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JUN 21 2002

THE TREASURER OF THE STATE OF FLORIDA  
DEPARTMENT OF INSURANCE

Treasurer and  
Insurance Commissioner  
Docketed by: OT

TOM GALLAGHER

IN THE MATTER OF:

CASE NO.: 43814-01-CO

**GEICO CASUALTY COMPANY**

2001 Property and Casualty Market Conduct  
Examination

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CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between **GEICO CASUALTY COMPANY**, hereinafter referred to as **GEICO CASUALTY**, 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. **GEICO CASUALTY** 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 market conduct examination of **GEICO CASUALTY** 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 **GEICO CASUALTY** 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. Private Passenger Automobile

1. Section 627.0651, F.S.- Use of Unfiled Rate, Rating Schedule, Rating Rule or Underwriting Guideline (PPA)-Rounding Rule.

b. Claims

1. Rule 4-166.026, - Failure to Properly Compute Sales Tax.

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

(a) **GEICO CASUALTY** shall pay an administrative penalty of \$1,750 and administrative costs of \$500 on or before the 30th day after this Consent Order is executed.

(b) **GEICO CASUALTY** shall henceforth comply with all of the provisions of the Florida Insurance Code and Florida Administrative Code, and implement policies and procedures that will preclude the recurrence of the 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, **GEICO CASUALTY** 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) **GEICO CASUALTY** 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 **GEICO CASUALTY** may be deemed willful, subjecting **GEICO CASUALTY** to appropriate penalties.

6. **GEICO CASUALTY** agrees that the failure to adhere to one or more of the above terms and conditions of this Order

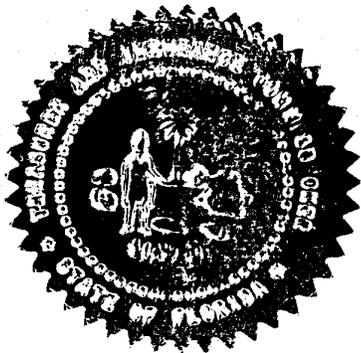
shall constitute a violation of a lawful order of the DEPARTMENT, and shall subject GEICO CASUALTY to such administrative action as the DEPARTMENT may deem appropriate.

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

8. THEREFORE, the agreement between GEICO CASUALTY 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 21ST day of JUNE, 2002.



KEVIN MCCARTY  
DEPUTY INSURANCE COMMISSIONER

By execution hereof **GEICO CASUALTY 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.

**GEICO CASUALTY COMPANY**

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

Title: Vice President and Legislative Counsel

Date: April 10, 2002

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