

2001 PROPERTY AND CASUALTY TARGET MARKET CONDUCT EXAMINATION

OF

T.H.E. INSURANCE COMPANY  
(ALLIED INTERNATIONAL HOLDINGS, INC.)

BY

THE FLORIDA DEPARTMENT OF INSURANCE

Date Filed 2/7/02

## TABLE OF CONTENTS

<u>PART NUMBER</u>	<u>SUBJECT</u>	<u>PAGE NUMBER</u>
I.	INTRODUCTION	1
II.	REVIEW OF POLICIES	
A.	COMMERCIAL MULTI-PERIL	2
III.	EXHIBITS	4

## I. INTRODUCTION

T.H.E. Insurance Company (Company) is a domestic property and casualty insurer licensed to conduct business in the State of Florida during the scope of this property and casualty market conduct examination, January 2001 through June 2001. The examination began July 15, 2001 and ended August 4, 2001. The last property and casualty market conduct examination of this insurer, by the Florida Department of Insurance, was concluded December 1, 1999.

The prior examination report included the review of commercial package policies. Violations cited included failure to document individually rated risks, use of unfiled inspection fees, and failure to comply with PIP notice of benefits requirements.

The purpose of this target examination was to confirm corrective action regarding the charging of inspection fees as cited in the prior report.

During this examination, records reviewed included commercial multi-peril policies for the period of January 2001 through June 2001, as reflected in the report.

This report contains examination results addressing all areas of noncompliance found during the course of the examination. In all instances, the Company was directed to take corrective action as required, issue appropriate refunds, make all necessary filings with the Department and immediately cease any activity that continues to place the Company in noncompliance with Florida Statutes/Rules.

As a result of the findings of this examination, \$1,250.00 was returned to Florida consumers due to overcharges of premium.

## II. REVIEW OF POLICIES

### A. COMMERCIAL MULTI-PERIL

#### 1. Application of Rules, Rates and Forms

##### a. Rate/Rule Filings

T.H.E. Insurance Company is a subscriber of Insurance Services Office (ISO) and as such ISO is authorized to file rules/rates on the Company's behalf in accordance with Section 627.062, Florida Statutes. In addition, the Company does make some independent filings.

##### b. Form Filings

T.H.E. Insurance Company is a subscriber of ISO and as such ISO is authorized to file forms on the Company's behalf in accordance with Section 627.410, Florida Statutes. In addition, the Company does make some independent filings.

##### c. Statistical Affiliation

ISO acts as the Company's official statistical agent.

2. Premium and Policy Counts

Direct Premiums Written and in-force policy counts for the scope of the examination are as follows:

<u>Year</u>	<u>DPW</u>	<u>Policy Count</u>
*2001	\$4,561,515	429

\*As of June 30, 2001.

3. Exam Findings

One hundred (100) policy files were examined.

One (1) error was found.

The error resulted in an overcharge totaling \$1,250.00.

The error is described as follows:

1. One (1) error was due to applying an unfiled inspection fee to the policy. This constitutes a violation of Section 627.062, Florida Statutes. The Company applied the fee to the general liability premium. This resulted in an overcharge totaling \$1250.00, which has been refunded by the Company. This error was an isolated incident. This error occurred in the 1999 Examination, Page 5. Exhibit I.

III. EXHIBITS

SUBJECT \_\_\_\_\_ EXHIBIT NUMBER

1999 EXAMINATION REPORT PAGE #5

I