



OFFICE OF INSURANCE REGULATION

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OFFICE OF  
INSURANCE REGULATION  
Docketed by: SP

KEVIN M. MCCARTY  
DIRECTOR

IN THE MATTER OF:

CASE NO.: 70000-03-CO

**OCEAN HARBOR CASUALTY INSURANCE  
COMPANY**

2002 Property and Casualty Market Conduct

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 **OFFICE OF INSURANCE REGULATION** (hereinafter referred to as "OFFICE"). Following a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the **OFFICE** hereby finds as follows:

1. The **OFFICE**, 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 **OFFICE** pursuant to the Florida Insurance Code.
3. The **OFFICE** conducted a property and casualty market conduct examination of **OCEAN HARBOR**, pursuant to section 624.3161, Florida Statutes, in 2002, and as a result, it has been determined that **OCEAN HARBOR** has violated the following provisions of the Florida Insurance Code and/or the Florida Administrative Code, to wit:

Private Passenger Automobile

Section 627.739, F.S., Failure to Comply with PIP Coverage Requirements by not Displaying Rates for the Various PIP Coverage Options in Their Rating System.

Section 627.0651, F.S., Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline (PPA) by Accepting Risks With One DUI/DWI.

Section 627.728, F.S., Issuing Renewal Policies at a Higher Premium Than That Quoted in the Renewal Quote.

Cancellations

Rule 4-167.002, F.A.C., Failure to Report Ab Initio Cancellations.

Complaints

Section 626.9541, F.S., Failure to Comply with Unfair Trade Practice Requirements by Misrepresenting Pertinent Facts Related to Claims.

Section 626.9541, F.S., Failure to Comply with Unfair Trade Practice Requirements by Failing to Act Upon Communications Related to Claims.

Section 626.9541, F.S., Failure to Comply with Unfair Trade Practice Requirements by Denying Claims Without Conducting Investigations.

Section 626.9541, F.S., Failure to Comply with Unfair Trade Practice Requirements by Failing to Explain the Need for Additional Information.

Section 627.7282, F.S., Failure to Comply with Additional Premium Requirements by Failing to Honor the Request for Cancellation.

Section 627.7282, F.S., Failure to Comply with Additional Premium Requirements by Incorrectly Calculating Return Premium.

Section 624.418, F.S., Failure to Comply with Terms of Department of Insurance Consent Order.

Claims

Section 626.877, F.S., Failure to Properly Adjust Claims per Policy Requirements.

Section 626.9541, F.S., Failure to Comply with Unfair Trade Practice Requirements by Misrepresenting Facts Pertaining to Coverage.

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4. The **OFFICE** and **OCEAN HARBOR** expressly waive 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. **OCEAN HARBOR** hereby knowingly and voluntarily waives all rights to challenge or to contest this Consent Order, in any forum now available, 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 a administrative penalty of \$40,000 and costs of \$2,000 on or before the 30th day after this Consent Order is executed.

(b) **OCEAN HARBOR** shall henceforth comply with all of the provisions of the Florida Insurance Code and the Florida Administrative Code.

(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.

(d) **OCEAN HARBOR** shall discontinue using the letter presently used by the Claims Department advising vehicle owners that **OCEAN HARBOR** is not responsible for towing and storage fees.

(e) **OCEAN HARBOR** shall refile its underwriting guidelines and rating plan to accept risks with one DUI/DWI, seven (7) points.

(f) **OCEAN HARBOR** shall display its rates for all PIP options in its rating system.

(g) **OCEAN HARBOR** shall return \$412 in under-returns to insureds.

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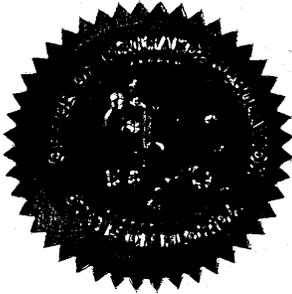
6. **OCEAN HARBOR** agrees that the failure to adhere to one or more of the above terms and conditions of this Consent Order shall constitute a violation of a lawful order of the **OFFICE**, and shall subject **OCEAN HARBOR** to such administrative action as the **OFFICE** may deem appropriate.

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

8. **THEREFORE**, the agreement between **OCEAN HARBOR** 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 14TH day of NOVEMBER 2003.



**KEVIN M. McCARTY, DIRECTOR**  
Office of Insurance Regulation

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. The undersigned represents that he or she has the authority to bind OCEAN HARBOR CASUALTY INSURANCE COMPANY to the terms and conditions of this Consent Order.

OCEAN HARBOR CASUALTY INSURANCE COMPANY

Corporate Seal

By: Ralph Milo

Title: President

Date: November 5, 2003

On November 5, 2003 before me, Adina Ellis, personally appeared Ralph Milo, 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 5<sup>th</sup> day of November, 2003.

Signature Adina Ellis  
(Signature of Notary Public)

[NOTARIAL SEAL]

My Commission Expires: August 14, 2006

ADINA ELLIS  
Notary Public, State of New York  
No. 01EL6046391  
Qualified in Nassau County  
Commission Expires August 14, 20 06

COPIES FURNISHED TO:

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