



1 vehicle damage.

2 4. As of January 1, 1989, any insurer writing private passenger automobile insurance which  
3 includes comprehensive coverage for motor vehicle damage is required to provide, at the option of  
4 the insured, complete coverage for the repair or replacement of all damaged safety equipment  
5 without regard to any deductible, pursuant to A.R.S. § 20-264.

6 5. Between the years 1989 and 1995, Respondents offered zero deductible safety equipment  
7 repair or replacement only in conjunction with comprehensive coverage which provided zero  
8 deductible for any and all losses. Respondents did not offer zero deductible safety equipment repair  
9 or replacement in conjunction with comprehensive coverage that provided for a deductible for other  
10 losses.

11 6. The Department received two complaints from Respondents' insureds that Respondents  
12 failed to offer the coverage contemplated in A.R.S. §20-264, which resulted in the insureds  
13 sustaining uncovered safety equipment losses as follows:

14 a) J. Mark King in the amount of two-hundred dollars (\$200); and

15 b) Christopher Doak in the amount of three-hundred-sixty-five dollars (\$365).

## 16 17 **CONCLUSIONS OF LAW**

18 1. The Director has jurisdiction over this matter.

19 2. Respondents' failure to provide, at the option of the insured, complete coverage for the  
20 repair or replacement of all damaged safety equipment without regard to any deductible, is a  
21 violation of A.R.S. § 20-264.

1 3. Respondents' conduct constitutes a violation of a provision of Title 20, within the meaning of  
2 A.R.S. § 20-220(A)(1).

3 4. Grounds exist for the Director to suspend, revoke, or refuse to renew the certificates of  
4 authority held by Respondents or to order Respondents to pay civil penalties, or both, pursuant to  
5 A.R.S. § 20-220 (A)and (B).

6  
7 **ORDER**

8 IT IS ORDERED THAT:

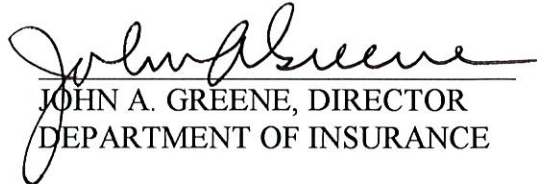
9 1. Respondents shall pay a civil penalty in the amount of fifty-thousand dollars (\$50,000) to the  
10 Director for remission to the State Treasurer for deposit in the State General Fund, pursuant to  
11 A.R.S. §20-220.

12 2. Respondents shall make restitution directly to:

13 a) J. Mark King, in the amount of two-hundred dollars (\$200).

14 b) Christopher Doak, in the amount of three-hundred-sixty-five dollars (\$365).

15  
16 DATED AND EFFECTIVE THIS 20 day of May, 1997.

17  
18   
19 JOHN A. GREENE, DIRECTOR  
20 DEPARTMENT OF INSURANCE  
21  
22  
23

1 **CONSENT TO ORDER**

2 1. Respondents have reviewed the foregoing Findings of Fact, Conclusions of Law and Order.

3 2. Respondents admit the jurisdiction of the Director of Insurance, State of Arizona, admit the  
4 foregoing Findings of Fact, neither admit nor deny the foregoing Conclusions of Law, but consent to  
5 the entry of the foregoing Order.

6 3. Respondents are aware of their right to notice and a hearing at which they may be  
7 represented by counsel, present evidence and cross-examine witnesses. Respondents irrevocably  
8 waive their right to such notice and hearing and to any court appeals relating to this consent order.

9 4. Respondents state that no promise of any kind or nature whatsoever, except as expressly  
10 contained in this Consent Order, was made to them to induce them to enter into this Consent Order  
11 and that they have entered into this Consent Order voluntarily.

12 5. Respondents acknowledge that the acceptance of this Consent Order by the Director of  
13 Insurance, State of Arizona, is solely to settle this matter against them and does not preclude any  
14 other agency, officer or subdivision of this state from instituting civil or criminal proceedings as may  
15 be appropriate now or in the future.

16 COUNTRY CASUALTY INSURANCE COMPANY

17 May 14, 1997

(date)

by Barbara A. Bauer

18 its Vice President and General Manager

19 COUNTRY MUTUAL INSURANCE COMPANY

20 May 14, 1997

21 (date)

22 by Barbara A. Bauer

23 its Vice President and General Manager

1 Copies of the foregoing mailed this 28th day of May, 1997.

2 Mr. Dave Stumpf  
3 Office of General Counsel  
4 Country Companies  
5 P.O. Box 2901  
6 Bloomington, Illinois 61701

7 Mr. Earl L. McIntyre  
8 Country Casualty Insurance Company  
9 P.O. Box 2100  
10 Bloomington, Illinois 61702-2100

11 Mr. Earl L. McIntyre  
12 Country Mutual Insurance Company  
13 P.O. Box 2100  
14 Bloomington, Illinois 61702-2100

15 Bridget Vance  
16 Country Companies Insurance Group  
17 1701 Towanda Avenue  
18 Bloomington, Illinois 61701-2040

19 Charles R. Cohen, Deputy Director  
20 Deloris Williamson, Assistant Director  
21 John Gagne, Assistant Director  
22 Erin Klug, Chief Market Conduct Examiner  
23 Catherine O'Neil, Assistant Director  
Arizona Department of Insurance  
2910 North 44th Street, Suite 210  
Phoenix, Arizona 85018

J. Mark King  
1561 East Erie Street  
Chandler, Arizona 85225-5208

Christopher Doak  
1311 East Spring Street  
Tucson, Arizona 85719

21   
22 \_\_\_\_\_  
23 Curvey Walters Burton