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THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE

FILED

SEP 18 2002

Treasurer and
Insurance Commissioner
Docketed by: CR

TOM GALLAGHER

IN THE MATTER OF:

CASE NO.: 60659-02-CO

REGENCY INSURANCE COMPANY

2001 Property and Casualty Market Conduct Examination

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between **REGENCY INSURANCE COMPANY**, hereinafter referred to as **REGENCY** 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. **REGENCY** 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 **REGENCY** covering the period of January 2000 through August 2001, pursuant

to Section 624.3161, Florida Statutes. As a result of such examination, the DEPARTMENT determined that REGENCY 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 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule.

b. Agents/MGA

1. Section 627.4085, F.S.-Failure to Display Agent Name/License ID# or Insurer Name on Application.
2. Section 626.752, F.S.-Failure to Comply with Exchange of Business Requirements.
3. Section 626.733, F.S.-Failure to License/Appoint Agency Employees.

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

- (a) REGENCY shall pay an administrative penalty of \$5,000 and administrative costs of \$1,000 on or before the 30th day after this Consent Order is executed.

(b) **REGENCY** 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.

(c) **REGENCY** 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 **REGENCY** may be deemed willful, depending upon the facts and circumstances, subjecting **REGENCY** to appropriate penalties.

6. **REGENCY** agrees that the failure to adhere to one or more of the above terms and conditions of this Order may constitute a violation of a lawful order of the **DEPARTMENT**, and shall subject **REGENCY** 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 **REGENCY 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 18TH day of SEPTEMBER, 2002.



KEVIN MCCARTY
DEPUTY INSURANCE COMMISSIONER

By execution hereof **REGENCY 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.

REGENCY INSURANCE COMPANY

By: _____
Title: President PHILLIP THOMASSON
Date: August 29, 2002

COPIES FURNISHED TO:

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