



THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE

TOM GALLAGHER

IN THE MATTER OF:

CASE NO.: 40785-01-CO

STANDARD GUARANTY INSURANCE COMPANY

2000 Property and Casualty Market Conduct
Examination

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between **STANDARD GUARANTY INSURANCE COMPANY**, hereinafter referred to as **STANDARD GUARANTY** 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. **STANDARD GUARANTY** 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 **STANDARD GUARANTY** 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 **STANDARD GUARANTY** 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 partial listing of the citations noted on the Fine Worksheet includes but is not limited to:

a. Agents/MGA

1. Section 626.112, F.S.-Use of Unappointed Agent.
2. Section 624.3161, F.S.-Failure to Correct Violation in Prior Exam Report.

b. Cancellations/Nonrenewals

1. Section 627.7283, F.S.-Failure to Comply with Return of Unearned Premium Requirements.
2. Section 624.3161, F.S.-Failure to Correct Violation in Prior Exam Report.
3. Section 627.728, F.S.-Failure to Provide Timely Notice of Renewal, Nonrenewal or Cancellation.

c. Claims

1. Section 319.30, F.S.-Failure to Properly Forward Automobile Titles to the Department of Highway Safety and Motor Vehicles.
2. Section 624.3161, F.S.-Failure to Correct Violation in Prior Exam Report.
3. Section 626.112, F.S.-Use of Unappointed Adjuster.

4. Section 624.3161, F.S.-Failure to Correct Violation in Prior Exam Report.

4. The **DEPARTMENT** and **STANDARD GUARANTY** 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. **STANDARD GUARANTY** 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, **STANDARD GUARANTY** shall provide written documentation to the **DEPARTMENT**, no later than June 1, 2001, detailing the corrective action taken in order to comply with Florida Statutes for the violations noted in Paragraph 3

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

(a) **STANDARD GUARANTY** shall pay an administrative penalty of \$5,000 and administrative costs of \$1,000 on or before the 30th day after this Consent Order is executed.

(b) **STANDARD GUARANTY** 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) **STANDARD GUARANTY** 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 **STANDARD GUARANTY** may be deemed willful, subjecting **STANDARD GUARANTY** to appropriate penalties.

7. **STANDARD GUARANTY** 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 **STANDARD GUARANTY** 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 **STANDARD GUARANTY 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 **STANDARD GUARANTY 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.

STANDARD GUARANTY INSURANCE COMPANY

By: _____

Title: _____

Date: _____

COPIES FURNISHED TO:

MR. JEFFREY W. WILLIAMS, PRESIDENT
Standard Guaranty Insurance Company
260 Interstate North Circle
Atlanta, Georgia 30339

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
Tallahassee, Florida 32399-0333

INVOICE

ADMINISTRATIVE PENALTY IMPOSED BY CONSENT ORDER

In order to ensure that your payment is received and properly credited, please make your check payable to the Florida Department of Insurance and **return this invoice with your check** to:

Department of Insurance and State Treasurer
Division of Legal Services
Revenue Processing Section
Post Office Box 6100
Tallahassee, FL 32399-6100

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REFERENCE

NAME: Jeffrey W. William, President
Standard Guaranty Ins. Co.

ADDRESS: 260 Interstate North Circle

CITY, STATE, ZIP: Atlanta, Georgia 30339

FEID#: 58-1529579

CASE #: 40785-01-CO

ATTORNEY: S. Strom Maxwell

SOURCE: P&C Solvency

Fine Due: \$ 5,000.00
Cost Due: \$ 1,000.00
Total Amount Due: \$ 6,000.00

Amount remitted: \$ _____

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