



THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE

TOM GALLAGHER

IN THE MATTER OF:

CASE NO.: 39916-01-CO

**INSURANCE COMPANY OF THE
STATE OF PENNSYLVANIA**
2000 Property and Casualty Target
Market Conduct Examination

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between **INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA**, hereinafter referred to as **INSURANCE COMPANY OF PA** 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 **DEPARTMENT**, hereby finds as follows:

1. The Treasurer and Insurance Commissioner, as head of the **DEPARTMENT**, has jurisdiction over the subject matter of, and the parties to, this proceeding.
2. **INSURANCE COMPANY OF PA** 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 target market conduct examination of **INSURANCE COMPANY OF PA** covering the period of January 1998 through December 1999, pursuant to section 624.3161, Florida Statutes. As a result of such examination, the **DEPARTMENT** determined that **INSURANCE COMPANY OF PA** committed the following violations of the Florida Insurance Code or the Florida Administrative Code as outlined in total in the Fine Worksheet provided with the Report of Examination Findings.

a. Workers' Compensation

1. Section 627.191, Florida Statutes, -Failure to follow filed rate, rating schedule, rating rule or underwriting guideline-offer deductible.
2. Section 627.191, Florida Statutes, -Failure to audit policy and return premium timely.
3. Section 627.191, Florida Statutes, -Failure to follow filed rate, rating schedule, rating rule or underwriting guideline-anniversary rating.
4. Section 627.091, Florida Statutes, -Use of unfiled rate, rating schedule, rating rule or underwriting guideline.
5. Section 627.318, Florida Statutes, -Failure to maintain records.
6. Section 627.191, Florid Statutes, -Failure to follow filed rate, rating schedule, rating rule or underwriting guideline-injury code.
7. Section 627.191, Florida Statutes, -Failure to follow filed rate, rating schedule, rating rule or underwriting guideline-claims status.

4. The **DEPARTMENT** and **INSURANCE COMPANY OF PA** 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. **INSURANCE COMPANY OF PA** hereby knowingly and voluntarily waives the rights to challenge or to contest this Consent 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 above, which was not corrected during the examination process and verification provided to the **DEPARTMENT, INSURANCE COMPANY OF PA** shall provide written documentation to the **DEPARTMENT**, no later than ninety (90) days from the date this Consent Order is executed, detailing the corrective action taken in order to comply with the Florida Statutes for each of the remaining violations noted in paragraph 3 above. All pending refunds shall be completed within sixty (60) days of the execution of the Consent Order and documentation shall be provided to the **DEPARTMENT** also within sixty (60) days.

6. **INSURANCE COMPANY OF PA** agrees that upon the execution of this Consent Order it shall be subject to the following terms and conditions:

(a) **INSURANCE COMPANY OF PA** shall pay an administrative penalty of one thousand two hundred dollars (\$1,200.00) and administrative costs of five hundred dollars (\$500.00) on or before the thirtieth (30th) day after this Consent Order is executed.

(b) **INSURANCE COMPANY OF PA** shall henceforth comply with all of the provisions of the Florida Insurance Code and the Florida Administrative Code, and implement the recommendations contained in the Report of Examination Findings within ninety (90) days after the execution of this Consent Order.

(c) **INSURANCE COMPANY OF PA** 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 **INSURANCE COMPANY OF PA** may be deemed willful, subjecting **INSURANCE COMPANY OF PA** to appropriate penalties.

7. **INSURANCE COMPANY OF PA** agrees that the failure to adhere to one or more of the above terms and conditions of this Consent Order shall constitute a violation of a lawful order of the **DEPARTMENT**, and shall subject **INSURANCE COMPANY OF PA** 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 **INSURANCE COMPANY** and the **DEPARTMENT**, 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 ____ day of _____, 2001.

KEVIN MCCARTY
DEPUTY INSURANCE COMMISSIONER

By execution hereof **INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA** 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.

INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

By: _____

Title: _____

Date: _____

Company Seal

COPIES FURNISHED TO:

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