



THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE

TOM GALLAGHER

IN THE MATTER OF:

CASE NO. 40670-01-CO

INTEGON PREFERRED INSURANCE COMPANY
2000 Property and Casualty Market Conduct Examination

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between **INTEGON PREFERRED INSURANCE COMPANY**, hereinafter referred to as **INTEGON PREFERRED** 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. **INTEGON PREFERRED** 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 **INTEGON PREFERRED** 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 **INTEGON PREFERRED** 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. Agents/MGA

1. Section 626.112, F.S.-Use of Unappointed Agent.
2. Section 627.4085, F.S.-Failure to Display Agent Name/License ID# or Insurer Name on Application.

b. Municipal Coding

1. Section 624.401, F.S.-Failure to Comply with Provisions of Chapters 175/185.

4. The **DEPARTMENT** and **INTEGON PREFERRED** 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. **INTEGON PREFERRED** 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. For each violation noted in Paragraph 3, which was not corrected during the examination and verification provided to the **DEPARTMENT**, **INTEGON PREFERRED** shall provide written documentation to the **DEPARTMENT** no later than ninety

(90) days from the date of issuance of this Consent Order detailing the corrective action taken in order to comply with Florida Statutes for each of the remaining violations noted in Paragraph 3. All pending refunds shall be completed within 60 days of the execution of the Consent Order and documentation provided to the **DEPARTMENT**.

INTEGON PREFERRED shall take the following corrective actions:

- a. File a corrected 1998 DR-908 report with the Florida Department of Revenue.
- b. Modify procedures for preparing reports to the Florida Department of Revenue to allow for accurate reporting.
- c. Provide documentation to the Department of Insurance that these corrective actions have been completed within 90 days of the issuance of this report.

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

(a) **INTEGON PREFERRED** shall pay an administrative penalty of \$2,250 and administrative costs of \$500 on or before the 30th day after this Consent Order is executed.

(b) **INTEGON PREFERRED** 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.

(c) **INTEGON PREFERRED** 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 **INTEGON PREFERRED** may be deemed willful, subjecting **INTEGON PREFERRED** to appropriate penalties.

7. **INTEGON PREFERRED** 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 **INTEGON PREFERRED** 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 **INTEGON PREFERRED 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
DEPUTY INSURANCE COMMISSIONER

By execution hereof **INTEGON PREFERRED 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.

INTEGON PREFERRED INSURANCE COMPANY

By: _____

Title: _____

Date: _____

COPIES FURNISHED TO:

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