



THE STATE OF FLORIDA

OFFICE OF INSURANCE REGULATION

FINAL EXAMINATION REPORT OF

TEPCO PREMIUM FINANCE, L.L.C.

AS OF

December 31, 2018

FLORIDA COMPANY CODE: 07797

Final Examination Report of:
TEPCO Premium Finance, L.L.C.
1405 S. Rustle Road
Spokane, WA 99224

Purpose and Scope of Examination

The Florida Office of Insurance Regulation (Office) conducted an examination of TEPCO Premium Finance, L.L.C. (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 6, 2011. This is the first examination of the Company. The Company is managed by Thomas E. Cochrane, who owns 100% of the Company shares, and serves as President.

The Company met the requirements of Section 627.828, F.S., reporting a statutory net worth of \$4,297,984 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 11, 2019, the Company changed its procedures to stop charging, receiving, or collecting fees prohibited by Section 627.840, F.S.

Examination Final Report Submission

The Office hereby issues this Final Report based upon information from the draft report, additional research conducted by the Office, and additional information provided by the Company.