

OFFICE OF INSURANCE REGULATION

KEVIN M. McCARTY
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 76868-04-CO

**SAFECO INSURANCE COMPANY OF AMERICA
FIRST NATIONAL INSURANCE COMPANY OF
AMERICA, and GENERAL INSURANCE COMPANY
OF AMERICA**

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between SAFECO INSURANCE COMPANY OF AMERICA, FIRST NATIONAL INSURANCE COMPANY OF AMERICA, and GENERAL INSURANCE COMPANY OF AMERICA, hereinafter referred to as "SAFECO COMPANIES" and the OFFICE OF INSURANCE REGULATION, (hereinafter referred to as the "OFFICE"). The OFFICE, following a complete review of the entire record and upon consideration thereof and being otherwise fully advised in the premises, hereby finds as follows:

1. The OFFICE has jurisdiction over the subject matter of and parties to this proceeding.

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SEP 27 2005

Bureau of
Market Investigations

2. The SAFECO COMPANIES are foreign property and casualty insurers authorized to transact insurance business in Florida and are subject to the jurisdiction and regulation of the OFFICE pursuant to the Florida Insurance Code.

3. The OFFICE conducted a property and casualty market conduct investigation of the SAFECO COMPANIES, pursuant to Section 624.3161, Florida Statutes and, as a result, it has been determined that the SAFECO COMPANIES have violated the following provisions of the Florida Insurance Code and Florida Administrative Code, to wit:

Homeowners

Section 626.0651(13)(a), Florida Statutes, Failure to File Underwriting Rules.

Rule 690-125.004, F.A.C., Failure to Establish, Adhere to, and Maintain Accurate Written Procedures Regarding the Use of Credit Reports.

4. The OFFICE and the SAFECO COMPANIES expressly waive their right to a hearing and waive their right to all other proceedings which the parties may be entitled by law. The SAFECO COMPANIES hereby knowingly and voluntarily waive all rights to challenge or to contest this Order, in any forum now available, including the right to any administrative proceeding, circuit or federal court action or any appeal.

5. The SAFECO COMPANIES agree that upon the execution of this Consent Order they shall be subject to the following terms and conditions:

(a) The SAFECO COMPANIES shall pay an administrative penalty of \$35,000 and administrative costs of \$350.00 on or before the 30th day after this Consent Order is executed.

(b) The SAFECO COMPANIES shall henceforth comply with all of the provisions of the Florida Insurance Code and the Florida Administrative Code.

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(c) The SAFECO COMPANIES are hereby placed on notice of the requirements of the above referenced sections of law and agree that any future violations of these sections by the SAFECO COMPANIES may be deemed willful, subjecting the SAFECO COMPANIES to appropriate penalties.

(d) The SAFECO COMPANIES filed said underwriting rules on February 19, 2003.

6. The SAFECO COMPANIES and the OFFICE agree that this Consent Order resolves any and all issues, including any remedies and penalties, concerning or addressed in case numbers 76868, 1837, 1841, 1842, and 76772 (closed case), including violations of section 626.9541(1)(o)(2), section 627.0651(13)(a), Florida Statutes, (former) Rule 4-125.004, and Rule 690-125.004, Florida Administrative Code. The parties agree that this is a complete resolution of all matters with the SAFECO COMPANIES known to the OFFICE's Division of Market Investigations as of the date of execution of this Order.

7. The SAFECO COMPANIES agree 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 OFFICE, and the SAFECO COMPANIES shall be subject to such administrative action as the OFFICE may deem appropriate.

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

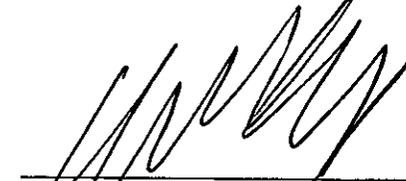
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9. THEREFORE, the agreement between the SAFECO COMPANIES and the OFFICE, the terms and conditions of which are set forth above, is approved.

FURTHER, all terms and conditions above are hereby ORDERED.

DONE AND ORDERED this 26th day of September, 2005.





Kevin M. McCarty, Commissioner
Office of Insurance Regulation

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By execution here of, SAFECO INSURANCE COMPANY OF AMERICA, consents to entry of this Consent Order, agree without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents, pursuant to Section 624.310, Florida Statutes, that he/she has the authority to bind SAFECO INSURANCE COMPANY OF AMERICA to the terms and conditions of this Consent Order.

SAFECO INSURANCE COMPANY OF AMERICA

By: James H Swegle
JAMES H SWEGLER
Print or Type Name

Corporate Seal

Title: VP-Director PERSONAL PROPERTY

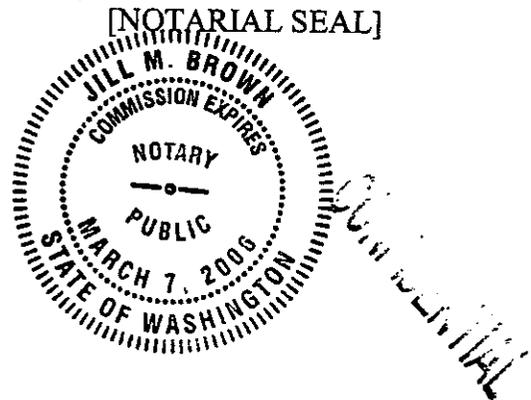
Date: 9/21/2005

On Sept 21, 2005 before me, Jill Brown, personally appeared James H. Swegle, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to within this instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on this instrument, the person or the entity upon behalf which the person acted, executed the instrument.

Subscribed and sworn to before me this 21st day of September 2005.

Signature Jill M. Brown
(Signature of Notary Public)

My Commission Expires: 3-7-06



By execution here of, FIRST NATIONAL INSURANCE COMPANY OF AMERICA, consents to entry of this Consent Order, agree without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents, pursuant to Section 624.310, Florida Statutes, that he/she has the authority to bind FIRST NATIONAL INSURANCE COMPANY OF AMERICA to the terms and conditions of this Consent Order.

FIRST NATIONAL INSURANCE COMPANY OF AMERICA

By: James H. Swegle
James H. Swegle
Print or Type Name

Corporate Seal

Title: VP-Director, Personal Property

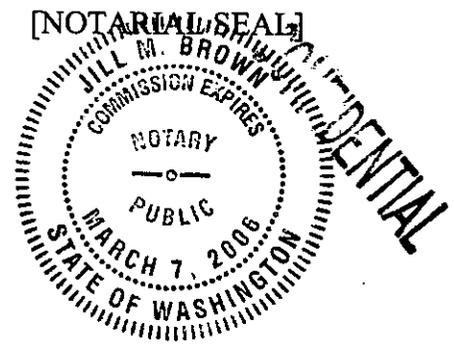
Date: 9/21/2005

On September 21, 2005 before me, James H. Swegle, personally appeared James H. Swegle, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to within this instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on this instrument, the person or the entity upon behalf which the person acted, executed the instrument.

Subscribed and sworn to before me this 21st day of September 2005.

Signature: Jill M. Brown
(Signature of Notary Public)

My Commission Expires: 3-7-06



By execution here of, GENERAL INSURANCE COMPANY OF AMERICA, consents to entry of this Consent Order, agree without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents, pursuant to Section 624.310, Florida Statutes, that he/she has the authority to bind GENERAL INSURANCE COMPANY OF AMERICA to the terms and conditions of this Consent Order.

GENERAL INSURANCE COMPANY OF AMERICA

By: James H. Swegle
James H. Swegle
Print or Type Name

Corporate Seal

Title: VP-Director, Personal Property

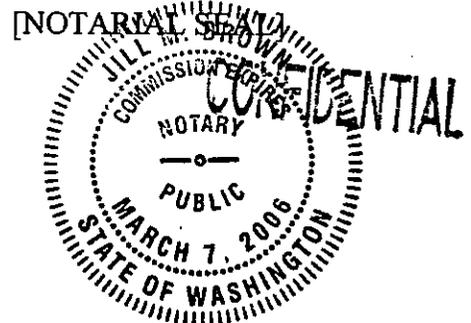
Date: 9/21/2005

On Sept 21, 2005 before me, James H. Swegle & Jill Brown, personally appeared James H. Swegle, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to within this instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on this instrument, the person or the entity upon behalf which the person acted, executed the instrument.

Subscribed and sworn to before me this 21st day of September 2005.

Signature Jill M. Brown
(Signature of Notary Public)

My Commission Expires: 3-7-06



COPIES FURNISHED TO:

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