



FILED

MAR 25 2002

Treasurer and  
Insurance Commissioner  
Docketed by: CR

THE TREASURER OF THE STATE OF FLORIDA  
DEPARTMENT OF INSURANCE

TOM GALLAGHER

IN THE MATTER OF:

CASE NO.: 43168-01-CO

WAUSAU UNDERWRITERS INSURANCE COMPANY

2001 Property and Casualty Market Conduct  
Examination

---

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between WAUSAU UNDERWRITERS INSURANCE COMPANY, hereinafter referred to as WAUSAU UNDERWRITERS 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. WAUSAU UNDERWRITERS 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 UNDERWRITERS covering the period of January 2000 through December 2000, pursuant to Section 624.3161, Florida Statutes. As a result of such examination, the DEPARTMENT determined that WAUSAU UNDERWRITERS 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 Automobile

1. Section 627.4133, F.S.-Failure to Provide Timely Notice of Renewal, Nonrenewal or Cancellation.
2. Section 624.3161, F.S.-Failure to Correct Violation in Prior Exam Report-1994 and 2000 Reports.

b. Commercial Package

1. Section 627.4133, F.S.-Failure to Provide Timely Notice of Renewal, Nonrenewal or Cancellation.
2. Section 624.3161, F.S.-Failure to Correct Violation in Prior Exam Report-1994 and 2000 Reports.

c. Other

1. Wausau Underwriters' Failure to Correct Violations Cited in Two Previous Examinations Indicate an Apparent

Unwillingness to Recognize and Implement Effective Corrective Action. Failure to Successfully Correct Violations of Law Cited in the Two Previous Examinations Constitutes a Willful Violation of the Cited Statutes and as indicated in the penalty guideline statement previously furnished to the insurer.

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

(a) WAUSAU UNDERWRITERS shall pay an administrative penalty of \$51,000 and administrative costs of \$2,000 on or before the 30th day after this Consent Order is executed.

(b) WAUSAU UNDERWRITERS shall henceforth comply with all of the provisions of the Florida Insurance Code, Florida Administrative Code and implement policies and procedures that will preclude the recurrence of 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, WAUSAU UNDERWRITERS 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.

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

6. WAUSAU UNDERWRITERS 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 UNDERWRITERS 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 WAUSAU UNDERWRITERS 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 25TH day of MARCH, 2002.



Kevin McCarty  
DEPUTY INSURANCE COMMISSIONER

By execution hereof WAUSAU UNDERWRITERS 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 UNDERWRITERS INSURANCE COMPANY

By: J.S. Hoffert

Title: Vice-President - General Counsel and Secretary

Date: Feb. 20, 2002

COPIES FURNISHED TO:

MR. JIM MCINTYRE, PRESIDENT  
Wausau Underwriters Insurance Company  
2000 Westwood Drive  
Wausau, Wisconsin 54401-7881

CHERYL C. JONES, AIE  
Field Insurance Regional Administrator  
Division of Insurer Services  
Bureau of P&C Insurer Solvency and  
Market Conduct Review  
200 East Gaines Street, Suite 131B  
Tallahassee, Florida 32399-0329

S. STROM MAXWELL, ESQUIRE  
Department of Insurance  
Division of Legal Services  
200 East Gaines Street  
612 Larson Building  
Tallahassee, Florida 32399-0333