



THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE

TOM GALLAGHER

IN THE MATTER OF:

CASE NO.: 42214-01-CO

CINCINNATI INDEMNITY COMPANY

2001 Property and Casualty
Target Market Conduct Examination

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between **CINCINNATI INDEMNITY COMPANY**, hereinafter referred to as **CINCINNATI INDEMNITY** 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 Treasurer and Insurance Commissioner, as head of the **FLORIDA DEPARTMENT OF INSURANCE**, hereby finds as follows:

1. The Treasurer and Insurance Commissioner, as head of the **DEPARTMENT**, has jurisdiction over the subject matter of, and parties to, this proceeding.

2. **CINCINNATI INDEMNITY** 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 target market conduct examination of **CINCINNATI INDEMNITY** covering the

period of January 1997 through December 1999, pursuant to Section 624.3161, Florida Statutes. As a result of such examination, the **DEPARTMENT** determined that **CINCINNATI INDEMNITY** 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 627.318, F.S.-Failure to Maintain Records.
2. Section 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule.

b. Cancellations/Nonrenewals

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

c. Claims

1. Section 627.318, F.S.-Failure to Maintain Records.

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

(a) **CINCINNATI INDEMNITY** shall pay an administrative penalty of \$200 and administrative costs of \$50 on or before the 30th day after this Consent Order is executed.

(b) **CINCINNATI INDEMNITY** shall henceforth comply with all of the provisions of the Florida Insurance Code and Florida Administrative Code, and will implement the recommendations contained in this report within 90 days after execution of Consent Order, including any pending refunds.

(c) **CINCINNATI INDEMNITY** 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 **CINCINNATI INDEMNITY** may be deemed willful, subjecting **CINCINNATI INDEMNITY** to appropriate penalties.

6. **CINCINNATI INDEMNITY** 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 **CINCINNATI INDEMNITY** 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 **CINCINNATI INDEMNITY 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 **CINCINNATI INDEMNITY 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.

CINCINNATI INDEMNITY COMPANY

By: _____

Title: _____

Date: _____

COPIES FURNISHED TO:

MR. JOHN J. SCHIFF, JR., PRESIDENT
Cincinnati Indemnity Company
Post Office Box 145496
Cincinnati, Ohio 45250-5496

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