCE CO.	NJ	20532	2/23/01	\$20,000	\$0
	Applied unfiled rates in premium calculations. Improper claims processing. Improper cancellation procedures. Violations of a prior consent order.					
15.	CONNECTICUT INDEMNITY COMPANY	CT	24872	3/9/01	\$16,000	\$14,010
	EMPLOYEE BENEFITS INSURANCE COMPANY	CT	32794	3/9/01	\$0	\$0
	FIRE AND CASUALTY INSURANCE COMPANY OF CONNECTICUT	CT	24880	3/9/01	\$0	\$0
	SECURITY INSURANCE COMPANY OF HARTFORD	CT	24902	3/9/01	\$0	\$0
	Applied unfiled rates and rules in premium calculations for commercial and workers' compensation policies.					
16.	GULF INSURANCE COMPANY	MO	22217	1/31/01	\$13,000	\$0
	Applied unfiled rates and rules in premium calculations for commercial and workers' compensation policies.					
17.	HARTFORD ACCIDENT AND INDEMNITY COMPANY	CT	22357	3/22/01	\$0	\$0
18.	HARTFORD CASUALTY INSURANCE COMPANY	IN	29424	3/22/01	\$15,000	\$38,976.41
	Applied unfiled rates and rules in premium calculations. Improper cancellation procedures regarding homeowner's opportunity to remedy conditions of premises.					
19.	HARTFORD FIRE INSURANCE COMPANY	CT	19682	3/22/01	\$15,000	\$0
	Applied unfiled rates and rules in premium calculations. Improper cancellation procedures regarding homeowner's opportunity to remedy conditions of premises.					
20.	HARTFORD INSURANCE COMPANY OF THE MIDWEST	IN	37478	3/22/01	\$15,000	\$0
	Applied unfiled rates and rules in premium calculation. Improper cancellation procedures. Improper claims processing.					
21.	HARTFORD UNDERWRITERS INSURANCE CO.	CT	30104	3/22/01	\$0	\$0
	Failure to retain postmark date of payments. Failure to determine workers' compensation payments in accordance with its filings. Improperly surcharging a personal auto policy for an at-fault accident.					
22.	INTERSTATE INDEMNITY	IL	22837	2/8/01	\$2,600	\$4,183.65
	Failure to file annual agent list. Failure to determine premiums according to its filed rates. Use of non-compliant forms. Improper claims processing. Improper cancellation procedures.					

23.	MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY Using non-compliant and unfiled advertising and policy forms. Improper replacement procedures. Failure to provide a Summary of Rights.	MA	65935	2/8/01	\$15,000	\$0
24.	NATIONAL FOUNDATION LIFE INSURANCE COMPANY Failure to file quarterly list of Medicare Select providers. Failure to provide a Summary of Rights. Improper claim processing.	DE	98205	3/1/01	\$12,000	\$0
25.	NATIONAL TRAVELERS LIFE COMPANY Use of unfiled forms. Improper claim processing. Failure to provide a Summary of Rights.	IA	66826	3/2/01	\$11,000	\$0
26.	NATIONWIDE MUTUAL FIRE INSURANCE COMPANY Use of unfiled rates and rules in determining premium. Improper cancellation procedures. Improper claims processing. Failure to provide a Summary of Rights. Violation of prior consent order.	OH	23779	3/9/01	\$15,000	\$14,855.09
27.	NATIONWIDE MUTAL INSURANCE COMPANY Improper cancellation procedures. Improper claims processing. Failure to provide a Summary of Rights. Violation of a prior consent order.	OH	23787	3/9/01	\$10,000	\$8,896.56
28.	NEW ENGLAND INSURANCE COMPANY	CT	21830	3/22/01	\$0	\$0
29.	NOBEL INSURANCE COMPANY Improper rating practices.	TX	10340	2/15/01	\$0	\$12,868.14
30.	OHIO CASUALTY INSURANCE COMPANY WEST AMERICAN INSURANCE COMPANY Improper cancellation procedures. Use of unfiled rates and rules in determining premium. Violation of prior consent order.	OH OH	24074 44393	1/19/01 1/19/01	\$15,000 \$0	\$1,079.50 \$0
31.	PAULA INSURANCE COMPANY	CA	32115	1/4/01	\$0	\$0
32.	PHOENIX INDEMNITY INSURANCE COMPANY Improper cancellation procedures. Use of unfiled rates and rules in determining premium. Improper claims processing. Violation of prior consent order.	AZ	34037	2/28/01	\$22,500	\$1,076.77
33.	TWIN CITY FIRE INSURANCE COMPANY Use of unfiled rates and rules in determining premium. Improper cancellation procedures regarding homeowner's opportunity to remedy conditions of premises. Improper claims processing.	IN	29459	3/22/01	\$10,000	\$0
34.	UNITED STATES LIFE INSURANCE COMPANY IN THE CITY OF NEW YORK Improper claims processing. Use of unfiled or non-compliant forms. Failure to provide a Summary of Rights. Failure to file list of exempt forms.	NY	70106	1/18/01	\$33,000	\$0
35.	WESTERN FAMILY INSURANCE COMPANY Improper cancellation procedures. Use of unfiled rates and rules in determining premium. Failure to provide a Summary of Rights.	AZ	40010	3/26/01	\$12,000	\$385.26

OTHER DISCIPLINARY ACTIONS

	Company Name NAIC #	Allegation	Disposition
1.	AMERITAS LIFE INSURANCE CORP. NAIC # 61301	Failure to comply with provisions of health care appeals law with such frequency as to indicate a general business practice.	2/16/01 Consent Order \$10,000 Civil Penalty
2.	CENTRAL BENEFITS NATIONAL LIFE INSURANCE COMPANY NAIC # 63541	Failure to comply with provisions of health care appeals laws with such frequency as to indicate a general business practice.	3/22/01 Consent Order \$10,000 Civil Penalty
3.	CONSECO MEDICAL INSURANCE CO. NAIC # 93769	Failure to comply with provisions of health care appeals law with such frequency as to indicate a general business practice.	2/8/01 Consent Order \$5,000 Civil Penalty
4.	EMPLOYERS HEALTH INSURANCE CO. NAIC # 73288	Failure to comply with provisions of health care appeals law with such frequency as to indicate a general business practice.	2/1/01 Consent Order \$10,000 Civil Penalty
5.	FIRST ALLMERICA FINANCIAL LIFE INSURANCE CO. (NAIC #69140), and ALLMERICA FINANCIAL BENEFIT INSURANCE COMPANY (NAIC #41840)	Payment of compensation, fee or commission in connection with insurance transacted in this state to an agent who was not licensed in this state.	3/15/01 Consent Order \$2,000 Civil Penalty
6.	HUMANA INSURANCE COMPANY NAIC # 62189	Failure to comply with provisions of health care appeals laws with such frequency as to indicate a general business practice.	2/16/01 Consent Order \$10,000 Civil Penalty
7.	SAFeway INSURANCE COMPANY NAIC # 12521	Failure to deem the date of premium payments as the dates shown by the postmarks, and failure to timely mail final notices of cancellation to policyholders.	3/26/01 Consent Order \$20,000 Civil Penalty
8.	U.S. HOME WARRANTY, L.L.C.	Failure to maintain a surety bond and failure to provide services promised under the service contract.	1/18/01 Consent Order Service Company Permit Revoked
9.	UNITED DENTAL CARE OF ARIZONA, INC. NAIC # 47708	Failure to comply with provisions of health care appeals laws with such frequency as to indicate a general business practice.	3/13/01 Consent Order \$15,000 Civil Penalty
10.	UNITED WISCONSIN LIFE INSURANCE CO. NAIC # 97179	Failure to comply with health care appeals laws with such frequency as to indicate a general business practice.	1/18/01 Consent Order \$10,000 Civil Penalty

PRODUCERS AND OTHER LICENSEES DISCIPLINED

	Cause No. Name City – State	Allegation	Disposition
1.	00A-195 Steven Todd Svenby Phoenix, AZ	Failure to maintain a bond and place of business in this state.	1/11/01 Order License Revoked
2.	99A-148 Edwin Charles Cohen Phoenix, AZ	Record of dishonesty in business and financial matters; conviction by final judgment of a felony involving moral turpitude.	1/26/01 Order License Revoked
3.	00A-219 Donald George Henderson Vernon, AZ	Disclosure of personal or privileged information.	1/18/01 Consent Order \$750 Civil Penalty

4.	00A-226 Robert Louis Wade, dba Wade Insurance Agency Phoenix, AZ	Record of suspension; failure to disclose conviction by final judgment of a felony involving moral turpitude; record of dishonesty in business or financial matters.	2/8/01 Consent Order License Revoked
5.	01A-054 Elizabeth Ann Berber, and R.E.F.S. of Arizona, Inc. Lake Havasu City, AZ	Misrepresentation in obtaining or attempting to obtain an insurance license.	3/2/01 Consent Order License Revoked
6.	01A-019 Tammi Annette Martin Phoenix, AZ	Failure to maintain a bond.	3/7/01 Order License Revoked
7.	01A-029 Stephanie Ann Dixon Phoenix, AZ	Record of dishonesty in business or financial matters.	3/8/01 Order License Revoked; \$2,500 Civil Penalty
8.	01A-025 Ezequiel Giron Phoenix, AZ	Failure to maintain a bond and failure to provide the Department with change of address.	3/9/01 Order License Revoked
9.	01A-024 Danielle Lee Gawel Phoenix, AZ	Failure to maintain a bond.	3/9/01 Order License Revoked
10.	01A-044 Wallace Cunningham, Jr. Scottsdale, AZ	Entered promissory notes in names of policyholders and used policyholders' annuities, without their knowledge or consent, as collateral to obtain personal loans; disclosure of personal or privileged information about an individual collected or received in connection with an insurance transaction.	3/27/01 Order License Revoked
11.	01A-088 Amermex Insurance Agency, LLC Phoenix, AZ	Received compensation, fee or commission in connection with insurance transacted in this state without being licensed at the time of the transaction.	3/29/01 Consent Order \$1,000 Civil Penalty
12.	01A-020 Deborah Kay Krier Cedar Rapids, IA	Misrepresentation or fraud in obtaining or attempting to obtain an insurance license.	3/30/01 Order License Revoked

RULES 2000

Citation	Title	Action	Status
NO ACTIVITY THIS QUARTER			

REGULATORY BULLETINS 2001

Number	Title	Date Issued
1. 2001-1	Revision of Property Damage Threshold for Purposes of A.R.S. § 20-1631 (E)	2/7/01

**Arizona Department of Insurance
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