STATE OF ARIZONA

DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS

In the Matter of:

ACE AMERICAN INSURANCE COMPANY

NAIC CoCode: 22667

436 Walnut Street
P.O. Box 100
Philadelphia, PA 19106

Respondent.

No. 22A-022 -INS

CONSENT ORDER

The Arizona Department of Insurance and Financial Institutions ("Department") alleges that ACE American Insurance Company ("Respondent") violated provisions of Arizona Revised Statutes ("A.R.S.") Title 20. 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 an insurer domiciled in Pennsylvania. Respondent holds a certificate of authority issued by the Department on June 8, 1971, with lines of business in casualty with workers' compensation, disability, marine and transportation, property, surety, and vehicle insurance.

2. On or about October 6, 2021, M.N. submitted a complaint to the Department alleging Respondent failed to respond to him regarding the subrogation liability claim he filed with Respondent. The complaint alleged that M.N. made several attempts to communicate with Respondent to no avail.
3. The Department commenced an investigation into this matter.

4. On or about October 7, 2021, the Department requested Respondent’s records and response to M.N.’s claim (Department Case #46266). The Department sent an email to Respondent’s designated Consumer Complaints contact on file with the Department at ACEUSCustomerServices@acegroup.com. The Department requested a response by October 28, 2021.

5. On or about October 28, 2021, the Department received a letter from Respondent’s third-party administrator acknowledging receipt of the “subrogation demand” and advising that the demand is under review.

6. On or about January 4, 2022, the Department sent a second correspondence to Respondent requesting that they provide an update to M.N.’s claim by January 7, 2022. Respondent provided an incomplete response to the January 4th request.

7. On or about January 10, 2022, Department’s representative called Respondent’s number on record with the Department and left a voicemail requesting a call back. Respondent failed to respond to the Department’s telephone call.

8. On or about January 11, 2022, Department requested Respondent’s records and response to M.N.’s claim under Case #46996 (which was duplicative of Case #46266). The Department sent an email to Respondent’s designated Consumer Complaints contact on file with the Department at ACEUSCustomerServices@acegroup.com. The Department requested a response by February 2, 2022, and Respondent submitted a response on February 1, 2022, referring the Department to the responses submitted in reference to Case #46266 and provided a copy of the January 4, 2022 response, which the Department determined was an incomplete response.
9. On or about January 13, 2022, Department’s representative called Respondent’s Government Relations contact, Mr. John Marlow and left a voicemail requesting a call back.

10. On or about January 14, 2022, Mr. Rich Pike contacted the Department’s representative on behalf of Mr. Marlow. Mr. Pike advised that Respondent will provide the remaining requested information and a claim status update by January 18, 2022. Respondent failed to provide the remaining information and an update by January 18, 2022.

11. On March 11, 2022, Respondent provided a complete response to the Department’s request.

CONCLUSIONS OF LAW

12. The Director has jurisdiction over this matter.

13. The Director has authority to conduct examinations and investigations of insurance matters and to request the accounts, records, documents, files, assets and matters in the person’s possession or control. A.R.S. §§ 20-142(C) and 20-157(A).

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

15. Respondent’s conduct, as alleged above, constitutes a violation of the requirement that every insurer, upon receipt of any inquiry from the Department, shall, within fifteen working days of receipt, furnish the Department with an adequate response to the inquiry. Arizona Administrative Code R20-6-801(E)(2).
16. Grounds exist for the Director to refuse to renew, revoke or suspend Respondent's certificate of authority if the insurer violates provisions of Title 20. A.R.S. § 20-220(A)(1).

17. Grounds exist for the Director to refuse to renew, revoke or suspend Respondent's certificate of authority if the insurer refuses to be examined or to produce its accounts, records and files. A.R.S. § 20-220(A)(5).

18. Grounds exist, in addition to or in lieu of any other penalty imposed by law, for the Director to impose a civil penalty of not more than five thousand dollars ($5,000.00) for each violation and not to exceed an aggregate of fifty thousand dollars ($50,000.00) within a six-month period with respect to intentional violations. A.R.S. § 20-220(B)(2).

ORDER

IT IS ORDERED:

19. ACE American Insurance Company shall immediately pay a civil money penalty in the amount of three thousand dollars ($3,000.00).

20. ACE American Insurance Company shall provide a timely and complete response to any future inquires by the Department, unless a written request for an extension is approved by the Department prior to the deadline.

DATED AND EFFECTIVE this 28th day of April, 2022.

Evan G. Daniels, Director
Arizona Department of Insurance and Financial Institutions
CONSENT TO ORDER

1. Respondent acknowledges that it has been served with a copy of the foregoing Consent Order in the above-referenced matter, has read it, is aware of its right to an administrative hearing in this matter and has knowingly and voluntarily waived that right.

2. Respondent accepts the personal and subject matter jurisdiction of the Department over it in this matter.

3. Respondent acknowledges that no promise of any kind or nature has been made to induce it to sign the Consent to Order and it has done so knowingly and voluntarily.

4. Respondent acknowledges and agrees that the acceptance of this Consent to Order by the Director is solely to settle this matter and does not preclude the Department from instituting other proceedings as may be appropriate now or in the future. Furthermore, and notwithstanding any language in this Consent Order, this Consent Order does not preclude in any way any other state agency or officer or political subdivision of this state from instituting proceedings, investigating claims, or taking legal action as may be appropriate now or in the future relating to this matter or other matters concerning Respondent, including but not limited to violations of Arizona's Consumer Fraud Act. Respondent acknowledges that, other than with respect to the Department, this Consent Order makes no representations, implied or otherwise, about the views or intended actions of any other state agency or officer or political subdivision of the state relating to this matter or other matters concerning Respondent.

5. Respondent acknowledges and agrees that failure to correct the violations set forth above in this Consent Order, or any repeat findings of the above violations in the future, can result in disciplinary action which may include a greater civil money penalty and suspension or revocation of its license.
6. Scott Sanpietro represents that he is the General Counsel of Respondent and is authorized to sign the Consent to Order on behalf of Respondent.

7. Respondent waives all rights to seek an administrative or judicial review or otherwise to challenge or contest the validity of this Consent Order and its accompanying parts before any court of competent jurisdiction.

ACE American Insurance Company

[Signature]

Scott Sanpietro, General Counsel

April 5, 2022
ORIGINAL of the foregoing filed
this 29th day of April, 2022 in the office of:

Evan G. Daniels, Director
Arizona Department of Insurance and Financial Institutions
Attn: Ana Starcevic, Paralegal
100 North 15th Avenue, Suite 261
Phoenix, Arizona  85007
Ana.Starcevic@difi.az.gov

COPY of the foregoing delivered and/or emailed same date to:

Deian Ousounov, Assistant Director
Catherine O’Neil, Consumer Legal Affairs Officer
Kurt Regner, Assistant Director
Maria Alior, Assistant Director
Noelani Rosato, Consumer Services Supervisor
Ana Starcevic, Paralegal
Arizona Department of Insurance and Financial Institutions
100 North 15th Avenue, Suite 261
Phoenix, AZ  85007

COPY of the foregoing transmitted electronically the same date to:

ACE American Insurance Company
Attn: Scott Sanpietro, General Counsel
436 Walnut Street
P.O. Box 1000
Philadelphia, PA 19106
james.sanpietro@chubb.com
Respondent

Francine Juarez