



FILED

APR 10 2002

Treasurer and
Insurance Commissioner
Docketed by: CR

THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE

TOM GALLAGHER

IN THE MATTER OF:

CASE NO.: 41439-01-CO

AUTO-OWNERS INSURANCE COMPANY

2000 Property and Casualty Target Market
Conduct Examination

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between **AUTO-OWNERS INSURANCE COMPANY**, hereinafter referred to as **AUTO-OWNERS** 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. **AUTO-OWNERS** is a foreign 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 AUTO-OWNERS covering the period of January 1996 through December 1998, pursuant to Section 624.3161, Florida Statutes. As a result of such examination, the DEPARTMENT determined that AUTO-OWNERS 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. Workers' Compensation

1. Section 627.410, F.S.-Use of Unfiled Form/Endorsement-27945 Premium Discount.

b. Nonewnewals

1. Section 627.4085, F.S.-Failure to Display Agent Name/License ID# or Insurer Name on Application.
2. Section 624.3161, F.S.-Failure to Correct Violation in Prior Exam Report.

4. The DEPARTMENT and AUTO-OWNERS 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. AUTO-OWNERS hereby knowingly and voluntarily waives the right 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. **AUTO-OWNERS** agrees that upon the execution of this Consent Order it shall be subject to the following terms and conditions:

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

(b) **AUTO-OWNERS** 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 **DEPARTMENT** for review upon request. Within 90 days after execution of this Consent Order **AUTO-OWNERS** 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, including all refunds made.

(c) **AUTO-OWNERS** 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 **AUTO-OWNERS** may be deemed willful, subjecting **AUTO-OWNERS** to appropriate penalties.

6. AUTO-OWNERS 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 AUTO-OWNERS 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 AUTO-OWNERS INSURANCE COMPANY 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 10TH day of APRIL, 2002.



KEVIN MCCARTY
DEPUTY INSURANCE COMMISSIONER

By execution hereof AUTO-OWNERS 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.

AUTO-OWNERS INSURANCE COMPANY

By: William T. Woodbury

Title: SENIOR ATTORNEY

Date: MARCH 5, 2002

COPIES FURNISHED TO:

MR. JOHN W. FISHER, PRESIDENT
AUTO-OWNERS Insurance Company
Post Office Box 30660
Lansing, Michigan 48909

CHERYL C. JONES, AIE
Field Insurance Regional Administrator
Division of Insurer Services
Bureau of P&C Insurer Solvency and
Market Conduct Review
200 East Gaines Street, Suite 131B
Tallahassee, Florida 32399-0329

S. STROM MAXWELL, ESQUIRE
Department of Insurance
Division of Legal Services
200 East Gaines Street
612 Larson Building
Tallahassee, Florida 32399-0333