



THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE

TOM GALLAGHER

IN THE MATTER OF:

CASE NO.: 41104-01-CO

**INDEMNITY INSURANCE COMPANY
OF NORTH AMERICA**

2000 Property and Casualty Market
Conduct Examination

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between **INDEMNITY INSURANCE COMPANY OF NORTH AMERICA**, hereinafter referred to as **INDEMNITY INSURANCE** 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. **INDEMNITY INSURANCE** 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 **INDEMNITY INSURANCE** 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 **INDEMNITY INSURANCE** 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 partial listing of the citations noted on the Fine Worksheet includes but is not limited to:

a. Homeowners

1. Failure to Apply the Building Code Effectiveness Rating Factor in violation of Section 627.0629, F.S.
2. Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Rounding in violation of Section 627.062, F.S.

4. The **DEPARTMENT** and **INDEMNITY INSURANCE** 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. **INDEMNITY INSURANCE** 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. For each violation noted in Paragraph 3, which was not corrected during the examination and verification provided to the **DEPARTMENT, INDEMNITY INSURANCE** shall provide written documentation to the **DEPARTMENT** no later than June 15, 2001, detailing the corrective action taken in order to comply with Florida Statutes for each of the remaining violations noted in Paragraph 3. All pending refunds shall be completed within 60 days of the execution of the Consent Order and documentation provided to the department.

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

(a) **INDEMNITY INSURANCE** shall pay an administrative penalty of \$100 and administrative costs of \$25 on or before the 30th day after this Consent Order is executed.

(b) **INDEMNITY INSURANCE** 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.

(c) **INDEMNITY INSURANCE** 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 **INDEMNITY INSURANCE** may be deemed willful, subjecting **INDEMNITY INSURANCE** to appropriate penalties.

7. **INDEMNITY INSURANCE** 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 **INDEMNITY INSURANCE** to such administrative action as the Treasurer and Insurance Commissioner may deem appropriate.

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

9. THEREFORE, the agreement between **INDEMNITY 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 _____ day of _____, 2001.

KEVIN MCCARTY
Deputy Insurance Commissioner

By execution hereof **INDEMNITY 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.

INDEMNITY INSURANCE COMPANY

By: _____

(Typed or Printed Name)

Title: _____

Date: _____

COPIES FURNISHED TO:

Mr. Richard C. Franklin, President
Indemnity Insurance Company of North America
1601 Chestnut Street
Philadelphia, PA 19192

Cheryl C. Jones, AIE
Field Insurance Regional Administrator
Division of Insurer Services
Bureau of P&C Insurer Solvency and
Market Conduct Review
200 East Gaines Street, Suite 131B
Tallahassee, Florida 32399-0329

S. Strom Maxwell, Senior Attorney
Florida Department of Insurance
Division of Legal Services
200 East Gaines Street
Tallahassee, Florida 32399-0333

INVOICE

A LEGAL/PROCESSING ATTORNEY'S FEE

In order to ensure that your payment is received and properly credited, please make your check payable to the Florida Department of Insurance and **return this invoice with your check** to:

Department of Insurance and State Treasurer
Division of Legal Services
Revenue Processing Section
Post Office Box 6100
Tallahassee, FL 32399-6100

REFERENCE

NAME: Mr. Richard C. Franklin, President
ADDRESS: Indemnity Insurance Company of North America
1601 Chestnut Street
CITY,STATE,ZIP: Philadelphia, PA 19192
CASE #: 41104-01-CO
ATTORNEY: S. Strom Maxwell
SOURCE: P&C Solvency

Legal Fee Due:.....	\$	100.00
Cost Due:	\$	25.00
Total Amount Due:	\$	125.00

Amount remitted:.....\$ _____

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B/T /C /F/T AMT (inserted by operator)
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