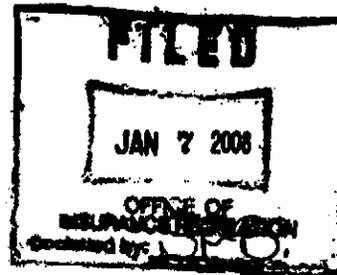




OFFICE OF INSURANCE REGULATION



KEVIN M. MCCARTY
COMMISSIONER

IN THE MATTER OF:

CASE NO: 91067-07-CO

CHICAGO INSURANCE COMPANY

2005 Market Conduct Examination

CONSENT ORDER

THIS CAUSE came on for consideration upon the agreement between **CHICAGO INSURANCE COMPANY** (hereinafter referred to as "**CHICAGO INSURANCE**") 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. **CHICAGO INSURANCE** 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 **CHICAGO INSURANCE** pursuant to Section 624.3161, Florida Statutes, in 2005, and as a result of that examination it has been determined that **CHICAGO INSURANCE** has violated the following provisions of the Florida Insurance Code and/or Florida Administrative Code, to wit:

Medical Malpractice

Section 627.912, Florida Statutes – Professional liability claims and actions; reporting by insurers and health care providers – Failure to Report Closed Claims.

Section 627.912, Florida Statutes – Professional liability claims and actions; reporting by insurers and health care providers – Failure to Accurately Report Closed Claims.

Section 627.912, Florida Statutes – Professional liability claims and actions; reporting by insurers and health care providers – Failure to Timely Report Closed Claims.

4. CHICAGO INSURANCE agrees that upon the execution of this Consent Order it shall be subject to the following terms and conditions:

(a) CHICAGO INSURANCE shall pay a penalty of \$125,000 and administrative costs of \$5,000 on or before the 30th day after this Consent Order is executed.

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

(c) CHICAGO INSURANCE 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 CHICAGO INSURANCE may subject CHICAGO INSURANCE to appropriate penalties.

(d) CHICAGO INSURANCE 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.

5. CHICAGO INSURANCE 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. CHICAGO INSURANCE 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.

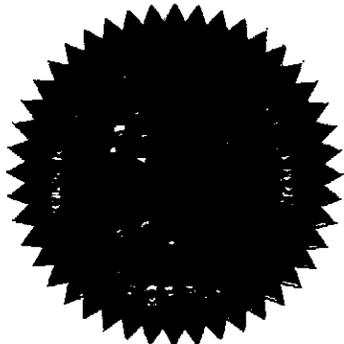
6. **CHICAGO INSURANCE** agrees that the failure to adhere to one or more of the above terms and conditions of this Consent Order shall constitute a violation of a lawful order of the **OFFICE**, and shall subject **CHICAGO INSURANCE** to such administrative action as the **OFFICE** may deem appropriate.

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

THEREFORE, the agreement between **CHICAGO INSURANCE** 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 7TH day of JANUARY, 2008.



KEVIN M. McCARTY
Commissioner
Office of Insurance Regulation

By execution hereof, CHICAGO 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 therein. The undersigned represents that he or she has the authority to bind CHICAGO INSURANCE COMPANY to the terms and conditions of this Consent Order.

CHICAGO INSURANCE COMPANY

[Corporate Seal]

By: _____
Print Name: William Pavkovitz
 Senior Vice President
 Chief Compliance Officer
Title: _____
Date: 12-10-'07

STATE OF California
COUNTY OF Marin

The foregoing instrument was acknowledged before me this 10 day of December, 2007, by William Pavkovitz, who is personally known to me or has produced the following identification _____

[Notarial Seal]

Signature of Notary

SAMANTHA GRAHAM
Print or Type Name

My Commission Expires: 3-12-2008



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