

1 3. The examiners reviewed 100 new / renewal private passenger
2 automobile and 100 surcharged policies issued during the time frame of the
3 examination and found that APC failed to apply filed rates to policies issued between
4 April 7, 2012 and November 27, 2012.

5 4. The examiners reviewed 1 of 1 private passenger automobile policies
6 non-renewed and 15 of 15 private passenger automobile policies cancelled for
7 underwriting reasons during the time frame of the examination and found that APC
8 failed to provide a compliant Summary of Rights to all 16 policyholders.

9 5. The examiners found two underwriting authorization disclosure forms
10 used during the time frame of the examination that failed to specify that the
11 authorization remains valid for one year from the date the authorization on the
12 application is signed and advise the individual or a person authorized to act on behalf
13 of the individual that they are entitled to receive a copy of the authorization form. (see
14 Exhibit A)

15 6. The examiners found two claim authorization disclosure forms used
16 during the time frame of the examination that failed to specify that the authorization
17 remains valid for no longer than the duration of the claim and advise the individual or a
18 person authorized to act on behalf of the individual that they are entitled to receive a
19 copy of the authorization form. (see Exhibit B)

20 7. The examiners reviewed 36 of 130 private passenger automobile total
21 loss claims processed by the Company during the time frame of the examination and
22 found that APC failed to correctly calculate and fully pay appropriate tax, license
23 registration and/or air quality fees payable in the settlement of 29 total losses.

24 8. The examiners reviewed 186 of 1,140 private passenger automobile
25 claim files settled during the time frame of the examination and found 7 subrogation, 6

1 COPY of the foregoing mailed/delivered
this 25th day of June, 2013, to:

2
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6 Helene I. Tomme
Market Examinations Supervisor
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EXHIBIT A

Underwriting Authorization Disclosure

These forms fail to comply with A.R.S. § 20-2106(7)(b) and (9).

The following table summarizes these authorization form findings.

Form Description / Title	Form #	Statute Provision
Arizona Automobile Insurance Application	U-815 (08/04)	7(b) and 9
Arizona Automobile Insurance Application	U-815 (04/12)	7(b) and 9

EXHIBIT B

Claim Authorization Disclosure

These forms fail to comply with A.R.S. § 20-2106(8)(b) and (9).

The following table summarizes these authorization form findings.

Form Description / Title	Form #	Statute Provision
Authorization For Release of Information	Unknown	8(b) and 9
Authorization For Release of Information And Inspection of Loss	Unknown	8(b) and 9