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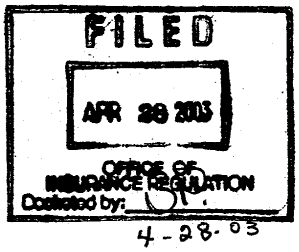
OFFICE OF INSURANCE REGULATION



KEVIN M. MCCARTY
DIRECTOR

IN THE MATTER OF:

CASE NO.: 65849-03-CO

KEMPER AUTO AND HOME INSURANCE COMPANY

2002 Property and Casualty Market Conduct Examination

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between **KEMPER AUTO AND HOME INSURANCE COMPANY,** hereinafter referred to as "**KEMPER**" and the **OFFICE OF INSURANCE REGULATION OF THE FINANCIAL SERVICES COMMISSION,** within the **DEPARTMENT OF FINANCIAL SERVICES,** 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 hereby finds as follows:

1. The **OFFICE** has jurisdiction over the subject matter of, and parties to, this proceeding.

2. **KEMPER** 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 **FLORIDA DEPARTMENT OF INSURANCE** conducted a property and casualty market conduct examination of **KEMPER,** pursuant to Section 624.3161, Florida

Statutes, in 2002, and as a result, it has been determined that **KEMPER** has violated the following provisions of the Florida Insurance Code and/or Florida Administrative Code, to wit:

Private Passenger Automobile

a. Rule 4-125.004, Failure to Comply with Credit Report/Scoring Requirements.

b. Section 627.0651, F.S.-Failure to Follow Filed Rate, Rating Schedule, Rating Rule or Underwriting Guideline (PPA): Incorrect Symbols.

c. Section 627.0653, F.S.-Failure to Provide Safety Device Discounts.

Claims

a. Section 626.877, F.S.-Failure to Properly Adjust Claim per Policy Requirements: Sales Tax.

Agents

a. Section 624.425, F.S.-Failure to Properly Countersign: Agent Not Appointed.

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

(a) **KEMPER** shall pay a penalty of $14,500 and administrative costs of $2,000 on or before the 30th day after this Consent Order is executed.

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

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

(d) **KEMPER** shall use an appointed countersigning agent and shall promptly and properly appoint same. In addition, $60.00 in licensing appointment fees shall be remitted to the **OFFICE** for the retroactive period of time the agent was unappointed, and **KEMPER** shall provide documentation to Office within 90 days of receipt of the executed Consent Order in this case.

6. **KEMPER** 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 **OFFICE**, and shall be subject 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.

8. **THEREFORE**, the agreement between **KEMPER** and the **OFFICE**, the terms and conditions of which are set forth above, is approved.

FURTHER, all terms and conditions above are hereby **ORDERED.**

DONE AND ORDERED this 28TH day of APRIL 2003.

KEVIN McCARTY, DIRECTOR
Office of Insurance Regulation

By execution hereof, **KEMPER AUTO AND HOME 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. The undersigned represents that he or she has the authority to bind **KEMPER AUTO AND HOME INSURANCE COMPANY** to the terms and conditions of this Consent Order.

KEMPER AUTO AND HOME INSURANCE COMPANY

Corporate Seal

By: _____

Title: President - SCOTT CARTER

Date: 3-21-03

COPIES FURNISHED TO:

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