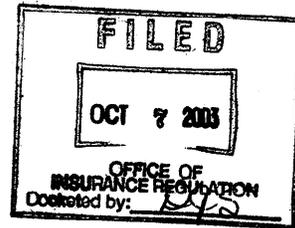


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OFFICE OF INSURANCE REGULATION

KEVIN M. MCCARTY
DIRECTOR

IN THE MATTER OF:

CASE NO.: 64914-02-CO

ALLSTATE FLORIDIAN INDEMNITY COMPANY

2002 Property and Casualty Market Conduct
Examination

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between **ALLSTATE FLORIDIAN INDEMNITY COMPANY**, hereinafter referred to as **ALLSTATE FLORIDIAN** 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. **ALLSTATE FLORIDIAN** 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 **ALLSTATE FLORIDIAN** covering the period of January 2001 through January 2002, pursuant
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to Section 624.3161, Florida Statutes. The **OFFICE** issued a report following the examination, which states that **ALLSTATE FLORIDIAN** committed violations of the following sections of the Florida Insurance or Florida Administrative Code:

a. Homeowners

1. Section 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Coverage A Limit.
2. Section 627.0651, F.S.-Failure to File Underwriting Guidelines (HO).

b. Cancellations

1. Section 627.4133, F.S.-Failure to Provide Timely Notice of Renewal, Nonrenewal or Cancellation-Method.
2. Section 627.4133, F.S.-Failure to Provide Timely Notice of Renewal, Nonrenewal or Cancellation-Reason.
3. Rule 4-125.004, Failure to Comply with Credit Report/Scoring Requirements.

c. Nonrenewals

1. Section 627.4133, F.S.-Failure to Provide Timely Notice of Renewal, Nonrenewal or Cancellation-Reason.

d. Complaints

1. Section 626.9541, F.S.-Failure to Comply with Unfair Trade Practice Requirements-Incorrect Complaint Log.
2. Section 626.9541, F.S.-Failure to Comply with Unfair Trade Practice Requirements-Incorrect Complaint Log.

e. Claims

1. Section 626.9541, F.S.-Failure to Comply with Unfair Trade Practice Requirements-Improper Claim Denial.
2. Section 627.318, F.S.-Failure to Maintain Records-Claims Documentation.

3. Section 626.9541, F.S.-Failure to Comply with Unfair Trade Practice Requirements-Improper Claim Closure.
4. Section 626.877, F.S.-Failure to Properly Adjust Claim per Policy Requirements.

4. The **OFFICE** and **ALLSTATE FLORIDIAN** 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. **ALLSTATE FLORIDIAN** does not admit the violations cited in the report but hereby knowingly and voluntarily waives the rights to challenge or to contest this Consent Order in any forum now available to it, including the right to any administrative proceeding, circuit or federal court action, or any appeal.

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

(a) **ALLSTATE FLORIDIAN** shall pay an administrative penalty of \$5,500 and administrative costs of \$1,000 on or before the 30th day after this Consent Order is executed.

(b) **ALLSTATE FLORIDIAN** 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, **ALLSTATE FLORIDIAN** shall both implement recommendations contained in this report, and submit confirmation, in writing, to the **OFFICE** that all directives contained in the report have been met, including all refunds. **ALLSTATE FLORIDIAN** agrees to pay a \$100 per day

administrative penalty for each day **ALLSTATE FLORIDIAN** is not in compliance starting with the 91st day after execution of the Consent Order.

(c) **ALLSTATE FLORIDIAN** shall file its Homeowners Underwriting Guidelines within 90 days of the execution of the consent order.

6. **ALLSTATE FLORIDIAN** 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 **ALLSTATE FLORIDIAN** 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 **ALLSTATE FLORIDIAN** **INDEMNITY 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 7th day of October, 2003.



KEVIN M. MCCARTY, DIRECTOR
Office of Insurance Regulation

By execution hereof ALLSTATE FLORIDIAN INDEMNITY 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.

ALLSTATE FLORIDIAN INDEMNITY COMPANY

By: Phillip Lawson

Title: FIELD VICE PRESIDENT

Date: 9/11/03

COPIES FURNISHED TO:

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