

**BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA**

FILED

JAN 30 2009

INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel.)	
KIM HOLLAND, Insurance Commissioner,)	
)	
Petitioner,)	
)	
v.)	Case No. 08-1597-DIS
)	
AMERICAN ALTERNATIVE)	
INSURANCE CORPORATION,)	
)	
Respondent.)	

CONSENT ORDER

THE Petitioner, the State of Oklahoma, ex rel. Kim Holland, and the Respondent, American Alternative Insurance Corporation (American Alternative), enter into this Consent Order as a voluntary settlement of the issues raised in the above styled matter.

JURISDICTION

1. Kim Holland is the Insurance Commissioner of the State of Oklahoma and as such is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code, 36 O.S. § 101 et seq. including 365 O.S. § 987(A).
2. Respondent American Alternative is a foreign insurer licensed in the State of Oklahoma, holding certificate of authority number 0888/2872(SIRCON), NAIC number 19720.
3. Respondent has been informed of its rights, including its right to a public hearing and has knowingly and freely waived said rights and enters into this Consent Order as a voluntary settlement of the issues and questions raised in the above styled case.

STIPULATIONS OF FACT

1. During Petitioner's review of a Personal Inland Marine Pet Insurance filing, SERFF tracking number AMLX-125852720, Petitioner discovered that Respondent had implemented a rule relating to policy discounts that had not been filed with Petitioner.
2. That rule filing was inadvertently omitted from the initial filing for the program, which was contained in SERFF tracking number FRCS-125585533.
3. The initial filing was submitted on behalf of Respondent by a consulting company, at Respondent's request.
4. Nine policies were issued to Oklahoma residents before the appropriate rule filing was made. Six of those policies were affected by the error. In each of those cases, the policyholders received a discount that had not been filed with Petitioner.
5. Respondent has implemented procedures to prevent a recurrence of this kind of error.

CONCLUSIONS OF LAW

1. Respondent violated 36 O.S. § 987 (A), by charging a premium rate not in accordance with an approved rule filing.
2. Pursuant to 36 O.S. § 619, the penalty for violation of a statute or rule over which the Insurance Commissioner has jurisdiction may result in revocation or suspension of an insurer's certificate and/or a civil penalty of not more than Five Thousand (\$5,000.00) for each occurrence.

ORDER AND CONSENT

IT IS THEREFORE ORDERED, ADJUSTED AND DECREED by the Insurance Commissioner and CONSENTED TO by American Alternative that American Alternative shall:

- 1. Receive a public censure;
- 2. Pay a civil penalty in the amount of \$ 600.00; and
- 3. Make any and all efforts necessary to prevent errors of the kind detailed in the

facts stipulated to by both parties from occurring in the future;

WITNESS my Hand and Official Seal this 30 day of January, 2009.



[Handwritten Signature]

 KIM HOLLAND,
 INSURANCE COMMISSIONER
 STATE OF OKLAHOMA

APPROVED BY AND CONSENTED TO:

 American Alternative Insurance Corporation
 By: *[Handwritten Signature]*

CERTIFICATE OF MAILING

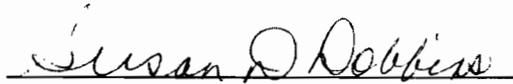
I, Susan D. Dobbins, hereby certify that a true and correct copy of the above and foregoing Consent Order was mailed by certified mail, postage prepaid with return receipt requested, on this 30 day of January, 2009, to:

American Alternative Insurance Corporation
 685 College Road East
 Princeton, New Jersey 08543-5212

And that a copy was delivered to:

Chris Van Ess
Director and Chief Financial Examiner
Oklahoma Insurance Department

Kathie Stepp
Assistant Commissioner and Director
Oklahoma Insurance Department



Susan D. Dobbins
Assistant General Counsel
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