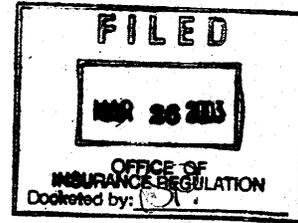


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OFFICE OF INSURANCE REGULATION

KEVIN M. MCCARTY  
DIRECTOR

IN THE MATTER OF:

CASE NO.: 64323-02-CO

3/26/03

**SEMINOLE CASUALTY INSURANCE COMPANY**

2002 Property and Casualty Market Conduct  
Examination

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between **SEMINOLE CASUALTY INSURANCE COMPANY**, hereinafter referred to as **SEMINOLE CASUALTY** and the **OFFICE OF INSURANCE REGULATION OF THE FINANCIAL SERVICES COMMISSION**, within the **DEPARTMENT OF FINANCIAL SERVICES**, hereinafter referred to as the **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. **SEMINOLE CASUALTY** 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 **SEMINOLE CASUALTY** covering the period of January 2001 through February 2002, pursuant to Section 624.3161, Florida Statutes. As a result of such examination, the **OFFICE** determined that **SEMINOLE CASUALTY** 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.-Use of Unfiled Rate, Rating Schedule, Rating Rule or Underwriting Guideline (PPA)-Incorrect Driver Class.
2. Section 627.0653, F.S.-Failure to Provide Safety Device Discounts.

b. Cancellations/Nonrenewals

1. Rule 4-167.002, Failure to Cancel in Accordance with Additional Premium/Ab Initio Requirements.
2. Section 627.728, F.S.-Failure to Provide Timely Notice of Renewal, Nonrenewal or Cancellation.
3. Section 627.7283, F.S.-Failure to Comply with Return of Unearned Premium Requirements.

c. Nonrenewals

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

d. Complaints

1. Section 627.848, F.S.-Failure to Comply with Premium Finance Cancellation Requirements.
2. Section 626.9541, F.S.-Failure to Comply with Unfair Trade Practice Requirements-Complaint Log Incomplete.
3. Section 627.7283, F.S.-Failure to Comply with Return of Unearned Premium Requirements.

e. Claims

1. Section 626.877, F.S.-Failure to Properly Adjust Claim per Policy Requirements.
2. Section 817.234, F.S.-Failure to Affix Fraud Statement to Claim Form or Application.

f. Agents/MGA

1. Section 627.4085, F.S.-Failure to Display Agent Name/License ID# or Insurer Name on Application.
2. Section 626.112, F.S.-Use of Unappointed Agent.

g. Company Operations/Management

1. Rule 4-ER-01, Failure to Develop Privacy Plan.

4. The **OFFICE** and **SEMINOLE CASUALTY** expressly waive a hearing in this matter and 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. **SEMINOLE CASUALTY** 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. **SEMINOLE CASUALTY** agrees that upon the execution of this Consent Order it shall be subject to the following terms and conditions:

(a) **SEMINOLE CASUALTY** shall pay an administrative penalty of \$20,500 and administrative costs of \$2,000 on or before the 30th day after this Consent Order is executed.

(b) **SEMINOLE CASUALTY** 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 **OFFICE** for review upon request. Within 90 days after execution of Consent Order, **SEMINOLE CASUALTY** shall both implement the recommendations contained in this report, and submit confirmation, in writing, to the **OFFICE** that all directives contained in the report have been met, including all refunds.

(c) **SEMINOLE CASUALTY** refund outstanding gross premium amounts noted in the examination within 90 days of the

execution of consent order and notify the **OFFICE** in writing within that time. **SEMINOLE CASUALTY** further agrees that a \$100 per day penalty will be assessed for each day past the 90 day period wherein the refunds were not made.

(d) **SEMINOLE CASUALTY** 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 **SEMINOLE CASUALTY** may be deemed willful, under certain circumstances, subjecting **SEMINOLE CASUALTY** to appropriate penalties.

6. **SEMINOLE CASUALTY** 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 OFFICE**, and shall subject **SEMINOLE CASUALTY** to such administrative action as the **OFFICE** may deem appropriate.

7. **THEREFORE**, the agreement between **SEMINOLE CASUALTY INSURANCE COMPANY** 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 26TH day of MARCH, 2003.



\_\_\_\_\_  
KEVIN MCCARTY, DIRECTOR  
Office of Insurance Regulation

By execution hereof SEMINOLE 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.

SEMINOLE CASUALTY INSURANCE COMPANY

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

*President - JOSEPH SCATURRO*

*3-13-03*

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