



OFFICE OF INSURANCE REGULATION

FILED

APR 16 2007

KEVIN M. McCARTY
COMMISSIONER

Docketed by: DM

IN THE MATTER OF:

CASE NO: 89205-07-CO

AMERICAN PHYSICIANS ASSURANCE
CORPORATION

2005 Market Conduct Examination

CONSENT ORDER

THIS CAUSE came on for consideration upon the agreement between AMERICAN PHYSICIANS ASSURANCE CORPORATION (hereinafter referred to as "AMERICAN PHYSICIANS") 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 PHYSICIANS 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 PHYSICIANS, pursuant to Section 624.3161, Florida Statutes, in 2005, and as a result of that

examination it has been determined that AMERICAN PHYSICIANS, 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 PHYSICIANS 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 PHYSICIANS 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 PHYSICIANS agrees that upon the execution of this Consent Order it shall be subject to the following terms and conditions:

(a) AMERICAN PHYSICIANS shall pay a penalty of \$48,000 and administrative costs of \$3,000 on or before the 30th day after this Consent Order is executed.

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

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

(d) AMERICAN PHYSICIANS 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.

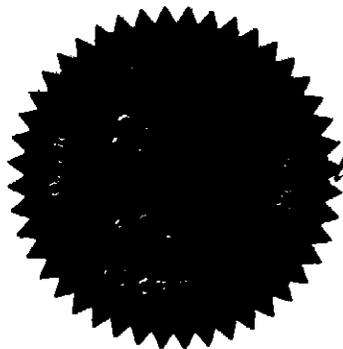
6. AMERICAN PHYSICIANS agrees that the failure to adhere to one or more of the above terms and conditions of this Consent Order shall constitute a violation of a lawful order of the OFFICE, and shall subject AMERICAN PHYSICIANS to such administrative action as the OFFICE may deem appropriate.

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

THEREFORE, the agreement between AMERICAN PHYSICIANS 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 PHYSICIANS ASSURANCE CORPORATION 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 PHYSICIANS ASSURANCE CORPORATION to the terms and conditions of this Consent Order.

AMERICAN PHYSICIANS ASSURANCE CORPORATION

[Corporate Seal]

By: _____
Print Name: R. Kevin Clinton
Title: President; CEO
Date: 3/20/07

STATE OF Michigan
COUNTY OF Ingham

The foregoing instrument was acknowledged before me this 20th day of March, 2007, by _____, who is personally known to me or has produced the following identification Drivers License.

[Notarial Seal]

Signature of Notary

Geri L. Turner
Print or Type Name

My Commission Expires:

GERI L. TURNER
Notary Public, State of Michigan
County of Clinton
My Commission Expires Nov. 13, 2010
Acting in the County of Ingham

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