

THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE

TOM GALLAGHER

IN THE MATTER OF:

CASE NO.: 41975-01-CO

OCEAN HARBOR CASUALTY INSURANCE COMPANY

2000 Property and Casualty Market Conduct
Examination

RECEIVED

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CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between OCEAN HARBOR CASUALTY INSURANCE COMPANY, hereinafter referred to as OCEAN HARBOR, 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. OCEAN HARBOR is a domestic 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 OCEAN HARBOR covering the period of January 1998 through December 2000, pursuant to Section 624.3161, Florida Statutes. As a result of such examination, the DEPARTMENT determined that OCEAN HARBOR 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. Claims

1. Rule 4-166.024, Failure to Communicate Timely.
2. Rule 4-166.026, Failure to Pay Sales Tax.
3. Section 626.9541, F.S.-Failure to Comply with Unfair Trade Practice Requirements-Loss of Use.
4. Rule 4-166.026, Failure to Properly Compute Sales Tax.
5. Section 626.9541, F.S.-Failure to Disclose Information.
6. Section 627.4137, F.S.-Failure to Comply with Claims Administration Requirements.
7. Section 627.426, F.S.-Failure to Pay Claim Timely.

8. Section 627.4265, F.S.-Failure to Comply with Payment of Third-Party Claim Requirements.

b. Complaints

1. Section 626.9541, F.S.-Failure to Comply with Unfair Trade Practice Requirements-Complaint Log.
2. Section 626.9541, F.S.-Failure to Comply with Unfair Trade Practice Requirements-Claim Handling.
3. Section 627.743, F.S.-Failure to Comply with Payment of Third-Party Claim Requirements.
4. Section 319.30, F.S.-Failure to Properly Forward Automobile Titles to the Department of Highway Safety and Motor Vehicles.
5. Section 627.318, F.S.-Failure to Maintain Records.
6. Rule 4-166.024,-Failure to Communicate Timely.
7. Rule 4-166.025,-Failure to Respond to Department Inquiries.
8. Rule 4-166.027,-Failure to Adjust Total Loss Correctly.

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

(a) **OCEAN HARBOR** shall pay an administrative penalty of \$7,000 and administrative costs of \$1,000 on or before the 30th day after this Consent Order is executed.

(b) **OCEAN HARBOR AMERITRUST** shall henceforth comply with all of the provisions of the Florida Insurance Code, 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, **AMERITRUST** will 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 and all refunds have been made.

(c) **OCEAN HARBOR** 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 **OCEAN HARBOR** may

be deemed willful, subjecting OCEAN HARBOR to appropriate penalties.

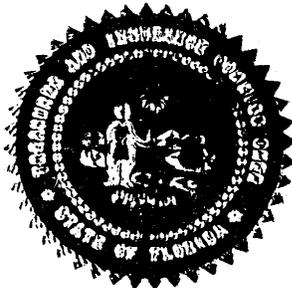
6. OCEAN HARBOR agrees that the failure to adhere to one or more of the above terms and conditions of this Order shall constitute a violation of a lawful order of the DEPARTMENT, and shall subject OCEAN HARBOR to such administrative action as the DEPARTMENT may deem appropriate.

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

8. THEREFORE, the agreement between OCEAN HARBOR CASUALTY 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 1ST day of MARCH, 2002.



Kevin McCarty
DEPUTY INSURANCE COMMISSIONER

By execution hereof OCEAN HARBOR CASUALTY 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.

OCEAN HARBOR CASUALTY INSURANCE COMPANY

By: Ralph Milo
Title: President
Date: 1/15/02

COPIES FURNISHED TO:

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