



THE TREASURER OF THE STATE OF FLORIDA  
DEPARTMENT OF INSURANCE

TOM GALLAGHER

8/5/14  
**FILED**

MAY 10 2002

Treasurer and  
Insurance Commissioner  
Docketed by:                     

IN THE MATTER OF:

CASE NO.: 60620-02-CO

**AMERICAN INTERSTATE INSURANCE COMPANY**

2001 Property and Casualty Market Conduct  
Examination  
\_\_\_\_\_ /

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between **AMERICAN INTERSTATE INSURANCE COMPANY**, hereinafter referred to as **AMERICAN INTERSTATE** 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 INTERSTATE** 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 INTERSTATE** covering the period of January 1999 through July 2001, pursuant to Section 624.3161, Florida Statutes. As a result of such examination, the **DEPARTMENT** determined that **AMERICAN INTERSTATE** 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. Workers' Compensation

1. Section 627.191, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline-Incorrect Rates.
2. Section 627.191, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline-Incorrect Classifications.
3. Section 627.191, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline-Owners/Partners/Officers.
4. Section 627.191, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline-Increased Percentage Factor.
5. Section 627.191, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline-Incorrect Calculation.

6. Section 627.191, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline-Incorrect Experience Modification Factor.
7. Section 627.191, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline-Officers Exclusions.
8. Section 627.191, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline-Experience Rated.
9. Section 627.191, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline-Safety/Drug Free Credits.
10. Section 624.3161, F.S.-Failure to Correct Violation in Prior Exam Report-1998 Exam.
11. Section 627.191, F.S.-Failure to Audit Policy and Return Premium Timely.
12. Section 624.3161, F.S.-Failure to Correct Violation in Prior Exam Report-1993 Exam.
13. Section 627.091, F.S.-Use of Unfiled Rate, Rating Schedule, Rating Rule or Underwriting Guideline.
14. Section 626.9541, F.S.-Failure to Comply with Unfair Trade Practice Requirements-No Charge for Waiver of Rights.

b. Cancellations/Nonrenewals

1. Section 627.191, F.S.-Failure to Follow Filed Rate, Rating Rule or Underwriting Guideline-Expense Constant.
2. Section 627.191, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline-Incorrect Classification.

3. Section 627.191, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline-Incorrect Rates.
3. Section 627.191, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline-Officers' Payroll Charges.
5. Section 627.191, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline-Incorrect Premium Calculation.
6. Section 627.191, F.S.-Failure to Audit Policy and Return Premium Timely.

c. Complaints

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

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

(a) **AMERICAN INTERSTATE** shall pay an administrative penalty of \$12,500 and administrative costs of \$1,500 on or before the 30th day after this Consent Order is executed.

(b) **AMERICAN INTERSTATE** 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 INTERSTATE** 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 INTERSTATE** 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 INTERSTATE** may be deemed willful, subjecting **AMERICAN INTERSTATE** to appropriate penalties.

6. **AMERICAN INTERSTATE** 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 INTERSTATE** 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.

THEREFORE, the agreement between AMERICAN INTERSTATE 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 MAY, 2002.



Kevin McCarty  
DEPUTY INSURANCE COMMISSIONER

By execution hereof **AMERICAN INTERSTATE 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 INTERSTATE INSURANCE COMPANY~~

By: Cynthia P. Harris  
Title Executive Vice President  
Date: April 22, 2002

COPIES FURNISHED TO:

MR. MARK R. ANDERSON, PRESIDENT  
American Interstate Insurance Company  
2301 Highway 190 West  
Deridder, Louisiana 70634

JOE FINNEGAN, BUREAU CHIEF  
Division of Insurer Services  
Bureau of Market Conduct  
200 East Gaines Street  
Tallahassee, Florida 32399-4210

CHERYL C. JONES, AIE  
Field Insurance Regional Administrator  
Division of Insurer Services  
Bureau of Market Conduct  
200 East Gaines Street, Suite 220.12  
Tallahassee, Florida 32399-4210

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