



THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE

TOM GALLAGHER

IN THE MATTER OF:

CASE NO.: 43351-01-CO

BRIDGEFIELD CASUALTY INSURANCE COMPANY

2001 Property and Casualty Target Market
Conduct Examination

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between **BRIDGEFIELD CASUALTY INSURANCE COMPANY**, hereinafter referred to as **BRIDGEFIELD CASUALTY**, 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. **BRIDGEFIELD CASUALTY** 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 **BRIDGEFIELD CASUALTY** covering the period of January 1998 through December 2000, pursuant to Section 624.3161, Florida Statutes. As a result of such examination, the

DEPARTMENT determined that **BRIDGEFIELD CASUALTY** 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. Company Operations/Management

1. Section 627.1615, F.S.-Failure to Insure Due to Small Premium Volume.

b. Workers' Compensation

1. Section 627.191, F.S.-Failure to Audit Policy and Return Premium Timely.
2. Section 627.191, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline-Classification Code.
3. Section 627.191, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline-Incorrectly Calculating Premium.
4. Section 627.191, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline-Incorrectly Calculating Premium Discounts.
5. Section 627.191, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline-Class Code for Job Duty.
6. Section 627.191, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline-Condition Code.

c. Cancellations/Nonrenewals

1. Section 627.191, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline-Premium Discounts.
2. Section 627.191, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline-Classification.

3. Section 627.191, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline-Short Rate.
4. Section 627.191, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline-Expense Constant.
5. Section 627.191, F.S.-Failure to Audit Policy and Return Premium Timely.
6. Section 627.191, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline-Estimated Payroll.

c. Complaints

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

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

(a) **BRIDGEFIELD CASUALTY** shall pay an administrative penalty of \$7,500 and administrative costs of \$1,750 on or before the 30th day after this Consent Order is executed.

(b) **BRIDGEFIELD CASUALTY** shall henceforth comply with all of the provisions of the Florida Insurance Code, 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.

BRIDGEFIELD CASUALTY will implement recommendations contained in this report within 90 days after execution of Consent Order, and submit confirmation, in writing, to the **DEPARTMENT** that all directives contained in the report have been met and all refunds have been made. This confirmation shall be provided to the **DEPARTMENT** within the 90-day timeframe.

(c) **BRIDGEFIELD CASUALTY** 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 **BRIDGEFIELD CASUALTY** may be deemed willful, subjecting **BRIDGEFIELD CASUALTY** to appropriate penalties.

6. **BRIDGEFIELD CASUALTY** 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 **BRIDGEFIELD CASUALTY** to such administrative action as the Treasurer and Insurance Commissioner 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 **BRIDGEFIELD CASUALTY 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 ____ day of _____, 2001.

KEVIN MCCARTY
DEPUTY INSURANCE COMMISSIONER

By execution hereof **BRIDGEFIELD CASUALTY 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.

BRIDGEFIELD CASUALTY INSURANCE COMPANY

By: _____

Title: _____

Date: _____

COPIES FURNISHED TO:

MR. RICKY T. HODGES, PRESIDENT
Bridgefield Casualty Insurance Company
Post Office Drawer 988
Lakeland, Florida 33802-0988

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