

1 a. A description of the three levels of expedited appeal procedures
2 required by the 2001 amendments.

3 b. A statement advising the insured that the insured is not
4 responsible for the cost of an external independent review.

5 c. Copies of standardized forms that may be used for filing an
6 appeal.

7 d. A statement advising the insured that the Department's consumer
8 assistance unit is available to help the insured, including the Department's consumer
9 assistance phone number.

10 4. The Examiners determined that the Company, during the time frame of
11 the examination, failed to notify its policyholders at renewal of their right to obtain a
12 replacement Appeal Information Packet.

13 **CONCLUSIONS OF LAW.**

14 1. UAIC violated A.R.S §20-2533(C) by:

15 a. Providing an Appeal Information Packet to insureds that did not
16 include specific required provisions of Arizona appeal laws.

17 b. Failing to provide a notice to all renewing insureds of how to obtain a
18 replacement appeals information packet.

19 **ORDER**

20 **IT IS HEREBY ORDERED THAT:**

21 1. UAIC shall cease and desist from:

22 a. Using Health Care Appeals Information Packets that have not
23 been filed with nor approved by the Director.

24 b. Failing to provide notice to insureds at renewal of how to obtain a
25 replacement appeal information packet.

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

8 3. The Department shall be permitted, through authorized representatives,
9 to verify that UAIC has complied with all provisions of this Order.

10 4. UAIC shall pay a civil penalty of \$2,500.00 to the Director for deposit in
11 the State General Fund in accordance with A.R.S. § 20-2508. The civil penalty shall be
12 provided to the Market Oversight Division of the Department prior to the filing of this
13 Order.

14 5. The Report of Targeted Examination of United American Insurance
15 Company as of December 31, 2005, including the letter submitted in response to the
16 Report of Targeted Examination, shall be filed with the Department upon the filing of
17 this Order.

18 DATED at Arizona this 14th day of September, 2006.

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20 
21 _____
22 Christina Urias
23 Director of Insurance
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1 **CONSENT TO ORDER**

2 1. United American Insurance Company has reviewed the foregoing Order.

3 2. United American Insurance Company admits the jurisdiction of the
4 Director of Insurance, State of Arizona, admits the foregoing Findings of Fact, and
5 consents to the entry of the Conclusions of Law and Order.

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

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

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

18 6. JOEL SCARBOROUGH, who holds the office of
19 VP & ASSOCIATE COUNSEL of United American Insurance Company, is authorized
20 to enter into this Order for them and on their behalf.

21
22 **UNITED AMERICAN INSURANCE COMPANY**

23 9-8-06
24 Date

23 By 

1 COPY of the foregoing mailed/delivered
2 this 15th day of September , 2006, to:

3 Gerrie Marks
4 Deputy Director
5 Mary Butterfield
6 Assistant Director
7 Consumer Affairs Division
8 Paul J. Hogan
9 Market Oversight Administrator
10 Market Oversight Division
11 Dean Ehler
12 Assistant Director
13 Property and Casualty Division
14 Steve Ferguson
15 Assistant Director
16 Financial Affairs Division
17 Alan Griffieth
18 Chief Financial Examiner
19 Alexandra Schafer
20 Assistant Director
21 Life and Health Division
22 Terry L. Cooper
23 Fraud Unit Chief

24 DEPARTMENT OF INSURANCE
25 2910 North 44th Street, Suite 210
Phoenix, AZ 85018

26 S. David Childers, Esq.
27 United American Insurance Company
28 C/O Low and Childers, P.C.
29 2999 North 44th Street, Suite 250
30 Phoenix, Arizona 85018

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