



THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE

FILED

APR 10 2002

Treasurer and
Insurance Commissioner
Docketed by: OT

TOM GALLAGHER

IN THE MATTER OF:

CASE NO.: 43466-01-CO

**ALLMERICA FINANCIAL BENEFIT INSURANCE
COMPANY**

2001 Property and Casualty Market Conduct
Examination

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between ALLMERICA FINANCIAL BENEFIT INSURANCE COMPANY, hereinafter referred to as ALLMERICA, and the FLORIDA DEPARTMENT OF INSURANCE, 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 DEPARTMENT hereby finds as follows:

1. The DEPARTMENT has jurisdiction over the subject matter of, and parties to, this proceeding.
2. ALLMERICA 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 market conduct examination of ALLMERICA covering the period of January 1999 through May 2001, pursuant to Section 624.3161, Florida Statutes. As a result of such examination, the DEPARTMENT determined that ALLMERICA 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. Private Passenger Automobile

1. Section 627.739, F.S.-Failure to Comply with PIP Coverage Requirements.
2. Section 627.727, F.S.-Failure to Offer/Obtain/Maintain Signed UM Acceptance/Rejection Form.

b. Cancellations/Nonrenewals

1. Section 627.728, F.S.- Failure to Provide Timely Notice of Renewal, Nonrenewal or Cancellation.

c. Claims

1. Section 627.4137, F.S.-Failure to Disclose Information.

4. The DEPARTMENT and ALLMERICA 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. ALLMERICA 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. ALLMERICA agrees that upon the execution of this Consent Order it shall be subject to the following terms and conditions:

(a) ALLMERICA shall pay an administrative penalty of \$1,500 and administrative costs of \$500 on or before the 30th day after this Consent Order is executed.

(b) ALLMERICA shall henceforth comply with all of the provisions of the Florida Insurance Code 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 DEPARTMENT for review upon request. Within 90 days after execution of this Consent Order, ALLMERICA shall both implement the recommendations contained in this report, and submit confirmation, in writing, to the DEPARTMENT that all directives contained in the report have been met, including all refunds made.

(c) ALLMERICA 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 ALLMERICA may be deemed willful, subjecting ALLMERICA to appropriate penalties.

6. ALLMERICA 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 ALLMERICA to such administrative action as the DEPARTMENT 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 ALLMERICA FINANCIAL BENEFIT 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 10TH day of APRIL, 2002.



KEVIN MCCARLY
DEPUTY INSURANCE COMMISSIONER

By execution hereof ALLMERICA FINANCIAL BENEFIT 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.

ALLMERICA FINANCIAL BENEFIT INSURANCE
COMPANY

By: Gregory D. Tranter
Title: Asst. Vice President
Date: 02-17-02

COPIES FURNISHED TO:

MR. ROBERT P. RESTREPO, PRESIDENT
Allmerica Financial Benefit Insurance Company
440 Lincoln Street
Worcester, MA 01653

CHERYL C. JONES, AIE
Field Insurance Regional Administrator
Division of Insurer Services
Bureau of Market Conduct
200 East Gaines Street, Suite 131B
Tallahassee, Florida 32399-0329

S. STROM MAXWELL, ESQUIRE
Department of Insurance
Division of Legal Services
200 East Gaines Street
612 Larson Building
Tallahassee, Florida 32399-0333