



**FILED**

**FEB 17 2004**

OFFICE OF  
INSURANCE REGULATION  
Dictated by: CV

OFFICE OF INSURANCE REGULATION

KEVIN M. McCARTY  
DIRECTOR

**RECEIVED**

FEB 17 2004

IN THE MATTER OF:

CASE NO.: 68947-03-CO

**WORLD INSURANCE COMPANY**  
Life and Health Target Market Conduct Examination

**CONSENT ORDER**

**THIS CAUSE** came on for consideration upon the agreement by and between **WORLD INSURANCE COMPANY** (hereinafter referred to as "**WORLD**") 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 **OFFICE** hereby finds as follows:

1. The **OFFICE** has jurisdiction over the subject matter of, and parties to, this proceeding.
2. **WORLD** is a foreign 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** has conducted a target market conduct examination of **WORLD** pursuant to Section 624.3161, *Florida Statutes*. As a result of such examination, the **OFFICE** determined that **WORLD** committed the following violations of the Florida Statutes:
  - a. Applications were altered or incomplete in violation of Section 627.407, *Florida Statutes*.

b. Failure to pay claims within sixty (60) days from receipt of the proof of loss in violation of Section 627.613, *Florida Statutes*.

c. Unfair discrimination in underwriting in violation of Section 626.9541(1)(g), *Florida Statutes*.

d. Failure to pay interest at settlement on life claims in violation of Section 627.613, *Florida Statutes*.

e. Use of an un-filed form in violation of Section 627.410, *Florida Statutes*.

f. Accepting applications containing omissions and errors in violation of Section 626.9541(1)(k), *Florida Statutes*.

4. The **OFFICE** and **WORLD** expressly waive a hearing in this matter, and 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 or rules of the **OFFICE**.

**WORLD** hereby knowingly and voluntarily waives all 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. **WORLD** agrees that the failure to adhere to one or more of the terms and conditions of this Order shall constitute a violation of a lawful order of the **OFFICE**, and shall subject **WORLD** to such administrative action as the **OFFICE** may deem appropriate.

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

a. **WORLD** shall pay a penalty of Seventeen Thousand, Two Hundred Fifty Dollars (\$17,250) and administrative costs of Two Thousand Dollars (\$2,000) on or before the 30th day after this Consent Order is executed.

- b. **WORLD** shall require agents to complete all questions on Insurance applications.
- c. **WORLD** shall develop a consistent rescission policy to ensure that all policyholders who misstate their health history on their application are treated the same. A copy of these guidelines shall be provided to the **OFFICE** no later than sixty (60) days after the execution of this Order.
- d. **WORLD** shall implement procedures to ensure that interest payments are made on life claims at the time of settlement.
- e. **WORLD** shall implement procedures to conduct regular audits of its third party administrators. Copies of these audits shall be made available to the **OFFICE** for review at the **OFFICE**'s request.
- f. **WORLD** shall follow its procedures by sending letters explaining **WORLD**'s decisions on all grievances received from policyholders.
- g. **WORLD** shall ensure that all forms used by its third party administrators have been approved by the **OFFICE**.
- h. **WORLD** shall pay the interest due on major medical claims identified in the examination report as being paid late and shall provide the **OFFICE** documentation evidencing the payment of interest to the affected policyholders.
- i. **WORLD** shall henceforth comply with all the provisions of the Florida Insurance Code and Florida Administrative Code.
- j. **WORLD** 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 **WORLD** may be deemed willful, subjecting **WORLD** to appropriate penalties.

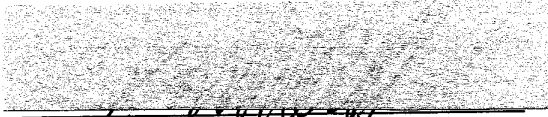
7. Except as noted above, each party to this action shall bear its own costs and attorney's fees.

THEREFORE, the agreement between **WORLD** and the **OFFICE**, consisting of the terms and conditions set forth above, is APPROVED.

FURTHER, all terms and conditions above are hereby ORDERED.

DONE AND ORDERED this 17<sup>th</sup> day of FEBRUARY, 2004.



  
KEVIN M. MCCARTY, Director  
Office of Insurance Regulation

By execution hereof, **WORLD INSURANCE COMPANY** 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. The undersigned represents, pursuant to Section 624.310, Florida Statutes, that he/she has the authority to bind **WORLD INSURANCE COMPANY** to the terms and conditions of this Consent Order.

**WORLD INSURANCE COMPANY**

By: 

Victor Kensler

Print or Type Name

Title: Assistant Vice President

Date: January 12, 2004

Corporate Seal

**COPIES FURNISHED TO:**

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