



ADOI Launches New Website

The ADOI has launched its new and improved website at a new address, www.id.state.az.us. The update was developed and implemented entirely by the ADOI's Web Committee and Information Services staff. The site features a new look, many new features, is organized by constituent-specific portals, provides more menus, a site map and offers a site search engine.

The site includes an extensive page dedicated to insurance consumers, featuring more links and publications, organized by line of business. There are also separate

Key New Website Features

Sign up for automatic email notification about bulletins, press releases, and the ADOI newsletter.

Look up producers to verify license status.

New page specifically for insurance consumers.

More menu options, a site map and a search engine.

pages for insurers and for producers, with a variety of links to information relevant to their needs, including forms, fees, surveys, reports and more. There is also a regular spot for current event announcements to highlight opportunities for industry comment, deadlines for reporting and other time sensitive or significant events.

One of the important new features is a producer "look-up". The ADOI receives hundreds of phone calls each month to our Consumer Affairs and Licensing areas asking for

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ADOI Improves Business Continuity Plan

On January 13, 2003, Governor Napolitano issued Executive Order 2003-10 directing all state agencies to prepare and provide plans to continue delivery of essential services and ensures the security of customers and employees in the event of a disaster. Agencies must submit Business Continuity Plans to the Governor by May 13, 2002.

The ADOI Business Continuity Plan, identifies strategies for resuming its core processes if the resources ordinarily supporting those processes are unavailable. The ADOI's core regulatory processes include providing consumer information and assistance, overseeing insurers' financial condition and market practices, administering producer and insurer licensing,

administering insurer insolvencies and collecting premium taxes and fees. The Plan addresses how these processes will be restored in the event that the ADOI's physical resources (facilities, equipment, paper records) are destroyed. Like many organizations, the ADOI adopted a Business Continuity Plan immediately following the events of September 11, 2001. We are revising our Plan in light of Governor Napolitano's Executive Order and recent

training provided by the Arizona Department of Administration. We have also been aided in this effort by business continuity plans adopted by other insurance regulators and the National Association of Insurance Commissioners and by our own ongoing business process analysis project, Year 2000 Contingency Plan and strategic planning documents.

The ADOI's Business Continuity Plan is a living document that must be tested and evaluated regularly. While we hope that circumstances will never necessitate implementation of our Business Continuity Plan, it is important that the public, insurers, and producers know the ADOI is prepared.

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Mission Statement

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

Legislative Report

The Forty-sixth Arizona legislature convened on January 13, 2003. The budget continues to dominate policymakers' attention. On March 17, 2003, Governor Napolitano convened a one-day special session to make approximately \$300 million in further reductions to the state budget for the current fiscal year. One provision of this budget plan of interest to the insurance community provides for the Arizona State Compensation Fund to exchange \$50 million in cash for as-yet-unspecified state properties. The ADOI and most other state agencies were spared further across-the-board cuts this fiscal year, though the ADOI was required to revert certain monies. Resolution of the 2003 budget will permit the Governor and the Legislature to now devote attention to the budget for the 2004 fiscal year beginning July 1, 2003, from which it will be necessary to reduce expenditures by approximately \$1 billion.

All ADOI bills have cleared the House, and passed their initial committees in the Senate. Bills designated with an asterisk (*) were amended in the second chamber, and must return to their chamber of origin for concurrence and a final vote before transmittal to the Governor. This article reflects the status as of April 21st. Interested persons should consult the Legislature's web site for the current status of a particular bill as the status can change rapidly.

ADOI Bills

***HB 2152. Captive Insurance.**

This bill enhances Arizona's captive insurance laws by allowing formation of more forms of captive insurers and establishing a permanent funding mechanism for the program. (Went to conference committee; awaiting final reading in both chambers.)

***HB2153. Long-term care insurance.** This bill brings Arizona's long term care (LTC) laws into conformity with the NAIC model LTC law and adds provisions to enable the Director to better assure rate stability in the LTC market. Among other things, the bill will expand the Director's rulemaking authority, clarify the provisions for review and disapproval of policy forms, and give the Director authority to review and disapprove rates. The bill also includes new provisions for timely processing of claims and provisions for non-forfeiture benefits and contingent benefits upon lapse. (Pending third reading in the Senate.)

HB2160. Healthcare coverage; insurers; reporting. This bill eliminates the January 1, 2004 sunset provisions for A.R.S. §§ 20-1381 and 20-1382, two HIPAA related provisions. (Enacted, Ch. 55.)

Other Insurance-related Bills

Non-ADOI bills of interest are listed below. All of the bills have cleared the chamber in which they originated. Anyone interested in a particular bill should review the actual bill for its precise terms, and should not rely on the brief summaries below.

***HB2032. Insurance; consumer reports.** This bill

places some limitations on insurers' use of certain credit history for the purpose of developing an insurance score. (Awaiting House action on Senate amendments.)

HB2148. Mortgage guaranty insurance. This bill clarifies the rate and form review process for mortgage guaranty insurance. (Enacted, Ch. 28.)

***HB2150. Insurers; continuing education.** This bill extends Arizona's insurance producer continuing education laws for another 10 years. (Went to conference committee; awaiting Senate final reading.)

HB2151. Vehicles; uninsured coverage; limits; notice. This bill excuses insurers from maintaining the form indicating that an insured was offered UM/UIM coverage if the insured purchases such coverage at the allowable limits. (Awaiting action by the Governor.)

HB2154. Insurance holding company systems. This bill conforms A.R.S. 20-481.01, governing insurers' investments in subsidiaries, to the NAIC model Holding Company Act. (Awaiting Senate third reading.)

***HB2156. Insurance claim; vehicle lien.** This bill requires insureds/claimants, as part of a proof of loss, to include information about the existence of any liens against the vehicle involved in an accident, and holds the insured/claimant liable for damages arising from failure to provide accurate lien information. Insurers may rely on the information provided. The section does not apply if the

Legislative... (Continued from page 2)

insurer makes the claim proceeds payable to the lienholder as well as the insured, or to the repair facility. (Awaiting House action on Senate amendments.)

***HB2186. Life insurance; annuities; replacement.** This bill codifies the NAIC model regulation regarding Replacement of Life Insurance and Annuities, and the model regulation on Annuity Disclosure. (Awaiting Senate Committee of the Whole ("COW").)

***HB2267. Towed vehicle retrieval; insurance.** This bill requires a towing company to release a towed vehicle to an insurer's designee on payment of reasonable expenses and fees. Failure to release precludes the towing company from charging more fees. A request for release must be in writing and include certain information about the insurer, the claimant, and the claim. (Awaiting House action on Senate amendments.)

HB2273. Structural pest control commission. This bill clarifies the language regarding the form of insurance that a structural pest control company can use to provide financial security. The bill language clarifies that surplus lines coverage is acceptable. (Awaiting Senate third reading. However, identical language appears in *HB2341, which may be used as a substitute.)

HB2340. Credit life; disability reinsurers; reserves. This bill

amends A.R.S. § 20-1094.01 to permit a credit life and disability reinsurer to use a clean, irrevocable letter of credit to secure liabilities assumed under a reinsurance agreement. (Pending action by the Governor.)

***HB2379. Insurance claim settlement; medical.** This bill amends the anti-discrimination provision in A.R.S. § 20-461(B) to specify that a finding of discrimination cannot be based on whether an insurer applies medical necessity review to a particular type of physician, service, diagnosis, or treatment. (Awaiting Senate COW.)

***SB1010. Medical malpractice actions; elder abuse.** This bill attempts to curb the practice of allowing a provider to be sued for both medical malpractice and elder abuse. (Awaiting House action on Senate amendments.)

***SB1265. Insurance policy; cancellation.** This bill requires that an insurer using information from a data exchange for underwriting homeowners insurance (e.g. a CLUE report), must get the information on the premises and the applicant as soon as practicable after the person applies for insurance, and before issuing a binder. Failure to timely get the information precludes the insurer from declining coverage or terminating a binder. Thirty days after application, the insurer cannot decline or terminate coverage based on information from the report. The insurer retains the right to decline or terminate based on the condition of the premises, as determined

through a physical inspection. (Awaiting Senate action on House amendments.)

***SB1266. Residential property; insurance.** This is a companion bill to SB1265. It prohibits an insurer from charging a homeowners policyholder increased premiums based on a single, below deductible claim not exceeding \$500 in a three year period. (Awaiting Senate action on House amendments.)

Interested persons can review legislation and monitor the progress of any bill on the Arizona legislative web site at www.azleg.state.az.us. Any questions about ADOI legislative matters should be directed to Vista Thompson Brown, Executive Assistant for Policy Affairs, vbrown@id.state.az.us.



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Insurance Regulator

Published by the Arizona Department of Insurance

2910 N. 44th St., Suite 210, Phoenix, AZ 85018 ~ (602) 912-8456 ~ www.id.state.az.us

Janet Napolitano, Governor ~ Charles R. Cohen, Director ~ Erin H. Klug, Public Information Officer

Guaranty Fund Achieves “Excellent” Claims Handling Rating

An external audit of claims handling performance by the Claims Department of the Arizona Property and Casualty Insurance Guaranty Fund resulted in a rating of “Excellent.”

Each year the Guaranty Fund undergoes an external audit of its claim handling practices as mandated by its Plan of Operation. The 2002 audit was performed by NIIS/Apex Group Holdings, Inc. The audit involved an intensive review of a random sample of both open and closed claim files. The audit was designed to evaluate compliance with 16 claims handling standards: verification of coverage; file creation; contact with insured; contact with claimant; investigation; subrogation; reserving; documentation to justify claim payment; litigation management;

proper use of experts; settlement; diary maintenance; supervision; file documentation; and excess loss reporting. As a result of this review, the Guaranty Fund Claims Department was assigned a 96% or “Excellent” overall rating by the external auditor.

The Guaranty Fund Claims Department consists of Claims Manager Lori Nestor, Senior Adjusters John Draftz and Trudy Hughes, and Administrative Secretary Theresa Gaine. The Claims Department handles 200-300 complex claims, most of which are in various stages of litigation.

The Guaranty Funds are managed by Executive Director Michael Surguine. Unlike Most states, the Arizona Guaranty Funds are part of the ADOI. ☐

New web site...(Continued from page 1)

verification of producer licensure. Now, ADOI’s customers can determine whether a person is licensed, for what lines of business and for how long, with the click of a mouse. This on-line service has the potential to drastically cut phone calls to the ADOI, freeing employees to do other work while providing almost instantaneous service. The ADOI intends to continue expanding the public records accessible via the website.

To reduce costs and increase the efficiency and speed with which we can communicate with our various constituencies, the new site includes “Listserv” subscription capability. Visitors can sign up to automatically receive electronic versions of our press releases, regulatory bulletins and Insurance Regulator newsletter. This e-service will reduce our costs for printing, paper, postage and staff time; and we expect to reach more people with pertinent, timely information.

Since its inception in January, the ADOI’s new web site has been veiwed more than 120,000 times. ADOI has received welcome feedback that the site is more user-friendly, easier to navigate, not to mention, nicer to look at. Check it out for yourself:

www.id.state.az.us

ADOI NAIC Committee & Task Force Assignments for 2003

Accounting Practices and Procedures Task Force	Improvements to State Based Systems Working Group
Government Affairs Task Force	Insolvency Task Force (Vice Chair)
Health Insurance and Managed Care Committee	Market Regulation & Consumer Affairs Committee
	Workers' Compensation Task Force

Regulator Profile



EUGENE GLOVER, Chief Information Officer, heads the ADOI Information Services Division that manages and supports computer services, operations and programming for the Department's approximately 150 employees at four locations in Phoenix and Tucson.

He started at ADOI in 1990 as a Programmer/Analyst, and was placed in charge of the Information Services Division in 1993. In 2001 he was named Chief Information Officer.

Eugene was involved in the original ADOI automation project, programming and upgrading the Department's computer systems, including the installation of the ADOI Wide-Area Network. Among the many projects he's worked on at ADOI: he designed and programmed our Producer Licensing and Consumer Complaint Tracking systems; developed and implemented the ADOI's first website; and he was instrumental in designing and effectuating the recent overhaul of our website, including programming the on-line "Producer Look-up" and implementing the mailing list server.

Outside of work, Eugene is an enthusiastic traveler and is halfway to his goal of visiting all the inhabited continents, and studies Chinese and Japanese languages. He also enjoys videography (writing, directing and editing) and has produced a sci-fi farce for local television since 1993. Eugene is married and has a beautiful daughter. ☐

New and Improved ADOI Publications

Since the beginning of the year, the ADOI has published new or revised versions of the following publications:

Automobile Premium Comparison (in English and Spanish)

Homeowner Premium Comparison (in English and Spanish)

Consumer's Guide to Homeowners Insurance Homeowners Insurance Check-Up Checklist

Overview: The Arizona Department of Insurance and the Arizona Insurance Industry

Special attention has been given to ADOI's literature relating to homeowners insurance. Due to the hard market conditions and consumer concerns about insurer reactions to wildfires in Arizona's wooded areas, ADOI saw a need to emphasize consumer resources regarding homeowners insurance. Several of our longstanding publications on this line of business were updated, and a new one was created, the *Homeowners Check-Up Checklist*.

ADOI also released the Spring edition of one of its most requested booklets, the *Automobile Premium Comparison*. This publication illustrates the amount of competition in the automobile insurance market in Arizona and emphasizes the benefits that can be had from comparison shopping.

A pamphlet entitled *A Guide to the Arizona Department of Insurance* has been replaced with a brochure called *Overview: The Arizona Department of Insurance and the Arizona Insurance Industry*. The new publication contains popular data summarized from the ADOI's Annual Report as well as basic descriptions of the various functions of the the ADOI.

All ADOI publications are available on our website (www.id.state.az.us) or by calling the ADOI at (602) 912-8444. ☐

Fraud Unit Report

Operation Rent & Wreck

On January 28, 2003 the ADOI Fraud Unit assisted the Phoenix Police Department's Fugitive Apprehension and Investigations Detail in arresting Juan Reyes Marrufo, Maricela Armenta, and Cristina Rodriguez. These individuals were part of a large-scale auto fraud ring that also involved lawyers, doctors, and chiropractors from California.

The ring was an organized system which involved individuals recruited from Phoenix to use their vehicles in staged collisions in California. The Arizona and California accident "victims" claimed they received legal and medical services from other ring participants who contributed to the false filing of claims under Arizona insurance policies. Here's how it worked:

A local "capper" (the person who recruited participants for the phony collisions) contacted Phoenix residents and offered money if they agreed to have their vehicles transported to California and then to drive them in staged accidents. The recruits were flown to California to crash their respective vehicles into other passenger-filled vehicles, which the ring usually rented. Accidents often occurred late at night, apparently to reduce the availability of witnesses. Passengers from both vehicles would then file claims under the Arizona policy because the Phoenix driver was "at fault". Claim amounts would be inflated by the addition of medical expenses presented by various chiropractors and doctors who falsely claimed to have treated the accident "victims" for the collision-related injuries.

These staged accidents resulted in an estimated 2.5+ million dollars in fraudulent claims since the ring's inception in 1996.

The ADOI Fraud Unit first became aware of this activity when an insurer referred suspicious claims from California medical professionals. The ADOI Fraud Unit began coordinating with the California Department of Insurance Fraud Division to unravel the scheme. The California Department of Insurance made 13 arrests of ring participants in California.

If convicted, participants in this ring face a maximum of 24.5 years in prison as well as restitution for their crimes of insurance fraud, theft, forgery, and fraudulent schemes.

Fraud Unit Relocating (Again)

The recent sale of the state building on 16th Street and Morten Avenue resulted in a significant increase in rent, making it necessary for the Fraud Unit to find a new home. The new office is conveniently located directly across from the ADOI's main office. The move is expected to occur this June. The new address will be:

**Fraud Unit
Arizona Department of Insurance
2929 North 44th Street, 4th Floor
Phoenix, Arizona 85018**

Around ADOI

Director's Office

Credit Unemployment and Credit Property Rates

The ADOI has completed its evaluation of the credit unemployment and credit property loss and expense experience information reported in response to its data calls. Draft reports describing the ADOI's evaluation, including draft recommended loss ratio standards and prima facie rates were posted on the ADOI website (www.id.state.az.us) on February 25, 2003.

The ADOI invited and received comment on the reports by March 25, 2003. The comments are being analyzed and final reports with recommended loss ratio standards and prima facie rates will be posted on the ADOI website within a few weeks.

A hearing will be held on the recommended loss ratio standards and prima facie rates this summer. It is anticipated the new rates will be effective by January 1, 2004. This activity is required under ADOI legislation enacted in 2002. If you are interested in receiving the Notice of Hearing, please call or email Kathy Linder at (602)

912-8456 or klinder@id.state.az.us.

Property and Casualty

Market Monitoring

The Division surveys insurers regarding the Arizona surety, homeowners, medical malpractice, other liability, nursing home liability, workers' compensation, businessowners and personal and commercial automobile markets. The purpose is to assess insurance availability and affordability and to verify market competition. This kind of monitoring is an important component of Arizona's "open competition" property and casualty regulation. See the Insurance Regulator, Fourth Quarter, 2001, page 2 for background story. Two-thirds of the questions on the one or two-page surveys require the insurer to either enter "yes" or "no" or circle a number. These questions focus on market conditions. The remaining questions ask for basic information (e.g. incurred loss ratio, number of claims, etc.). Surveys include a due date, identify an ADOI contact, and are sent by e-mail to the person who previously responded on the

company's behalf.

Some insurers have not responded, promptly returned the surveys, provided complete responses, and/or routed the surveys to company personnel who cannot provide a knowledgeable response. The ADOI recognizes the current market stresses facing the industry and empathizes with insurers. However, the ADOI has found that the survey is an unobtrusive and cost-effective method by which to gather necessary information, and wishes to avoid resorting to subpoenas and/or examinations to obtain the same information. Therefore, the ADOI strongly encourages insurers to diligently and promptly complete and return the ADOI's market surveys. Most insurers that have timely and fully responded have a company contact who responds on behalf of each insurer under the same corporate umbrella. The Contact either completes the survey or assumes responsibility for forwarding it to the appropriate person for completion. The Contact returns it to the ADOI. The ADOI urges insurers to identify one company

contact for the purpose of receiving all surveys, to Deloris Williamson at dwilliamson@id.state.az.us.

Captive Insurance

Interest Grows

Since the first of the year, two additional Arizona captive licenses were issued. One is an Illinois-based manufacturer and the other, a Kansas-based utility company.

Arizona continues to attract a high level of interest as a captive insurer domicile. There are several applications under review. In addition, numerous meetings have been held with prospective captive owners which should result in more applications being submitted during the next couple of months. The interest is coming from well diversified large individual risks and groups countrywide.

There is ADOI legislation pending which will expand the current Captive Law to allow the formation of Risk Retention Group Captives, Agency Captives, Protected Cell Captives, Personal Lines, Direct-Write Workers' Compensation (for approved self-insureds) and Reciprocal.

Financial Affairs

Exemption from filing paper quarterlies

ADOI continues to receive hundreds of hard copy quarterly financial statement from foreign insurers. Most foreign insurers that file Quarterly Statements with the NAIC are *not* required to file them with the ADOI. For assistance with Quarterly filing requirements, please contact Rose McNabb, Compliance Section Supervisor at (602) 912-8420 or rmcnabb@id.state.az.us.

Producer Licensing

Annual Update of the Producer Licensing Exams

The ADOI and Experior (Arizona's licensing examination vendor) co-hosted its annual Examination Review Workshop, which brought together representatives from the ADOI, Experior and the insurance industry to review of a subset of Arizona's producer licensing examination questions. Each year, the scope of the material covered on exams is reviewed, and several individual exam questions are evaluated to

ensure that they are clear and precise, accurate given changes in laws or rules, and relevant to the job of being a producer. Changes to examination content and questions will be reflected in exams administered from and after July 1, 2003. In late May 2003, Experior will publish an updated version of the Arizona Licensing Information Bulletin, which will include the revised examination content outline, the usual instructions for exam registration and exam fees, and an updated version of the license application form (Form L-169). For more information, visit the ADOI web page (www.id.state.az.us) or Experior's web site (www.experioronline.com).

Consumer Affairs

Recent Constituent Traffic

The following issues have generated numerous phone calls and/or complaints to the ADOI recently:

- ◇ Insurers seeking social security numbers for the purpose of accessing insurance applicants' credit history;
- ◇ Increased premiums and non-renewals of homeowners insurance;
- ◇ Fear of decreased availability of homeowners insurance in Arizona's wooded areas;
- ◇ Increased cost of long term care insurance. ■

COMPANY ACTIONS

NEW LICENSES ISSUED

Domestic Companies

Company Name	NAIC #	Effective Date	Type
1. LP CAPTIVE, INC.	N/A	1/16/03	Pure Captive Insurer
2. WTC CAPTIVE INSURANCE COMPANY, INC.	N/A	1/14/03	Pure Captive Insurer

Foreign Companies

Company Name	State of Domicile	NAIC #	Effective Date	Type
1. ARCH REINSURANCE COMPANY	NE	10348	1/17/03	Accredited Reinsurer
2. PEACHTREE CASUALTY INSURANCE COMPANY	FL	25755	2/20/03	Property & Casualty Insurer

Risk Retention Groups Registered

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

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

Company Name	State of Domicile	Effective Date
1. GS ADMINISTRATORS, INC.	TX	1/17/03

Third Party Administrators (TPA)

Company Name	State of Domicile	Effective Date
1. LEAGUE INSURANCE AGENCY, INC.	CT	01/14/03
2. HEALTH EQUITY, INC.	DE	2/18/03
3. PACIFICARE HEALTH PLAN ADMINISTRATORS, INC.	IN	2/18/03
4. CK SERVICES, LLC	UT	03/26/03

Utilization Review Agents

Company Name	State of Domicile	Effective Date
NO ACTIVITY THIS QUARTER		

CHANGE OF AUTHORITY

Company Name	State of Domicile	NAIC #	Effective Date	Change
1. ARCH INSURANCE COMPANY	MO	11150	1/7/03	Granted Workers' Compensation & Disability
2. COAST LIFE INSURANCE COMPANY	AZ	73296	3/28/03	Converted to Unaffiliated Credit Life and Disability Reinsurer

3.	COUNTRY INVESTORS LIFE ASSURANCE COMPANY	IL	94218	2/11/03	Granted Variable Annuities & Variable Life
4.	FIRSTMERIT CREDIT LIFE INSURANCE COMPANY	AZ	72486	1/9/03	Converted to Life & Disability Reinsure
5.	GREAT AMERICAN SECURITY INSURANCE COMPANY	OH	31135	2/3/03	Granted Workers' Compensation
6.	GREAT AMERICAN SPIRIT INSURANCE COMPANY	IN	33723	2/3/03	Granted Workers' Compensation, Disability, & Surety
7.	LIFE INSURANCE COMPANY OF THE SOUTHWEST	TX	65528	2/11/03	Granted Variable Life

NAME CHANGES

	Old Name (to) New Name	State of Domicile	NAIC #	Effective Date
1.	AIG SUNAMERICA LIFE ASSURANCE COMPANY dba ANCHOR NATIONAL LIFE INSURANCE COMPANY (to) AIG SUNAMERICA LIFE ASSURANCE COMPANY	AZ	60941	2/28/03
2.	CGU LIFE INSURANCE COMPANY OF AMERICA (to) AVIVA LIFE INSURANCE COMPANY	DE	62898	3/3/03

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. PHOENIX INDEMNITY INSURANCE COMPANY	34037	1/27/03	HALLMARK FINANCIAL SERVICES, INC.

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. ALL AMERICAN LIFE INSURANCE COMPANY	IL	60097	3/25/03
2. AMERIBEST LIFE INSURANCE COMPANY	GA	75078	3/25/03
3. AMERICAN GENERAL LIFE INSURANCE COMPANY OF NEW YORK	NY	67571	3/14/03
4. AMERICAN GENERAL LIFE INSURANCE COMPANY OF PENNSYLVANIA	PA	68667	3/14/03
5. AMERICAN RESOURCES LIFE INSURANCE COMPANY	IA	60021	3/31/03
6. BLUE RIDGE INSURANCE COMPANY	CT	24503	3/25/03

7.	EMPLOYEE BENEFITS INSURANCE COMPANY	CT	32794	3/14/03
8.	FRANKLIN LIFE INSURANCE COMPANY	IL	63622	3/25/03
9.	INTERNATIONAL INSURANCE COMPANY	IL	21083	3/25/03
10.	LINCOLN NATIONAL REASSURANCE COMPANY	IN	97039	3/31/03
11.	NEW DOMINION LIFE INSURANCE COMPANY	AZ	78450	3/25/03
12.	NN INSURANCE COMPANY	WI	29785	3/14/03
13.	RAYEN LIFE INSURANCE COMPANY	AZ	N/A	2/13/03
14.	SEVEN-ROD LIFE INSURANCE COMPANY	AZ	60191	3/4/03
15.	TENNCO LIFE INSURANCE COMPANY	AZ	92550	3/4/03
16.	THE AMERICAN FRANKLIN LIFE INSURANCE COMPANY	IL	94226	3/14/03
17.	THE U.S. BRANCH OF CLARICA LIFE INSURANCE COMPANY	CANADA	81914	3/14/03
18.	WARREN LIFE INSURANCE COMPANY	AZ	91260	3/17/03

SUSPENSIONS/REINSTATEMENTS

	Company Name	State of Domicile	NAIC #	Effective Date	Action
1.	ACCEPTANCE INSURANCE COMPANY	NE	37958	3/24/03	Suspended
2.	AMERICAN PROFESSIONALS INSURANCE COMPANY	IN	12084	2/7/03	Suspended
3.	HIGHLANDS INSURANCE COMPANY	TX	22489	2/7/03	Suspended
4.	NORTHWESTERN NATIONAL CASUALTY COMPANY	WI	23906	2/7/03	Suspended
5.	TRIAD COMMERCIAL CAPTIVE INSURANCE COMPANY	AZ	N/A	3/21/03	Suspended

SUPERVISIONS/RECEIVERSHIPS

	Company Name	State of Domicile	NAIC #	Effective Date	Action Taken
1.	TRIAD COMMERCIAL CAPTIVE INSURANCE COMPANY	AZ	N/A	3/21/03	Supervision (Automatically stayed by appeal)

FINANCIAL EXAM REPORTS

	Company Name	Date Report Filed	NAIC #
1.	ALLFIRST LIFE INSURANCE CORPORATION	3/28/03	91111
2.	AMERICAN CLASSIC REINSURANCE COMPANY	3/21/03	69595
3.	CBI INSURANCE COMPANY	3/12/03	82996
4.	CHARGER REINSURANCE GROUP, THE	3/19/03	33995
5.	CITADEL LIFE AND HEALTH INSURANCE COMPANY	3/12/03	71897
6.	COLUMBINE CASUALTY INSURANCE COMPANY	1/6/03	37320
7.	DALLAS AUTOMOTIVE LIFE INSURANCE, INC.	3/19/03	98965
8.	EASTERN STATES REINSURANCE COMPANY	3/19/03	34010

9.	EMPLOYERS DENTAL SERVICES, INC.	3/12/03	53090
10.	EQUITABLE AGENTS REINSURANCE COMPANY	3/28/03	87220
11.	EVEREST NATIONAL INSURANCE COMPANY	1/21/03	10120
12.	FLEET INSURANCE COMPANY	3/19/03	10735
13.	FLEET LIFE INSURANCE COMPANY	3/19/03	60148
14.	HALLMARK LIFE INSURANCE COMPANY	1/24/03	60078
15.	MIAMI VALLEY INSURANCE COMPANY, THE	3/21/03	93793
16.	OLD WEST ANNUITY & LIFE INSURANCE COMPANY	1/24/03	76791
17.	RESERVE CAPITAL LIFE INSURANCE COMPANY	3/12/03	97446
18.	SENECA SPECIALTY INSURANCE COMPANY	3/12/03	10729
19.	UNIFIED INVESTORS LIFE INSURANCE COMPANY	3/12/03	77836
20.	YADKIN VALLEY LIFE INSURANCE COMPANY	3/21/03	90735

MARKET CONDUCT EXAM REPORTS/ORDERS

Company Name	State of Domicile	NAIC #	Date Filed	Civil Penalty	Restitution + Interest
1. Allianz Life Insurance Company of North America Use of non-compliant forms.	MN	90611	1/23/03	N/A	\$0
2. American Community Mutual Insurance Company Violation of prior consent orders. Use of unapproved or non-compliant forms. Improper utilization review procedures. Improper appeals and grievance procedures. Improper underwriting procedures. Improper claims processing procedures. Non-compliance with HIPAA regulations. Use of unfiled advertising. Misrepresentation of insurance products.	MI	60305	1/24/03	\$90,000.00	\$7,854.22, plus Interest TBD
3. American International Insurance Company Failure to file rates.	NY	32220	1/23/03	N/A	\$0
4. Central Reserve Life Insurance Company Violation of prior consent orders. Use of unapproved or non-compliant forms. Use of unapproved or non-compliant advertising materials. Improper appeals and grievance procedures. Misrepresentation of insurance products. Improper claims processing procedures.	OH	61727	3/19/03	\$45,000.00	\$4,380.11
5. Equitable Life Assurance Society of the United States Use of unapproved or non-compliant forms.	NY	62944	3/11/03	\$0	\$0
6. John Alden Life Insurance Company Violations of prior consent orders. Use of unapproved or non-compliant forms and letters. Improper appeals and grievance procedures. Discrimination and misrepresentation in the small group health market.	MN	65080	2/05/03	\$120,000.00	TBD
7. Life Insurance Company of North America Use of non-compliant claim forms.	PA	65498	2/19/03	\$0	\$0

8.	PacifiCare Life Assurance Company	CO	84506	1/02/03	\$20,000.00	\$0
<p>Failure to timely file. Use of non-compliant forms and letters. Improper underwriting procedures. Improper cancellation procedures. Improper claim processing procedures.</p>						

OTHER DISCIPLINARY ACTIONS

Company Name NAIC #	Allegation	Disposition
NO ACTIVITY THIS QUARTER		

**PRODUCERS AND OTHER
LICENSEES DISCIPLINED**

Cause No. Name City – State	Allegation	Disposition
1. 02A-192 Jeremy Winfield Collier Phoenix, AZ	Failure to maintain surety bond.	1/3/03 Order License Revoked
2. 02A-205 Daniel Wayne Hewitt Flagstaff, AZ	Failure to maintain surety bond.	1/8/03 Order License Revoked
3. 02A-210 Brian Albert Erekson Mesa, AZ	Committed unfair trade practice or fraud.	1/9/03 Order License Revoked
4. 02A-213 Charles Lee Myrick College Park, GA	Obtained or attempted to obtain a license through misrepresentation or fraud.	1/21/03 Order License Revoked
5. 02A-218 James Richard Kellum Phoenix, AZ	Failure to maintain surety bond.	1/21/03 Order License Revoked
6. 02A-216 Robert Eugene Tew Scottsdale, AZ	Failure to maintain surety bond.	1/21/03 Order License Revoked
7. 03A-016 Glenn Andrew Roberts and Michael Jeffrey Scott, dba Advantage Bail Bonds Phoenix, AZ	ADOI alleges improperly withholding, misappropriating or converting any monies or properties received in the course of doing insurance business; using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state; failure to maintain a place of business in this state that is accessible to the public; failure to maintain a daily bond register; failure to provide proper receipts; failure to maintain a surety bond; failure to return collateral upon final termination of liability of the bond.	4/11/03 Order Licenses Revoked

8.	03A-019 Diana Lee Greene and International Bond Source, L.L.C. Phoenix, AZ	ADOL alleges improperly withholding, misappropriating or converting any monies or properties received in the course of doing insurance business; intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance; admitted or been found to have committed any insurance unfair trade practice or fraud; using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere; an unfair method of competition or an unfair or deceptive act or practice in the business of insurance; knowingly charging, demanding or receiving a premium for any policy of insurance, except in accordance with an applicable filing on file with the Director; charging fees in addition to the premium for services customarily provided in the transaction of insurance and for which the charges have not been disclosed and agreed to in writing by the insurance on a form that is approved by the Director.	2/12/03 Order Summarily Suspending License and Notice of Hearing
9.	02A-224 James Christopher Placet Phoenix, AZ	Provided incorrect, misleading, incomplete or materially untrue information on license application.	3/4/03 Consent Order License Suspended for 30 Days \$1,000 Civil Penalty
10.	03A-008 Wallace Butterworth Phoenix, AZ	Used fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state; made representation to any policyholder for the purpose of inducing or tending to induce the policyholder to lapse, forfeit, surrender, retain or convert any insurance policy.	3/5/03 Consent Order License Revoked
11.	02A-223 David Paul French Phoenix, AZ	Used fraudulent, coercive or dishonest practices, or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state.	3/6/03 Order License Revoked
12.	02A-215 Ronald Lee Goble and R&K Holdings, Inc. Scottsdale, AZ	Used fraudulent, coercive or dishonest practices, or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state; unfair method of competition or an unfair or deceptive act or practice in the business of insurance; made representation to any policyholder for the purpose of inducing or tending to induce the policyholder to lapse, forfeit, surrender, retain or convert any insurance policy.	3/6/03 Order Licenses Revoked \$2,500 Civil Penalty
13.	03A-002 Nanette Rae Taylor Mesa, AZ	Failure to maintain surety bond.	3/17/03 Order License Revoked
14.	03A-010 Marvin Leroy Beckman and Planned Estate Consultants, Inc. Mesa, AZ	Obtained or attempted to obtain a license through misrepresentation or fraud; used fraudulent, coercive or dishonest practices, or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state.	3/18/03 Order Licenses Revoked
15.	03A-001 Gary Lyle Christian and Cornerstone Senior Planning, L.L.C. Glendale, AZ	Obtained or attempted to obtain a license through misrepresentation or fraud; used dishonest practices, or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state; misrepresentation to any policyholder for the purpose of inducing or tending to induce the policyholder to lapse, forfeit, surrender, retain or convert any insurance policy.	3/19/03 Order Licenses Revoked
16.	03A-057 Sonia Marie Roman Phoenix, AZ	Intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance; used fraudulent, coercive or dishonest practices, or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state; presented an untrue statement of material fact with respect to an application for the issuance of an insurance policy.	3/24/03 Consent Order Licenses Revoked
17.	03A-047 Tad Lyn Ulrich Phoenix, AZ	ADOL alleges use of fraudulent, coercive or dishonest practices, or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state.	3/27/03 Order Summarily Suspending License and Notice of Hearing

RULES

Citation	Title	Action	Status
1. R20-6-303	Surrender of Certificate of Authority and Release of Statutory Deposit	Notice of Rulemaking Docket Opening filed 12/4/03	Published 12/27/03
2. R20-6-401	Proxies, Consents and Authorizations of Domestic Stock Insurers	Notice of Final Rulemaking filed 3/6/03	Effective 3/6/03
3. R20-6-604 - R20-6-604.11	Credit Unemployment Insurance	Notice of Rulemaking Docket Opening filed 8/30/03	Published 9/20/02
4. 20-6-901 - R20-6-906	Insurance Product Review	Notice of Termination of Rulemaking filed 4/2/03	Published 4/25/03
5. 20 A.A.C. 6, Article 21	Surrender of Certificate of Authority and Release of Statutory Deposit	Notice of Rulemaking Docket Opening filed 12/4/03	Published 12/27/03

REGULATORY BULLETINS

Number	Title	Date Issued
1. 2003-01	Premium Loans by Bail Bond Agents	1/8/03
2. 2003-02	Revision of Private Passenger Automobile Property Damage Threshold for Purposes of A.R.S. § 20-1631(E)	1/23/03
3. 2003-03	Revision of Form for Selection of Limits or Rejection of Uninsured Motorist or Underinsured Motorist Coverage	3/19/03
