



# **THE STATE OF FLORIDA**

**OFFICE OF INSURANCE REGULATION  
MARKET INVESTIGATIONS**

**MARKET CONDUCT FINAL EXAMINATION REPORT**

**OF**

**UNITED INSURANCE COMPANY OF AMERICA**

**AS OF**

**November 21, 2013**

**NAIC COMPANY CODE: 69930**

**NAIC GROUP CODE: 0215**

---

## TABLE OF CONTENTS

EXECUTIVE SUMMARY .....	1
PURPOSE AND SCOPE OF EXAMINATION .....	1
COMPANY OPERATIONS.....	2
LIFE APPLICATION REVIEW .....	2
EXAMINATION FINAL REPORT SUBMISSION .....	3

## **EXECUTIVE SUMMARY**

In June 2006, the Florida Legislature enacted the Freedom to Travel Act, which modified Florida's Unfair Trade Practices Act by placing prohibitions on life insurance limitations upon an individual based solely on the individual's past lawful foreign travel or future lawful travel plans. The Florida Unfair Trade Practices Act also prohibits the refusal to insure, or continue to insure, based on the individual's race, color, creed, marital status, sex, or national origin.

A target market conduct examination of United Insurance Company of America was performed to determine compliance with Section 626.9541(1)(dd) and Section 626.9891, Florida Statutes and Rules 69O-125.003 and 69D-2, Florida Administrative Code.

No violations were found during the examination.

## **PURPOSE AND SCOPE OF EXAMINATION**

The Office of Insurance Regulation (Office), Market Investigations, conducted a target market conduct examination of United Insurance Company of America pursuant to Section 624.3161, Florida Statutes. The examination was performed by Examination Resources, LLC. The scope period of this examination was June 1, 2011 through May 31, 2013. The onsite examination began November 11, 2013 and ended November 21, 2013.

The purpose of this examination was to review compliance with Sections 626.9541(1)(dd) and 626.9891, Florida Statutes and Rules 69O-125.003 and 69D-2, Florida Administrative Code.

The examination included the following procedures:

- Review policy applications to determine if applications were denied, issued in a manner other than applied for, had benefit changes or canceled solely on the individual's past lawful foreign travel experiences, or future lawful foreign travel plans, discriminated against applicants based on country of origin and compliance with Section 626.9541(1)(dd), Florida Statutes and Rule 69O-125.003, Florida Administration Code.

In reviewing materials for this final report, the examiner relied on records provided by the Company. Procedures and conduct of the examination were in accordance with the *Market Regulation Handbook* produced by the National Association of Insurance Commissioners.

United Insurance Company of America is a foreign Life and Health insurer licensed to conduct business in the State of Florida on October 9, 1952. The Company provides Life and Health Insurance coverages in the State of Florida.

## COMPANY OPERATIONS

Total Direct Premiums Written in Florida for Life Insurance was as follows:

Year	Total Written Premium In Florida (Per Schedule T of the Annual Statement)
2011	\$20,856,947
2012	\$20,783,294

## LIFE APPLICATION REVIEW

### I. FILE REVIEW

The examiners reviewed information contained in the Company's individual life underwriting files, which could have included but not limited to the application, field underwriting guidelines, telephone interviews, questionnaires, underwriting notes, correspondence with agents and consumers, medical records, financial information, and the Company's Agent training materials.

The Company did not use applications that contained travel related questions and did not use travel questionnaires.

The Company received 18,294 applications for life insurance coverage during the scope period.

#### **Declined Applications:**

The examiners reviewed 2,082 declined applications, which included 873 denied, 106 applications issued other than applied for, 515 applications which were not taken, postponed or withdrawn and 588 applications which were incomplete. No violations were found.

#### **Policy Issued With Limitations or Policy Benefit Change:**

The examiners reviewed 447 policies issued with limitations or with policy benefit changes. No violations were found.

#### **Canceled Policies:**

The examiners reviewed 402 cancelled policies including any policies cancelled for underwriting reasons. There were no violations found.

II. **COMPLETENESS AND ACCURACY TEST**

The purpose of this review was to determine if any policy that was not subject to the review was completely and accurately reported in the data files provided by the Company

Applications submitted during the scope of the examination were reviewed to verify that declinations, applications issued in a manner other than applied for, benefit changes, and cancelations were included on the respective listings provided by the Company. No violations were found.

Cancellations were reviewed to verify that the reason for cancelation was as reported correctly by the Company. No violations were found.

**EXAMINATION FINAL REPORT SUBMISSION**

The Office hereby issues this report as the Final Report, which is based upon information from the examiner's draft report, additional research conducted by the Office, and additional information provided by the Company.