



THE TREASURER OF THE STATE OF FLORIDA  
DEPARTMENT OF INSURANCE

TOM GALLAGHER

IN THE MATTER OF:

CASE NO.: 42139-01-CO

**NATIONWIDE MUTUAL FIRE INSURANCE  
COMPANY**

2000 Property and Casualty  
Market Conduct Examination

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**CONSENT ORDER**

THIS CAUSE came on for consideration as the result of an agreement between **NATIONWIDE MUTUAL FIRE INSURANCE COMPANY**, hereinafter referred to as **NATIONWIDE MUTUAL FIRE** 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. **NATIONWIDE MUTUAL FIRE** 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 **NATIONWIDE MUTUAL FIRE** 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 **NATIONWIDE MUTUAL FIRE** 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. Private Passenger Automobile

1. Section 627.0651, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline (PPA)-Incorrect Territory.
2. Section 627.0653, F.S.-Failure to Provide Safety Device Discounts.

b. Homeowners, Condominiums and Tenants

1. Section 627.062, F.S.- F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule- Incorrect Protection Class.
2. Section 627.062, F.S.- F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule- Incorrect Territory.

c. Commercial Automobile

1. Section 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule- Incorrect Classification.
2. Section 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule- Incorrect Territory.
3. Section 627.318, F.S.-Failure to Maintain Records.
4. Section 627.727, F.S.-Failure to Offer/Obtain/Maintain Signed UM Acceptance/Rejection Form-Lower BI Limits.

5. Section 627.727, F.S.- Failure to Offer/Obtain/Maintain Signed UM Acceptance/Rejection Form-Non-Stacked.

6. Section 627.727, F.S.-Failure to Offer/Obtain/Maintain Signed UM Acceptance/Rejection Form-Endorsement.

d. Commercial Package

1. Section 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Territory.

e. Workers' Compensation

1. Section 627.191, F.S.-Failure to Audit Policy and Return Premium Timely.

f. Agents/MGA

1. Section 627.413, F.S.-Failure to Correctly Specify Contents of Policy.

g. Cancellations/Nonrenewals

1. Section 627.413, F.S.-Failure to Correctly Specify Contents of Policy-Incorrect Company.
2. Section 627.4133, F.S.-Failure to Provide Timely Notice of Renewal, Nonrenewal or Cancellation-Transferring.
3. Section 627.4091, F.S.-Failure to Provide Specific Reason for Denial, Cancellation or Nonrenewal.
4. Section 627.4133, F.S.-Failure to Provide Timely Notice of Renewal, Nonrenewal or Cancellation.
5. Section 627.736, F.S.-Failure to Comply with PIP DHSMV Notice Requirements.
6. Section 627.318, F.S.-Failure to Maintain Records.
7. Rule 4-167.010, Failure to Provide Proof of Mailing.

h. Claims

1. Section 626.877, F.S.-Failure to Properly Adjust Claim per Policy Requirements.
2. Rule 4-166.026, Failure to Pay Sales Tax.

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

(a) **NATIONWIDE MUTUAL FIRE** shall pay an administrative penalty of \$1,200 and administrative costs of \$250 on or before the 30th day after this Consent Order is executed.

(b) **NATIONWIDE MUTUAL FIRE** 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, including any pending refunds.

(c) **NATIONWIDE MUTUAL FIRE** 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 **NATIONWIDE MUTUAL FIRE** may be deemed willful, subjecting **NATIONWIDE MUTUAL FIRE** to appropriate penalties.

6. **NATIONWIDE MUTUAL FIRE** 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 **NATIONWIDE MUTUAL FIRE** to such administrative action as the Treasurer and Insurance Commissioner 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 **NATIONWIDE MUTUAL FIRE 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.

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**KEVIN MCCARTY**  
DEPUTY INSURANCE COMMISSIONER

By execution hereof **NATIONWIDE MUTUAL FIRE 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.

**NATIONWIDE MUTUAL FIRE INSURANCE COMPANY**

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

COPIES FURNISHED TO:

MR. GALEN R. BARNES, PRESIDENT  
Nationwide Mutual Fire Insurance Company  
One Nationwide Plaza  
Columbus, Ohio 43215

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, ESQUIRE  
Department of Insurance  
Division of Legal Services  
200 East Gaines Street  
612 Larson Building  
Tallahassee, Florida 32399-0333