

The September 2019 Arizona Department of Insurance performance audit and sunset review found that the Department’s process to prioritize fraud referrals for investigation lacks important components and practices for managing conflicts of interest increase risk of nondisclosure. We made 23 recommendations to the Department, and as of our 36-month followup, its status in implementing the recommendations was as follows:

**Status of 23 recommendations**

Implemented	9
Implemented in a different manner	1
Partially implemented	1
In process	7
In process in a different manner	1
<b>Not implemented</b>	<b>4</b>

Laws 2019, Ch. 252, consolidated the Arizona Department of Financial Institutions and the Automobile Theft Authority as divisions within the Department. The Department was also renamed the Arizona Department of Insurance and Financial Institutions, effective July 1, 2020. In October 2023, we initiated the Arizona Department of Insurance and Financial Institutions’ sunset review, which is due by October 1, 2024. As a result, rather than conducting a separate 48-month followup of the 12 outstanding recommendations, we will conduct work to follow up on the Arizona Department of Insurance and Financial Institutions’ efforts to implement the 12 outstanding recommendations during its sunset review. Therefore, unless otherwise directed by the Joint Legislative Audit Committee, we have concluded our separate follow-up work on the Arizona Department of Insurance and Financial Institutions’ efforts to implement the recommendations from the September 2019 report.