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MAR 27 2002

Treasurer and
Insurance Commissioner
Docketed by: SP

THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE

TOM GALLAGHER

IN THE MATTER OF:

CASE NO.: 43638-01-CO

CYPRESS PROPERTY AND 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 CYPRESS PROPERTY AND CASUALTY INSURANCE COMPANY, hereinafter referred to as CYPRESS PROPERTY 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. CYPRESS PROPERTY 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 CYPRESS PROPERTY covering the period of January 1999 through December 2000, pursuant to Section 624.3161, Florida Statutes. As a result of such examination, the DEPARTMENT determined that CYPRESS PROPERTY 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 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule- Incorrect Territory.

b. Dwelling Fire

1. Section 627.062, F.S.- Failure to Follow Filed Rate, Rating Schedule or Rating Rule.

c. Cancellations/Nonrenewals

1. Rule 4-167.010, Failure to Provide Proof of Mailing.
2. Section 627.4091, F.S.-Failure to Provide Specific Reason for Denial, Cancellation or Nonrenewal.
3. Section 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule- Incorrectly Calculated Return Premium.

d. Claims

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

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

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

(b) CYPRESS PROPERTY 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. Within 90 days after execution of this Consent Order, CYPRESS PROPERTY 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) CYPRESS PROPERTY 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 CYPRESS PROPERTY may be deemed willful, subjecting CYPRESS PROPERTY to appropriate penalties.

6. CYPRESS PROPERTY 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 CYPRESS PROPERTY 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 CYPRESS PROPERTY AND CASUALTY INSURANCE COMPANY and the DEPARTMENT, the terms and conditions of that are set forth above, is approved.

available to the DEPARTMENT for review upon request. Within 90 days after execution of this Consent Order, CYPRESS PROPERTY 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) CYPRESS PROPERTY 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 CYPRESS PROPERTY may be deemed willful, subjecting CYPRESS PROPERTY to appropriate penalties.

6. CYPRESS PROPERTY 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 CYPRESS PROPERTY 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 CYPRESS PROPERTY AND CASUALTY INSURANCE COMPANY and the DEPARTMENT, the terms and conditions of that are set forth above, is approved.

By execution hereof CYPRESS PROPERTY AND 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.

CYPRESS PROPERTY AND CASUALTY INSURANCE
COMPANY

By: _____, GARY HARGER _____

Title: President

Date: 3/6/02

COPIES FURNISHED TO:

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

FURTHER, all terms and conditions above are hereby
ORDERED.

DONE AND ORDERED this 27TH day of MARCH, 2002.



KEVIN MCCARTY
DEPUTY INSURANCE COMMISSIONER