



THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE

TOM GALLAGHER

IN THE MATTER OF:

CASE NO.: 60103-02-CO

PROVIDENT AMERICAN LIFE &
HEALTH INSURANCE COMPANY
Life and Health Target Market Conduct Examination

THIS CAUSE came on for consideration as the result of an agreement between PROVIDENT AMERICAN LIFE AND HEALTH INSURANCE COMPANY, (hereinafter referred to as "PROVIDENT AMERICAN"), and the FLORIDA DEPARTMENT OF INSURANCE, (hereinafter referred to as "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. PROVIDENT AMERICAN is an Ohio 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 has conducted a target market conduct examination of PROVIDENT AMERICAN, pursuant to section 624.3161, Florida Statutes. As a result of such examination, the DEPARTMENT had determined that PROVIDENT AMERICAN committed the following violations of the Florida Statutes:
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a. Failed to maintain records pertaining to producer licensing, agent appointments and agent termination of appointments in violation of 624.318(2), Florida Statutes.

b. Accepted business from unapproved agents in violation of Section 624.425, Florida Statutes.

c. Failed to appoint persons representing the company as agents for the company in violation of Section 626.112, Florida Statutes.

d. Accepted applications from unlicensed and unappointed agents in violation Section 624.428, Florida Statutes.

e. Furnished supplies to unlicensed and unappointed agents in violation of Section 626.342, Florida Statutes.

f. Failed to file agency appointments with the Department in violation of Section 626.451, Florida Statutes.

g. Accepted business brokered through an agent not appointed by company in violation of Section 626.837(4), Florida Statutes.

h. Failed to promptly pay claims in violation of Section 626.9541(1)(i)(3)(c), Florida Statutes.

i. Failed to pay claims according to policy provisions in violation of Section 626.9541(1)(i)(2), Florida Statutes.

j. Failed to promptly notify the insured of additional information needed to process claim in violation of Section 626.9541(1)(i)(3)(g), Florida Statutes.

k. Used forms not approved by the Department in violation of Section 627.410(1), Florida Statutes.

l. Failed to provide insured with a reasonable explanation in writing for denial of their claims in violation of Section 626.9541(1)(i)(3)(f), Florida Statutes.

m. Failed to include the name and license identification number of agent(s) on all applications in violation of Section 627.4085, Florida Statutes.

4. The DEPARTMENT and PROVIDENT AMERICAN 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 or rules of the DEPARTMENT. PROVIDENT AMERICAN hereby knowingly and voluntarily waives all 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. PROVIDENT AMERICAN agrees that the failure to adhere to one or more of the terms and conditions of this Order shall constitute a violation of a lawful order of the DEPARTMENT, and shall subject PROVIDENT AMERICAN to such administrative action as the Treasurer and Insurance Commissioner may deem appropriate.

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

a. PROVIDENT AMERICAN shall pay an administrative penalty of \$22,750 and administrative costs of \$1,000 on or before the 30th day after this Consent Order is executed.

b. PROVIDENT AMERICAN shall henceforth comply with all of the provisions of the Florida Insurance Code and Florida Statutes which are applicable to the company.

c. PROVIDENT AMERICAN 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 PROVIDENT AMERICAN may be deemed willful, subjecting PROVIDENT AMERICAN to appropriate penalties.

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

8. THEREFORE, the agreement between PROVIDENT AMERICAN and the DEPARTMENT, 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 4th day of March, 2002.



KEVIN McCARTY
Deputy Insurance Commissioner

By execution hereof PROVIDENT AMERICAN life and health 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.

PROVIDENT AMERICAN LIFE AND
HEALTH INSURANCE COMPANY

By:

Anthony J. Pino
(Typed or Printed Name)

Title: President

Date: 2/14/02

COPIES FURNISHED TO:

**Anthony J. Pino, President
Provident American Life & Health Insurance Company
17800 Royalton Road
Strongsville, Ohio 44136-5197**

**Joe Finnegan, Bureau Chief
Florida Department of Insurance
Bureau of Market Conduct
200 East Gaines Street
Tallahassee, FL 32399-4210**

**Jack McDermott, Management Review Specialist
Florida Department of Insurance
Bureau of Market Conduct
200 East Gaines Street
Tallahassee, FL 32399-4210**

**Barb Szumowski, Insurance Analyst
Florida Department of Insurance
Bureau of Market Conduct
200 East Gaines Street
Tallahassee, FL 32399-4210**

**John L. Swyers, Attorney
Florida Department of Insurance
Division of Legal Services
200 East Gaines Street
Tallahassee, FL 32399-4210**