



THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE

TOM GALLAGHER

IN THE MATTER OF:

CASE NO.: 41689-01-CO

WAUSAU BUSINESS INSURANCE COMPANY

2000 Property and Casualty Market Conduct Examination

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between **WAUSAU BUSINESS INSURANCE COMPANY**, hereinafter referred to as **WAUSAU BUSINESS** 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. **WAUSAU BUSINESS** 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 **WAUSAU BUSINESS** 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 **WAUSAU BUSINESS** 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 Package

1. Section 627.410, F.S.-Use of Unfiled Form/Endorsement-GL 0001
2. Section 627.4133, F.S.-Failure to Provide Timely Notice of Renewal, Nonrenewal or Cancellation.
3. Section 624.3161, F.S.-Failure to Correct Violation in Prior Exam Report.
4. Section 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule.
5. Section 627.062, F.S.-Use of Unfiled Rate, Rating Schedule or Rating Rule-Wausau Cover.
6. Section 627.421, F.S.-Failure to Deliver Policy Timely.
7. Section 627.0625, F.S.-Failure to Provide Risk Management Guidelines.
8. Section 627.4131, F.S.-Failure to Display Telephone Number and Purpose on Policy/Certificate.
9. Rule 4-137.008, Failure to Report/Properly Report Individual Rated Risk Stats.

10. Section 627.318, F.S.-Failure to Maintain Records.
11. Rule 4-170.004, Failure to Document/Substantiate Debit/Credit.
12. Section 624.3161, F.S.-Failure to Correct Violation in Prior Exam Report.
13. Section 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Territory.
14. Section 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Tentative Rates.
15. Section 627.062, F.S.- Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Tentative Rates Joisted Masonry.
16. Section 627.062, F.S.- Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Class Rating.
17. Section 627.062, F.S.- Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Increased Limit Factors.
18. Section 627.062, F.S.- Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Incorrect Contents Special Form Class Limit.
19. Section 627.062, F.S.- Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Incorrect Territory.
20. Section 627.062, F.S.- Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Class Rating.
21. Section 627.062, F.S.- Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Incorrect Protection Class.
22. Section 627.062, F.S.- Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Occupant Rates.

b. Workers' Compensation

1. Section 627.191, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline-Credit Modification.
 2. Section 627.191, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline-Safety Program Credit.
- c. Agents/MGA
1. Section 627.4085, F.S.-Failure to Display Agent Name/License ID# or Insurer Name on Application.
 2. Section 627.318, F.S.-Failure to Maintain Records.
 3. Section 626.741, F.S.-Use of Unlicensed Nonresident Agent.
- d. Cancellations/Nonrenewals
1. Section 627.318, F.S.-Failure to Maintain Records.
 2. Rule 4-167.010, Failure to Provide Proof of Mailing.
 3. Section 627.4091, F.S.-Failure to Provide Specific Reason for Denial, Cancellation or Nonrenewal.
- e. Claims
1. Section 626.873, F.S.-Use of Unlicensed Nonresident Adjuster.
 2. Rule 4-166.026, Failure to Provide Written Explanation of Claim Denial.
 3. Section 817.234, F.S.-Failure to Affix Fraud Statement to Claim Form or Application.

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

(a) **WAUSAU BUSINESS** shall pay an administrative penalty of \$12,625 and administrative costs of \$2,000 on or before the 30th day after this Consent Order is executed.

(b) **WAUSAU BUSINESS** 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, including any pending refunds.

(c) **WAUSAU BUSINESS** 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 **WAUSAU BUSINESS** may be deemed willful, subjecting **WAUSAU BUSINESS** to appropriate penalties.

6. **WAUSAU BUSINESS** 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 **WAUSAU BUSINESS** 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 **WAUSAU BUSINESS 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
TREASURER AND INSURANCE COMMISSIONER

By execution hereof **WAUSAU BUSINESS 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.

WAUSAU BUSINESS INSURANCE COMPANY

By: _____

Title: _____

Date: _____

COPIES FURNISHED TO:

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