



OFFICE OF INSURANCE REGULATION

KEVIN M. McCARTY  
COMMISSIONER

**FILED**

~~CONFIDENTIAL~~ DOM

IN THE MATTER OF:

CASE NO: 88560-06-CO

ACE AMERICAN INSURANCE COMPANY

2005 Market Conduct Examination

CONSENT ORDER

THIS CAUSE came on for consideration upon the agreement between ACE AMERICAN INSURANCE COMPANY, (hereinafter referred to as "ACE AMERICAN") and the OFFICE OF INSURANCE REGULATION, (hereinafter referred to as the "OFFICE"). Following a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the COMMISSIONER OF THE OFFICE OF INSURANCE REGULATION hereby finds as follows:

1. The OFFICE has jurisdiction over the subject matter of, and parties to, this proceeding.
2. ACE AMERICAN is a foreign property and casualty insurer authorized to transact insurance business in Florida and is subject to the jurisdiction and regulation of the OFFICE pursuant to the Florida Insurance Code.
3. The OFFICE conducted a market conduct examination of ACE AMERICAN, pursuant to Section 624.3161, Florida Statutes, in 2005, and as a result of that

examination it has been determined that ACE AMERICAN, has violated the following provisions of the Florida Insurance Code and/or Florida Administrative Code, to wit:

Medical Malpractice

Section 627.912, Florida Statutes – Failure to Timely Report Closed Claims.

Section 627.912, Florida Statutes – Failure to Accurately Report Closed Claims.

4. ACE AMERICAN expressly waives a hearing in this matter, the making of Findings of Fact and Conclusions of Law by the OFFICE, and all further and other proceedings herein to which the parties may be entitled by law. ACE AMERICAN hereby knowingly and voluntarily waives all rights to challenge or to contest this Consent Order, in any forum, including the right to any administrative proceeding, circuit or federal court action, or any appeal.

5. ACE AMERICAN agrees that upon the execution of this Consent Order it shall be subject to the following terms and conditions:

(a) ACE AMERICAN shall pay a penalty of \$53,000 and administrative costs of \$3,000 on or before the 30th day after this Consent Order is executed.

(b) ACE AMERICAN shall henceforth comply with all of the provisions of the Florida Insurance Code and the Florida Administrative Code.

(c) ACE AMERICAN is hereby placed on notice of the requirements of the above referenced sections of law and that any future violations of these sections by ACE AMERICAN may subject ACE AMERICAN to appropriate penalties.

(d) ACE AMERICAN shall, within 30 days of the execution of the Consent Order, provide to the OFFICE certification by an officer of the Company that all necessary corrective actions have been completed.

6. ACE AMERICAN agrees that the failure to adhere to one or more of the above terms and conditions of this Consent Order shall constitute a violation of a lawful order of the OFFICE, and shall subject ACE AMERICAN to such administrative action as the OFFICE may deem appropriate.

7. Except as noted above, each party to this action shall bear its own costs and attorney's fees.

THEREFORE, the agreement between ACE AMERICAN and the OFFICE, the terms and conditions of which are set forth above, is APPROVED.

FURTHER, all terms and conditions contained herein are hereby ORDERED.

DONE AND ORDERED this 9<sup>th</sup> day of March, 2007.



KEVIN M. McCARTY  
Commissioner  
Office of Insurance Regulation

By execution hereof, ACE AMERICAN INSURANCE COMPANY consents to entry of this Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions therein. The undersigned represents that he or she has the authority to bind ACE AMERICAN INSURANCE COMPANY to the terms and conditions of this Consent Order.

ACE AMERICAN INSURANCE COMPANY

[Corporate Seal]

By:

Print Name: JAMES H CLAY

Title: REGULATORY COMPLIANCE OFFICER

Date: FEB 15, 2007

STATE OF Pennsylvania  
COUNTY OF Philadelphia

The foregoing instrument was acknowledged before me this 15 day of February 2007, by \_\_\_\_\_, who is personally known to me or has produced the following identification employee ID.

\_\_\_\_\_  
Signature of Notary

[Notarial Seal]

Constance A. DiLella  
Print or Type Name

My Commission Expires:

NOTARIAL SEAL  
Constance A DiLella, Notary Public  
City of Philadelphia, Philadelphia County  
My commission expires February 27, 2009

**COPIES FURNISHED TO:**

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