

Insurance Regulator



Arizona Department of Insurance

Fourth Quarter 2003

From the Director...

As many of you know, Governor Napolitano appointed me Director of the ADOI in November, 2003. Prior to my appointment, I was a partner at the law firm of DeConcini McDonald Yetwin & Lacy, P.C. where I maintained a broad-based litigation practice, primarily, involving insurance defense and consumer protection matters.



Christina Urias

Before becoming an attorney, I worked in the insurance industry

as a property and casualty claims representative, where my responsibilities included coverage analysis, monitoring litigation strategies, investigation, negotiation and settlement of general, automobile, property and product liability claims.

I received my B.A in philosophy (With Distinction) from the University of Arizona (1972) and graduated Cum Laude from the U of A College of Law (1988), after which I clerked for then

Chief Justice Frank X. Gordon, Jr., of the Arizona Supreme Court.

The Arizona Bar Foundation named me as one of the Top 50 Pro Bono Attorneys in Arizona and in 1997 awarded me the Pro Bono Service Award for outstanding volunteer legal services to the community.

I am especially proud of these accomplishments and look forward to the rewards and challenges of serving the State of Arizona as the Director of Insurance. ☐

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ADOI Has New Deputy Director and Legislative Liaison

Gerrie Marks has been named ADOI *Deputy Director*. Gerrie has been Executive Assistant for Regulatory Affairs at the ADOI since 1997.



Gerrie obtained her undergraduate degree in political science from the University of Nebraska in 1986 and her law degree from Arizona State University in 1989. After serving as a law clerk/bailiff for former Maricopa County Superior Court Judge Robert D. Myers and practicing bankruptcy law at a small firm, Gerrie joined the

Office of the Attorney General in 1992. As an Assistant Attorney General, she represented the ADOI, the Banking Department and the Real Estate Department in regulatory matters before joining the ADOI.

Jennifer Boucek has accepted the position of *Executive Assistant for Policy Affairs*. Jennifer will be the ADOI's policy advisor and legislative



liaison. She fills the position vacated by Vista Brown who took a job in the private sector in

December.

In 1986, Jennifer received her law degree from the University of Georgia School of Law. Upon graduation, she joined the firm of Lord, Bissell & Brook, where she practiced insurance defense law, and later accepted a position staff attorney at the U.S. Securities & Exchange Commission.

After relocating to Phoenix, Jennifer was Senior Counsel at the Securities Division, Arizona Corporation Commission between 1995 - 1997. Since 1997, she has been at the Attorney General's Office where she has represented the ADOI and the Securities Division. ☐

Mission

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

Compliance Update: Health Care Appeals Law

Although Arizona's Health Care Appeals Law has been effective since July of 1998, insurer compliance remains a problem. The ADOI continues to see substantive violations of the time frame and notification requirements, along with failure to provide timely and legible documentation when insurers forward cases to the ADOI for external review. The U.S. Department of Labor's regulations set minimum procedural standards for the processing of claims and appeals under employee benefit plans governed by ERISA and presented overlapping regulatory schemes for many health insurance products. As a result, insurers made internal process changes that may have created additional compliance problems.

Insurers are encouraged to revisit their current health care appeals processes and evaluate compliance with the state law, both at the company's internal levels of review and in the manner in which insurers prepare cases for the ADOI's external, independent level of review.

Please refer to [A.R.S. §20-2531 et seq](#) and to earlier [Regulatory Bulletins 2000-13](#) and [2001-10](#), for a review of the basic elements of the Arizona appeals process, which applies to both indemnity and HMO products in both the group and individual market, as well as prepaid dental plans and service corporations. The following is a checklist where the ADOI sees the most critical violations of the health care appeals process:

- **Providing required notice of appeal rights at the time of denial.** Pursuant to A.R.S. §20-2533(D), insurers that issue EOBs must "prominently

display" a statement about the insured's right to appeal in the document. If the insurer issues the denial in a manner other than an EOB (e.g. a letter declining pre-authorization for a service the plan finds is not medically necessary, or a prescription drug denial issued at the pharmacy point of service system), the law allows satisfaction of this requirement through "some other reasonable means" to assure the member is properly apprised of the right to request an appeal.

- Under Arizona law, an insured has **up to two years** to initiate the first level of appeal. Through the examination process and through consumer complaints, the ADOI has seen companies printing an incorrect notice on the EOB, or other document, that significantly reduces the time frame within which the insured is permitted to request an appeal. Please note that despite requirements in other jurisdictions, Arizona's law intended consumers to have the more generous two-year time frame to initiate an appeal.

- **Providing a health care appeals information packet upon request at any time.** A.R.S. §20-2533(C) requires insurers to provide the appeals packet at three times: 1) at the time coverage is initiated; 2) within 5 business days after an appeal is initiated; and 3) upon request by the member, or the member's treating provider.

Since it is most likely that a member will initiate the "upon request" part of this provision to an insurer's customer service representatives, insurers are advised to provide periodic

reminders to the staff for handling these requests. The ADOI has received repeated consumer complaints that representatives either do not know what the information packet is, and/or do not send it per the request, or unreasonably delay the response altogether.

- **Providing clear and accurate direction to members requesting appeals.** This is another issue warranting periodic training of customer service staff. As health insurers continually expand and contract business sites, it is essential that insurers provide members with correct addresses and fax numbers for filing appeals.

If an insurer contemplates relocating its appeals processing site, with advance notice of such a move, the ADOI can assist the company in the planning process and address concerns that will help ensure a smooth transition and avoid member appeals falling through the cracks.

- **Meeting the specific time frame limits for sending written acknowledgments as well as written determination letters at each level of the review process.** The law regarding timeframes is clear and does not provide for exceptions. The Department's examinations have reviewed company files for compliance with the time frames and will continue to do so in the future.

At the final, or external, level of review, A.R.S. §20-2537 requires the insurer to forward specific documents with the case to the ADOI. The Transmittal Form, which must accompany each

(Continued on page 3)

Legislative Report

The Independent Insurance Agents and Brokers of Arizona asked the ADOI to provide technical assistance regarding **HB 2232** which would: (1) revise the term of an insurance producer license from two to four years; (2) make corresponding changes to producer continuing education requirements and fees; (3) require reporting of name changes within 30 days of the change; (4) eliminate the need for the ADOI to issue a physical license certificate; and, (5) make other administrative changes. In concept, the Department believes such a bill could result in cost savings by reducing the number of license renewal applications subject to processing and by eliminating the need to print and mail license certificates on costly serialized certificate stock.

Other bills of note:

HB 2228 (ADOI bill) requires a charitable organization that makes an agreement for a

charitable gift annuity to have at least \$300,000 in cash or equivalent, be in operation at least 3 years and have audited financial statements. The bill also requires that the charitable organization make certain disclosures about its operations and the fact that its audit statements are available for inspection. Finally, the bill prohibits payment of commissions in connection with the charitable gift annuity.

HB 2224 confirms the authority of the Director to request production of claim files and related materials from insurance companies in furtherance of her duties, but further provides that such documents are not subject to discovery, or subpoena, unless pursuant to a lawful request by a law enforcement agency.

HB 2235 extends the captive insurance law by allowing non-profit corporations to form either a pure captive insurer, or a group captive insurer. ■

Appeals Compliance (Continued from page 2)

case submitted to the ADOI for external review, lists the required documentation and can be found on ADOI's website, (www.id.state.az.us). When preparing an appeal case, please consider the following:

- Complete a Transmittal form accurately and entirely for every case. The box for "expedited external review" at the top of the form should only be checked if the statutory requirements for an expedited appeal have been met.
- Provide complete and legible medical records for the relevant issue presented. If an insurer sends poor quality copies of any documentation, the ADOI considers the case incomplete until the Department receives legible copies.
- Provide complete claims documentation in cases in which the service has already been rendered.
- Provide a *complete* copy of the policy, certificate, evidence of coverage or other documents reflecting the terms of the insured's coverage. It is not sufficient for the insurer to merely copy one or two pages of the document containing an exclusion relied upon in making the initial denial.
- In cases involving medical necessity issues, provide two separate, identical case packets. The ADOI keeps one set and forwards the other to one of the medical review organizations contracted to provide the medical review.

The ADOI has found that insurers with strong training programs for appeals, grievance, and customer service representatives, have higher rates of compliance with the health care appeals law.

Often, the core issue in consumer complaints or appeals to the ADOI is a result of confusing or incorrect information from a customer service representative to a member inquiring about potential services. Customer Service is often the point of entry for an insured seeking an appeal. Since there can be a high rate of turnover among customer service staff, insurers are encouraged to provide customer service personnel with on-going training or periodic updates about the Arizona-specific appeals law. ■

Sign up to receive ADOI press releases and regulatory bulletins by email!

www.id.state.az.us/maillinglists.html

Regulator Profile



Terry Cooper is Chief of the ADOI Fraud Unit. A valley native, Terry holds a BS degree in Criminal Justice from Trinity College & University.

Terry spent four years in the U.S. Navy before joining the police department. He is a retired 24-year veteran of the Phoenix Police Department, where he participated in nearly every aspect of police work including leading and coordinating major criminal investigations, conducting undercover narcotics investigations and supervising. He is a certified instructor for the Arizona Police Officer Standards Training Board for courses in search and seizure, property crime investigations, crime scene management, critical incident stress and interview-interrogation. He also was a certified Narcotics Detection K-9 Handler through Texas A&M University.

Terry enjoys scuba diving, photography and riding his Harley. He is an active member in the El Zaribah Shrine's Motorcycle Unit and participates in parades and celebrations.

Terry has helped develop the Fraud Unit into an effective investigative entity with a team of 10 investigators who handle over 2400 fraud referrals a year. ☐

ADOI Prevails in HMO Filing Matter

On October 22, 2003, a Maricopa County Superior Court Judge ruled in favor of the ADOI in a legal action brought by United HealthCare of Arizona, Inc. relating to chiropractic benefits in PPO or indemnity coverage.

By way of background, in 2002, the ADOI disapproved a policy form for a point of service (POS) product offered jointly by United HealthCare of Arizona, Inc. (an HMO) and United HealthCare Insurance Company (an indemnity insurer). Following its standard practice for POS products, the ADOI applied Arizona's indemnity laws to the out-of-network benefits and disapproved the form because it limited out-of-network chiropractic benefits without placing a parallel limit on treatment of the same conditions by medical or osteopathic doctors. United appealed on the grounds that:

- (1) Arizona's HMO laws, which allow a limitation on chiropractic benefits, should apply to the form; and,
- (2) the limitation did not affect chiropractors differently than it did medical or osteopathic doctors.

The Administrative Law Judge ruled that the Department's position was correct on both grounds. United appealed again to Maricopa County Superior Court and the Department prevailed there as well. ☐

Insurance Regulator

Published by the
Arizona Department of Insurance
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Fraud Unit Report

Fraudulent Automobile Glass Claims on the Rise

An undercover investigation conducted by ADOI Fraud Unit agents resulted in the recent conviction of Robert Cozby who was sentenced in Maricopa County Superior Court to three months jail, two years probation and one hundred hours community service. A tip from a concerned citizen prompted our investigation. The citizen overheard a conversation between Cozby and another individual in the parking lot of a convenience store. Apparently, the individual talking to the glass salesman had a damaged windshield, but did not have glass coverage. The citizen witness overheard Cozby tell the individual to find and follow a commercial truck (a cement truck, for instance) and make note of the company name and license plate number off the truck, then make a claim against that business' insurance, claiming material had fallen off the truck and damaged his windshield. This tip prompted the ADOI's investigation involving two undercover operations during which Cozby similarly encouraged the investigators to commit insurance fraud.

In the last 3 years, the ADOI Fraud Unit has obtained convictions in 3 glass claim related cases involving extensive, costly schemes to defraud insurers and this is just the "tip" of the iceberg. Insurers are urged to scrutinize their procedures for payment of glass claims and look for redundant, inflated and/or poorly substantiated claims. Insurers paid approximately \$100,000,000 in glass claims in 2002 in Arizona.

To learn more about how your company can spot and deter glass claim fraud, contact ADOI Fraud Unit Investigator, Dan Ray at (602) 912-8414 or by email at dray@id.state.az.us.

Fraud Unit Statistics July - December 2003

- Referrals received - 1,033
- Cases Opened - 234
- Referred for Prosecution - 121
- Indictments - 36
- Convictions to date - 7
- Restitution - \$30,788.56
- Fines - \$5,590.00
- Amount saved insurers- \$209,007.24

ADOI Service Available in Flagstaff Soon

The Arizona Department of Economic Security (DES) is making available, on a weekly basis, a workstation in its office on Leroux Street in Flagstaff to enable the ADOI to provide citizens in Northern Arizona direct access to an ADOI employee who can respond to consumer questions, provide publications, and review license applications of prospective insurance professionals. We expect to have the weekly ADOI Flagstaff presence starting in February 2004.

While the Tucson Office of the ADOI has been restructured, the ADOI continues to offer licensing and consumer assistance services to its Southern Arizona customers from its office at 400 W. Congress Street.

Addresses for services in Northern and Southern Arizona:

400 W. Congress, Ste. 152
Tucson, AZ 85701
(520) 628-6370

[In DES Office]
123 North Leroux Street
Flagstaff, AZ 86001
(877) 660-0964

Coming Soon!

Visitors to the ADOI website will be able to search for insurer information, just as they can now search for producer information to verify licensure and obtain basic data about regulated entities.

Overview of Arizona Worker's Compensation System

Arizona has a series of finely balanced, interrelated laws that establish its Worker's Compensation system, including, but not limited to, the following:

1. Title 20 ("Insurance Code"), chapter 2, Article 4:

- Rating law: All insurers must submit their experience to one WC rating organization to which they belong. In Arizona, this happens to be the National Council on Compensation Insurance, Inc. (NCCI). On behalf of all members, the NCCI annually files rates under the "file and use" rate law by which rates must be filed with the ADOI at least 30 days prior to their October 1 effective date. If the ADOI does not disapprove the rates during the thirty-day waiting period, insurers may use the rates after the effective date. Further, they must adhere to the NCCI's rates, unless they file and actuarially support a deviation, a uniform percentage increase or decrease applied to all NCCI rate classifications.
- WC Appeals Board (WCAB): the ADOI Director appoints the WCAB's nine-member Board that hears appeals from parties aggrieved by the rating system. The Director may affirm, modify or reverse the WCAB's decision.

2. Title 23 (WC Code), Chapter 6, Articles 2, 3, 5, 9 and 11:

- Industrial Commission of Arizona (ICA), Articles 2 and 3. The ICA is charged with administering the WC Code and adjudicating WC claims. In addition to holding hearings on claims, the ICA may also conduct informal pre-hearing conferences to expedite claim adjudication, amicably dispose of controversies, narrow issues and simplify the method of proof at hearings.
- Arizona State Compensation Fund (SCF), Article 5: Provisions of Title 20, unless otherwise provided by law, and the rules adopted by the ADOI relating to the transaction of insurance, apply to Arizona's competitive SCF to the same extent as to any other mutual casualty insurer authorized to write Arizona WC.
- Special Fund (SF), Article 4: As WC is exempted from Arizona's guaranty fund, insurers must have a deposit (cash or securities) or a surety bond in effect with the ADOI to meet their claims obligations if they become insolvent. If the deposit or bond is insufficient and/or receivership monies are inadequate, the Arizona WC claims of the insolvent insurer will be paid by the ICA-administered SF. The ICA assigns an insolvent insurer's claims to the SCF; it pays the claims and is reimbursed from the insurer's deposits or bond. If these amounts are deficient, the SF pays the SCF for any net loss, including reasonable administrative costs, the SCF incurred in paying the insolvent insurer's claims. The ICA may assess insurers, including the SCF, up to 1½% of their prior calendar year's WC Arizona written premiums for the SF's use. The assessments can be no more than necessary to keep the SF actuarially sound.
- Assigned Risk Plan (ARP), Article 11: Through the State Procurement Process, the ADOI selects an administrator and a servicing carrier to manage the ARP which serves as a market of last resort when the SCF and two other insurers deny coverage to an employer. Although the servicing carrier issues the policies and pays the WC claims, all insurers must participate in the ARP and are obligated to share in the claims in proportion to their share of the preceding calendar year's total Arizona net direct WC premium. The NCCI establishes ARP rates in Arizona.

Around ADOI

Producer Licensing

Continuing Education RFP

The Insurance Continuing Education Review Committee is in the final stages of drafting a Request For Proposals that can be issued by the Arizona State Procurement Office (AzSPO) to solicit a contractor to evaluate continuing education providers and courses. We expect the draft to be forwarded to the AzSPO by the beginning of February. This contract will replace an existing contract that is scheduled to expire.

Licensee Satisfaction Survey

During January, the Department will be conducting a survey of a random sample of its insurance professionals to evaluate customer satisfaction.

Market Oversight Division

Cease and Desist Orders Against Unauthorized Entities

ADOI issued a Cease and Desist Order against “**Nations Hazard Insurance Company**” and **Michael Francis Napadow** for engaging deceptive practices and the unauthorized transaction of commercial

general liability and professional E&O insurance. The Washington and Illinois Departments of Insurance have also issued similar orders against these entities.

The ADOI also issued Cease and Desist Orders against **Warranty Gold, Ltd., PHSK, L.L.C., George Parsons, Tim Herman, Robert Spelling** and **Michael Kammerman** for the unauthorized transaction of Vehicle Service Contracts in Arizona. Although Warranty Gold was not authorized, nor qualified, to issue Vehicle Service Contracts in Arizona, the ADOI discovered Warranty Gold’s website offered and sold approximately 3,166 Extended Vehicle Service Warranty contracts to Arizona residents. PHSK, L.L.C. is the general partner of Warranty Gold and the above named individuals are limited partners. On October 9, 2003, Warranty Gold advised on its website that its alleged warranty administrator, National Warranty Insurance Risk Retention Group, was insolvent and that all funds were purportedly frozen. The ADOI responded to numerous complaints for unpaid claims from individuals who had purchased Vehicle Service Contracts from Warranty Gold and the ADOI’s investigation continues in order to assure that Warranty Gold has shut down all website sales activities.

Life and Health

HCSO Network Adequacy Rules

On November 19th and December 11th, the ADOI met with a statewide stakeholders group to receive comment on an outline ADOI had prepared for administrative rules regarding network adequacy. The stakeholders group includes Arizona’s nine HCSOs, providers and provider organizations, businesses, producers and various consumer interests. The network adequacy outline included provider availability, provider access and network administration. The ADOI’s next step, planned for the first quarter of 2004, is to incorporate the stakeholder comments into this draft prepared in traditional administrative rule format.

Timely Pay and Managed Care Briefing

Responding to recent questions from several legislators, on December 3, 2003 and January 5, 2004, the ADOI provided briefings to several legislators and staff interested in the Department’s managed care oversight and administration of the timely pay law. The briefing covered the legislative history of HB 2600 and SB 1330 from the 2000 legislative session,

(Continued on page 8)

(Around ADOI... Continued from page 7)

regulatory activities and enforcement lessons learned to date.

Recognition of Expertise

The Joint Commission for the Accreditation of HealthCare Organizations (JCAHO) is one of three national entities that accredit HMOs. On November 24, 2003, JCAHO invited ADOI's Laura Weng to be part of a select group of individuals and organizations chosen to review rewritten accreditation standards. Laura is the Manager of the ADOI's HMO/managed care oversight program.

Property & Casualty

Automobile Premium Comparison

The Division recently published its Fall 2003 [Automobile Premium Comparison](#) (available on the ADOI website).

Specific Rates and Forms Exempt from Filing

In October, 2003, the ADOI also participated in a hearing to determine: (1) potential P & C rate and form exemptions from the filing requirements of A.R.S. §§ 20-385 and 20-398; (2) what policies could be exempted from compliance with all of the provisions of Article 14, Chapter 6, Title 20 relating to cancellation or non-renewal of commercial insurance; and, (3) the categories that should be added or deleted from the Surplus Lines' Export List. On

October 24, 2003, the Director's order (Docket No. 03A-144-INS) was filed. The order is available on the ADOI's website.

Service Company Permits

R20-6-407(G) states that permits expire at midnight on the last day of the service company's fiscal year. December 31 is the end of the fiscal year for 88 out of 94 service companies that currently have Arizona permits.

Watch for Surveys

The homeowners and Spring private passenger automobile (PPA) premium comparison surveys were recently sent to insurers for premium quotations. Responses were due by December 20 for HOs and December 22, 2003 for PPA. Both surveys are important to consumers who use them to comparison shop for their insurance; therefore, we strongly encourage insurers to submit their responses timely. The target date for the publication of results is February 1, 2004.

Credit Property and Credit Unemployment

Insurers using the prima facie credit property and credit unemployment rates established by the Department's October 15, 2003 order are required to file a certification stating that the insurer's actual rates do not exceed the prima facie rates and that the rates are not inadequate or unfairly discriminatory. Insurers using rates that do not exceed the prima facie rates must file this certification prior to the stated effective date of the prima facie rates, and on or before

April 1 of each year thereafter. The certification form is available on the Department's website. Insurers that have questions about this process, may contact Lynn Gile at lgile@id.state.az.us.

Consumer Affairs

Medicare Supplement Premium Comparison

The 2004 edition of this publication is now available on the [ADOI's website](#) and will soon be available in print. This consumer tool for comparison shopping remains one of the ADOI's most popular on-line publications.

Financial Affairs

2003 Annual Statement Filing

Notices have been mailed to all licensed insurers to advise them of their calendar year 2003 statutory filing requirements. Once again, all ADOI [forms and instruction materials](#) will be posted on our website. Please note that most foreign insurers that file Quarterly Statements with the NAIC are **not** required to file them with the ADOI.

For assistance with Annual or Quarterly filing requirements, please contact Rose McNabb, Compliance Section Supervisor at (602) 912-8420 at extension 4207, or rmcnabb@id.state.az.us.

COMPANY ACTIONS**NEW LICENSES ISSUED****Domestic Companies**

	Company Name	NAIC #	Effective Date	Type
1.	ARIZONA AUTOMOBILE INSURANCE COMPANY	11805	10/17/03	Property and Casualty Insurer
2.	ELDERCARE MUTUAL INSURANCE COMPANY RISK RETENTION GROUP	11816	10/29/03	Risk Retention Group
3.	PACWEST CAPTIVE INSURANCE COMPANY, INC.	N/A	10/24/03	Agency Captive
4.	PROFESSIONAL SECURITY INSURANCE COMPANY	11811	12/11/03	Casualty Insurer
5.	SRP CAPTIVE RISK SOLUTIONS, LIMITED	N/A	12/22/03	Pure Captive
6.	TRANSURANCE RISK RETENTION GROUP, INCORPORATED	11815	11/7/03	Risk Retention Group
7.	TRI CAPTIVE INSURANCE COMPANY, INC.	N/A	10/16/03	Pure Captive

Foreign Companies

	Company Name	State of Domicile	NAIC #	Effective Date	Type
1.	AAA MOUNTAINWEST INSURANCE COMPANY dba AAA FIRE & CASUALTY INSURANCE COMPANY	AK	10921	11/7/03	Property & Casualty Insurer
2.	ACE GUARANTY CORP.	MD	30180	11/12/03	Casualty Insurer
3.	AMERICAN SENTINEL INSURANCE COMPANY	PA	17965	12/5/03	Property & Casualty Insurer
4.	AMGUARD INSURANCE COMPANY	PA	42390	10/17/03	Property & Casualty Insurer
5.	ARCH REINSURANCE COMPANY	NE	10348	12/15/03	Property & Casualty Insurer
6.	CATHOLIC LIFE INSURANCE	TX	57347	10/23/03	Fraternal Benefit Society
7.	CEM INSURANCE COMPANY	IL	10891	10/3/03	Property & Casualty Insurer
8.	CHEROKEE INSURANCE COMPANY	MI	10642	12/30/03	Property & Casualty Insurer
9.	EASTGUARD INSURANCE COMPANY	PA	14702	10/17/03	Property & Casualty Insurer
10.	LEXINGTON NATIONAL INSURANCE CORPORATION	MD	37940	11/14/03	Casualty Insurer
11.	NIPPONKOA INSURANCE COMPANY, LIMITED (U. S. BRANCH)	JAPAN	27073	12/29/03	Property & Casualty Insurer
12.	NORGUARD INSURANCE COMPANY	PA	31470	10/17/03	Property & Casualty Insurer
13.	PLATINUM UNDERWRITERS REINSURANCE, INC.	MD	10357	11/12/03	Accredited Reinsurer
14.	PROFESSIONAL SOLUTIONS INSURANCE COMPANY	IA	11127	11/12/03	Property & Casualty Insurer
15.	PROGRESSIVE HALCYON INSURANCE COMPANY	OH	16322	11/7/03	Accredited Reinsurer

Risk Retention Groups Register

	Company Name	State of Domicile	NAIC #	Effective Date
1.	CONTINUING CARE RISK RETENTION GROUP, INC.	SC	11798	10/22/03
2.	NORTHEAST CASUALTY RISK RETENTION GROUP, INC.	VT	10112	11/24/03

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

Company Name	State of Domicile	Effective Date
1. AMERICAN HOME GUARDIAN, INC	AZ	10/02/03
2. WARRANTY AMERICA, LLC	WY	10/17/03
3. GREAT LAKES WARRANTY CORPORATION	PA	10/24/03
4. TRISTAR PROTECTION PLAN, INC.	OH	10/24/03
5. INTERCONTINENTAL WARRANTY SERVICES, INC.	FL	12/31/03
6. CAREGARD WARRANTY SERVICES, INC.	TX	12/31/03
7. N.E.W. WARRANTY SERVICES, INC.	DE	12/29/03

Third Party Administrators (TPA)

Company Name	State of Domicile	Effective Date
1. EOSCOMP, LLC	AZ	10/17/03
2. FARA BENEFIT SERVICES, INC.	LA	10/20/03
3. DEFINITY HEALTH CORPORATION	DE	11/13/03
4. PLANNED ADMINISTRATORS, INC.	SC	11/18/03
5. AMERIBEN SOLUTIONS, INC.	ID	11/26/03
6. COMPANION INFORMATION MANAGEMENT RESOURCES, INC	SC	12/03/03
7. HEALTHSAVE COMPANY, LLC (THE)	AZ	12/11/03
8. RENAISSANCE BENEFIT ADMINISTRATORS dba DELTA DENTAL PLAN OF MICHIGAN, INC.	MI	12/23/03

Utilization Review Agents

Company Name	State of Domicile	Effective Date
1. MANAGED CARE CONCEPTS	IL	11/20/03
2. TRUSTMARK LIFE INSURANCE COMPANY	IL	11/21/03

CHANGE OF AUTHORITY

Company Name	State of Domicile	NAIC #	Effective Date	Change
1. ACACIA LIFE INSURANCE COMPANY	DC	60038	12/4/03	Granted Variable Annuities and Variable Life
2. ALLIANCE INTERNATIONAL INSURANCE, INC.	AZ	N/A	12/22/03	Converted to Unaffiliated Credit Life & Disability Reinsurer
3. GREATER MISSOURI LIFE INSURANCE COMPANY	AZ	91146	11/07/03	Converted to Unaffiliated Credit Life & Disability Reinsurer
4. INDIANAPOLIS LIFE INSURANCE COMPANY	IN	64645	10/03/03	Granted Variable Annuities
5. PROGRESSIVE HALCYON INSURANCE COMPANY	DE	79065	11/7/03	Granted Disability

6.	PROGRESSIVE SPECIALTY INSURANCE COMPANY	OH	32786	11/12/03	Terminated Limitation to Casualty Without Workers' Compensation; Granted Marine & Transportation and Property
7.	RSUI INDEMNITY COMPANY	NH	22314	11/19/03	Terminated Surety and Vehicle
8.	SUN LIFE ASSURANCE COMPANY OF CANADA (U.S.)	DE	79065	11/7/03	Granted Disability
9.	TRANSGUARD INSURANCE COMPANY OF AMERICA	IL	28886	10/17/03	Granted Workers' Compensation, Property and Surety
10.	UNIVERSAL FIRE & CASUALTY INSURANCE COMPANY	IN	32867	10/20/03	Granted Surety

NAME CHANGES

	Old Name (to) New Name	State of Domicile	NAIC #	Effective Date
1.	PLANET INDEMNITY COMPANY (to) RLI INDEMNITY COMPANY	IL	28860	10/1/03

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.	AETNA HEALTH INC.	95003	11/10/03	Aetna Health Holdings, LLC
2.	NATIONAL PROTECTIVE LIFE INSURANCE COMPANY	63347	11/21/03	David R. Ward, Gregory E. Ward, and Patton S. Cox

Mergers involving Arizona Companies

	Company Name Merged Into	State of Domicile	NAIC #	Date Order Filed
1.	KEYSTONE FINANCIAL LIFE INSURANCE COMPANY (into) ALLFIRST LIFE INSURANCE CORPORATION	AZ AZ	N/A 91111	10/8/03

Withdrawals from Arizona

	Company Name	State of Domicile	NAIC #	Date Order Filed
1.	AFFILIATED FINANCIAL LIFE INSURANCE COMPANY	AZ	76490	12/12/03
2.	AMERICAN CONSUMERS LIFE INSURANCE COMPANY	AZ	79561	11/28/03
3.	BENSEN MOTORS INSURANCE COMPANY	AZ	N/A	12/15/03
4.	CHARGER REINSURANCE GROUP, THE	AZ	33995	12/24/03
5.	COLUMBINE CASUALTY INSURANCE COMPANY	AZ	37320	12/24/03
6.	CONSUMER LIFE INSURANCE COMPANY	AZ	62367	12/24/03
7.	CONSUMERS INSURANCE COMPANY	WA	28975	12/12/03
8.	EASTWOOD LIFE INSURANCE COMPANY	AZ	N/A	12/26/03
9.	FIDELITY NATIONAL LIFE INSURANCE COMPANY	AZ	74071	12/26/03
10.	GUIDEONE LIFE INSURANCE COMPANY	IA	68004	11/25/03

11. IL ANNUITY AND INSURANCE COMPANY	KS	71692	12/15/03
12. INTRAWEST INSURANCE COMPANY	AZ	80543	12/26/03
13. MAYO HEALTH PLAN ARIZONA	AZ	52637	12/29/03
14. METLIFE SECURITY INSURANCE COMPANY OF LOUISIANA	LA	65714	12/26/03
15. MIDWEST CREDIT LIFE INSURANCE COMPANY	AZ	79537	12/30/03
16. MILLER DEALERS LIFE INSURANCE COMPANY	AZ	N/A	10/28/03
17. NORTHWESTERN NATIONAL CASUALTY COMPANY	TX	23906	11/21/03
18. PATHMARK ASSURANCE COMPANY	NE	94528	10/8/03
19. PRINCETON REINSURANCE COMPANY	AZ	60036	12/18/03
20. PROTECTED HOME MUTUAL LIFE INSURANCE COMPANY	PA	68128	12/24/03
21. RECIPROCAL OF AMERICA	VA	33812	12/24/03
22. RUSHMORE NATIONAL LIFE INSURANCE COMPANY	SD	68586	12/5/03
23. SECURITY EQUITY LIFE INSURANCE COMPANY	NY	99414	12/26/03
24. SECURITY-CONNECTICUT LIFE INSURANCE COMPANY	MN	91588	10/8/03
25. SUNLIGHT MESA LIFE INSURANCE COMPANY	AZ	N/A	11/10/03
26. WESTERN ROCKIES LIFE INSURANCE COMPANY	AZ	N/A	10/8/03
27. WESTWOOD INDEMNITY COMPANY	AZ	10026	12/30/03
28. WOODMEN ACCIDENT AND LIFE COMPANY	NE	70602	11/19/03

SUPERVISIONS/RECEIVERSHIPS

Company Name	State of Domicile	NAIC #	Effective Date	Action Taken
1. OLD WEST ANNUITY & LIFE INSURANCE COMPANY	AZ	76791	12/24/03	Placed Under Supervision

FINANCIAL EXAM REPORTS

Company Name	NAIC #	Date Report Filed
1. LONG LIFE INSURANCE COMPANY	74047	11/7/03
2. PACIFIC LIFE & ANNUITY COMPANY	97268	11/12/03
3. RHIT LIFE INSURANCE COMPANY	94943	12/19/03
4. SOUTHTRUST LIFE INSURANCE COMPANY	83585	11/7/03
5. SUTLIFF LIFE INSURANCE COMPANY	79090	12/26/03
6. UNIVEST REINSURANCE COMPANY	64599	11/7/03
7. VANLINER INSURANCE COMPANY	21172	11/7/03

MARKET CONDUCT EXAM REPORTS/ORDERS

	Company Name	State of Domicile	NAIC #	Date Filed	Civil Penalty	Restitution + Interest
1.	AETNA LIFE INSURANCE COMPANY Desk examination of exempt forms.	CT	60054	10/22/03	\$0	\$0
2.	ALLSTATE INDEMNITY COMPANY Improper claims procedures. Use of non-compliant policy forms.	IL	19240	10/28/03	\$11,000	\$481.54, plus interest TBD
3.	ALLSTATE INSURANCE COMPANY Improper claims procedures. Use of non-compliant policy forms	IL	19232	10/28/03	\$7,000	\$898.74, plus interest TBD
4.	ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY Use of unfiled rates and rules. Improper claims processing procedures. Use of non-compliant policy forms.	IL	17230	10/28/03	\$14,000	\$299.70, plus interest TBD
5.	AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA Paid commissions to unlicensed agents. Improper claim processing procedures. Used a non-compliant authorization form and insurance information practices notice. Advertising materials inconsistent with policy language.	FL	10111	10/17/03	\$35,000	\$0
6.	AMERICAN BANKERS LIFE ASSURANCE COMPANY OF FLORIDA Paid commissions to unlicensed agents. Improper claim processing procedures. Used a non-compliant authorization form.	FL	60275	10/17/03	\$20,000	\$0
7.	CORPORATE HEALTH INSURANCE COMPANY Desk examination of exempt forms.	PA	72052	10/22/03	\$0	\$0
8.	IL ANNUITY AND INSURANCE COMPANY, N.K.A., INDIANAPOLIS LIFE INSURANCE COMPANY Use of misleading advertising materials. Allowed agents to pay membership dues for applicants. Use of non-compliant application and policy forms.	KS	71692	11/28/03	\$25,000	\$0
9.	LAWYERS TITLE INSURANCE CORPORATION Charging title insurance premiums that are not consistent with its filed rates and rules. Using certain endorsements that were not filed nor approved by the Director.	VA	50024	10/20/03	\$13,763	TBD as a result of two self-audits.
10.	UNICARE LIFE AND HEALTH INSURANCE COMPANY Desk examination of exempt forms.	DE	80314	10/22/02	\$0	\$0

SUSPENSIONS

	Company Name	State of Domicile	NAIC #	Effective Date	Action
1.	EASTWOOD LIFE INSURANCE COMPANY	AZ	N/A	10/8/03	Suspended

PRODUCERS AND OTHER LICENSEES DISCIPLINED

Cause No. Name City – State	Allegation	Disposition
1. 03A-114 Corina Marina Mercado Phoenix, AZ	Admitted or been found guilty of committing an insurance unfair trade practice or fraud; provided incomplete information in the license application; used fraudulent or dishonest practices or untrustworthiness in the conduct of business.	10/10/03 Order License Revoked
2. 03A-172 William Francis Perry Baden, PA	Had been convicted of a felony; had an insurance producer license, or its equivalent, denied, suspended or revoked in any other state.	10/31/03 Consent Order License Revoked
3. 03A-173 Gary Pryor Mason Phoenix, AZ	Used fraudulent, coercive or dishonest practices, or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business; admitted or was found to have committed insurance unfair trade practice or fraud; improperly withheld, misappropriated or converted monies or properties received in the course of doing insurance business; intentional misrepresentation of the terms of an actual or proposed insurance contract or application for insurance.	10/31/03 Consent Order License Revoked
4. 03A-178 Joseph Peter Csedo Lakeville, MN	Used fraudulent, coercive or dishonest practices, or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere; had an insurance producer license, or its equivalent, denied, suspended or revoked in any other state.	11/10/03 Consent Order License Revoked
5. 03A-161 Miguel Angel Martinez San Diego, CA	Convicted of a felony; had an insurance producer license, or its equivalent, denied, suspended or revoked in any other state.	11/24/03 Order License Revoked
6. 03A-162 Donna Marie Smith Phoenix, AZ	Felony conviction; used fraudulent, coercive or dishonest practices, or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere; insurance producer license or its equivalent revoked in any other state.	11/24/03 Order License Revoked
7. 03A-190 Richard Shelley Goldberg Phoenix, AZ	Direct dissemination before the public of a circular acting as an advertisement containing statements with respect to the business of insurance which were deceptive or misleading.	11/24/03 Consent Order \$500.00 Civil Penalty
8. 03A-191 Victor Cortinas Garza Chandler, AZ	Civil judgment for fraudulent transfers constitutes fraudulent, coercive or dishonest practices, or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere.	11/24/03 Consent Order License Suspended for 90 Days

9. 03A-192 Donald Arthur Fischer Gilbert, AZ	Misrepresented or fraudulently obtained or attempted to obtain an insurance license; used fraudulent, coercive or dishonest practices, or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere.	11/24/03 Consent Order License Revoked
10. 03A-195 Jorge Fernando Diaz Glendale, AZ	Felony conviction; obtained or attempted to obtain a license through misrepresentation or fraud.	11/25/03 Consent Order License Revoked
11. 03A-175 George Albert Palmer Caribou, ME	Felony conviction; had an insurance producer license, or its equivalent, denied, suspended or revoked in any other state.	12/12/03 Order License Revoked
12. 03A-117 Richard Ernest Dickerson, and Bryce Coba Dickerson dba Affordable Bail Bonds Denver, CO	Improperly withheld, misappropriated or converted any monies or properties received in the course of doing insurance business; directly or indirectly charged or collected monies or other valuable consideration from any person for purposes other than to pay premium at the rates established by the surety insurer and approved by the director.	12/19/03 Order Licenses Suspended for 12 Months \$583.00 Restitution
13. 03A-208 National Hazard Insurance Company and Michael Francis Napadow West Dundee, IL	Unauthorized transaction of insurance.	12/22/03 Order to Cease & Desist
14. 03A-209 Warranty Gold, Ltd., PHSK, L.L.C., George Parsons, Tim Herman, Robert Spellings and Michael Kammerman Austin, TX	Offered or issued a service contract without qualifying for and receiving a permit.	12/22/03 Order to Cease & Desist

RULES

Citation	Title	Action	Status
1. R20-6-215, R20-6-215.01	Forms for Replacement of Life Insurance Policies and Annuities Forms for Buyer's Guide for Annuities	Repeal/New	Notice of Exempt Rulemaking filed with Secretary of State 12/5/03 Effective 1/1/04
2. R20-6-2101 - R20- 6-2104	Customer Information Security	New	Oral Proceeding held 12/16/03; rulemaking record closed 12/18/03

CIRCULAR LETTERS

Number	Title	Date Issued
1. 2003-12	2001 Commissioners' Standard Ordinary (CSO) Mortality Table	Dec 29, 2003

PRESS RELEASES

	Title	Date Issued
1.	Department of Insurance Issues Updated Auto Premium Comparison	October 21, 2003
2.	Department of Insurance Establishes Rate Limits for Credit Property and Credit Unemployment Insurance	October 21, 2003
3.	New Consumer Protections in Long Term Care Insurance Take Effect	October 21, 2003
