

**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS**

**IN THE MATTER OF THE REPORT
OF MULTI-STATE EXAMINATION OF
AMERICAN ASSOCIATION OF
INSURANCE SERVICES**

AID NO. 2013- 109

ARKANSAS ADOPTION ORDER

Now on this day the matter of the Report of Multi-State Examination ("Report" or "Report of Examination" or "Multi-State Examination Report"), dated as of December 31, 2012, of The American Association of Insurance Services ("AAIS"), of Wheaton, Illinois, licensed as a rate service or advisory organization in the State of Arkansas, is taken under consideration by Jay Bradford, Insurance Commissioner for the State of Arkansas ("Commissioner"). From the facts, matters and other things before him, the Commissioner finds as follows:

FINDINGS OF FACT

1. The Commissioner has jurisdiction over AAIS and the subject matter involved herein.
2. AAIS is an Illinois domiciled advisory organization and statistical agent, which is authorized and licensed by the Commissioner to transact business in the State of Arkansas.
3. The Advisory Organization Examination Oversight (C) Working Group of the National Association of Insurance Commissioners ("NAIC) initiated a multi-state examination of the business practices of AAIS. The period of examination was January 1, 2010 through September 30, 2012.
4. That, pursuant to Ark. Code Ann. §§23-61-201, et seq., and §23-67-220, et seq., or other applicable laws and rules, the Commissioner authorized and directed the Department to join with the other states participating in this examination.

5. The company had been undergoing drastic changes internally so the exam was cut short to be reconvened in 12 months for further review. The Multi-State Report of Examination contained 5 recommendations. .

8. The AAIS developed its comments or rebuttal response to the Report of Examination dated October 7, 2013, and sent that response to the participating states on October 30, 2013, addressing the Examiners' findings in the Report.

CONCLUSIONS OF LAW

Based upon the above and foregoing Findings of Fact, the Commissioner makes the following Conclusions of Law:

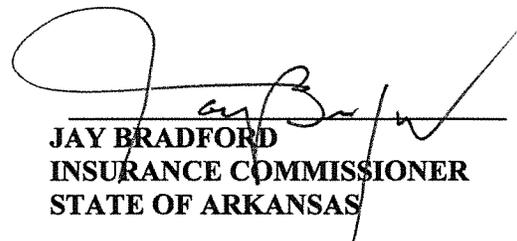
9. The Commissioner and the Department have jurisdiction over the parties and the subject matter contained herein pursuant to Ark. Code Ann. §§ 23-61-205 and 23-67-220.

10. Pursuant to Ark. Code Ann. § 23-67-220(d), in lieu of any examination, the Commissioner may accept the report of an examination by the insurance supervisory official of another state.

11. This Adoption Order has been properly entered in accordance with the Arkansas Insurance Code and Department Rules.

THEREFORE, pursuant to the provisions of Ark. Code Ann. § 23-61-205, § 23-67-220, and other applicable laws and rules, the Commissioner hereby orders that the Multi-State Market Conduct Examination Report for AAIS, dated as of December 31, 2012 has been adopted in its entirety as the final report by the Arkansas Insurance Department.

IT IS SO ORDERED this 25th day of November 2013.


JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS