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*J. G. [Signature]*

THE TREASURER OF THE STATE OF FLORIDA  
DEPARTMENT OF INSURANCE

JUN 7 2002

Treasurer and  
Insurance Commissioner  
Docketed by: [Signature]

TOM GALLAGHER

IN THE MATTER OF:

CASE NO.: 60218-02-CO

**NEW HAMPSHIRE INSURANCE COMPANY**

2001 Property and Casualty Market Conduct  
Examination

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between **NEW HAMPSHIRE INSURANCE COMPANY**, hereinafter referred to as **NEW HAMPSHIRE** 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. **NEW HAMPSHIRE** 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 NEW HAMPSHIRE covering the period of January 1997 through December 1999, pursuant to Section 624.3161, Florida Statutes. As a result of such examination, the DEPARTMENT determined that NEW HAMPSHIRE 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. Homeowners

1. Section 627.701, F.S.-Failure to Attach Hurricane Deductible Notice.
2. Section 627.062, F.S.-Failure to Follow Filed Rate, Rating Plan, Rating Schedule or Rating Rule-Incorrect Protection Classes.

b. Commercial Multi-Peril

1. Section 627.062, F.S.- Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Incorrect Protection Classes.
2. Section 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Package Modification Factor-Property.
3. Section 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Loss Costs Multiplier-Property.
4. Section 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Obsolete ISO Loss Costs-Property.
5. Section 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule-

Incorrect Loss Cost Auto Liability  
Multiplier.

6. Section 627.062, F.S.- F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Incorrect Loss Cost UM Multipliers.
7. Section 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Incorrect Territory.
8. Section 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Obsolete ISO Property Package Mod Factor.
9. Section 627.062, F.S.- Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Obsolete ISO GL Package Mod Factor.
10. Section 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Incorrect GL Increased Limits Factor.
11. Section 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Obsolete Loss Costs on GL Section.
12. Section 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Failure to Apply Package Mod Factor.
13. Section 627.062, F.S.-Use of Unfiled Rate, Rating Schedule or Rating Rule-ISO Minimum Premium.
14. Section 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Incorrect Loss Cost Auto Liability Multiplier.
15. Section 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule-15 % Company Deviation.

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16. Section 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Failure to Follow ISO General Liability Loss Costs.
  17. Section 627.062, F.S.-Use of Unfiled Rate, Rating Schedule or Rating Rule-Policy Surcharge.
  18. Section 627.062, F.S.-Use of Unfiled Rate, Rating Schedule or Rating Rule-6% Surcharge.
  19. Section 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Failure to Apply Loss Cost Multipliers on GKLL.
  20. Section 627.4133, F.S.-Failure to Provide Timely Notice of Renewal, Nonrenewal or Cancellation.
  21. Section 624.3161, F.S.-Failure to Correct Violation in Prior Exam Report.
- c. Nonrenewals
1. Section 626.112, F.S.-Use of Unappointed Agent.
- d. Cancellations/Nonrenewals
1. Section 627.4091, F.S.-Failure to Provide Specific Reason for Denial, Cancellation or Nonrenewal.
- e. Claims
1. Section 626.112, F.S.-Use of Unlicensed and Unappointed Adjuster.
  2. Section 626.112, F.S.-Use of Unappointed Adjuster.
  3. Rule 4-166.026, Failure to Properly Compute Sales Tax-Compute Correctly.

4. Rule 4-166.026, Failure to Properly Compute Sales Tax-Include Tax.

f. Complaints

1. Section 626.9541, F.S.-Failure to Comply with Unfair Trade Practice Requirements.

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

(a) **NEW HAMPSHIRE** shall pay an administrative penalty of \$4,650 and administrative costs of \$750 on or before the 30th day after this Consent Order is executed.

(b) **NEW HAMPSHIRE** 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, NEW HAMPSHIRE 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 made.

(c) NEW HAMPSHIRE 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 NEW HAMPSHIRE may be deemed willful, subjecting NEW HAMPSHIRE to appropriate penalties.

6. NEW HAMPSHIRE 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 NEW HAMPSHIRE 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 NEW HAMPSHIRE 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 7TH day of JUNE,  
2002.



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KEVIN MCCARTY  
DEPUTY INSURANCE COMMISSIONER

By execution hereof NEW HAMPSHIRE 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.

NEW HAMPSHIRE INSURANCE COMPANY

By: \_\_\_\_\_ Kristian P. Moor  
Title: \_\_\_\_\_ President  
Date: \_\_\_\_\_ April 12, 2002

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