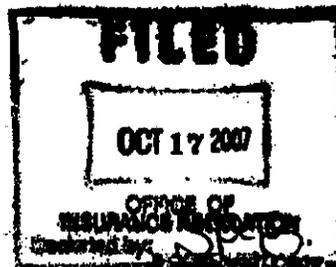




OFFICE OF INSURANCE REGULATION

KEVIN M. McCARTY  
COMMISSIONER



IN THE MATTER OF:

CASE NO: 91449-07-CO

**MAG MUTUAL INSURANCE COMPANY**

2005 Market Conduct Examination

CONSENT ORDER

THIS CAUSE came on for consideration upon the agreement between MAG MUTUAL INSURANCE COMPANY (hereinafter referred to as "MAG MUTUAL") and the OFFICE OF INSURANCE REGULATION (hereinafter referred to as the "OFFICE"). Following a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the COMMISSIONER OF THE OFFICE OF INSURANCE REGULATION hereby finds as follows:

1. The OFFICE has jurisdiction over the subject matter of, and parties to, this proceeding.
2. MAG MUTUAL is a foreign property and casualty insurer authorized to transact insurance business in Florida and is subject to the jurisdiction and regulation of the OFFICE pursuant to the Florida Insurance Code.
3. The OFFICE conducted a market conduct examination of MAG MUTUAL pursuant to Section 624.3161, Florida Statutes, in 2005, and as a result of that examination it contends that MAG MUTUAL has violated the following provisions of the Florida Insurance Code and/or Florida Administrative Code, to wit:

Medical Malpractice

Section 627.912, Florida Statutes – Failure to Timely Report Closed Claims.

Section 627.912, Florida Statutes – Failure to Accurately Report Closed Claims.

4. MAG MUTUAL expressly waives a hearing in this matter, the making of Findings of Fact and Conclusions of Law by the OFFICE, and all further and other proceedings herein to which the parties may be entitled by law. MAG MUTUAL hereby knowingly and voluntarily waives all rights to challenge or to contest this Consent Order, in any forum, including the right to any administrative proceeding, circuit or federal court action, or any appeal.

5. MAG MUTUAL agrees that upon the execution of this Consent Order it shall be subject to the following terms and conditions:

(a) MAG MUTUAL shall pay a penalty of \$95,000 and administrative costs of \$3,000 on or before the 30th day after this Consent Order is executed.

(b) MAG MUTUAL shall henceforth comply with all of the provisions of the Florida Insurance Code and the Florida Administrative Code.

(c) MAG MUTUAL 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 MAG MUTUAL may be deemed willful, subjecting MAG MUTUAL to appropriate penalties.

(d) MAG MUTUAL shall, within 30 days of the execution of the Consent Order, provide to the OFFICE certification by an officer of the Company that all necessary corrective actions have been completed.

6. MAG MUTUAL agrees that the failure to adhere to one or more of the above terms and conditions of this Consent Order shall constitute a violation of a lawful order of the

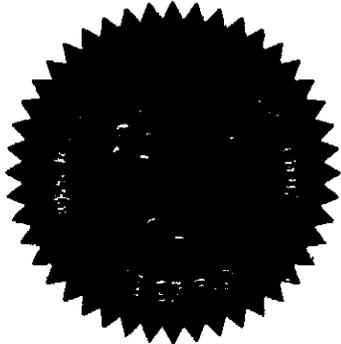
OFFICE, and shall subject MAG MUTUAL to such administrative action as the OFFICE may deem appropriate.

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

THEREFORE, the agreement between MAG MUTUAL and the OFFICE, the terms and conditions of which are set forth above, is APPROVED.

FURTHER, all terms and conditions contained herein are hereby ORDERED.

DONE AND ORDERED this 17TH day of OCTOBER, 2007.



  
\_\_\_\_\_  
KEVIN M. McCARTY  
Commissioner  
Office of Insurance Regulation

By execution hereof, MAG MUTUAL 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 therein. The undersigned represents that he or she has the authority to bind MAG MUTUAL INSURANCE COMPANY to the terms and conditions of this Consent Order.

MAG MUTUAL INSURANCE COMPANY

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

[Corporate Seal]

Print Name: Thomas M. Gose

Title: President

Date: October 5, 2007

STATE OF Georgia

COUNTY OF Fulton

The foregoing instrument was acknowledged before me this 5<sup>th</sup> day of October, 2007, by Thomas M. Gose, President, MAG Mutual Insurance Company, who is personally known to me ~~or has produced the following identification~~ \_\_\_\_\_

\_\_\_\_\_  
Signature of Notary

[Notarial Seal]

E. JOHN BARTON

Print or Type Name

My Commission Expires:

Notary Public, Cobb County, Georgia  
My Commission Expires March 12, 2011

COPIES FURNISHED TO:

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