



OFFICE OF INSURANCE REGULATION

FILED

JAN 26 2016

OFFICE OF
INSURANCE REGULATION

Docketed by: 1028

KEVIN M. MCCARTY
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 184341-15-CO

FEDERATED NATIONAL INSURANCE COMPANY
_____ /

CONSENT ORDER

THIS CAUSE came on for consideration upon the agreement by and between FEDERATED NATIONAL INSURANCE COMPANY (hereinafter referred to as "FEDERATED NATIONAL") and the Office of Insurance Regulation (hereinafter "OFFICE") concerning FEDERATED NATIONAL's use of an unfiled underwriting model. The OFFICE, having considered the record in this case and being otherwise fully advised in the premises, finds as follows:

1. The OFFICE has jurisdiction over FEDERATED NATIONAL and the subject matter of this proceeding.
2. FEDERATED NATIONAL is a domestic insurer domiciled in the state of Florida and authorized to transact property and casualty insurance in the state of Florida pursuant to a Certificate of Authority issued by the OFFICE.
3. The OFFICE conducted an investigation into FEDERATED NATIONAL's use of an unfiled underwriting model. As a result of that investigation, the OFFICE required FEDERATED NATIONAL to cease using the unfiled model and to file a revised model for review and approval. The OFFICE approved the revised model on October 20, 2015.

4. FEDERATED NATIONAL enters into this Consent Order without admitting that it has violated any provision of Florida law or other applicable law, rule, or regulation and agrees to pay a regulatory settlement amount of thirty-five thousand U.S. Dollars (\$35,000.00) within thirty (30) days of the execution of this Consent Order. FEDERATED NATIONAL shall send its payment to the address reflected on the invoice (attached as Exhibit A). FEDERATED NATIONAL agrees that failure to make this payment in full within the specified time period, in accordance with the terms of the attached invoice hereby incorporated by reference, may result in further administrative action.

5. FEDERATED NATIONAL shall file with the OFFICE all ancillary rate and rule models utilized in its rate and premium development. FEDERATED NATIONAL shall comply with all provisions of the Florida Insurance Code, including Sections 627.062 and 627.0651(13)(a), Florida Statutes.

6. FEDERATED NATIONAL acknowledges that the OFFICE shall have continuing jurisdiction to enforce the requirements and provisions of this Consent Order and that in the event FEDERATED NATIONAL fails to comply with any provision of this Consent Order, the OFFICE in its sole discretion may impose such administrative penalties or other appropriate remedies as authorized by the Florida Insurance Code.

7. FEDERATED NATIONAL expressly waives its right to any hearing in this matter, the making of findings of fact and conclusions of law by the OFFICE, and all further and other proceedings to which they might be entitled by law or rules of the OFFICE. FEDERATED NATIONAL hereby knowingly and voluntarily waives all rights to challenge or to contest the terms of this Consent Order in any forum now or in the future available to it, including the right to any administrative proceeding, circuit or federal court action, or any appeal.

8. Except as otherwise specifically provided for herein, each party to this action shall bear its own costs and attorney's fees.

9. This Consent Order shall be deemed to be executed when the OFFICE has executed a copy of this Consent Order bearing the signatures of FEDERATED NATIONAL or its authorized representative under the seal of a notary public, notwithstanding the fact that the copy may have been transmitted to the OFFICE electronically. Further, FEDERATED NATIONAL agrees that its signature, as affixed to the Consent Order, shall be under the seal of a Notary Public.

WHEREFORE, the agreement between FEDERATED NATIONAL and the OFFICE, the terms and conditions of which are set forth above, is APPROVED.

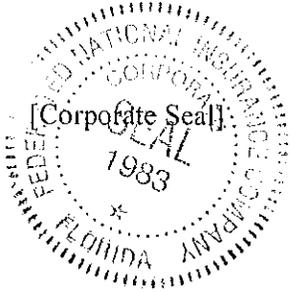
FURTHER, all terms and conditions above are hereby ORDERED.

DONE and ORDERED this 26th day of January, 2016.




Kevin M. McCarty, Commissioner
Office of Insurance Regulation

By execution hereof, FEDERATED NATIONAL INSURANCE COMPANY consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that he or she has the authority to bind FEDERATED NATIONAL INSURANCE COMPANY to the terms and conditions of this Consent Order.



FEDERATED NATIONAL INSURANCE COMPANY

By: [Signature]

Print Name: Michael H. Braun

Title: President

Date: 1/15/2016

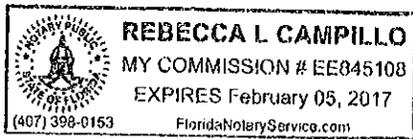
STATE OF Florida

COUNTY OF Broward

The foregoing instrument was acknowledged before me this 15th day of January, 2016

by Michael H. Braun as President
(Name of Person) (Type of Authority – e.g. officer, trustee, attorney-in-fact)

for Federated National Insurance Company
(Company Name)



[Signature]
(Signature of the Notary)

Rebecca L. Campillo
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known OR Produced Identification

Type of Identification Produced N/A

My Commission Expires 2/5/2017

COPIES FURNISHED TO:

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OFFICE OF INSURANCE REGULATION

FINANCIAL SERVICES
COMMISSION

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GOVERNOR

JEFF ATWATER
CHIEF FINANCIAL OFFICER

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ATTORNEY GENERAL

ADAM PUTNAM
COMMISSIONER OF
AGRICULTURE

KEVIN M. McCARTY
COMMISSIONER

INVOICE

In order to ensure that your payment is received and properly credited, please make your check payable to the Florida Department of Financial Services and **return this invoice with your payment to:**

Department of Financial Services
Revenue Processing Section
P.O. Box 6100
Tallahassee, Florida 32314-6100

REFERENCE

NAME: FEDERATED NATIONAL INSURANCE COMPANY
ADDRESS: 14050 N.W. 14th Street
CITY, STATE, ZIP: Sunrise, Florida 33323
FEID: 59-2343909
NAIC COCODE: 10790
EXAM YR END:
CASE #: 184341-15-CO
ATTORNEY: Alyssa S. Lathrop
SOURCE: Market Investigations

Regulatory Settlement Due: \$ 35,000.00
Costs Due: \$ 0.00
Total Amount Due: \$ 35,000.00

Amount Remitted:

OFFICIAL USE ONLY – PLEASE DO NOT MARK BELOW THIS LINE

<u>B/T</u>	<u>T/C</u>	<u>F/T</u>	<u>AMOUNT</u>
C	1105 – MARKET CONDUCT	J	
C	1249- Attorney's fees	J	

Exhibit A