

STATE OF ARIZONA
FILED

JUL 23 2015

DEPT OF INSURANCE
BY MS

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

In the Matter of an Objection by:

KENMAN, LEON F.,

No. 15A-065-INS

Petitioner,

ORDER

of a Notice of Non-Renewal by

**STATE FARM FIRE & CASUALTY
COMPANY,**

Real Party in Interest.

On July 17, 2015, Leon F. Kenman ("Petitioner") filed an objection with the Arizona Department of Insurance ("Department") pursuant to Arizona Revised Statutes ("A.R.S.") §§ 20-1633(A) and 20-1652(B) to appeal the non-renewal of their homeowner's insurance policy by State Farm Fire & Casualty Company ("State Farm").

On July 17, 2015, the Director of the Department of Insurance ("Director") ordered an examination of the objection. On July 22, 2015, the Department, through examiner Chris Hobart, issued an Examiner Recommendation ("Recommendation") received by the Director on July 22, 2015. The Recommendation is attached and incorporated by this reference.

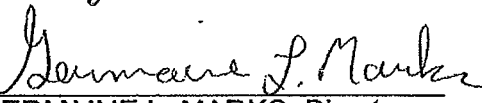
The Director has reviewed the Recommendation and enters the following Order:

1. The Director approves State Farm's action.
2. State Farm shall pay the costs of the examination pursuant to A.R.S. § 20-1633(C).

1 **NOTIFICATION OF RIGHTS**

2 Either party may appeal the determination of the Director to the Superior Court of
3 Maricopa County for judicial review pursuant to A.R.S. § 20-1633(C) and Title 12, Chapter
4 7, Article 6. A party filing an appeal must notify the Arizona Department of Insurance:
5 Consumer Affairs Division of the appeal within ten (10) days after filing the complaint
6 commencing the appeal. A.R.S. § 12-904(B).

7 DATED this 22nd day of July, 2015.

8
9 
10 GERMAINE L. MARKS, Director
11 Arizona Department of Insurance

12 COPY of the foregoing mailed/delivered
13 this 23rd day of July, 2015, to:

14 Leon F. Kenman
15 5302 W. Greenway Road
16 Glendale, Arizona 85306
17 Petitioner

18 Arianna Serrano
19 State Farm Fire and Casualty Company
20 Tempe Operations Center
21 2700 South Sunland Dr.
22 Tempe, Arizona 85282-3387
23 Real Party in Interest

24 Darren Ellingson, Deputy Director
25 Mary E. Kosinski, Exec. Asst. for Regulatory Affairs
26 Yvonne Hunter, Assistant Director, Consumer Affairs Division
Catherine M. O'Neil, Consumer Affairs Legal Officer
Arizona Department of Insurance
2910 N. 44th Street, Suite 210
Phoenix, Arizona 85018

24 
25 Maidene Scheiner
26

RECEIVED

JUL 22 2015

AZ DEPT. OF INSURANCE
ADMINISTRATIVE SERVICES

EXAMINER RECOMMENDATION

TO: Germaine L. Marks, Director

FROM: Chris Hobert, Market Conduct Senior Examiner

RE: Matter of Leon & Wasana Kenman and State Farm Fire & Casualty Company (Homeowner Non Renewal)

DATE: July 22, 2015

State Farm Fire & Casualty Company ("Company" or "State Farm") as well as Leon & Wasana Kenman provided the Examiner on July 20, 2015 with additional information to support each of their positions regarding the upcoming September 29, 2015 non renewal of Leon & Wasana Kenman's homeowner policy ().

Overview:

Leon & Wasana Kenman have been insured with State Farm since September 29, 1981. They have had six (6) claims (9/27/14, 10/5/10, 3/13/10, 5/8/98, 8/14/96 and 5/14/96) of which four (4) claims have had payments made under them totaling \$11,889.79.

On July 6, 2015 the Company sent the Kenman's a non renewal notice due to "Claim Activity". They also indicated the following: "The decision to not renew the policy was made in accordance with the terms and conditions of your policy and the laws of your state."

Issues:

The policyholder does not believe they should be cancelled for "Claim Activity" when they have had no claims paid above their deductible since 2010. Mr. Kenman states "My records from 2003 show that I paid State Farm (SF) \$10,792.15 for home owner's insurance; its records show that I was paid about half that: \$5,133.86. And SF paid me on no claim since 2010."

Examiner Review

Contrary to the policyholder's statement the Company based their decision to non renew the policy based on frequency of claims during the policy tenure.

Recommendation

The Examiner believes the Company met its obligation under the statute and their HO Policy contract (Homeowners Policy (FP-7955) Section I and Section II – Conditions (pages 19-20) by mailing a written notice over 30 days in advance to the named insured at the address shown in the policy and by providing the specific facts, which constituted the reason the policy was not being renewed.

The Company position should be upheld and the policy should be non renewed effective September 29, 2015.

The Examiner carefully reviewed all information provided by all parties involved while putting together this recommendation.

SUMMARY

This concludes the Examiner's recommendation on the matter of Leon & Wasana Kenman against State Farm Fire & Casualty Company. If I can be of any further assistance in finalizing this matter, please let me know. Thank you, Chris Hobert, CIE, MCM
