



THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE

FILED

DEC 11 2002

Treasurer and
Insurance Commissioner
Docketed by: ST

TOM GALLAGHER

IN THE MATTER OF:

CASE NO.: 62160-02-CO

SECURITY NATIONAL INSURANCE COMPANY

2001 Property and Casualty Market Conduct Examination

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between **SECURITY NATIONAL INSURANCE COMPANY**, hereinafter referred to as **SECURITY NATIONAL** 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. **SECURITY NATIONAL** 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 **SECURITY NATIONAL** covering the period of January 1999 through

May 2001, pursuant to Section 624.3161, Florida Statutes. As a result of such examination, the **DEPARTMENT** determined that **SECURITY NATIONAL** 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. Private Passenger Automobile

1. Section 627.0651, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline (PPA)-Ineligible Insured.
2. Section 627.0651, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline (PPA)-Used Quoted Rate.

b. Commercial Automobile

1. Section 627.0645, F.S.-Failure to File Rates Annually or Rate Certifications.
2. Section 624.3161, F.S.-Failure to Comply with Consent Order for 1997 Examination.

c. Cancellations/Nonrenewals

1. Rule 4-167.002, Failure to Cancel in Accordance with Additional Premium/AB Initio Requirements.

d. Complaints

1. Rule 4-166.026, Failure to Provide Written Explanation of Claim Denial.
2. Section 626.9541, F.S.-Failure to Comply with Unfair Trade Practice Requirements-Delay.
3. Rule 4-166.025, Failure to Respond to Department Inquiries Timely.

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

(a) **SECURITY NATIONAL** shall pay an administrative penalty of \$29,500 and administrative costs of \$2,000 on or before the 30th day after this Consent Order is executed.

(b) **SECURITY NATIONAL** 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, **SECURITY NATIONAL** shall both implement 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.

(c) **SECURITY NATIONAL** is hereby placed on notice of the requirements of the above referenced sections of law and rule agrees that any future

violations of these sections by **SECURITY NATIONAL** may be deemed willful, subjecting **SECURITY NATIONAL** to appropriate penalties.

6. **SECURITY NATIONAL** 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 **SECURITY NATIONAL** 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 **SECURITY NATIONAL NATIONAL INSURANCE COMPANY** and the **DEPARTMENT**, 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 11TH day of DECEMBER,

2002.



KEVIN MCCARTY
Deputy Insurance Commissioner

By execution hereof SECURITY NATIONAL 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.

SECURITY NATIONAL INSURANCE COMPANY

By: 
Title: SECRETARY - GREGORY J. HAND
Date: NOVEMBER 21, 2002

COPIES FURNISHED TO:

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