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STATE OF ARIZONA

DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS

In the Matter of:

No. 24A-070-INS

AXIS INSURANCE COMPANY

CONSENT ORDER

NAIC CoCode No. 37273
SBS Company Number 49209002

Respondent.

The Arizona Department of Insurance and Financial Institutions (“Department”) alleges that Axis 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 a property and casualty insurer domiciled in Illinois. Respondent holds a certificate of authority issued by the Department on August 27, 1982, with lines of business in casualty with workers’ compensation, disability, marine and transportation, property, surety, and vehicle insurance.

2. In September 2008, the National Association of Insurance Commissioners (“NAIC”), through a motion, required all participating jurisdictions to collect and transfer data collected through the Market Conduct Annual Statement (“MCAS”) to the NAIC for storage, aggregation, and analysis. Participating states, including Arizona, are tasked with

1 collecting MCAS data from insurers operating in each state and submitting all collected data
2 to the NAIC. On April 7, 2010, the NAIC advised all companies of the newly adopted
3 MCAS submission requirements. In 2010, the NAIC issued a press release informing all
4 participants of the new MCAS requirements during the NAIC Fall National Meeting.

5 **The 2023 MCAS**

6 3. On or about December 15, 2023, the NAIC issued a 2023 Market Conduct
7 Annual Statement Letter (“MCAS Letter”) to Respondent on behalf of the Department. The
8 MCAS Letter is designed to remind all participating companies, including Respondent, of
9 their obligation to submit their MCAS to the Department by June 30, 2024, pursuant to
10 MCAS’ posted deadline for the year 2023.¹

11 4. On or about June 25, 2024, Respondent requested an extension to file its 2023
12 Other Health MCAS. The Department granted the extension and approved Respondent’s
13 July 14, 2024, proposed deadline.

14 5. On or about July 8, 2024, Respondent requested a second extension to file its
15 2023 Other Health MCAS with a new deadline of July 28, 2024. The Department approved
16 the second extension request.

17 6. On or about July 24, 2024, Respondent requested a third extension to file its
18 2023 Other Health MCAS with a new deadline of August 11, 2024. The Department denied
19 Respondent’s third extension request and confirmed the July 28, 2024, deadline to file the
20 2023 Other Health MCAS is July 28, 2024. Respondent failed to file its 2023 Other Health
21 MCAS by the July 28 deadline.

22 _____
¹ <https://content.naic.org/mcas-2023.htm> (last visited August 27, 2024)

1 7. On or about August 1, 2024, the Department sent a final notice to Respondent
2 advising that failure to file the 2023 Other Health MCAS by August 6, 2024, may result in
3 disciplinary action against Respondent.

4 8. On the same date, August 1, 2024, the Department received an
5 acknowledgment from Respondent’s MCAS filer.

6 9. On or about August 23, 2024, Respondent untimely filed its 2023 Other
7 Health MCAS.

8 10. Respondent stated that its staff member responsible for filing the 2023 MCAS
9 was out of the office due to unforeseen circumstances and failed to timely file the 2023
10 MCAS.

11 **CONCLUSIONS OF LAW**

12 10. The Director has jurisdiction over this matter.

13 11. The Department has the authority to request the MCAS data pursuant to
14 A.R.S. §§ 20-142 (C) and 20-157(A).

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

21 13. Respondent’s conduct, as alleged above, constitutes a violation of Title 20,
22 within the meaning of A.R.S. § 20-220(A)(1).

1 14. Grounds exist for the Director to refuse to renew, revoke or suspend
2 Respondent’s certificate of authority or assess a penalty, within the meaning of A.R.S. §§
3 20-220(A).

4 15. Grounds exist, in addition to or in lieu of any other penalty imposed by law,
5 for the Director to impose a civil penalty not to exceed one thousand dollars (\$1,000.00) for
6 each violation and not to exceed an aggregate of ten thousand dollars (\$10,000.00) within
7 any six-month period with respect to unintentional violations A.R.S. § 20-220(B)(1).

8 **ORDER**

9 **IT IS HEREBY ORDERED THAT:**

10 1. Axis Insurance Company shall immediately pay to the Department a civil
11 money penalty in the amount of **one thousand dollars (\$1,000.00)**.

12 2. Axis Insurance Company shall submit all required reports by the original
13 deadline, or by the Department’s approved postponed deadline.

14 3. Axis Insurance Company shall implement policies to ensure all future
15 regulatory filings are timely submitted in the event of unforeseen circumstances.

16

17 Effective this 18th day of September, 2024.

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Barbara D. Richardson

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Barbara D. Richardson, Director
Arizona Department of Insurance and Financial Institutions

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CONSENT TO ORDER

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

2. Respondent consents to the personal and subject matter jurisdiction of the Department in this matter, and voluntarily consents to the entry of this order.

3. Respondent is aware of its right to an administrative hearing in this matter and hereby knowingly and voluntarily waives that rights.

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

5. 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.

1 6. Respondent acknowledges and agrees that failure to correct the violations set
2 forth above this Consent Order, or any repeat findings of the above violations in the future,
3 can result in disciplinary action which may include a greater civil money penalty and
4 suspension or revocation of its certificate of authority.

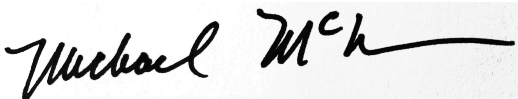
5 7. Respondent waives all rights to seek an administrative or judicial review or
6 otherwise to challenge or contest the validity of this Consent Order and the accompanying
7 parts before any court of competence jurisdiction.

8 8. Michael James McKenna is the chairman of the Board, President and CEO of
9 Axis Insurance Company and, as such, is authorized to enter into this Consent Order of its
10 behalf and bind Respondent to the terms of this Order.

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9/12/2024

DATE



Axis Insurance Company
Michael James McKenna, President and CEO

1 **COPY** of the foregoing delivered via email
this 18th day of September, 2024, to:

2 Axis Insurance Company
3 Attn: Shawn Oliver, MCAS filer
shawn.oliver@axiscapital.com
4 Respondent

5 Axis Insurance Company
6 Attn: Renee Levitt, Market Conduct Annual Statement Contact
Renee.levitt@axiscapital.com
7 Respondent

8 **COPY** of the foregoing delivered/emailed same date, to:

9 Deian Ousounov, Chief Financial Deputy Director
10 Alena Caravetta, Regulatory Legal Affairs Officer
11 Ana Starcevic, Project Specialist
12 Catherine O'Neil, Consumer Regulatory Affairs Officer
13 Kurt Regner, Assistant Director
14 Maria Alior, Assistant Director
15 Tolanda Coker, Market Conduct Manager
16 Cheryl Hawley, Senior Market Analyst
17 Arizona Department of Insurance and Financial Institutions
18 100 North 15th Avenue, Suite 261
19 Phoenix, Arizona 85007-2630

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Mayra Kariem
