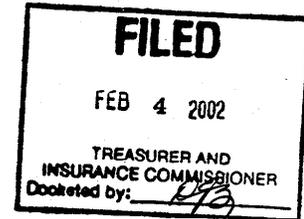




THE TREASURER OF THE STATE OF FLORIDA  
DEPARTMENT OF INSURANCE

TOM GALLAGHER



IN THE MATTER OF:

CASE NO:40291-01-CO

**UNITED WISCONSIN LIFE INSURANCE COMPANY**  
Life and Health Market Conduct Investigation

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between **UNITED WISCONSIN LIFE INSURANCE COMPANY**, hereinafter referred to as "**UNITED WISCONSIN**" 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. **UNITED WISCONSIN** is a foreign 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 market conduct examination of **UNITED WISCONSIN** covering the period January 1, 1997, to December 31, 1999, pursuant to Section 624.3161, Florida Statutes. As a result of that examination, the **DEPARTMENT** determined that **UNITED WISCONSIN** committed the following violation(s) of the Florida Insurance Code:

(a) Section 627.410, Florida Statutes — Use of unapproved forms.

(b) Section 626.9541(1)(e)(2), Florida Statutes — Failure to make accurate entries into company records.

(c) Section 626.9541(1)(i)(3)(d), Florida Statutes - Failure to properly investigate claims and the use of Code 38 for denial of claims.

4. **UNITED WISCONSIN** is directed to change procedures to allow for record retention of an actual copy of all dated non-renewal and/or cancellation letters sent to an insured, for examination purposes under Section 627.6571, Florida Statutes.

5. **UNITED WISCONSIN** shall not deny claims pursuant to Code 38, as described in the exam, without conducting a reasonable investigation as required by section 626.9541(1)(i)(3)(d), Florida Statutes.

6. **UNITED WISCONSIN** is directed to change the company practice of issuing new claim numbers to previously denied Code 38 claims and link all correspondence on one claim together to allow regulators and internal auditors to monitor these claims and to expedite the processing of such claims.

7. **UNITED WISCONSIN** is directed to review all claims denied for Code 38 from 1996 to present to ensure that the company is not "denying claims

without conducting reasonable investigations based upon available information,”  
Section 626.9541(1)(l)(3) d., Florida Statutes.

8. The **DEPARTMENT** and **UNITED WISCONSIN** 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**. **UNITED WISCONSIN** 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.

9. **UNITED WISCONSIN** 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 **UNITED WISCONSIN** to such administrative action as the Treasurer and Insurance Commissioner may deem appropriate.

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

(a) **UNITED WISCONSIN** shall pay a penalty of \$5,000.00 and administrative costs of \$500.00 on or before the 30th day after this Consent Order is executed.

(b) **UNITED WISCONSIN** shall henceforth comply with all of the provisions of the Florida Insurance Code and complete the required corrective actions as stated here within 30 days of entry of this Consent Order, except that with respect to

paragraph 7 United Wisconsin shall conduct an internal review of all files within 30 days, but shall have up to 120 days from the date hereof to complete the process of collecting information from claimants and, if appropriate, making additional payments.

(c) **UNITED WISCONSIN** 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 **UNITED WISCONSIN** may be deemed willful, subjecting **UNITED WISCONSIN** to appropriate penalties.

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

12. THEREFORE, the agreement between **UNITED WISCONSIN** 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 4<sup>th</sup> day of February, 2002.



Kevir McCarty / s  
Deputy Insurance Commissioner

By execution hereof **UNITED WISCONSIN LIFE 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.

**UNITED WISCONSIN LIFE INSURANCE COMPANY**

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

Print name Wm. Kip May \_\_\_\_\_

Title: Vice President of Compliance

Date: December 19, 2001

Copies furnished to:

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