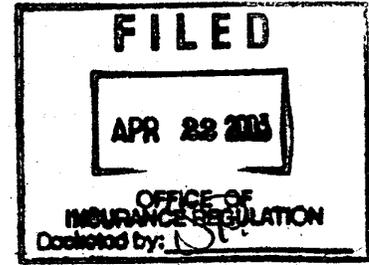




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4/22/03

KEVIN MCCARTY  
DIRECTOR

OFFICE OF INSURANCE REGULATION

IN THE MATTER OF:

CASE NO.: 62335-02-CO

**AMSTAR INSURANCE COMPANY**

2002 PROPERTY AND CASUALTY MARKET CONDUCT  
EXAMINATION

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CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between **AMSTAR INSURANCE COMPANY**, hereinafter referred to as **AMSTAR** and the **OFFICE OF INSURANCE REGULATION OF THE FINANCIAL SERVICES COMMISSION**, within the **DEPARTMENT FINANCIAL SERVICES**, 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 **OFFICE** hereby finds as follows:

1. The **OFFICE** has jurisdiction over the subject matter of, and parties to, this proceeding.
2. **AMSTAR** is a domestic 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 property and casualty market conduct examination of **AMSTAR** covering the period of January 2000 through July 2001, pursuant to Section 624.3161, Florida Statutes. As a result of such examination, the **OFFICE** determined that

AMSTAR committed the following violations of the Florida Insurance Code as outlined in total in the Fine Worksheet provided with the Report of Examination Findings:

a. Agents/MGA

1. Section 627.4085, F.S.-Failure to Display Agent Name/License ID# or Insurer Name on Application.

b. Cancellations/Nonrenewals

1. Section 627.7283, F.S.-Failure to Comply with Return of Unearned Premium.
2. Rule 4-167.002, Failure to Cancel in Accordance with Additional Premium/AB Initio Requirements.
3. Section 627.728, F.S.-Failure to Provide Timely Notice of Renewal, Nonrenewal or Cancellation-Reason.
4. Section 627.728, F.S.-Failure to Provide Timely Notice of Renewal, Nonrenewal or Cancellation-Timeliness.

c. Complaints

1. Section 626.9541, F.S.-Failure to Comply with Unfair Trade Practice Requirements-Acknowledge and Act on Claims.
2. Section 627.421, F.S.-Failure to Deliver Policy Timely.
3. Section 627.728, F.S.-Failure to Provide Timely Notice of Renewal, Nonrenewal or Cancellation.
4. Section 627.4265, F.S.-Failure to Pay Claim Timely.
5. Section 626.9541, F.S.-Failure to Comply with Unfair Trade Practice Requirements-Complaint Log Incomplete.

4. The OFFICE and AMSTAR expressly waive a hearing in this matter and 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. AMSTAR 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. AMSTAR agrees that upon the execution of this Consent Order it shall be subject to the following terms and conditions:

(a) AMSTAR shall pay an administrative penalty of \$8,750 and administrative costs of \$1,500 on or before the 30th day after this Consent Order is executed.

(b) AMSTAR 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 OFFICE for review upon request. Within 90 days after execution of this Consent Order, AMSTAR shall both implement recommendations contained in the Report of Examination, and identified below, and submit confirmation, in writing, to the OFFICE that all directives contained in the Report of examination have been met, including all refunds.

(c) AMSTAR shall take the following corrective actions and submit evidence of compliance, in writing, to the OFFICE within thirty (30) days after this Consent Order is executed:

1. Action Plan for Addressing handling of Third Party Claims.
2. Perform an internal Re-Examination for verification of claims handling.

(d) AMSTAR 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 AMSTAR may be deemed willful, subjecting AMSTAR to appropriate penalties.

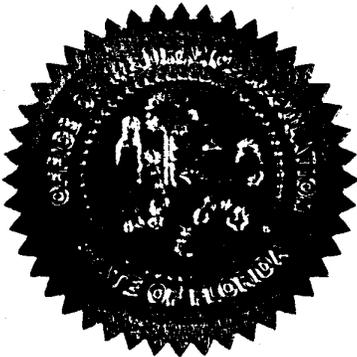
6. AMSTAR agrees that the failure to adhere to one or more of the above terms and conditions of this Order shall constitute a violation of a lawful order of the OFFICE, and shall subject AMSTAR to such administrative action as the OFFICE may deem appropriate.

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

8. THEREFORE, the agreement between AMSTAR INSURANCE COMPANY and the OFFICE, the terms and conditions of which are set forth above, is approved.

FURTHER, all terms and conditions above are hereby ORDERED.

DONE AND ORDERED this 22ND day of APRIL, 2003.



KEVIN MCCARTY, DIRECTOR  
Office of Insurance Regulation

By execution hereof AMSTAR 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.

**AMSTAR INSURANCE COMPANY**

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

Title: EXECUTIVE VICE PRESIDENT

Date: 3/20/03

**COPIES FURNISHED TO:**

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