



THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE

TOM GALLAGHER

FILED

JAN 9 2003

Treasurer and
Insurance Commissioner
Docketed by:

IN THE MATTER OF:

CASE NO.: 60321-01-CO

VANGUARD FIRE & CASUALTY COMPANY

2000 Property and Casualty Market Conduct
Examination

RECEIVED

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CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between VANGUARD FIRE & CASUALTY COMPANY, hereinafter referred to as VANGUARD 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. VANGUARD 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 VANGUARD covering the period of January 1999 through October 2000, pursuant to Section 624.3161, Florida Statutes. As a result of such examination, the DEPARTMENT determined that VANGUARD committed the following violations of the Florida Insurance Code or Florida Administrative Code as outlined in the Report of Examination Findings:

a. Homeowners

1. Section 627.062, F.S.-Use of Unfiled Rate, Rating Schedule or Rating Rule.
2. Section 627.410, F.S.-Failure to File Name Change Endorsement.
3. Section 627.410, F.S.-Use of Unfiled Declaration Page.

b. Dwelling Fire

1. Section 627.062, F.S.-Use of Unfiled Rate, Rating Schedule or Rating Rule.
2. Section 627.410, F.S.-Failure to File Name Change Endorsement.
3. Section 627.410, F.S.-Use of Unfiled Declaration Page.

c. Cancellations/Nonrenewals

1. Section 624.418, F.S.-Failure to Comply with Terms of Consent Order.

2. Section 627.4133, F.S.-Failure to Provide Timely Notice of Renewal, Nonrenewal or Cancellation.
3. Section 627.4091, F.S.-Failure to Provide Specific Reason for Denial, Cancellation or Nonrenewal.

d. Complaints

1. Section 626.9541, F.S.-Failure to Comply with Unfair Trade Practice Requirements.

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

(a) VANGUARD shall pay an administrative penalty of \$8,350 and administrative costs of \$1,650 on or before the 30th day after this Consent Order is executed.

(b) VANGUARD shall henceforth comply with all of the directives of Consent Order 43537-01-CO as it relates to the

Florida Hurricane Recoupment Fees, and the Company's unfiled Florida Hurricane Cat Fund Recoupment Surcharge.

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

(d) **VANGUARD** 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 **VANGUARD** may be deemed willful, subjecting **VANGUARD** to appropriate penalties.

6. **VANGUARD** 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 **VANGUARD** to such administrative action as the **DEPARTMENT** 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 VANGUARD FIRE & CASUALTY 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 3RD day of JANUARY, 2003.



KEVIN MCCARTY
DEPUTY INSURANCE COMMISSIONER

By execution hereof VANGUARD FIRE & CASUALTY 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.

VANGUARD FIRE & CASUALTY COMPANY

By: [Signature] L. ALAN LUND
Title: Chief Executive Officer
Date: 12-12-02

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