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FILED

MAR 25 2002

THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE

Treasurer and
Insurance Commissioner
Docketed by: SP

TOM GALLAGHER

IN THE MATTER OF:

CASE NO.: 42134-01-CO

FCCI INSURANCE COMPANY

2000 Property and Casualty Market Conduct
Examination

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between FCCI INSURANCE COMPANY, hereinafter referred to as FCCI 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. FCCI 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 FCCI 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 FCCI 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. Worker's Compensation

1. Section 627.410, F.S. - Use of Unfiled Form/Endorsement - Modification of NCCI Forms.
- 2.. Section 627.410, F.S. - Use of Unfiled Form/Endorsement - Program Selection Form.
3. Section 627.410, F.S. - Use of Unfiled Form/Endorsement - Incurred Participator Dividend Retro Program Acknowledgement.
4. Section 627.413, F.S. - Failure to Correctly Specify Contents of Policy Relating to Subject of Insurance.
5. Section 627.410, F. S. - Use of Unfiled Form/Endorsement - Premium Adjustment Worksheet.
6. Section 627.410, F.S. - Use of Unfiled Form/Endorsement - Premier Dividend Program Acknowledgement.
7. Section 627.410, F.S. - Use of Unfiled Form/Endorsement - Paid Loss Participator Dividend Retro Program Acknowledgement.

8. Section 627.410, F.S. - Use of Unfiled Form/Endorsement - Cash Flow Dividend Retro Program.
9. Section 627.191, F.S. - Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline - Retro Premium.
10. Section 627.191, F.S. - Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline -Basic Premium Factor.
11. Section 627.191, F.S. - Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline -Anniversary Rating.
12. Section 627.191, F.S. - Failure to Audit Policy and Return Premium Timely.
13. Section 626.9541, F.S. - Failure to Comply with Unfair Trade Practice Requirements - Failure to Endorse.

b. Cancellations/Nonrenewals

1. Section 627.4091, - F.S. Failure to Provide Specific Reason for Denial, Cancellation or Nonrenewal.
2. Section 627.191, F.S. - Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline.

4. The violations enumerated in subparagraphs 3A 5 through 8, all relate to the use of forms not previously approved by the Department, which FCCI required policyholders to sign in connection with various dividend plans. They do not relate to the dividend plans themselves, for which no prior approval was required.

5. The DEPARTMENT and FCCI 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. FCCI 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.

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

(a) FCCI shall pay an administrative penalty of \$9,100 and administrative costs of \$1,750 on or before the 30th day after this Consent Order is executed.

(b) FCCI shall henceforth comply with all of the provisions of the Florida Insurance Code and Florida Administrative Code, and shall implement policies and procedures that will preclude the recurrence of violation 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, FCCI 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) FCCI 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 FCCI may be deemed willful, depending upon the circumstances, under certain circumstances, subjecting FCCI to appropriate penalties.

7. FCCI 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 FCCI to such administrative action as the DEPARTMENT may deem appropriate, which action shall be subject to the requirements of Chapter 120, Florida Statutes.

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

8. THEREFORE, the agreement between FCCI 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 25TH day of MARCH,
2002.



KEVIN McCarty

KEVIN MCCARTY
DEPUTY INSURANCE COMMISSIONER

By execution hereof FCCI 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.

FCCI INSURANCE COMPANY

By: _____ Thomas J. Madia _____
Title: _____ SR.V.P & Gen. Counsler _____
Date: _____ 3/5/02 _____

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