



Arkansas Insurance Department

1200 West Third Street
Little Rock, AR 72201-1904
1-501-371-2600
1-800-282-9134
Fax 1-501-371-2618
www.state.ar.us/insurance

Mike Huckabee
Governor

Mike Pickens
Commissioner

Divisions

Administration
1-501-371-2620
1-501-371-2629 Fax
insurance.Administration@
mail.state.ar.us

Accounting
1-501-371-2605
insurance.Accounting@
mail.state.ar.us

Consumer Services
1-501-371-2640
1-800-852-5494
1-501-371-2749 Fax
insurance.Consumers@
mail.state.ar.us

Information Systems
1-501-371-2657
insurance.Information.Systems@
mail.state.ar.us

Insurance Fraud Investigation
1-501-371-2790
1-501-371-2799 Fax
insurance.Fraud@
mail.state.ar.us

Finance
1-501-371-2665
1-501-371-2747 Fax
insurance.Finance@
mail.state.ar.us

Human Resources
1-501-371-2815
insurance.Human.Resources@
mail.state.ar.us

Legal
1-501-371-2820
insurance.Legal@
mail.state.ar.us

License
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insurance.License@
mail.state.ar.us

Life & Health
1-501-371-2800
insurance.L&H@
mail.state.ar.us

Property & Casualty
1-501-371-2800
1-501-371-2748 Fax
insurance.P&C@
mail.state.ar.us

Risk Management
1-501-371-2690
rance.Risk.Management@
mail.state.ar.us

**Senior Health Insurance
Information Program**
1-501-371-2782
1-800-224-6330
1-501-371-2749 Fax
insurance.Seniors@
mail.state.ar.us

July 13, 2000

BULLETIN NO. 3-2000

TO: ARKANSAS MEDICAL PROVIDERS
FROM: ARKANSAS INSURANCE DEPARTMENT
**SUBJECT: PATIENT INSURANCE BILLING FOR AMERICAN INVESTORS LIFE
INSURANCE COMPANY INSURED**

On July 11, 2000, at the request of the Arkansas Insurance Department, Pulaski County Circuit Judge John Plegge placed Arkansas-based health insurer, American Investors Life Insurance Company, into receivership. At this time, all day-to-day operations of the company are being handled by the Insurance Department's Deputy Receiver, Steve Uhrynysz. In order to reduce and improve the company's current claims handling, the Receiver has brought in an independent team to assist in both evaluating and eliminating the company's claims backlog.

We encourage medical providers to continue to see patients insured with American Investors and to submit billing to the company for medical claims incurred by patients insured by American Investors, just as you submit claims to the company in the normal course of business. At this time, it is this Department's intention to stabilize company operations and rehabilitate the company.

The Deputy Receiver is working diligently to reorganize the company's business operations, particularly its claims handling processes. Consequently, it is imperative that medical providers continue to see American Investors insureds, submit claims and fully cooperate and be patient with the Deputy Receiver.

Also, attached please find a brief question-and-answer document you will find to be informative and helpful.

If you have any further questions or comments, please contact the Consumer Services Division of the Arkansas Insurance Department at 1-800-852-5494.

Mike Pickens
Insurance Commissioner

MP:sc

Comprehensive Health
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1-800-238-8379

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American Investors Life Insurance Company
Questions and Answers

1. Do I still have coverage?

Answer: Yes. As long as premiums are paid, the insured's coverage will remain in force.

2. Will my claims be paid?

Answer: Yes. American Investors will continue to pay claims while the company is in rehabilitation. If the company moves into liquidation, the Arkansas Life and Disability Insurance Guaranty Association will review and pay covered claims up to \$100,000.

3. What is the Arkansas Life and Disability Guaranty Association (ALDIGA)?

Answer: The ALDIGA is an entity designed to provide substitute, limited and temporary claims payments for insureds of insolvent companies.

The ALDIGA operates under a statutory limitation of \$100,000 per person, while a company is in liquidation and will pay covered claims. The ALDIGA may also provide limited coverage to the policyholder after the liquidation is complete.

4. How do I file a claim with the ALDIGA?

Answer: Both insureds and providers should continue to file claims with American Investors as they have done in the past.

5. How do I get new coverage?

Answer: Call your agent or talk to your employee benefits representatives.