



OFFICE OF INSURANCE REGULATION

**FILED**

APR 16 2007

KEVIN M. MCCARTY  
COMMISSIONER

Docketed by: DDM

IN THE MATTER OF:

CASE NO: 89221-07-CO

NATIONAL UNION FIRE INSURANCE  
COMPANY OF PITTSBURGH, PA.

2005 Market Conduct Examination

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CONSENT ORDER

THIS CAUSE came on for consideration upon the agreement between NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA. (hereinafter referred to as "NATIONAL UNION FIRE") 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. NATIONAL UNION 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 OFFICE pursuant to the Florida Insurance Code.
3. The OFFICE conducted a market conduct examination of NATIONAL UNION FIRE, pursuant to Section 624.3161, Florida Statutes, in 2005, and as a result of that examination

it has been determined that NATIONAL UNION FIRE, 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. NATIONAL UNION FIRE 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. NATIONAL UNION FIRE 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. NATIONAL UNION FIRE agrees that upon the execution of this Consent Order it shall be subject to the following terms and conditions:

(a) NATIONAL UNION FIRE shall pay a penalty of \$237,000 and administrative costs of \$3,000 on or before the 30th day after this Consent Order is executed.

(b) NATIONAL UNION FIRE shall henceforth submit closed claims medical malpractice reports in accordance with the provisions of Section 627.912, Florida Statutes.

(c) NATIONAL UNION FIRE is hereby placed on notice of the requirements of the above referenced section of law and that any future violations of this section may subject National Union Fire to appropriate penalties.

(d) NATIONAL UNION FIRE 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.

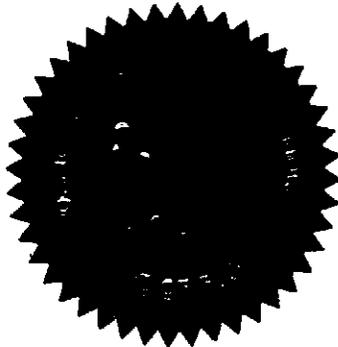
6. NATIONAL UNION FIRE agrees that the failure to adhere to one or more of the above terms and conditions of this Consent Order shall constitute a violation of a lawful order of the OFFICE, and shall subject NATIONAL UNION FIRE to such administrative action as the OFFICE may deem appropriate.

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

THEREFORE, the agreement between NATIONAL UNION FIRE 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 16th day of April, 2007.



  
KEVIN M. McCARTY  
Commissioner  
Office of Insurance Regulation

By execution hereof, NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA. 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 NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA. to the terms and conditions of this Consent Order.

NATIONAL UNION FIRE INSURANCE COMPANY  
OF PITTSBURGH, PA.

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

[Corporate Seal]

Print Name: Charles R. Schader

Title: AIG Senior Vice President - Claims

Date: 4/4/2007

STATE OF New York  
COUNTY OF New York

MARK BIANCHI  
Notary Public, State of New York  
No. 08816014203  
Qualified in Orange County  
Commission Expires October 6, 2010

The foregoing instrument was acknowledged before me this 4th day of April, 2007, by \_\_\_\_\_, who is personally known to me or has produced the following identification \_\_\_\_\_

[Notarial Seal]

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

Mark Bianchi

Print or Type Name

My Commission Expires:

**COPIES FURNISHED TO:**

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