



THE STATE OF FLORIDA

OFFICE OF INSURANCE REGULATION

FINAL EXAMINATION REPORT OF

SPARTAN FINANCIAL SERVICES CORP.

AS OF

December 31, 2018

FLORIDA COMPANY CODE: 27900

Final Examination Report of:
Spartan Financial Services Corp.
355 Calle Baleares Puerto Nuevo
San Juan, PR 00920

Purpose and Scope of Examination

The Florida Office of Insurance Regulation (Office) conducted an examination of Spartan Financial Services Corp. (Company), pursuant to the provisions of Section 627.834(1), Florida Statutes (F.S.). The examination covered the scope period from January 1, 2018 through December 31, 2018. The objective of the examination was to determine the extent of the Company's compliance with the provisions of Chapter 627, Part XV, F.S., and Rule 69O-196, Florida Administrative Code (F.A.C.).

General Comments

The Company was granted a license to conduct premium finance business in the State of Florida on October 14, 2015. This is the first examination of the Company. The Company is managed by Elena Leon, who owns 100% of the Company shares, and serves as President, Secretary, and Treasurer, and Jesus Rodriguez who serves as Vice President.

The Company met the requirements of Section 627.828, F.S., reporting a statutory net worth of \$37,705 as of December 31, 2018.

Findings and Recommendations

The results of the examination conclude the Company's records are in good order and the Company appears to be in compliance with the provisions of Chapter 627, Part XV, F.S., and Rule 69O-196, F.A.C., with the following exceptions:

Service Charges

Section 627.840, F.S., provides that the service charge shall be a maximum of \$12 per \$100 per year plus an additional charge not exceeding \$20. This section also states: "A premium finance company shall not charge, contract for, receive, or collect a service charge other than as permitted by this part". The examination revealed that a number of insureds were being assessed additional service charges for making installment payments that encompassed the use of telephone, online, credit card, or similar payment methods. Based on the following subsequent event, the Office acknowledges that the Company recognized the deficiency and implemented appropriate corrective action. The Office will continue to monitor the Company's compliance with Section 627.840, F.S., to ensure service charges are not improperly assessed.

Subsequent Event: As of December 10, 2019, the Company changed its procedures to stop charging, receiving or collecting fees prohibited by Section 627.840, F.S.

Finance Agreements

Pursuant to Section 627.839, F.S., a premium finance agreement shall be in writing, dated, and signed by or on behalf of the insured. This section further provides that the agreement shall not be signed by an insured when it contains any blank space to be filled in after it has been signed. The examination revealed several instances in which signed premium finance agreements contained blank spaces. Based on the following subsequent event, the Office acknowledges that the Company recognized the deficiency and implemented appropriate corrective action. The Office will continue to monitor the Company's compliance with Section 627.839, F.S., to ensure premium finance agreements are properly completed.

Subsequent Event: As of December 10, 2019, the Company implemented procedures to mitigate blank spaces on signed premium finance agreements.

Examination Final Report Submission

The courtesy and cooperation of the officers and employees of the Company during the examination are acknowledged and appreciated.