



THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE

TOM GALLAGHER

IN THE MATTER OF:

CASE NO. 40503-01-CO

U. S. SECURITY INSURANCE COMPANY
2000 Property and Casualty Market Conduct Examination

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between **U. S. SECURITY INSURANCE COMPANY**, (hereinafter referred to as “**U. S. SECURITY**”), 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 Treasurer and Insurance Commissioner, as head of the **FLORIDA DEPARTMENT OF INSURANCE**, hereby finds as follows:

1. The Treasurer and Insurance Commissioner, as head of the **DEPARTMENT**, has jurisdiction over the subject matter of, and parties to, this proceeding.
2. **U. S. SECURITY** 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 **U. S. SECURITY** 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 **U. S. SECURITY** 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. Agents/MGA

1. Section 626.112, Florida Statutes - Use of Unlicensed and Unappointed Agent.

b. Cancellations/Nonrenewals

1. Section 626.9541, Florida Statutes - Failure to Comply with Unfair Trade Practice Requirements.
2. Rule 4-167.002, Florida Administrative Code - Failure to Report Ab Initio Cancellations to Department.

c. Claims

1. Rule 4-166.024, Florida Administrative Code - Failure to Communicate Timely.
2. Rule 4-166.026, Florida Administrative Code - Failure to Deny Loss in Writing.

d. Complaints

1. Section 626.877, Florida Statutes - Failure to Properly Adjust Claim per Policy Requirements.

4. The **DEPARTMENT** and **U. S. SECURITY** 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. **U. S. SECURITY** 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. For each violation noted in Paragraph 3, which was not corrected during the examination and verification provided to the **DEPARTMENT, U. S. SECURITY** shall provide written documentation to the **DEPARTMENT** no later than May 21, 2001, detailing the corrective action taken in order to comply with Florida Statutes and/or the Florida Administrative Code for each of the remaining violations noted in Paragraph 3. All pending refunds shall be completed within 60 days of the execution of the Consent Order and documentation provided to the **DEPARTMENT**.

6. **U. S. SECURITY** agrees that upon the execution of this Consent Order it shall be subject to the following terms and conditions:

(a) **U. S. SECURITY** shall pay an administrative penalty of \$2,000.00 and administrative costs of \$500.00 on or before the 30th day after this Consent Order is executed.

(b) **U. S. SECURITY** shall henceforth comply with all of the provisions of the Florida Insurance Code and Florida Administrative Code, and will implement the recommendations contained in this report by May 21, 2001.

(c) **U. S. SECURITY** 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 **U. S. SECURITY** may be deemed willful, subjecting **U. S. SECURITY** to appropriate penalties.

7. **U. S. SECURITY** 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 **U. S. SECURITY** to such administrative action as the Treasurer and Insurance Commissioner may deem appropriate.

8. Except as noted above, each party to this action shall bear its own costs and attorney's fees.

9. THEREFORE, the agreement between **U. S. SECURITY 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 _____ day of _____, 2001.

KEVIN MCCARTY
DEPUTY INSURANCE COMMISSIONER

By execution hereof **U. S. SECURITY 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.

U. S. SECURITY INSURANCE COMPANY

By: _____

Title: _____

Printed or Typed Name

Date: _____

Company Seal

COPIES FURNISHED TO:

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