



THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE

TOM GALLAGHER

IN THE MATTER OF:

CASE NO.: 42133-01-CO

DESOTO INSURANCE COMPANY

2000 Property and Casualty Market Conduct
Examination

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between **DESOTO INSURANCE COMPANY**, hereinafter referred to as **DESOTO** 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. **DESOTO** is a domestic 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 **DESOTO** covering the period of December

1997 through December 1999, pursuant to Section 624.3161, Florida Statutes. As a result of such examination, the **DEPARTMENT** determined that **DESOTO** 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. Dwelling Fire

1. Section 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Incorrect Protection Class.
2. Section 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Incorrect Rounding.
3. Section 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Incorrect Factors.
4. Section 627.062, F.S.- Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Incorrect Territory.
5. Section 627.062, F.S.-Use of Unfiled Rate, Rating Schedule or Rating Rule.
6. Section 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Loss Free Credit.
7. Section 627.4133, F.S.-Failure to Provide Timely Notice of Renewal, Nonrenewal or Cancellation.

b. Homeowners

1. Section 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Incorrect Protection Class.
2. Section 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Loss Free Credit.

3. Section 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Basic Limit.
4. Section 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Incorrect Territory.
5. Section 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Superior Construction Credit.
6. Section 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Protective Device Credit.
7. Section 627.062, F.S.-Failure to Follow Filed Rate, Rating Schedule or Rating Rule-Extra Replacement Cost.

c. Agents/MGA

1. Section 626.112, F.S.-Use of Unlicensed and Unappointed Agent.

d. Claims

1. Section 626.112, F.S.-Use of Unappointed Adjuster.
2. Rule 4-166.022, Failure to Maintain/Provide Claims Documentation.

4. The **DEPARTMENT** and **DESOTO** 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. **DESOTO** 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. **DESOTO** agrees that upon the execution of this Consent Order it shall be subject to the following terms and conditions:

(a) **DESOTO** shall pay an administrative penalty of \$4,550 and administrative costs of \$1,000 on or before the 30th day after this Consent Order is executed.

(b) **DESOTO** 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, including any pending refunds.

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

6. **DESOTO** 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 **DESOTO** to such administrative action as the Treasurer and Insurance Commissioner may deem appropriate.

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

8. **THEREFORE**, the agreement between **DESOTO 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 **DESOTO 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.

DESOTO INSURANCE COMPANY

By: _____

Title: _____

Date: _____

COPIES FURNISHED TO:

MR. ROBERT RICKER, PRESIDENT
Desoto Insurance Company
3522 Thomasville Road, Suite 300
Tallahassee, FL 32308

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, FL 32399-0329

S. STROM MAXWELL, ESQUIRE
Department of Insurance
Division of Legal Services
200 East Gaines Street
612 Larson Building
Tallahassee, FL 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: Mr. Robert Ricker, President
Desoto Insurance Company

ADDRESS: 3522 Thomasville Road, Ste. 300

CITY, STATE, ZIP: Tallahassee, Florida 32308

FEID#: 59-3474449

CASE #: 42133-01-CO

ATTORNEY: S. Strom Maxwell

SOURCE: P&C Solvency

Fine Due:	\$	4,550.00
Cost Due:	\$	1,000.00
Total Amount Due:	\$	5,550.00

Amount remitted: \$ _____

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