



OFFICE OF INSURANCE REGULATION

KEVIN M. MCCARTY
DIRECTOR

IN THE MATTER OF:

CASE NO.: 62333-02-CO

ACE AMERICAN INSURANCE COMPANY

2002 Property and Casualty Market Conduct Examination

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between **ACE AMERICAN INSURANCE COMPANY**, hereinafter referred to as **ACE AMERICAN** and the **OFFICE OF INSURANCE REGULATION OF THE FINANCIAL SERVICES COMMISSION**, within the **DEPARTMENT OF FINANCIAL SERVICES**, 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 **OFFICE** 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 property and casualty market conduct examination of **ACE AMERICAN** covering the period of January 2000 through September 2001, pursuant to
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Section 624.3161, Florida Statutes. As a result of such examination, the **OFFICE** determined that **ACE AMERICAN** committed the following violations of the Florida Insurance Code or Florida Administrative Code as outlined in total in the Fine Worksheet provided with the Report of Examination Findings:

- a. Personal Inland Marine
 1. Section 627.062, F.S.-Use of Unfiled Rate, Rating Schedule or Rating Rule.
 2. Section 627.410, F.S.-Use of Unfiled Form/Endorsement.

4. The **OFFICE** and **ACE AMERICAN** expressly waive a hearing in this matter and 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 the rights to challenge or to contest this Order in any forum now available to it, 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 an administrative penalty of \$5,000 and administrative costs of \$1,000 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 Florida Administrative Code, and implement policies and procedures that will preclude the recurrence of the violations contained in the Examination Report. These policies and procedures shall be made available to the **OFFICE** for review upon request. Within 90 days after execution of this Consent Order, **ACE AMERICAN** shall both

implement recommendations contained in this Report of Examination, and identified below, and submit confirmation, in writing, to the **OFFICE** that all directives contained in the report have been met, including all refunds.

(c) **ACE AMERICAN** shall fully comply with the following corrective actions and submit written evidence of same:

1. Personal Inland Marine

a. The Company shall file the rates, rating schedules, and rating rules for Personal Inland Marine coverages and specifically the Recreational Marine Boatsman Policy program.

b. The Company shall file the policies, forms and endorsements for Personal Inland Marine Coverages and specifically the Recreational Marine Boatsman Policy program.

c. The Company further agrees to pay an administrative penalty of \$100 per day that it is not in compliance with a and b above, starting on the 91st day after execution of the consent order.

(d) **ACE AMERICAN** is hereby placed on notice of the requirements of the above referenced sections of law and agrees that any future violations of these sections by **ACE AMERICAN** may be deemed willful, subjecting **ACE AMERICAN** to appropriate penalties.

6. **ACE AMERICAN** agrees that the failure to adhere to one or more of the above terms and conditions of this 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.

8. **THEREFORE**, the agreement between **ACE AMERICAN INSURANCE COMPANY** and the **OFFICE**, the terms and conditions of which are set forth above, is approved.

FURTHER, all terms and conditions above are hereby **ORDERED**.

DONE AND ORDERED this 8TH day of APRIL, 2003.



KEVIN MCCARTY, DIRECTOR
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 herein. I am authorized to execute this document.

ACE AMERICAN INSURANCE COMPANY

By: _____
Title: VICE PRESIDENT JUDITH J. KRAFT
Date: March 12, 2003

COPIES FURNISHED TO:

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