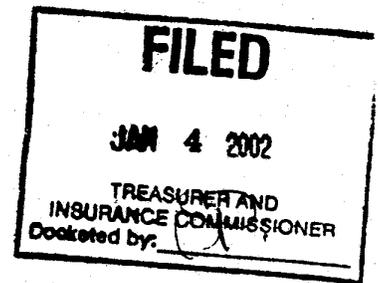




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THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE



TOM GALLAGHER

IN THE MATTER OF:

CASE NO.: 42088-01-CO

AMERICAN STRATEGIC INSURANCE CORPORATION

2000 Property and Casualty Market Conduct
Examination

RECEIVED

JAN 14 2002

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between **AMERICAN STRATEGIC INSURANCE CORPORATION**, hereinafter referred to as **AMERICAN STRATEGIC** 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 STRATEGIC** is a domestic 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 STRATEGIC** covering the period of January 1998 through December 1999, pursuant to Section 624.3161, Florida Statutes. As a result of such examination, the **DEPARTMENT** determined that **AMERICAN STRATEGIC** 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. Homeowners

1. Section 627.4131, F.S.-Failure to Display Telephone Number and Purpose on Policy/Certificate.
2. Section 626.9541, F.S.-Failure to Comply with Unfair Trade Practice Requirements.

b. Agents/MGA

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

c. Cancellations/Nonrenewals

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

d. Complaints

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

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

(a) **AMERICAN STRATEGIC** shall pay an administrative penalty of \$3,750 and administrative costs of \$500 on or before the 30th day after this Consent Order is executed.

(b) **AMERICAN STRATEGIC** 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 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 STRATEGIC** 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 and all refunds have been made.

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

6. **AMERICAN STRATEGIC** 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 STRATEGIC** 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 STRATEGIC INSURANCE CORPORATION, INC.** 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 4TH day of JANUARY,

2002.



KEVIN MCCARTY
DEPUTY INSURANCE COMMISSIONER

By execution hereof AMERICAN STRATEGIC INSURANCE 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 herein. I am authorized to execute this document.

AMERICAN STRATEGIC INSURANCE CORPORATION

By: JOHN F. AUER
Title: President and CEO
Date: 12/14/01

COPIES FURNISHED TO:

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