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JUN 21 2002

THE TREASURER OF THE STATE OF FLORIDA  
DEPARTMENT OF INSURANCE

Treasurer and  
Insurance Commissioner  
Docketed by: DR

TOM GALLAGHER

IN THE MATTER OF:

CASE NO.: 60486-02-CO

**AMERICAN GUARANTEE AND LIABILITY INSURANCE  
COMPANY**

2001 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 **AMERICAN GUARANTEE AND LIABILITY INSURANCE COMPANY**, hereinafter referred to as **AMERICAN GUARANTEE** 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 GUARANTEE** 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 GUARANTEE** covering the period of January 2000 through December 2000, pursuant to Section 624.3161, Florida Statutes. As a result of such examination, the **DEPARTMENT** determined that **AMERICAN GUARANTEE** 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. Business Automobile

1. Rule 4-170.004, -Failure to Document/Substantiate Debit/Credit.

b. General Liability

1. Section 627.410, F.S.-Use of Unfiled Form/Endorsement-Form U-GL-D-140-B CW(01/93).

c. Agents/MGA

1. Section 627.318, F.S.-Failure to Maintain Records-Application.
2. Section 627.4085, F.S.-Failure to Display Agent Name/License ID# or Insurer Name on Application.
3. Section 624.425, F.S.-Failure to Properly Countersign/Obtain Power of Attorney.

d. Cancellations/Nonrenewals

1. Section 627.4091, F.S.-Failure to Provide Specific Reason for Denial, Cancellation or Nonrenewal.

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

e. Claims

1. Section 626.112, F.S.-Use of Unappointed Adjuster.

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

(a) **AMERICAN GUARANTEE** shall pay an administrative penalty of \$9,100 and administrative costs of \$1,750 on or before the 30th day after this Consent Order is executed.

(b) **AMERICAN GUARANTEE** 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. Within 90 days after execution of this Consent Order, **AMERICAN GUARANTEE** 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) **AMERICAN GUARANTEE** 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 GUARANTEE** may be deemed willful, subjecting **AMERICAN GUARANTEE** to appropriate penalties.

6. **AMERICAN GUARANTEE** 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 GUARANTEE** 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 **AMERICAN GUARANTEE AND LIABILITY 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 21ST day of JUNE, 2002.



Kevin McCarty  
DEPUTY INSURANCE COMMISSIONER

By execution hereof **AMERICAN GUARANTEE AND LIABILITY 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.

**AMERICAN GUARANTEE AND LIABILITY  
INSURANCE COMPANY**

By: David A. Bowers  
Title: Vice President & Corporate Secretary  
Date: June 6, 2002

COPIES FURNISHED TO:

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