

1 that UAIC failed to provide a compliant Summary of Rights to all 52 insureds.

2 4. The examiners reviewed 52 of 416 private passenger automobile policies
3 cancelled for underwriting reasons during the time frame of the examination and found
4 that UAIC failed to mail cancellation notices at least 10 days before the effective date of
5 the cancellation to 8 policyholders.

6 5. The examiners found 11 claim forms (see Exhibit A) used by the
7 Company during the time frame of the examination that failed to contain a compliant
8 fraud warning notice.

9 CONCLUSIONS OF LAW

10 1. United Automobile Insurance Company violated A.R.S. §20-2110 by
11 failing to provide insureds with a compliant Summary of Rights in the event of an
12 adverse underwriting decision.

13 2. UAIC violated A.R.S. §§20-1632(A) by failing to mail cancellation notice
14 at least 10 days before the effective date to policyholders cancelled for underwriting
15 reasons.

16 3. UAIC violated A.R.S. §20-466.03 by using claim forms that failed to
17 contain a compliant fraud warning notice.

18 4. Grounds exist for the entry of the following Order in accordance with
19 A.R.S. §§20-220, 20-456 and 20-2117.

20 ORDER

21 **IT IS HEREBY ORDERED THAT:**

- 22 1. United Automobile Insurance Company shall:
- 23 a. provide insureds with a compliant Summary of Rights in the event of
- 24 an adverse underwriting decision.
- 25 b. mail cancellation notice at least 10 days before the effective date to

1 policyholders cancelled for underwriting reasons.

2 c. use claim forms that contain a compliant fraud warning notice.

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

10 3. The Department shall, through authorized representatives, verify that
11 United Automobile Insurance Company has complied with all provisions of this Order.

12 4. United Automobile Insurance Company shall pay a civil penalty of
13 \$23,000.00 to the Director for remission to the State Treasurer for deposit in the State
14 General Fund in accordance with A.R.S. §20-220(B). United Automobile Insurance
15 Company shall submit the civil penalty to the Market Oversight Division of the
16 Department prior to the filing of this Order.

17 5. The Report of Target Market Examination of United Automobile Insurance
18 Company of December 31, 2009, including the letter with their objections to the Report
19 of Examination, shall be filed with the Department upon the filing of this Order.

20 DATED at Arizona this 24th day of August, 2010.

21
22
23 
24 Christina Urias
25 Director of Insurance

1 **CONSENT TO ORDER**

2 1. United Automobile Insurance Company has reviewed the foregoing
3 Order.

4 2. United Automobile Insurance Company admits the jurisdiction of the
5 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. United Automobile Insurance Company is aware of the right to a hearing,
8 at which it may be represented by counsel, present evidence and cross-examine
9 witnesses. United Automobile Insurance Company irrevocably waives the right to such
10 notice and hearing and to any court appeals related to this Order.

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

14 5. United Automobile 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. Michael R. Parrillo, who holds the office of
20 President & COO of United Automobile Insurance Company, is
21 authorized to enter into this Order for them and on their behalf.

22 **UNITED AUTOMOBILE INSURANCE COMPANY**

23
24
25 8/11/2010
Date

By 

1 COPY of the foregoing mailed/delivered
2 this 25th day of August , 2010, to:

3 Gerrie Marks
4 Deputy Director
5 Mary Butterfield
6 Assistant Director
7 Consumer Affairs Division
8 Helene I. Tomme
9 Market Examinations Supervisor
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 David Lee
18 Chief Financial Examiner
19 Alexandra Shafer
20 Assistant Director
21 Life and Health Division
22 Chuck Gregory
23 Special Agent Supervisor
24 Investigations Division

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

Michael Parrillo, President and COO
United Automobile Insurance Company
724 Enterprise Drive
Oak Brook, IL 60523



EXHIBIT A

Fraud Warning Statement. The Company failed to include the Fraud Warning statement, in at least twelve-point type, on 11 claim forms/letters, an apparent violation of A.R.S. § 20-466.03.

Forms without a Fraud Warning Statement

Release of Property Damage (PDREL)
Liberacion de Toda Reclamacion (Spanish)
Hold Harmless & Indemnification Agreement
Power of Attorney & Odometer Disclosure Statement
Parent's Release & Indemnity Agreement
Authorization to Pay Lienholder - Total Loss
Wage & Salary Verification
CMS Reporting Questionnaire – Medicare
Release of All Claims (Open Medical)
Disclosure Consent Form
Financial Records Request