



1 on 55 non-renewal cancellations.

2 **CONCLUSIONS OF LAW.**

3 1. CSEIC violated A.R.S §20-1632.01 by failing to provide a minimum seven  
4 day grace period, after the premium due date, before canceling personal automobile  
5 policies for nonpayment of premium.

6 2. Grounds exist for the entry of the following Order in accordance with  
7 A.R.S. §20-220.

8 **ORDER**

9 **IT IS HEREBY ORDERED THAT:**

10 1. CSEIC shall cease and desist from failing to provide a minimum seven  
11 day grace period, after the premium due date, before canceling personal automobile  
12 policies for nonpayment of premium.

13 2. Within 90 days of the filed date of this Order, CSEIC shall submit to the  
14 Arizona Department of Insurance, for approval, evidence that corrections have been  
15 implemented and communicated to the appropriate personnel, regarding the issues  
16 outlined in Paragraph 1 of the Order section of this Consent Order. Evidence of  
17 corrective action and communication thereof includes, but is not limited to, memos,  
18 bulletins, E-mails, correspondence, procedures manuals, print screens, and training  
19 materials.

20 3. The Department shall be permitted, through authorized representatives,  
21 to verify that CSEIC has complied with all provisions of this Order.

22 4. CSEIC shall pay a civil penalty of \$12,500.00 to the Director for remission  
23 to the State Treasurer for deposit in the State General Fund in accordance with A.R.S.  
24 §20-220(B). The civil penalty shall be provided to the Market Oversight Division of the  
25 Department prior to the filing of this Order.

1           5.     The Report of Target Market Examination of Civil Service Employees  
2 Insurance Company as of December 31, 2004, including the letter with their objections  
3 to the Report of Examination, shall be filed with the Department upon the filing of this  
4 Order.

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6 DATED at Phoenix, AZ this 21<sup>st</sup> day of April, 2006.

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10 Christina Urias  
11 Director of Insurance  
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**CONSENT TO ORDER**

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2       1.     Civil Service Employees Insurance Company has reviewed the foregoing  
3 Order.

4       2.     Civil Service Employees Insurance Company admits the jurisdiction of  
5 the Director of Insurance, State of Arizona, admits the foregoing Findings of Fact, and  
6 consents to the entry of the Conclusions of Law and Order.

7       3.     Civil Service Employees Insurance Company is aware of the right to a  
8 hearing, at which it may be represented by counsel, present evidence and cross-  
9 examine witnesses. Civil Service Employees Insurance Company irrevocably waives  
10 the right to such notice and hearing and to any court appeals related to this Order.

11       4.     Civil Service Employees Insurance Company states that no promise of  
12 any kind or nature whatsoever was made to it to induce it to enter into this Consent  
13 Order and that it has entered into this Consent Order voluntarily.

14       5.     Civil Service Employees Insurance Company acknowledges that the  
15 acceptance of this Order by the Director of the Arizona Department of Insurance is  
16 solely for the purpose of settling this matter and does not preclude any other agency or  
17 officer of this state or its subdivisions or any other person from instituting proceedings,  
18 whether civil, criminal, or administrative, as may be appropriate now or in the future.

19       6.     Gregory Panni, who holds the office of  
20 Vice President of Civil Service Employees Insurance Company, is  
21 authorized to enter into this Order for them and on their behalf.

**CIVIL SERVICE EMPLOYEES INSURANCE COMPANY**

22  
23 April 17, 2006  
Date

By 

1 COPY of the foregoing mailed/delivered  
2 this 25th day of April, 2006, to:

3 Gerrie Marks

Deputy Director

4 Mary Butterfield

Assistant Director

5 Consumer Affairs Division

6 Paul J. Hogan

Market Oversight Administrator

7 Market Oversight Division

8 Deloris E. Williamson

Assistant Director

9 Rates & Regulations Division

10 Steve Ferguson

Assistant Director

11 Financial Affairs Division

12 Alan Griffieth

Chief Financial Examiner

13 Alexandra Schafer

Assistant Director

14 Life and Health Division

Terry L. Cooper

Fraud Unit Chief

15 DEPARTMENT OF INSURANCE

16 2910 North 44th Street, Suite 210

17 Phoenix, AZ 85018

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19  
20 Gregory J. Parini, CPCU, AIS

Vice President, External Relations

21 Civil Service Employees Insurance Group

22 2121 North California Blvd., # 989

23 Walnut Creek, CA 94596-3572

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