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Treasurer and
Insurance Commissioner
Docketed by:



THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE

TOM GALLAGHER

IN THE MATTER OF:

CASE NO.: 62377-02-CO

**OCCIDENTAL FIRE & CASUALTY INSURANCE
COMPANY OF NORTH CAROLINA**

2002 Property and Casualty Market Conduct Examination

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between **OCCIDENTAL FIRE & CASUALTY INSURANCE COMPANY OF NORTH CAROLINA**, hereinafter referred to as **OCCIDENTAL 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 **DEPARTMENT** hereby finds as follows:

1. The **DEPARTMENT** has jurisdiction over the subject matter of, and parties to, this proceeding.
2. **OCCIDENTAL 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 **OCCIDENTAL FIRE** covering the period of January 1999 through December 2001, pursuant to Section 624.3161, Florida Statutes. As a result of such examination, the **DEPARTMENT** determined that **OCCIDENTAL FIRE** committed the following violations of the Florida Insurance Code as outlined in total in the Fine Worksheet provided with the Report of Examination Findings:

a. Cancellations/Nonrenewals

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

b. Complaints

1. Section 627.0651, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline (PPA).
2. Section 626.9541, F.S.-Failure to Comply with Unfair Trade Practice Requirements (1) (j).

c. Claims

1. Section 627.4137, F.S.-Failure to Disclose Information.

d. Agents

1. Section 626.112, F.S.-Use of Unappointed Agent.

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

(a) **OCCIDENTAL FIRE** shall pay an administrative penalty of \$6,500 and administrative costs of \$1,500 on or before the 30th day after this Consent Order is executed.

(b) **OCCIDENTAL FIRE** 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 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, **OCCIDENTAL FIRE** shall both implement recommendations contained in the Report of Examination, and submit confirmation, in writing, to the **DEPARTMENT** that all directives contained in the Report of Examination have been met, including all refunds.

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

6. **OCCIDENTAL 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 **OCCIDENTAL FIRE** 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 **OCCIDENTAL FIRE & CASUALTY INSURANCE COMPANY OF NORTH CAROLINA** 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 18TH day of NOVEMBER, 2002.



KEVIN MCCARTY
Deputy Insurance Commissioner

By execution hereof **OCCIDENTAL FIRE & CASUALTY INSURANCE COMPANY OF NORTH CAROLINA** 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.

**OCCIDENTAL FIRE & CASUALTY INSURANCE
COMPANY OF NORTH CAROLINA**

By: _____

Title: *Senior Vice President / Corporate Secretary*

Date: *10-24-02*

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