



THE TREASURER OF THE STATE OF FLORIDA  
DEPARTMENT OF INSURANCE

TOM GALLAGHER

IN THE MATTER OF:

CASE NO.: 41974-01-CO

**FIRST COMMERCIAL MUTUAL COMPANY**

2001 Property and Casualty Target Market Conduct  
Examination

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**CONSENT ORDER**

THIS CAUSE came on for consideration as the result of an agreement between **FIRST COMMERCIAL MUTUAL COMPANY**, hereinafter referred to as **FIRST COMMERCIAL** 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. **FIRST COMMERCIAL** 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 **FIRST COMMERCIAL** 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 **FIRST COMMERCIAL** 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. Workers' Compensation

1. Section 627.191, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline-Increased Limits for Employers Liability.
2. Section 627.191, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline-Premium Calculation.
3. Section 627.191, F.S.-Failure to Audit Policy.
4. Section 627.191, F.S.-Failure to Audit Policy with Correct Audit Period.
5. Section 627.191, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline-Incorrect Exposure on Audit Stat Card.
6. Section 627.191, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline-Incorrect Information on Claims Stat Cards.

b. Cancellations/Nonrenewals

1. Section 627.191, F.S.-Failure to Audit Policy.
2. Section 627.191, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline-Incorrect Calculations.

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

(a) **FIRST COMMERCIAL** shall pay an administrative penalty of \$4,150 and administrative costs of \$850 on or before the 30th day after this Consent Order is executed.

(b) **FIRST COMMERCIAL** 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) **FIRST COMMERCIAL** 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 **FIRST COMMERCIAL** may be deemed willful, subjecting **FIRST COMMERCIAL** to appropriate penalties.

6. **FIRST COMMERCIAL** 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 **FIRST COMMERCIAL** 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 **FIRST COMMERCIAL MUTUAL 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.

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**KEVIN MCCARTY**  
DEPUTY INSURANCE COMMISSIONER

By execution hereof **FIRST COMMERCIAL MUTUAL 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.

**FIRST COMMERCIAL MUTUAL COMPANY**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

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