



OFFICE OF INSURANCE REGULATION

KEVIN M. McCARTY
DIRECTOR

RECEIVED
AUG 22 2003

FILED

AUG 11 2003

OFFICE OF
INSURANCE REGULATION
Docketed by: SP

IN THE MATTER OF:

CASE NO.: 68143-03-CO

**ALPHA PROPERTY & CASUALTY
INSURANCE COMPANY**

2002 Property and Casualty Market Conduct
Examination

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between **ALPHA PROPERTY & CASUALTY INSURANCE COMPANY** (hereinafter referred to as "ALPHA") 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 **OFFICE** finds as follows:

1. The **OFFICE** has jurisdiction over the subject matter of, and party to, this proceeding.
2. **ALPHA** 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 **ALPHA**, pursuant to Section 624.3161, Florida Statutes, in 2002, and as a result of said

examination, the OFFICE determined that ALPHA committed the following violations of the Florida Insurance Code and the Florida Administrative Code:

Private Passenger Automobile

- a. Rule 4-125.004 – Failure to Comply with Credit Report/Scoring Requirements.
- b. Section 627.727(1), F.S. – Failed to properly use Uninsured Motorists Forms.
- c. Section 626.9541, F.S. – Failure to comply with Unfair Trade Practices requirements: Policy Limits.
- d. Section 627.0651, F.S. – Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guidelines (PPA).

Cancellations

- a. Rule 4-167.010, F.A.C. – Failure to Provide Proof of Mailing
- b. Section 627.7283, F.S. – Failure to Comply with Return of Unearned Premium Requirements.
- c. Section 627.728(3)(a), F.S. – Failure to Provide Cancellation Notice or Proof of Mailing.
- d. Rule 4-176.002, F.A.C. – Failure to Cancel in Accordance with Additional Premium/Ab Initio Requirements.
- e. Section 627.7281, F.S. – Failure to Provide Timely Notice of Cancellation

Complaints

- a. Section 626.9541, F.S. – Failure to Comply with Unfair Trade Practice Requirements: Policy Limits.

Claims

- a. Section 626.112, F.S. – Use of Unappointed Agent/Adjuster.
- b. Section 627.7401, F.S. – Failure to Advise Insured of PIP Rights and Benefits.

4. The OFFICE and ALPHA 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 to by law or rules of the OFFICE. ALPHA hereby knowingly and voluntarily waives all 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. ALPHA agrees that upon execution of this Consent Order it shall be subject to the following terms and conditions:

a. ALPHA shall pay an administrative penalty of \$30,500 and administrative costs of \$2,000 within thirty (30) days of the date of entry of this Consent Order.

b. ALPHA shall comply with all of the applicable provisions of the Florida Insurance Code and the Florida Administrative Code.

c. ALPHA 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 ALPHA may be deemed willful, subjecting ALPHA to appropriate penalties.

d. ALPHA must identify and re-rate new or cancelled private passenger automobile policies with maxed policy limits and refund any monies collected. This involved one hundred and four (104) policies. Fifty-four (54) have already been corrected. Out of the remaining fifty (50), twenty-eight (28) insureds paid at least one installment at the higher premium rate. ALPHA is in the process of crediting twenty-two (22) accounts and refunding premiums paid by the twenty-eight insureds. Within thirty (30) days of the date of entry of this Consent Order, ALPHA shall provide proof to the OFFICE that it has provided the aforementioned credits and refunds.

e. ALPHA shall identify and re-rate all new or cancelled private passenger automobile policies with an effective date of October 15, 2001 to the present that were surcharged for non-chargeable incidents and return any monies collected. This involved twenty-eight (28) policies.

6. ALPHA agrees that the failure to adhere to one or more of the terms and conditions of this Order shall constitute a violation of a lawful order of the OFFICE, and shall subject ALPHA 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 ALPHA 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 11TH day of AUGUST, 2003.



KEVIN M. McCARTY, DIRECTOR
OFFICE OF INSURANCE REGULATION

By execution hereof ALPHA PROPERTY & CASUALTY INSURANCE COMPANY consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that he or she has the authority to bind ALPHA PROPERTY & CASUALTY INSURANCE COMPANY to the terms and conditions of this Consent Order and has personal knowledge of the information provided therein.

ALPHA PROPERTY & CASUALTY INSURANCE COMPANY,

Corporate Seal

By: Brian R. Crumbaker

Title: Assistant Vice President

Date: July 30, 2003

STATE OF California

COUNTY OF San Diego

On July 30, 2003 before me, Vivian Mooers, personally appeared Brian R. Crumbaker, personally known to me (or

proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person or the entity upon behalf which the person acted, executed the instrument.

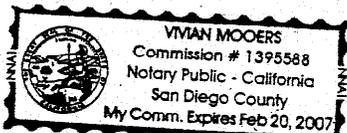
Identification Produced: personally known -

Subscribed and sworn to before me this 30th day of July, 2003.

Signature _____
(Signature of Notary Public)

[NOTARIAL SEAL]

My Commission Expires:



COPIES FURNISHED TO:

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