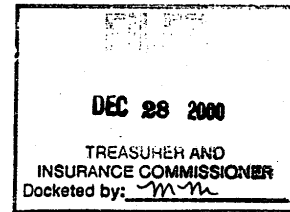




THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE

BILL NELSON



IN THE MATTER OF:

**UNITED TEACHER ASSOCIATES
INSURANCE COMPANY**
Life and Health
Market Conduct Examination Report

CASE NO: 37565-CO-00

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between **UNITED TEACHER ASSOCIATES INSURANCE COMPANY**, hereinafter referred to as "**UNITED TEACHER ASSOCIATES**" 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. **UNITED TEACHER ASSOCIATES** is a foreign 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 target market conduct examination of **UNITED TEACHER ASSOCIATES** covering the period January 1, 1997 through December 31, 1999, pursuant to Section 624.3161, Florida Statutes. As a result of said examination, the

DEPARTMENT determined that **UNITED TEACHER ASSOCIATES** committed the following violations of the Florida Insurance Code and/or the Florida Administrative Code as described in the Target Market Conduct Report, to wit:

(a) Section 624.318, Florida Statutes – Failure to maintain record retention systems and data in a manner that would assure availability of requested documents.

(b) Section 627.613, Florida Statutes – Failure to timely pay claims and include interest on overdue claims.

(c) Section 627.6043(1), Florida Statutes – Failure to provide the required notice of cancellation to include the reason for cancellation, on Disability Income policies when policies were cancelled for non-payment of premium.

(d) Section 626.9541(3)(j), Florida Statutes – Failure to adopt, implement and maintain complaint handling procedures.

(e) Section 626.9541(1)(i)(3)(a), Florida Statutes – Failure to adopt and implement written standards for the proper investigation of claims.

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

(a) **UNITED TEACHER ASSOCIATES** shall pay a penalty of \$11,000.00 and administrative costs of \$ 2,000 on or before the 30th day after this Consent Order is executed.

(b) Within 60 days of the execution of this Consent Order, **UNITED TEACHER ASSOCIATES** shall review all disability income claims made since January 1, 1997 and determine if interest is owed to its insured as a result of late payment of claims, including late payment of monthly benefits, pursuant to Section 627.613, Florida Statutes. Interest resulting from late payment of claims shall be paid to its insured and a copy of the check and letter of explanation shall be provided to the **DEPARTMENT's** Life and Health Market Conduct Section.

(c) **UNITED TEACHER ASSOCIATES** shall provide the **DEPARTMENT's** Life and Health Market Conduct Section with a report of interest payments made pursuant to paragraph 5(b) of this Consent Order which shall include the claim number, policy number, the date the claim was received, the amount and period of benefits, the date the claim was paid, the interest due as a result of late payment of the claim and date the interest was paid.

(d) **UNITED TEACHER ASSOCIATES** shall act promptly upon all communications with respect to claims and henceforth comply with the provisions of Section 627.613, Florida Statutes.

(e) **UNITED TEACHER ASSOCIATES** shall review and comply with the provisions of Section 626.9541, Florida Statutes.

(f) **UNITED TEACHER ASSOCIATES** shall henceforth comply with all of the provisions of the Insurance Code and will implement the recommendations contained in the report within 30 days of entry of this Consent Order.

(g) **UNITED TEACHER ASSOCIATES** 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 **UNITED TEACHER ASSOCIATES** may be deemed willful, subjecting **UNITED TEACHER ASSOCIATES** to appropriate penalties.

6. **UNITED TEACHER ASSOCIATES** 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 **DEPARTMENT**, and shall subject **UNITED TEACHER ASSOCIATES** 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 **UNITED TEACHER ASSOCIATES** and the **DEPARTMENT**, 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 December, 2000.



BILL NELSON
TREASURER AND INSURANCE COMMISSIONER

By execution hereof **UNITED TEACHER ASSOCIATES 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.

UNITED TEACHER ASSOCIATES INSURANCE COMPANY

By: _____

Name: _____

Title: _____

Date: _____