



FILED

JUN 4 2004

OFFICE OF INSURANCE REGULATION

KEVIN M. McCARTY
DIRECTOR

OFFICE OF
INSURANCE REGULATION
Docketed by: SP

IN THE MATTER OF:

CASE NO.: 74439-04-CO

U. S. SECURITY INSURANCE COMPANY

2003 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 OFFICE OF INSURANCE REGULATION (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. 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 OFFICE pursuant to the Florida Insurance Code.
3. The OFFICE conducted a property and casualty market conduct examination of U.S. SECURITY, pursuant to Section 624.3161, Florida Statutes, in 2003, and as a result, it has been determined that U.S. SECURITY has violated the following provisions of the Florida Insurance Code and/or Florida Administrative Code, to wit:

Nonrenewals

Section 627.4091, F.S.-Failure to Provide Specific Reason for Nonrenewal.

Claims

Section 626.9541, F.S.-Failure to Comply with Unfair Trade Practice Requirements: Claims Delay

Rule 4-166.024, F.A.C. – Failure to Communicate Timely.

Section 627.4137, F.S.-Failure to Disclose Policy Information Timely.

Section 626.9541, F.S.-Misrepresenting Policy Coverage.

4. The **OFFICE** and **U.S. SECURITY** 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. **U.S. SECURITY** hereby knowingly and voluntarily waive all rights to challenge or to contest this Consent Order, in any forum now available, including the right to any administrative proceeding, circuit or federal court action, or any appeal.

5. **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 \$8,500 and costs of \$550 on or before the thirtieth (30th) day after this Consent Order is executed.

(b) **U.S. SECURITY** shall henceforth comply with all provisions of the Florida Insurance Code and the Florida Administrative Code.

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

6. U.S. SECURITY agrees that the failure to adhere to one or more of the above terms and conditions of this Consent Order shall constitute a violation of a lawful order of the OFFICE, and shall be subject to such administrative action as the OFFICE may deem appropriate.

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

8. WHEREFORE, the agreement between U.S SECURITY 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 4TH day of JUNE 2004.



KEVIN M. McCARTY, DIRECTOR
Office of Insurance Regulation

By execution hereof, U.S. SECURITY INSURANCE COMPANY consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that he or she has the authority to bind U.S. SECURITY INSURANCE COMPANY to the terms and conditions of this Consent Order and has personal knowledge of the 2003 Market Conduct Examination Report and the information provided therein.

U.S. SECURITY INSURANCE COMPANY

Corporate Seal

By: Robert Espin

Title: PRESIDENT

Date: 5-17-04

On May 17, 2004 before me, Maria Lopez (MML) personally appeared Robert Espin, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person or the entity upon whose behalf the person acted, executed the instrument.

Subscribed and sworn to before me this 17 day of May, 2004.

Signature Lopez
(Signature of Notary Public)

[NOTARIAL SEAL]

My Commission Expires:



Maria Margarita Lopez
My Commission DD239317
Expires August 06, 2007

COPIES FURNISHED TO:

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