

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

No. 22A- 022 -INS

CONSENT ORDER

Respondent.

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.

1 3. The Department commenced an investigation into this matter.

2 4. On or about October 7, 2021, the Department requested Respondent's records and
3 response to M.N.'s claim (Department Case #46266). The Department sent an email to
4 Respondent's designated Consumer Complaints contact on file with the Department at
5 ACEUSCustomerServices@acegroup.com. The Department requested a response by October
6 28, 2021.

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

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

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

16 8. On or about January 11, 2022, Department requested Respondent's records and
17 response to M.N.'s claim under Case #46996 (which was duplicative of Case #46266). The
18 Department sent an email to Respondent's designated Consumer Complaints contact on file with
19 the Department at ACEUSCustomerServices@acegroup.com. The Department requested a
20 response by February 2, 2022, and Respondent submitted a response on February 1, 2022,
21 referring the Department to the responses submitted in reference to Case #46266 and provided a
22 copy of the January 4, 2022 response, which the Department determined was an incomplete
23 response.

1 9. On or about January 13, 2022, Department’s representative called Respondent’s
2 Government Relations contact, Mr. John Marlow and left a voicemail requesting a call back.

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

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

9 **CONCLUSIONS OF LAW**

10 12. The Director has jurisdiction over this matter.

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

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

19 15. Respondent’s conduct, as alleged above, constitutes a violation of the requirement that
20 every insurer, upon receipt of any inquiry from the Department, shall, within fifteen working
21 days of receipt, furnish the Department with an adequate response to the inquiry. Arizona
22 Administrative Code R20-6-801(E)(2).

23

1 16. Grounds exist for the Director to refuse to renew, revoke or suspend Respondent's
2 certificate of authority if the insurer violates provisions of Title 20. A.R.S. § 20-220(A)(1).

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

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

10 **ORDER**

11 IT IS ORDERED:

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

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

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

18 

19 _____
Evan G. Daniels, Director
20 Arizona Department of Insurance and Financial
Institutions

CONSENT TO ORDER

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

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

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

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

20 5. Respondent acknowledges and agrees that failure to correct the violations set forth
21 above in this Consent Order, or any repeat findings of the above violations in the future, can
22 result in disciplinary action which may include a greater civil money penalty and suspension or
23 revocation of its license.

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

2
3 Evan G. Daniels, Director
4 Arizona Department of Insurance and Financial Institutions
5 Attn: Ana Starcevic, Paralegal
6 100 North 15th Avenue, Suite 261
7 Phoenix, Arizona 85007
8 Ana.Starcevic@difi.az.gov

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

10 Deian Ousounov, Assistant Director
11 Catherine O’Neil, Consumer Legal Affairs Officer
12 Kurt Regner, Assistant Director
13 Maria Alior, Assistant Director
14 Noelani Rosato, Consumer Services Supervisor
15 Ana Starcevic, Paralegal
16 Arizona Department of Insurance and Financial Institutions
17 100 North 15th Avenue, Suite 261
18 Phoenix, AZ 85007

19 **COPY** of the foregoing transmitted electronically the same date to:

20 ACE American Insurance Company
21 Attn: Scott Sanpietro, General Counsel
22 436 Walnut Street
23 P.O. Box 1000
Philadelphia, PA 19106
james.sanpietro@chubb.com
Respondent

Francine Juarez
Francine Juarez