

**ARIZONA DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS**

In the Matter of:

**AMERICAN FINANCIAL SECURITY LIFE  
INSURANCE COMPANY**

**NAIC CoCode: 69337**

55 NE 5<sup>TH</sup> Avenue, Suite 502  
Boca Raton, FL 33432

**Respondent.**

**No. 21A-044 -INS**

**CONSENT ORDER**

The Arizona Department of Insurance and Financial Institutions (“Department”) alleges that American Financial Security Life Insurance Company (“Respondent”) 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 an insurer domiciled in Missouri. Respondent holds a certificate of authority issued by the Department on September 16, 1982, with lines of business in disability and life insurance.

**August 2020 Complaint**

2. On or about August 11, 2020, Jay Ciulla, an attorney for A. M., filed a complaint with the Department on behalf of A.M. alleging Respondent delayed, failed to respond, and denied A.M.’s accident claim.

3. The Department commenced an investigation into this matter.

4. On or about August 17, 2020, the Department requested, via an email, a written response and records related to this claim from Respondent. The deadline to provide a response was September 8, 2020.

1           5. On the same date, August 17, 2020, Respondent acknowledged receipt of the Department's  
2 email and requested A.M.'s signed statement authorizing Jay Ciulla to represent A.M in relation to the  
3 claim. Jay Ciulla provided a letter of representation regarding this matter with the original complaint,  
4 which was sent to Respondent.

5           6. On January 19 and January 25, 2021, the Department sent additional, follow up,  
6 correspondence related to Respondent's request for a signed authorized statement from A.M.

7           7. On January 27, 2021, Respondent indicated that "a preliminary update [will be available] by  
8 Friday, 1/29."

9           8. Respondent failed to provide a preliminary update by January 29, 2021.

10          9. On or about February 8, 2021, the Department received a "current summary of the member's  
11 [A.M.] claims on file" from Respondent's affiliate, International Benefits Administrators, LLC.

12          10. On or about February 18, 2021, the Department sent a follow up email correspondence to  
13 Respondent inquiring about the current status of the response and requested that Respondent either  
14 respond to the Department's email or to call the Department's Consumer Services Division.

15          11. Respondent provided a response on the same date.

16          12. On or about February 19, 2021, the Department requested additional information and records  
17 related to the claim in question. The deadline to respond was February 23, 2021.

18          13. Respondent provided a response by the deadline.

19          14. On or about March 11, 2021, the Department requested supplemental information pertaining  
20 to A.M.'s claim. The deadline to respond was March 17, 2021.

21          15. Respondent failed to respond to the Department's request.

22          16. On or about March 22, 2021, the Department sent a second request for supplemental  
23 information. The deadline to respond was March 24, 2021.

24          17. Respondent failed to respond to the Department's request.  
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1 **November 2020 Complaint**

2 18. On or about November 16, 2020, B.M. filed a complaint with the Department related to the  
3 health insurance claims filed with Respondent.

4 19. The Department commenced an investigation into this matter.

5 20. On or about December 3, 2020, the Department requested from Respondent a written  
6 response and records related to the claims in question.

7 21. On or about December 24, 2020, Respondent provided its response to the Department.  
8 Respondent, however, failed to fully address B.M.’s concerns regarding whether the complainant’s  
9 deductible had been met. Instead, Respondent indicated that four of B.M.’s eight claims were processed  
10 incorrectly. Respondent stated that it will reprocess B.M.’s four claims in approximately fourteen  
11 business days, and then upload the updated Explanation of Benefits (“EOB”) to the Arizona Web Portal.

12 22. Respondent failed to upload the updated EOB to the Arizona Web Portal within fourteen  
13 business days.

14 23. On or about March 12, 2021, the Department sent another letter to Respondent requesting  
15 that the results of the “claim reprocessing” be provided to the Department no later than March 17, 2021.

16 24. Respondent failed to respond to the Department’s request.

17 25. On or about March 18, 2021 the Department sent an email and a “final request for a response  
18 to this matter” requiring a response from Respondent on the same date.

19 26. Respondent failed to respond to the Department’s request.

20 **CONCLUSIONS OF LAW**

21 27. The Director has jurisdiction over this matter.

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

1           29. Respondent's conduct, as alleged above, constitutes a violation of Title 20, within the  
2 meaning of A.R.S. § 20-220.

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

8           31. Respondent's conduct, as alleged above, constitutes a violation of the requirement that every  
9 insurer, upon receipt of any inquiry from the Department, shall, within fifteen working days of receipt,  
10 furnish the Department with an adequate response to the inquiry, within the meaning of Arizona  
11 Administrative Code R20-6-801(E)(2).

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

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

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

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**ORDER**

IT IS ORDERED:

35. American Financial Security Life Insurance Company shall immediately pay a civil money penalty in the amount of **ten thousand dollars (\$10,000.00)**.

36. American Financial Security Life Insurance Company shall respond to the Department's inquires and provide requested records related to the two (2) complaints within five (5) business days from the date of issuance of this Order.

37. Respondent 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 21st day June, 2021.



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

1 **CONSENT TO ORDER**

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

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

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

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

10 5. Respondent acknowledges that the acceptance of this Consent Order by the Director is solely  
11 to settle this matter and does not preclude the Department from instituting other proceedings as may be  
12 appropriate now or in the future. Furthermore, and notwithstanding any language in this Consent Order,  
13 this Consent Order does not preclude in any way any other state agency or officer or political subdivision  
14 of this state from instituting proceedings, investigating claims, or taking legal action as may be  
15 appropriate now or in the future relating to this matter or other matters concerning Respondent, including  
16 but not limited to violations of Arizona’s Consumer Fraud Act. Respondent acknowledges that, other  
17 than with 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 of the  
19 state relating to this matter or other matters concerning Respondent.

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

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

4 8. Michael Camilleri represents that he is the President and CEO of American Financial Security  
5 Life Insurance Company and, as such, is authorized to enter this Consent Order on its behalf.

6 American Financial Security Life Insurance Company  
7

8 May 19, 2021

9 Date



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Michael Camilleri, President and CEO

1 **ORIGINAL** of the foregoing filed  
this 22nd day of June, 2021 in the office of:

2 Evan G. Daniels, Director  
3 Arizona Department of Insurance and Financial Institutions  
Attn: Ana Starcevic, Paralegal  
4 100 North 15<sup>th</sup> Avenue, Suite 261  
Phoenix, Arizona 85007  
5 [Ana.Starcevic@difi.az.gov](mailto:Ana.Starcevic@difi.az.gov)

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

7 Deian Ousounov, Regulatory Legal Affairs Officer  
8 Kurt Regner, Assistant Director  
Erin Klug, Assistant Director  
9 Maria Alior, Assistant Director  
Gloria Barnes-Jackson, Administrative Service Officer  
10 Ana Starcevic, Paralegal  
Arizona Department of Insurance and Financial Institutions  
11 100 North 15<sup>th</sup> Avenue, Suite 261  
Phoenix, AZ 85007

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

13 American Financial Security Life Insurance Company  
14 Attn: Michael Camilleri, President and CEO  
55 NE 5<sup>th</sup> Avenue, Suite 502  
15 Boca Raton, FL 33432  
[c.edwards@afslic.com](mailto:c.edwards@afslic.com)  
16 [mcamilleri@mic.bz](mailto:mcamilleri@mic.bz)  
Respondent

17  
18 Francine Juarez  
Francine Juarez