



OFFICE OF INSURANCE REGULATION

FILED

MAR 9 2007

KEVIN M. McCARTY
COMMISSIONER

Dictated by DDM

IN THE MATTER OF:

CASE NO: 88563-06-CO

AMERICAN HEALTHCARE INDEMNITY
COMPANY

2005 Market Conduct Examination

CONSENT ORDER

THIS CAUSE came on for consideration upon the agreement between AMERICAN HEALTHCARE INDEMNITY COMPANY (hereinafter referred to as "AMERICAN HEALTHCARE") 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 COMMISSIONER OF THE OFFICE OF INSURANCE REGULATION hereby finds as follows:

1. The OFFICE has jurisdiction over the subject matter of, and parties to, this proceeding.
2. AMERICAN HEALTHCARE 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 market conduct examination of AMERICAN HEALTHCARE, pursuant to Section 624.3161, Florida Statutes, in 2005, and as a result of that

examination it has been determined that AMERICAN HEALTHCARE, has violated the following provisions of the Florida Insurance Code and/or Florida Administrative Code, to wit:

Medical Malpractice

Section 627.912, Florida Statutes – Failure to Timely Report Closed Claims.

Section 627.912, Florida Statutes – Failure to Accurately Report Closed Claims.

4. AMERICAN HEALTHCARE expressly waives a hearing in this matter, 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. AMERICAN HEALTHCARE hereby knowingly and voluntarily waives all rights to challenge or to contest this Consent Order, in any forum, including the right to any administrative proceeding, circuit or federal court action, or any appeal.

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

(a) AMERICAN HEALTHCARE shall pay a penalty of \$25,000 and administrative costs of \$3,000 on or before the 30th day after this Consent Order is executed.

(b) AMERICAN HEALTHCARE shall henceforth comply with all of the provisions of the Florida Insurance Code and the Florida Administrative Code.

(c) AMERICAN HEALTHCARE 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 HEALTHCARE may be deemed willful, subjecting AMERICAN HEALTHCARE to appropriate penalties.

(d) AMERICAN HEALTHCARE shall, within 30 days of the execution of the Consent Order, provide to the OFFICE certification by an officer of the Company that all necessary corrective actions have been completed.

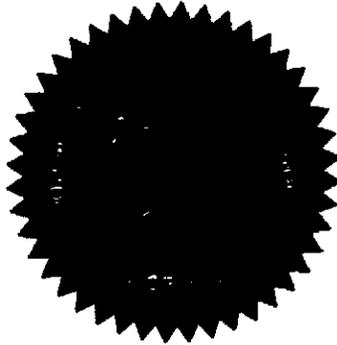
6. AMERICAN HEALTHCARE agrees that the failure to adhere to one or more of the above terms and conditions of this Consent Order shall constitute a violation of a lawful order of the OFFICE, and shall subject AMERICAN HEALTHCARE to such administrative action as the OFFICE may deem appropriate.

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

THEREFORE, the agreement between AMERICAN HEALTHCARE and the OFFICE, the terms and conditions of which are set forth above, is APPROVED.

FURTHER, all terms and conditions contained herein are hereby ORDERED.

DONE AND ORDERED this 9th day of March, 2007.



KEVIN M. McCARTY
Commissioner
Office of Insurance Regulation

By execution hereof, AMERICAN HEALTHCARE 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 therein. The undersigned represents that he or she has the authority to bind AMERICAN HEALTHCARE INDEMNITY COMPANY to the terms and conditions of this Consent Order.

AMERICAN HEALTHCARE INDEMNITY COMPANY

[Corporate Seal]

By: [Signature]
Print Name: DONALD J. ZUK
Title: President + CEO
Date: 2/12/07

STATE OF CA

COUNTY OF L.A.

The foregoing instrument was acknowledged before me this 21st day of February, 2007, by Donald J. Zuk, who is personally known to me or has produced the following identification _____

[Notarial Seal]



Signature of Notary [Signature]

Krista Heffley
Print or Type Name

My Commission Expires: Nov. 7, 2009

COPIES FURNISHED TO:

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