



OFFICE OF INSURANCE REGULATION

FILED

KEVIN M. MCCARTY
COMMISSIONER

OCT 18 2006

Dictated by: DDM

IN THE MATTER OF:

CASE NO.: 80785-05-CO

**NATIONAL UNION FIRE INSURANCE COMPANY
OF PITTSBURGH, PA**
2004 Market Conduct Examination

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an 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, as head of the **OFFICE OF INSURANCE REGULATION**, hereby finds as follows:

1. The Commissioner of the Office of Insurance Regulation, as head of 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 2004, and as a result, 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:

Commercial Automobile

Section 627.727, F.S. – Failure to Maintain UM Selection Form: Failure to Correct from 2001 Examination.

Section 627.4131, F.S. – Failure to Display Telephone Number and Purpose on Policy.

Rule 69O-166.040, F.A.C. – Failure to Provide Risk Management Guidelines.

Section 627.412, F.S. – Failure to Attach Mandatory Forms.

Section 627.062, F.S. – Failure to Charge a Premium for Coverage Provided by Endorsement: Failure to Correct from 2001 Examination.

Section 627.739, F.S. – Offering a Deductible no Longer Available.

Section 627.727, F.S. – Improper Stacking of UM Coverage: Failure to Correct From 2001 Exam.

Section 627.421, F.S. – Failure to Deliver Policy Timely.

Section 626.9541, F.S. – Failure to Maintain a Complete Log of Complaints.

Private Passenger Automobile

Section 627.7295, F.S. – Failure to Comply with Cancellation Requirements for Policies in Effect Less than Sixty Days.

Section 627.7401, F.S. – Failure to Advise Insureds of PIP Rights and Benefits.

Section 627.739, F.S. – Incorrect PIP Deductible Applied to the Claim.

Section 627.736, F.S. – Failure to Pay PIP Claims within Thirty Days.

Section 626.9541, F.S. – Company Request for Health Insurance Company to Pay the Claim.

Section 627.736, F.S. – Failure to Comply with PIP Benefit Requirements.

Section 627.318, F.S. – No Applications in the File.

Section 627.739, F.S. – No PIP Selection Form in the File.

Section 627.727, F.S. – Failure to Maintain Signed UM Forms.

Section 627.744, F.S. – Failure to Conduct Pre-Inspection of Vehicle.

4. The **OFFICE** and **NATIONAL UNION FIRE** expressly waive a hearing in this matter and 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 or rules of the **OFFICE**. **NATIONAL**

UNION FIRE hereby knowingly and voluntarily waive all rights to challenge or to contest this Order, in any forum now available, 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 \$11,000.00 and administrative costs of \$1,100.00 on or before the 30th day after this Consent Order is executed.

(b) **NATIONAL UNION FIRE** shall henceforth comply with all of the provisions of the Florida Insurance Code and the Florida Administrative Code.

(c) **NATIONAL UNION 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 **NATIONAL UNION FIRE** may be deemed willful, subjecting **NATIONAL UNION FIRE** to appropriate penalties.

(d) **NATIONAL UNION FIRE** must provide to the **OFFICE** certification by an officer of the Company that procedures have been implemented to correct the violations noted in this examination or that existing procedures have been readdressed with appropriate personnel to reinforce the need to follow procedures. The certification was received as a part of the response to the draft examination report.

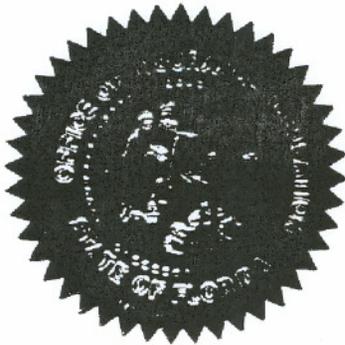
6. **NATIONAL UNION FIRE** agrees that the failure to adhere to one or more of the above terms and conditions of this Order shall constitute a violation of a lawful order of the **OFFICE**, and shall be subject to such administrative action as the Commissioner of the Office of Insurance Regulation may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

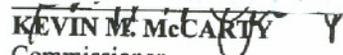
7. Except as noted above, each party to this action shall bear its own costs and attorney's fees.

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 above are hereby ORDERED.

DONE AND ORDERED this 18th day of October 2006.





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 herein. The undersigned represents that he/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

Corporate Seal

By: _____

Title: President + CEO

Date: 12/27/05

STATE OF NEW YORK
COUNTY OF NEW YORK

On DECEMBER 28, 2005 before me, SETH S. SMITH, personally appeared JOHN W. ROYH, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person or the entity upon whose behalf the person acted, executed the instrument.

Subscribed and sworn to before me this 28th day of DECEMBER, 2005.

Signature _____
(Signature of Notary Public)

[NOTARIAL SEAL]

My Commission Expires: SEPTEMBER 10, 2006

SETH S. SMITH
Notary Public, State of New York
No. 4971835
Qualified in Westchester County
Term Expires September 10, 2006

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