



THE TREASURER OF THE STATE OF FLORIDA  
DEPARTMENT OF INSURANCE

TOM GALLAGHER

IN THE MATTER OF:

CASE NO.: 41035-01-CO

**VESTA FIRE INSURANCE CORPORATION**  
2000 Property and Casualty Market Conduct Examination

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CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between **VESTA FIRE INSURANCE CORPORATION**, hereinafter referred to as **VESTA FIRE** 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. **VESTA FIRE** 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 **VESTA FIRE** covering the period

of January 1996 through December 1998, pursuant to Section 624.3161, Florida Statutes. As a result of such examination, the **DEPARTMENT** determined that **VESTA FIRE** 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. Mobile Homeowners

1. Section 627.410, F.S.-Use of Unfiled Form/Endorsement-M-355, Ed 7-93.
2. Section 627.4133, F.S.-Failure to Provide Timely Notice of Renewal, Nonrenewal or Cancellation.
3. Section 627.318, F.S.-Failure to Maintain Records.

b. Agents/MGA

1. Section 626.091, F.S.-Use of Unlicensed/Appointed MGA.
2. Section 624.3161, F.S.-Failure to Correct Violation in Prior Exam Report.
3. Section 626.7454, F.S.-Failure to Obtain Independent Financial Examination-Independent Exam.
4. Section 626.7454, F.S.-Failure to Obtain Independent Financial Examination-On-Site Review.

c. Cancellations/Nonrenewals

1. Rule 4-167.010, F.S.-Failure to Provide Proof of Mailing.
2. Section 627.318, F.S.-Failure to Maintain Records.

d. Claims

1. Section 626.112, F.S.-Use of Unlicensed and Unappointed Adjuster.
2. Section 624.3161, F.S.-Failure to Correct Violation in Prior Exam Report.
3. Rule 4-166.024, Failure to Communicate Timely.
4. Rule 4-166.023, Failure to Provide Explanation of Replacement Cost Settlement.

4. The **DEPARTMENT** and **VESTA FIRE** 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. **VESTA FIRE** 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**, **VESTA FIRE** shall provide written documentation to the **DEPARTMENT** no later than July 1, 2001, detailing the corrective action taken in order to comply with Florida Statutes 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. **VESTA FIRE** agrees that upon the execution of this Consent Order it shall be subject to the following terms and conditions:

(a) **VESTA FIRE** shall pay an administrative penalty of \$10,000 and administrative costs of \$2,000 on or before the 30th day after this Consent Order is executed.

(b) **VESTA FIRE** 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 within 90 days after execution of Consent Order.

(c) **VESTA FIRE** 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 **VESTA FIRE** may be deemed willful, subjecting **VESTA FIRE** to appropriate penalties.

7. **VESTA FIRE** 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 **VESTA FIRE** 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 **VESTA FIRE INSURANCE CORPORATION** 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.

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**KEVIN MCCARTY**  
DEPUTY INSURANCE COMMISSIONER

By execution hereof **VESTA FIRE INSURANCE CORPORATION** 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.

**VESTA FIRE INSURANCE CORPORATION**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

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