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THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE

FILED *JB*

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Treasurer and
Insurance Commissioner
Docketed by: *JMK*

TOM GALLAGHER

IN THE MATTER OF:

CASE NO: 42802-01-CO

SOUTHERN GROUP INDEMNITY, INC.
2000 Property and Casualty Target Market
Conduct Examination

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between **SOUTHERN GROUP INDEMNITY, INC.** (hereinafter referred to as "**SOUTHERN GROUP**") 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. **SOUTHERN GROUP** 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 **SOUTHERN GROUP** covering the period of January 1997 through

December 1999, pursuant to Section 624.3161, Florida Statutes. As a result of such examination, the **DEPARTMENT** determined that **SOUTHERN GROUP** committed the following violations of the Florida Insurance Code or Florida Administrative Code as outlined in the Fine Worksheet provided with the Report of Examination Findings:

(a) Private Passenger Automobile

- (1) Section 627.0653. F.S.-Failure to Provide Safety Device Discounts.
- (2) Section 624.3161. F.S.-Failure to Correct Violation in Prior Exam Report.
- (3) Section 627.0651. F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline (PPA)-Premium Computation.

(b) Homeowners

- (1) Section 624.418. F.S.-Failure to Comply with Terms of Consent Order-Applications.
- (2) Section 627.062. F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Incorrect Protection Classes.
- (3) Section 627.062. F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Incorrect Territory.

(c) Cancellations/Nonrenewals

- (1) Rule 4-167.002-Failure to Notify the Department of Cancellation-Ab Initio.

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

(a) **SOUTHERN GROUP** shall pay an administrative penalty of Two Thousand Six Hundred Dollars (\$2,600.00) and administrative costs in the amount of Two Hundred Dollars (\$200.00) on or before the 30th day after this Consent Order is executed.

(b) **SOUTHERN GROUP** shall henceforth comply with all of the provisions of the Florida Insurance Code and the 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. Further, within ninety (90) days following issuance of this Consent Order, **SOUTHERN GROUP** shall both implement the recommendations contained in this report, including any pending refunds, and submit written confirmation to the **DEPARTMENT** that all directives, including refunds, contained in the report have been met.

(c) **SOUTHERN GROUP** 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 **SOUTHERN GROUP** may be deemed willful, subjecting **SOUTHERN GROUP** to appropriate penalties.

6. **SOUTHERN GROUP** 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 **SOUTHERN GROUP** to such administrative action as the Treasurer and Insurance Commissioner 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 **SOUTHERN GROUP INDEMNITY, INC.** 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 7th day of February, 2002.



KEVIN MCCARTY
DEPUTY INSURANCE COMMISSIONER

By execution hereof **SOUTHERN GROUP INDEMNITY, INC.** 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.

SOUTHERN GROUP INDEMNITY, INC.

By  MARIO VIVES

Title: President / CEO

Date: 1-22-02