



THE TREASURER OF THE STATE OF FLORIDA  
DEPARTMENT OF INSURANCE

TOM GALLAGHER

IN THE MATTER OF:

CASE NO.: 42739-01-CO

**AMERICAN MANUFACTURERS MUTUAL INSURANCE  
COMPANY**

2001 Property and Casualty Target Market  
Conduct Examination

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CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between **AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY**, hereinafter referred to as **AMERICAN MANUFACTURERS** 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. **AMERICAN MANUFACTURERS** 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 **AMERICAN MANUFACTURERS** covering the period of January 1999 through December 2000, pursuant to Section 624.3161, Florida Statutes. As a result of such examination, the **DEPARTMENT** determined that **AMERICAN MANUFACTURERS** 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. Workers' Compensation

1. Section 626.9541, F.S.-Failure to Comply with Unfair Trade Practice Requirements.
2. Section 627.191, F.S.-Failure to Audit Policy and Return Premium Timely.
3. Section 627.191, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline-Experience Modification.

b. Cancellations/Nonrenewals

1. Section 627.191, F.S.-Failure to Audit Policy and Return Premium Timely.
2. Section 627.4133, F.S.-Failure to Provide Timely Notice of Renewal, Nonrenewal or Cancellation.
3. Section 627.191, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline-Classification Code.

4. The **DEPARTMENT** and **AMERICAN MANUFACTURERS** expressly waive a hearing in this matter, the making of Findings of Fact and Conclusions of Law by the **DEPARTMENT**, and all other proceedings to which the parties may be entitled by law.

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

(a) **AMERICAN MANUFACTURERS** shall pay an administrative penalty of \$6,000 and administrative costs of \$1,000 on or before the 30th day after this Consent Order is executed.

(b) **AMERICAN MANUFACTURERS** 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 violations contained in the examination report. These policies and procedures shall be made available to the **DEPARTMENT** for review upon request. **AMERICAN MANUFACTURERS** will implement recommendations contained in this report within 90 days after execution of consent order, including any pending refunds. Further, **AMERICAN MANUFACTURERS** shall submit confirmation, in writing, to the **DEPARTMENT** that all directives contained in the report have been met, including all refunds made. This confirmation shall be provided to the **DEPARTMENT** within the 90 days timeframe.

(c) **AMERICAN MANUFACTURERS** 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 **AMERICAN MANUFACTURERS** may be deemed willful, subjecting **AMERICAN MANUFACTURERS** to appropriate penalties.

6. **AMERICAN MANUFACTURERS** 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 **AMERICAN MANUFACTURERS** 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 **AMERICAN MANUFACTURERS MUTUAL 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.

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**KEVIN MCCARTY**  
DEPUTY INSURANCE COMMISSIONER

By execution hereof **AMERICAN MANUFACTURERS MUTUAL 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.

**AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY**

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

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

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

COPIES FURNISHED TO:

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