

MAY 28 2019

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

DEPT OF INSURANCE  
BY mek

In the Matter of:

**Arizona Automobile Insurance Company  
(NAIC NO. 11805)**

No. 19A- 084 -INS

**Respondent.**

**CONSENT ORDER**

The State of Arizona Department of Insurance ("Department") alleges that **Arizona Automobile Insurance Company ("Respondent")** may have violated provisions of Title 20, Arizona Revised Statutes ("A.R.S."). Respondent wishes to resolve this matter without the commencement of formal proceedings, and admits the following Findings of Fact are true, and consents to the entry of the following Conclusions of Law and Order.

**FINDINGS OF FACT**

1. Respondent is a Property and Casualty insurer, domiciled in Arizona that holds a certificate of authority issued by the Arizona Department of Insurance ("Department").

2. On December 14, 2018, on behalf of the Arizona Department of Insurance, the National Association of Insurance Commissioners ("NAIC") issued a 2018 Market Conduct Annual Statement Letter ("MCAS Letter") to Respondent. The MCAS Letter reminded Respondent of its obligation to submit Arizona Market Conduct Annual Statement ("MCAS") data for the period January 1, 2018 through December 31, 2018 to NAIC. Respondent was required to make its submission on or by April 30, 2019.

3. On April 22, 2019, Respondent requested an extension to submit its MCAS data based on a "change in resources."

4. On April 23, 2019, the Department denied Respondent's request for an extension without a detailed explanation of the reasons Respondent is unable to timely file.

5. On May 1, 2019, Respondent made its Arizona MCAS submission.

1 CONCLUSIONS OF LAW

2 1. The Director has jurisdiction over this matter.

3 2. The Department has authority to request the MCAS data pursuant to A.R.S. §§  
4 20-142(C), 20-156(A), and 20-158(D), (F) and (G).

5 3. Respondent's conduct, as alleged above, constitutes a violation of the  
6 requirement that every person being examined and its officers, employees, agents and  
7 representatives produce and make freely accessible to the Director or the Director's examiners  
8 the accounts, records, documents, files, assets and matters in the person's possession or  
9 control relating to the subject of the examination, within the meaning of A.R.S. § 20-157(A).

10 4. Respondent's conduct, as alleged above, constitutes a violation of Title 20, within  
11 the meaning of A.R.S. § 20-220(A)(1).

12 5. Grounds exist for the Director to refuse to renew, revoke or suspend  
13 Respondent's certificate of authority or assess a penalty, within the meaning of A.R.S. §§ 20-  
14 220(A) and (B).

15 6. Any civil penalty is in addition to any other penalty imposed by law, within the  
16 meaning of A.R.S. § 20-220(B).

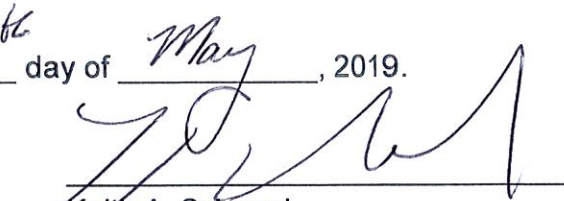
17 ORDER

18 IT IS THEREFORE ORDERED:

19 1. AAIC shall immediately pay a civil money penalty in the amount of \$5,000 for  
20 deposit into the state general fund.

21 2. This Order shall become effective immediately and shall remain in full force and  
22 effect until otherwise stayed, modified, vacated or set aside.

23 DATED AND EFFECTIVE this 28<sup>th</sup> day of May, 2019.

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\_\_\_\_\_  
Keith A. Schraad  
Director of Insurance



1  
2 **CONSENT TO ORDER**

3 1. Respondent has reviewed the foregoing Findings of Fact, Conclusions of Law  
4 and Order.

5 2. Respondent admits to the jurisdiction of the Director of Insurance, State of  
6 Arizona, and voluntarily consents to the entry of this Order.

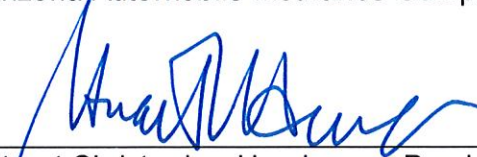
7 3. Respondent is aware of its right to notice and a hearing at which it may be  
8 represented by counsel, present evidence and examine witnesses. Respondent irrevocably  
9 waives its right to such notice and hearing and to any court appeals relating to this Consent  
10 Order.

11 4. Respondent states that no promise of any kind or nature whatsoever, except as  
12 expressly contained in this Consent Order, was made to it to induce it to enter into this  
13 Consent Order and that it has entered into this Consent Order voluntarily.

14 5. Respondent acknowledges that the acceptance of this Consent Order by the  
15 Director is solely to settle this matter against it and does not preclude any other agency,  
16 officer, or subdivision of this state including the Department from instituting civil or criminal  
17 proceedings as may be appropriate now or in the future not related to this matter.

18 6. Stuart Christopher Henderson represents that he is the President & CEO of  
19 Arizona Automobile Insurance Company and, as such, is authorized to enter this Consent  
20 Order on its behalf.

21 Arizona Automobile Insurance Company

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23 \_\_\_\_\_  
24 Stuart Christopher Henderson, President & CEO

22 5/20/2019  
23 Date

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**COPY** of the foregoing mailed this  
30<sup>th</sup> day of May, 2019, to:

Arizona Automobile Insurance Company  
10409 South 50<sup>th</sup> Place, #100  
Phoenix, AZ 85044

Respondent

**COPY** of the foregoing delivered same date to:

Scott Greenberg, Deputy Director  
Mary Kosinski, Regulatory Legal Affairs Officer  
Erin Klug, Assistant Director  
Kurt Regner, Assistant Director  
Maria Ailor, Market Conduct Oversight Manager

Arizona Department of Insurance  
100 N. 15<sup>th</sup> Ave., Suite 102  
Phoenix, AZ 85007-2624

Francine Martinez  
Francine Martinez