FILED
JAN 17 2024
INSURANCE REGULATION
Docketed by: KE

OFFICE OF INSURANCE REGULATION

MICHAEL YAWORSKY
COMMISSIONER

IN THE MATTER OF: CASE NO.: 318372-23

INFINITY AUTO INSURANCE COMPANY
_____/

CONSENT ORDER

THIS CAUSE came on for consideration as the result of a market conduct investigation of INFINITY AUTO INSURANCE COMPANY ("INFINITY AUTO") conducted by the FLORIDA OFFICE OF INSURANCE REGULATION ("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 and the parties herein. INFINITY AUTO is a property and casualty insurer authorized to transact business in Florida and subject to regulation by the OFFICE, pursuant to the Florida Insurance Code.

2. On or about April 13, 2023, the OFFICE conducted a market conduct investigation of INFINITY AUTO after receiving an allegation that a premium refund check was not timely issued to a consumer.

3. The OFFICE documented that INFINITY AUTO failed to issue refunds of unearned premium to insureds within 30 days after insureds cancelled their policy (Section 627.7283(1), Florida Statutes).

4. In response to the OFFICE's investigation, INFINITY AUTO admitted that a computer system programming error affected policyholders who selected the "paperless" communication option beginning on September 26, 2022. For those policyholders, INFINITY AUTO's system erroneously reflected that a refund check was issued, even though a physical check had not been issued or mailed to those policyholders.

5. The system issue affected 810 policies, resulting in $145,074.03 in premium refunds plus $3,598.20 in interest owed to policyholders.

6. On January 27, 2023, INFINITY AUTO implemented computer logic to ensure that checks would be printed regardless of the policyholder's selected communication preferences. As of March 23, 2023, all refund checks were issued to policyholders. As of July 26, 2023, all interest checks were issued to policyholders.

7. Section 627.7283(1), Florida Statutes, provides that if the insured cancels a policy of motor vehicle insurance, the insurer must mail or electronically transfer the unearned portion of any premium paid within 30 days after the effective date of the policy cancellation or receipt of notice or request for cancellation, whichever is later.

8. In 810 instances, the OFFICE documented that INFINITY AUTO did not issue refunds for cancellations within 30 days.

9. Section 624.418(2), Florida Statutes, provides that the OFFICE may, in its discretion, suspend or revoke the certificate of authority of an insurer if it finds that the insurer has violated any provision of the Florida Insurance Code.

10. Section 624.4211(1), Florida Statutes, provides that if the OFFICE finds that one or more grounds exist for the discretionary revocation or suspension of a certificate of authority

issued under Chapter 624, the OFFICE may, in lieu of such revocation or suspension, impose a fine upon the insurer.

11. The OFFICE finds that INFINITY AUTO has violated Section 627.7283(1), Florida Statutes.

12. INFINITY AUTO agrees that, in addition to the interest owed to affected policyholders, within 10 days of the execution of this Consent Order, INFINITY AUTO shall pay an administrative fine in the amount of $20,000 U.S. Dollars ("USD") and administrative costs in the amount of $1,000 USD to the OFFICE. INFINITY AUTO shall send its payment to the address reflected on the invoice attached hereto as "Exhibit A".

13. Any deadlines, reporting requirements, other provisions, or requirements set forth in this Consent Order may be altered or terminated by written approval of the OFFICE. Such approval must be requested in writing prior to any proposed deviation from the terms of this Consent Order.

14. INFINITY AUTO agrees that, upon execution of this Consent Order, failure to adhere to one or more of the terms and conditions contained herein may result, without further proceedings, in the OFFICE suspending, revoking, or taking other administrative action as it deems appropriate upon INFINITY AUTO's certificate of authority in this state in accordance with Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

15. INFINITY AUTO additionally agrees that, upon execution of this Consent Order, failure to adhere to one or more of the terms and conditions contained herein may subject INFINITY AUTO to such administrative action as the OFFICE deems appropriate, as specifically authorized by law.

16. INFINITY AUTO additionally agrees that any future violations of the statutes or rules named herein may be deemed willful, subjecting INFINITY AUTO to penalties as the OFFICE deems appropriate.

17. INFINITY AUTO expressly waives a hearing in this matter, the making of findings of fact and conclusions of law by the OFFICE, and all further and other proceedings herein to which it may be entitled by law or rules of the OFFICE. INFINITY AUTO hereby knowingly and voluntarily waives all rights to challenge or to contest this Consent Order in any forum available to it, now or in the future, including the right to any administrative proceeding, state or federal court action, or any appeal.

18. Except as noted above, each party to this action shall bear its own costs.

19. The parties agree that this Consent Order shall be deemed to be executed when the OFFICE has signed and docketed a copy of this Consent Order bearing the notarized signature of the authorized representative of INFINITY AUTO.

WHEREFORE, the agreement between INFINITY AUTO INSURANCE COMPANY and the FLORIDA OFFICE OF INSURANCE REGULATION, the terms and conditions of which are set forth above, is APPROVED.

All terms and conditions contained herein are hereby ORDERED.

DONE AND ORDERED this 17th day of January, 2024.

Michael Yaworsky, Commissioner
Office of Insurance Regulation

By execution hereof, INFINITY AUTO INSURANCE COMPANY, consents to entry of this Consent Order, agrees without reservation to all the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind INFINITY AUTO INSURANCE COMPANY, to the terms and conditions of this Consent Order.

INFINITY AUTO INSURANCE COMPANY

By: _____

[Corporate Seal]

Print Name: Paul J. Testa

Title: Sr. Compliance Manager

Date: January 16, 2024

STATE OF Florida

COUNTY OF Duval

The foregoing instrument was acknowledged before me by means of ☑ physical presence or ☐ online notarization, this 16 day of January 2023, by Paul J. Testa (name of person) as Sr. Compliance Manager (type of authority; e.g., officer, trustee, attorney-in-fact) for Infinity Auto Insurance Company (company name).

JOANNE DOYLE MINER
Notary Public - State of Florida
Commission # GG 964738
My Comm. Expires Jun 26, 2024
Bonded through National Notary Assn.

_____
(Signature of the Notary)

_____
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known ✓ OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires 6/26/2024

COPIES FURNISHED TO:

MATTHEW VARAGONA
PRESIDENT
Infinity Auto Insurance Company
500 East 96th Street, Ste. 100
Indianapolis, IN 46240
Telephone: (205) 870-4000
Email: matthew.varagona@kemper.com

ALEX MAY, IV
DIRECTOR
P&C Market Regulation
Florida Office of Insurance Regulation
200 East Gaines Street
Tallahassee, FL 32399

ALEX CIUPALO, ESQ.
ASSISTANT GENERAL COUNSEL
Florida Office of Insurance Regulation
200 East Gaines Street
Tallahassee, FL 32399
Telephone: (850) 413-4187
Email: alex.ciupalo@floir.com