



THE TREASURER OF THE STATE OF FLORIDA  
DEPARTMENT OF INSURANCE

TOM GALLAGHER

IN THE MATTER OF:

CASE NO.: 40840-01-CO

**ACE FIRE UNDERWRITERS INSURANCE COMPANY**

2000 Property and Casualty Market Conduct  
Examination

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CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between **ACE FIRE UNDERWRITERS INSURANCE COMPANY**, hereinafter referred to as **ACE FIRE UNDERWRITERS** and the **FLORIDA DEPARTMENT OF INSURANCE**, and hereinafter referred to as the **DEPARTMENT**. Following a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the Treasurer and Insurance Commissioner, as head of the **FLORIDA DEPARTMENT OF INSURANCE**, hereby finds as follows:

1. The Treasurer and Insurance Commissioner, as head of the **DEPARTMENT**, has jurisdiction over the subject matter of, and parties to, this proceeding.

2. **ACE FIRE UNDERWRITERS** is a foreign property and casualty insurer authorized to transact insurance business in Florida and is subject to the jurisdiction and regulation of the **DEPARTMENT** pursuant to the Florida Insurance Code.

3. The **DEPARTMENT** conducted a property and casualty target market conduct examination of **ACE FIRE UNDERWRITERS** covering the period of January 1996 through December 1998, pursuant to Section 624.3161, Florida Statutes. As a result of such examination, the **DEPARTMENT** determined that **ACE FIRE UNDERWRITERS** 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. Commercial Multi-Peril

1. Rule 4-170.004, Failure to Document/Substantiate Debit/Credit.
2. Section 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule.
3. Section 627.062, F.S.-Use of Unfiled Rate, Rating Schedule or Rating Rule-Filed Rate.
4. Section 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Base Rate.
5. Section 627.318, F.S.-Failure to Maintain Records.

b. Claims

1. Section 627.736, F.S.-Failure to Comply with PIP Benefit Requirements.

4. The **DEPARTMENT** and **ACE FIRE UNDERWRITERS** expressly waive a hearing in this matter and the making of Findings of Fact and Conclusions of Law by the **DEPARTMENT** and all further and other proceedings herein to which the parties may be entitled by law. **ACE FIRE UNDERWRITERS** 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. For each violation noted in Paragraph 3, which was not corrected during the examination and verification provided to the **DEPARTMENT**, **ACE FIRE UNDERWRITERS** shall provide written documentation to the **DEPARTMENT** no later than November 15, 2001, detailing the corrective action taken in order to comply with Florida Statutes for each of the remaining violations noted in Paragraph 3. All pending refunds shall be completed within 60 days of the execution of the Consent Order and documentation provided to the **DEPARTMENT**.

6. **ACE FIRE UNDERWRITERS** agrees that upon the execution of this Consent Order it shall be subject to the following terms and conditions:

(a) **ACE FIRE UNDERWRITERS** shall pay an administrative penalty of \$2,500 and administrative costs of \$500 on or before the 30th day after this Consent Order is executed.

(b) **ACE FIRE UNDERWRITERS** shall henceforth comply with all of the provisions of the Florida Insurance Code and Florida Administrative Code, and will implement the recommendations contained in this report within 90 days after execution of Consent Order.

(c) **ACE FIRE UNDERWRITERS** 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 FIRE UNDERWRITERS** may be deemed willful, subjecting **ACE FIRE UNDERWRITERS** to appropriate penalties.

7. **ACE FIRE UNDERWRITERS** 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 **DEPARTMENT**, and shall subject **ACE FIRE UNDERWRITERS** to such administrative action as the Treasurer and Insurance Commissioner may deem appropriate.

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

9. **THEREFORE**, the agreement between **ACE FIRE UNDERWRITERS INSURANCE COMPANY** and the **DEPARTMENT**, the terms and conditions of that are set forth above, is approved.

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

**DONE AND ORDERED** this \_\_\_\_ day of \_\_\_\_\_, 2001.

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**KEVIN MCCARTY**  
DEPUTY INSURANCE COMMISSIONER

By execution hereof **ACE FIRE UNDERWRITERS 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 FIRE UNDERWRITERS INSURANCE COMPANY**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

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