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THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE

Treasurer and
Insurance Commissioner
Docketed by:

TOM GALLAGHER

IN THE MATTER OF:

CASE NO.: 60485-02-CO

AMERICAN AMBASSADOR CASUALTY COMPANY

2001 Property and Casualty Market
Conduct Examination

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between AMERICAN AMBASSADOR CASUALTY COMPANY, hereinafter referred to as AMERICAN AMBASSADOR 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. AMERICAN AMBASSADOR 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 AMERICAN AMBASSADOR covering the period of January 1999 through June 2001, pursuant to Section 624.3161, Florida Statutes. As a result of such examination, the DEPARTMENT determined that AMERICAN AMBASSADOR 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 627.0653, F.S.-Failure to Provide Safety Device Discounts.
- b. Agents/MGA
 - 1. Section 626.112, F.S.-Use of Unappointed Agent.
- c. Cancellations/Nonrenewals
 - 1. Section 627.7283, F.S.-Failure to Comply with Return of Unearned Premium Requirements.
 - 2. Section 627.848, F.S.-Failure to Comply with Premium Finance Cancellation Requirements.
- d. Claims
 - 1. Section 626.112, F.S.-Use of Unappointed Adjuster.

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

e. Complaints

1. Section 627.7283, F.S.-Failure to Comply with Return of Unearned Premium Requirements.
2. Rule 4-166.024, Failure to Communicate Timely.
3. Section 626.9541, F.S.-Failure to Comply with Unfair Trade Practice Requirements-Non-DOI Complaint Log.

4. The DEPARTMENT and AMERICAN AMBASSADOR 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. AMERICAN AMBASSADOR hereby knowingly and voluntarily waives the right 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. AMERICAN AMBASSADOR agrees that upon the execution of this Consent Order it shall be subject to the following terms and conditions:

- (a) AMERICAN AMBASSADOR shall pay an administrative penalty of \$10,000 and administrative costs of \$2,000 on or before the 30th day after this Consent Order is executed.

(b) **AMERICAN AMBASSADOR** 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 **DEPARTMENT** for review upon request.

(c) **AMERICAN AMBASSADOR** 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 **AMERICAN AMBASSADOR** may be deemed willful, depending upon the circumstances, and under certain circumstances subjecting **AMERICAN AMBASSADOR** to appropriate penalties.

6. **AMERICAN AMBASSADOR** 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 **AMERICAN AMBASSADOR** to such administrative action as the **DEPARTMENT** may deem appropriate, which actions shall be subject to the requirements of Chapter 120, Florida Statutes.

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

8. THEREFORE, the agreement between AMERICAN AMBASSADOR CASUALTY 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 21ST day of JUNE, 2002.



KEVIN MCCARTY
DEPUTY INSURANCE COMMISSIONER

By execution hereof **AMERICAN AMBASSADOR CASUALTY 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.

AMERICAN AMBASSADOR CASUALTY COMPANY

By: Kevin J. Kersgner
Title: Vice President Finance
Date: June 4, 2002

COPIES FURNISHED TO:

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