



OFFICE OF INSURANCE REGULATION

**FILED**

APR 16 2007

KEVIN M. McCARTY  
COMMISSIONER

Docketed by ODM

IN THE MATTER OF:

CASE NO: 89204-07-CO

AMERICAN HOME ASSURANCE COMPANY

2005 Market Conduct Examination

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CONSENT ORDER

THIS CAUSE came on for consideration upon the agreement between AMERICAN HOME ASSURANCE COMPANY (hereinafter referred to as "AMERICAN HOME") 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 HOME 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 HOME, pursuant to Section 624.3161, Florida Statutes, in 2005, and as a result of that examination it has been determined that AMERICAN HOME, 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 HOME 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 HOME 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 HOME agrees that upon the execution of this Consent Order it shall be subject to the following terms and conditions:

(a) AMERICAN HOME shall pay a penalty of \$22,500 and administrative costs of \$3,000 on or before the 30th day after this Consent Order is executed.

(b) AMERICAN HOME shall henceforth submit closed claims medical malpractice reports in accordance with the provisions of Section 627.912, Florida Statutes.

(c) AMERICAN HOME is hereby placed on notice of the requirements of the above referenced section of law and that any future violations of this section may subject National Union Fire to appropriate penalties.

(d) AMERICAN HOME 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 HOME 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

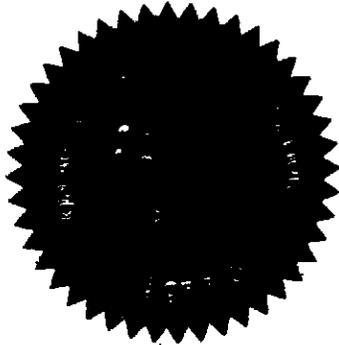
OFFICE, and shall subject AMERICAN HOME to such administrative action as the OFFICE may deem appropriate.

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

THEREFORE, the agreement between AMERICAN HOME 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 16th day of APRIL, 2007.



  
\_\_\_\_\_  
KEVIN M. McCARTY  
Commissioner  
Office of Insurance Regulation

By execution hereof, AMERICAN HOME ASSURANCE 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 HOME ASSURANCE COMPANY to the terms and conditions of this Consent Order.

AMERICAN HOME ASSURANCE COMPANY

By: \_\_\_\_\_

[Corporate Seal]

Print Name: Charles R. Schader

Title: AIG Senior Vice President - Claims

Date: 4/4/2007

STATE OF New York  
COUNTY OF New York

MARK BIANCHI  
Notary Public, State of New York  
No. 02816014203  
Qualified in Orange County  
Commission Expires October 5, 2010

The foregoing instrument was acknowledged before me this 4th day of April 2007, by Charles R. Schader, who is personally known to me or has produced the following identification \_\_\_\_\_.

[Notarial Seal]

\_\_\_\_\_  
Signature of Notary

Mark Bianchi

Print or Type Name

My Commission Expires: 10/5/10

**COPIES FURNISHED TO:**

**JOHN DOYLE, PRESIDENT**  
American Home Assurance Company.  
2704 Commerce Drive, Suite B  
Harrisburgh, PA 17110

**SAM BINNUN, DIRECTOR**  
Office of Insurance Regulation  
Market Investigations  
200 East Gaines Street  
Tallahassee, FL 32399-4210

**JIM L. BENNETT**  
Assistant General Counsel  
Office of Insurance Regulation  
Legal Services  
200 East Gaines Street  
Tallahassee, Florida 32399-4206