Before the State of South Carolina
Department of Insurance

In the Matter of:	)	
	)	Consent Order Imposing
Ulico Indemnity Company	)	Administrative Fine
111 Massachusetts Avenue, N.W.	)	
Washington, DC 20001	)	File No.: 100184
	)	

This matter comes before me pursuant to an agreement entered into between the State of South Carolina Department of Insurance (the Department) and Ulico Indemnity Company, an insurer approved to transact business as an eligible surplus lines insurer in the State of South Carolina (the Company).

The Company acknowledges that it failed to timely provide requested information to the Department's Office of Insurer Licensing and Solvency Services. This is a direct violation of S.C. Code Ann. §§ 38-13-160 and 38-45-90 (Supp. 1999) that can ultimately lead to the withdrawal of the Department's approval for the company to transact business as an eligible surplus lines insurer in the State of South Carolina.

Prior to the initiation of any administrative proceedings by the Department against the Company, the parties agreed to submit the entire matter to me, along with their specific recommendation, for my summary decision. The consensual recommendation was that, in lieu of the Department requesting that I withdraw my approval of the Company to transact business as an eligible surplus lines insurer, the Company would immediately pay an administrative fine in the total amount of $500.

Section 38-13-160 of the South Carolina Code states that, "The director or his designee may require any authorized insurer or its officers to answer any inquiry in relation to its transactions, condition, or any connected matter necessary to the administration of the insurance laws of the State. Every corporation or person must reply in writing to the inquiry promptly and truthfully, and every reply must be verified, if required by the director or his designee, by the individual or by the officer or officers of a corporation as he designates." Section 38-45-90 (Supp. 1999) states that the Director of Insurance may require the insurer to file documents at any given time and that he "may withdraw his approval at any time the insurer fails to meet any of the requirements." In addition, Section 38-2-10 provides that the Director shall impose a monetary penalty in an amount not to exceed $15,000, or not to exceed $30,000 if the violation is willful, for each violation of the insurance laws of this State.

Ulico Indemnity Company

After a thorough review of the record, carefully considering the recommendation of the parties, and pursuant to my findings of fact, I hereby conclude as a matter of law, that the Company has violated S.C. Code Ann. §§ 38-13-160 and 38-45-90 (Supp. 1999). Although I can now withdraw the Company's approval as an eligible surplus lines insurer in the State of South Carolina, I hereby invoke the discretionary authority given to me and impose against the Company an administrative fine in the total amount of $500. That fine must be paid within ten days of the date of my signature upon this Consent Order. If that total fine amount is not timely paid, the Company's approval as an eligible surplus lines insurer will be withdrawn without any further disciplinary proceedings.

This fine has been reached by the parties as a result of negotiation and compromise, and in consideration of the Company's assurance that it will timely respond to the Department's future requests for information. By its authorized signature upon this Consent Order, the Company acknowledges that this administrative order is a public record subject to the disclosure requirements of the State of South Carolina's *Freedom of Information Act*, S.C. Code Ann. §§ 30-4-10, *et seq.* (1991 and Supp. 1999). Nothing contained within this administrative order should be construed to limit, or to deprive any person of, any private right of action under the law. Nothing contained within this administrative order should be construed to limit, in any manner, the criminal jurisdiction of any law enforcement officer or judicial officer. Nothing contained within this administrative order should be construed to limit the statutory duty, pursuant to S.C. Code Ann. § 38-3-110 (Supp. 1999), of the Director of Insurance, exercised either directly or through the Department of Insurance, to "report to the Attorney General or other appropriate law enforcement officials criminal violations of the laws relative to the business of insurance or the provisions of this title which he considers necessary to report."

It is, therefore, ordered that Ulico Indemnity Company shall, within ten days of the date of my signature on this Consent Order, pay through the South Carolina Department of Insurance an administrative fine in the total amount of $500.

It is further ordered that a copy of this Consent Order be immediately transmitted to the National Association of Insurance Commissioners for distribution to its member states.

This Consent Order becomes effective as of the date of my signature below.

March 1, 2000
Columbia, South Carolina

Ernst N. Csiszar
Director

Ulico Indemnity Company

I CONSENT:

_____

Printed Name: Joseph A. Carabillo

Title: Vice President

Ulico Indemnity Company
111 Massachusetts Avenue, N.W.
Washington, DC 20001

Dated this 23rd day of February, 2000.