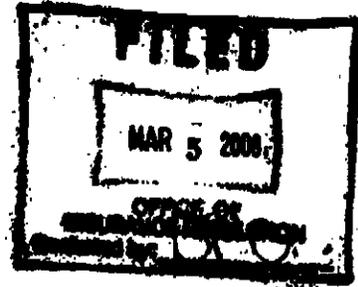




OFFICE OF INSURANCE REGULATION



KEVIN M. McCARTY
COMMISSIONER

IN THE MATTER OF:

CASE NO. 92565-07-CO

ZURICH AMERICAN INSURANCE COMPANY

2005 Market Conduct Examination

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between ZURICH AMERICAN INSURANCE COMPANY (hereinafter referred to as "ZURICH AMERICAN") 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 COMMISSIONER OF THE OFFICE OF INSURANCE REGULATION, hereby finds as follows:

1. The Commissioner of the Office of Insurance Regulation, as head of the OFFICE, has jurisdiction over the subject matter of, and parties to, this proceeding.
2. ZURICH AMERICAN is a foreign 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 market conduct examination of ZURICH AMERICAN in 2005, pursuant to Section 624.3161 (2005), Florida Statutes, and as a result of that examination, it has been determined that ZURICH AMERICAN has violated the following provisions of the Florida Insurance Code and/or Florida Administrative Code, to wit:

Medical Malpractice

Section 627.912, Florida Statute (2005) – Professional liability claims and actions; reports by insurers and health care providers – Failure to Report Closed Claims.

Section 627.912, Florida Statute (2005) – Professional liability claims and actions; reports by insurers and health care providers – Failure to Accurately Report Closed Claims.

Section 627.912, Florida Statute (2005) – Professional liability claims and actions; reports by insurers and health care providers – Failure to Timely Report Closed Claims.

4. The OFFICE and ZURICH AMERICAN 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. ZURICH AMERICAN hereby knowingly and voluntarily waives all rights to challenge or to contest this Order, in any forum now available, including the right to any administrative proceeding, circuit or federal court action, or any appeal.

5. ZURICH AMERICAN agrees that upon the execution of this Consent Order it shall be subject to the following terms and conditions:

A. ZURICH AMERICAN shall pay a penalty of \$5,000.00 and administrative costs of \$3,000.00 on or before the 30th day after this Consent Order is executed.

B. ZURICH AMERICAN shall henceforth comply with all of the provisions of the Florida Insurance Code and the Florida Administrative Code.

C. ZURICH AMERICAN 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 ZURICH AMERICAN may be deemed willful, subjecting ZURICH AMERICAN to appropriate penalties.

D. ZURICH AMERICAN must provide to the OFFICE certification by an officer of the Company that corrective actions requested in the examination report have been completed. The certification is to be received within 30 days of the execution of the Consent Order.

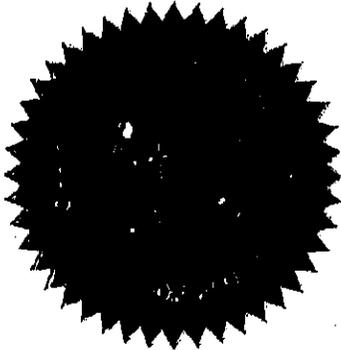
6. ZURICH AMERICAN agrees that the failure to adhere to one or more of the above terms and conditions of this Order shall constitute a violation of a lawful order of the OFFICE, and shall be subject to such administrative action as the Commissioner of the Office of Insurance Regulation may deem appropriate.

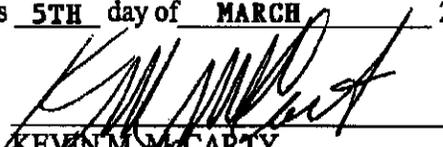
7. Except as noted above, each party to this action shall bear its own costs and attorney's fees.

8. THEREFORE, the agreement between ZURICH AMERICAN 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 5TH day of MARCH 2008.





KEVIN M. McCARTY
Commissioner
Office of Insurance Regulation

By execution hereof, ZURICH AMERICAN 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. The undersigned represents that he or she has the authority to bind ZURICH AMERICAN INSURANCE COMPANY to the terms and conditions of this Consent Order and has personal knowledge of the Application and the information provided therein.

ZURICH AMERICAN INSURANCE COMPANY

Corporate Seal

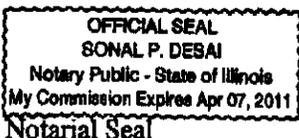
By: [Signature]
Title: Vice President, Compliance
Date: 2-5-08

STATE OF Illinois
COUNTY OF COOK

The foregoing instrument was acknowledged before me this 5th day of February, 2008,
by Mark Lechowicz as officer for
(Name of person) (Type of authority.... e.g. officer, trustee, attorney in fact)
Zurich American Insurance Company
(Company name)

Personally Known or Produced Identification _____

Type of Identification Produced _____



[Signature: Sonal P. Desai]
(Signature of the Notary)

SONAL P. DESAI
(Print, Type or Stamp Commissioned Name of Notary)

My Commission Expires: April 7, 2011