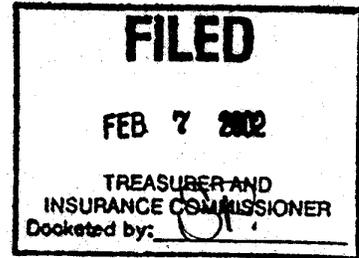




THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE



TOM GALLAGHER

IN THE MATTER OF:

CASE NO.: 43389-01-CO

T.H.E. INSURANCE COMPANY

2001 Property and Casualty Market Conduct
Examination

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between T.H.E. INSURANCE COMPANY, hereinafter referred to as T.H.E. 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. T.H.E. 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 T.H.E. covering the period of January 2001 through June 2001, pursuant to Section 624.3161, Florida Statutes. As a result of such examination, the DEPARTMENT determined that T.H.E. 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. Commercial Multi-Peril

1. Section 627.062, F.S.-Use of Unfiled Rate, Rating Schedule or Rating Rule.
2. Section 624.3161, F.S.-Failure to Correct Violation in Prior Exam Report.

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

(a) T.H.E. shall pay an administrative penalty of \$1,000 and administrative costs of \$250 on or before the 30th day after this Consent Order is executed.

(b) T.H.E. shall henceforth comply with all of the provisions of the Florida Insurance Code, 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. Within 90 days after execution of this Consent Order, T.H.E. shall both implement the recommendations contained in this report, including any pending refunds, and submit confirmation, in writing, to the DEPARTMENT that all directives contained in the report have been met, including all refunds made.

(c) T.H.E. 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 T.H.E. may be deemed willful, subjecting T.H.E. to appropriate penalties.

6. T.H.E. 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 T.H.E. 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 T.H.E. 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 7TH day of FEBRUARY,
2002.



KEVIN MCCARTY
DEPUTY INSURANCE COMMISSIONER

By execution hereof T.H.E. 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.

T.H.E. INSURANCE COMPANY

By: Donald D. Culpepper

Title: President

Date: 12/19/01

COPIES FURNISHED TO:

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