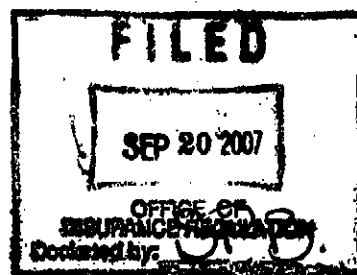




OFFICE OF INSURANCE REGULATION



KEVIN M. McCARTY  
COMMISSIONER

IN THE MATTER OF:

CASE NO: 90776-07-CO

**AMERICAN INSURANCE COMPANY (THE)**

2005 Market Conduct Examination  
\_\_\_\_\_ /

**CONSENT ORDER**

THIS CAUSE came on for consideration upon the agreement between **AMERICAN INSURANCE COMPANY (THE)** (hereinafter referred to as "**AMERICAN INSURANCE**") and the **OFFICE OF INSURANCE REGULATION** (hereinafter referred to as the "**OFFICE**"). Following a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the **COMMISSIONER OF THE OFFICE OF INSURANCE REGULATION** hereby finds as follows:

1. The **OFFICE** has jurisdiction over the subject matter of, and parties to, this proceeding.
2. **AMERICAN 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 **OFFICE** pursuant to the Florida Insurance Code.
3. The **OFFICE** conducted a market conduct examination of **AMERICAN INSURANCE** pursuant to Section 624.3161, Florida Statutes, in 2005, and as a result of that examination it has been determined that **AMERICAN INSURANCE** has violated the following provisions of the Florida Insurance Code and/or Florida Administrative Code, to wit:

Medical Malpractice

Section 627.912, Florida Statutes – Professional liability claims and actions; reporting by insurers and health care providers – Failure to Accurately Report Closed Claims.

4. **AMERICAN INSURANCE** expressly waives a hearing in this matter, the making of Findings of Fact and Conclusions of Law by the **OFFICE**, and all further and other proceedings herein to which the parties may be entitled by law. **AMERICAN INSURANCE** hereby knowingly and voluntarily waives all rights to challenge or to contest this Consent Order, in any forum, including the right to any administrative proceeding, circuit or federal court action, or any appeal.

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

(a) **AMERICAN INSURANCE** shall pay a penalty of \$5,000 and administrative costs of \$3,000 on or before the 30th day after this Consent Order is executed.

(b) **AMERICAN INSURANCE** shall henceforth comply with all of the provisions of the Florida Insurance Code and the Florida Administrative Code.

(c) **AMERICAN 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 **AMERICAN INSURANCE** may subject **AMERICAN INSURANCE** to appropriate penalties.

(d) **AMERICAN INSURANCE** shall, within 30 days of the execution of the Consent Order, provide to the **OFFICE** certification by an officer of the Company that all necessary corrective actions have been completed.

6. **AMERICAN 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

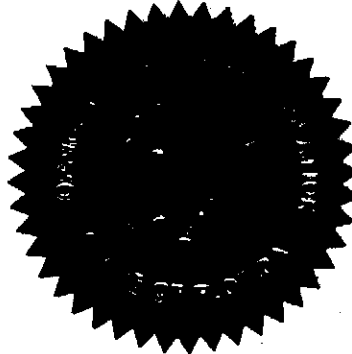
order of the **OFFICE**, and shall subject **AMERICAN INSURANCE** to such administrative action as the **OFFICE** may deem appropriate.


7. Except as noted above, each party to this action shall bear its own costs and attorney's fees.

THEREFORE, the agreement between **AMERICAN INSURANCE** and the **OFFICE**, the terms and conditions of which are set forth above, is APPROVED.

FURTHER, all terms and conditions contained herein are hereby ORDERED.

DONE AND ORDERED this 20<sup>TH</sup> day of SEPTEMBER, 2007.



  
\_\_\_\_\_  
KEVIN M. McCARTY  
Commissioner  
Office of Insurance Regulation

By execution hereof, AMERICAN INSURANCE COMPANY (THE) consents to entry of this Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions therein. The undersigned represents that he or she has the authority to bind AMERICAN INSURANCE COMPANY (THE) to the terms and conditions of this Consent Order.

AMERICAN INSURANCE COMPANY (THE)

By: *William S. Paukovitz*

[Corporate Seal]

Print Name: William S. Paukovitz

Title: Senior Vice President  
Chief Compliance Officer

Date: 9/13/07

STATE OF California  
COUNTY OF Marin

The foregoing instrument was acknowledged before me this 13 day of September 2007, by William Paukovitz, who is personally known to me or has produced the following identification \_\_\_\_\_

*Samantha Graham*  
Signature of Notary

[Notarial Seal]

SAMANTHA GRAHAM  
Print or Type Name

My Commission Expires: 3-12-2008



**COPIES FURNISHED TO:**

**JOSEPH J. BENEDUCCI, President**  
American Insurance Company (The)  
777 San Martin Drive  
Novato, CA 94998

**SAM BINNUN, Director**  
Market Investigations  
Office of Insurance Regulation  
200 E. Gaines Street, Room 216E  
Tallahassee, FL 32399-4210

**CHRISTOPHER MEADOWS**  
Assistant General Counsel  
Legal Services Office  
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Tallahassee, FL 32399-4206



OFFICE OF INSURANCE REGULATION

KEVIN M. McCARTY  
COMMISSIONER

FINANCIAL SERVICES  
COMMISSION  
CHARLIE CRIST  
GOVERNOR  
ALEX SINK  
CHIEF FINANCIAL OFFICER  
BILL MCCOLLUM  
ATTORNEY GENERAL  
CHARLES BRONSON  
COMMISSIONER OF  
AGRICULTURE

**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 Financial Services and return this invoice with your payment to:

Department of Financial Services  
Revenue Processing Section  
P.O. Box 6100  
Tallahassee, Florida 32314-6100

REFERENCE

NAME: American Insurance Company (The)  
ADDRESS: The Omaha Building, 1650 Farnam Street  
CITY, STATE, ZIP: Omaha, NE 68102  
FEID: 22-0731810  
NAIC COCODE: 21857  
EXAM YR END: 2005  
CASE #: 90776-07  
ATTORNEY: Christopher Meadows  
SOURCE: Market Investigations

*Fine Due: \$ 5,000.00*  
*Costs Due: \$ 3,000.00*  
*Total Amount Due: \$ 8,000.00*

*Amount Remitted:*

OFFICIAL USE ONLY - PLEASE DO NOT MARK BELOW THIS LINE]

<u>B/T</u>	<u>T/C</u>	<u>F/T</u>	<u>AMOUNT</u>
C	1105	J	\$ 5,000.00
C	1249	J+	\$ 3,000.00