



THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE

TOM GALLAGHER

IN THE MATTER OF:

CASE NO.: 39218-00-CO

VESTA INSURANCE CORPORATION

2000 Property and Casualty Target
Market Conduct Examination

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between **VESTA INSURANCE CORPORATION**, hereinafter referred to as **VESTA INSURANCE** 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 parties to, this proceeding.
2. **VESTA INSURANCE** 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 **VESTA INSURANCE** covering the period January 1998 through December 1998, pursuant to section 624.3161, Florida Statutes. As a result of such examination, the

DEPARTMENT determined that **VESTA INSURANCE** 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 partial listing of the citations noted on the Fine Worksheet includes but is not limited to:

a. Municipal Coding

1. Section 624.401, Florida Statutes, -Failure to Comply with Provisions of Chapters 175 and 185, Florida Statutes.
 - a. File a corrected 1998 DR-908 report with the Florida Department of Revenue.
 - b. Provide a copy of the corrected report to the Florida Division of Retirement.
 - c. Modify procedures for preparing reports to the Florida Department of Revenue to allow for accurate reporting.
 - d. Provide documentation to the Department of Insurance that these corrective actions have been completed within 90 days of the issuance of the Report of Examination Findings.

4. The **DEPARTMENT** and **VESTA INSURANCE** 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.

VESTA INSURANCE 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**, **VESTA INSURANCE** shall provide written documentation to the **DEPARTMENT** no later than 90 days from the date of entry of this Consent Order, 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 60 days of the execution of this Consent Order and documentation of such shall be provided to the **DEPARTMENT**.

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

(a) **VESTA INSURANCE** shall pay an administrative penalty of \$2,500.00 and administrative costs of \$750.00 on or before the 30th day after this Consent Order is executed.

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

(c) **VESTA INSURANCE** 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 **VESTA INSURANCE** may be deemed willful, subjecting **VESTA INSURANCE** to appropriate penalties.

7. **VESTA INSURANCE** 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 **VESTA INSURANCE** 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 **VESTA INSURANCE** 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 **VESTA INSURANCE CORPORATION** consents to entry of this Consent 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.

VESTA INSURANCE CORPORATION

By: _____

Title: _____

Date: _____

Company Seal

COPIES FURNISHED TO:

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