



THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE

TOM GALLAGHER

RECEIVED
OCT 11 2002

FILED

OCT 9 2002

Treasurer and
Insurance Commissioner
Docketed by: CP

IN THE MATTER OF:

CASE NO.: 62045-02-CO

MODERN SERVICE INSURANCE COMPANY

2001 Property and Casualty Market Conduct Examination

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between **MODERN SERVICE INSURANCE COMPANY**, hereinafter referred to as **MODERN** 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 **DEPARTMENT** hereby finds as follows:

1. The **DEPARTMENT** has jurisdiction over the subject matter of, and parties to, this proceeding.
2. **MODERN** 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 **MODERN** covering the period of January 1999 through September 2001,

pursuant to Section 624.3161, Florida Statutes. As a result of such examination, the **DEPARTMENT** determined that **MODERN** 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. Cancellations

1. Section 627.728, F.S.-Failure to Provide Timely Notice of Renewal, Nonrenewal or Cancellation.

b. Complaints

1. Rule 4-166.024, Failure to Communicate Timely.

c. Claims

1. Rule 4-166.024, Failure to Communicate Timely.
2. Section 627.7401, F.S.-Failure to Advise Insurer of PIP Rights and Benefits.
3. Section 627.4137, F.S.-Failure to Disclose Information.

d. Agents

1. Section 627.4085, F.S.-Failure to Display Agent Name/License ID# or Insurer Name on Application.

4. The **DEPARTMENT** and **MODERN** 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. **MODERN** 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. **MODERN** agrees that upon the execution of this Consent Order it shall be subject to the following terms and conditions:

(a) **MODERN** shall pay an administrative penalty of \$2,750 and administrative costs of \$500 on or before the 30th day after this Consent Order is executed.

(b) **MODERN** shall henceforth comply with all of the provisions of the Florida Insurance Code and Florida Administrative Code, and implement policies and procedures that will preclude the recurrence of the violations contained in the examination report. These policies and procedures shall be made available to the **DEPARTMENT** for review upon request. Within 90 days after execution of this Consent Order, **MODERN** shall both implement the recommendations contained in this report, and submit confirmation, in writing, to the **DEPARTMENT** that all directives contained in the report have been met, including all refunds.

(c) **MODERN** is hereby placed on notice of the requirements of the above referenced sections of law and rule and agrees that any future violations of these sections by **MODERN** may be deemed willful, subjecting **MODERN** to appropriate penalties.

6. **MODERN** 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 **MODERN** to such administrative action as the **DEPARTMENT** may deem appropriate.

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

8. **THEREFORE**, the agreement between **MODERN SERVICE INSURANCE COMPANY** 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 9TH day of OCTOBER, 2002.



KEVIN MCCARTY
Deputy Insurance Commissioner

By execution hereof **MODERN SERVICE 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.

MODERN SERVICE INSURANCE COMPANY

By: Joseph J. Pingatore

Title: V.P., Senior Counsel & Asst. Sec.

Date: 9/16/02

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