



OFFICE OF INSURANCE REGULATION



KEVIN M. MCCARTY
COMMISSIONER

IN THE MATTER OF:

CASE NO: 89983-07-CO

FORTRESS INSURANCE COMPANY

2005 Market Conduct Examination

CONSENT ORDER

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

Medical Malpractice

Section 627.912, Florida Statutes – Failure to Timely Report Closed Claims.

Section 627.912, Florida Statutes – Failure to Accurately Report Closed Claims.

4. **FORTRESS** 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. **FORTRESS** 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.

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

(a) **FORTRESS** shall pay a penalty of \$92,600 and administrative costs of \$3,000 on or before the 30th day after this Consent Order is executed.

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

(c) **FORTRESS** 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 **FORTRESS** may subject **FORTRESS** to appropriate penalties.

(d) **FORTRESS** 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.

6. **FORTRESS** 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

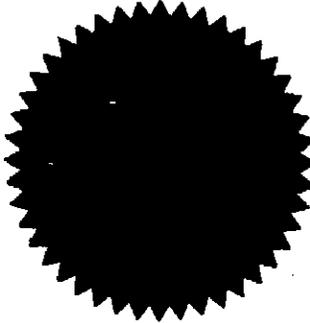
OFFICE, and shall subject **FORTRESS** to such administrative action as the **OFFICE** may deem appropriate.

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

THEREFORE, the agreement between **FORTRESS** 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 31st day of JULY, 2007.



KEVIN M. McCARTY
Commissioner
Office of Insurance Regulation

By execution hereof, FORTRESS 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 FORTRESS INSURANCE COMPANY to the terms and conditions of this Consent Order.

FORTRESS INSURANCE COMPANY

By: _____

[Corporate Seal]

Print Name: WILLIAM C. PASSOLT

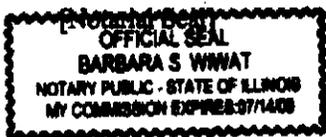
Title: PRESIDENT & CEO

Date: July 23, 2007

STATE OF ILLINOIS

COUNTY OF COOK

The foregoing instrument was acknowledged before me this 23 day of JULY, 2007, by WILLIAM PASSOLT, who is personally known to me or has produced the following identification _____



Signature of Notary

BARBARA S. WINAT

Print or Type Name

My Commission Expires: 7-14-08

COPIES FURNISHED TO:

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