



OFFICE OF INSURANCE REGULATION

**FILED**

**AUG 18 2006**

**SPB**

KEVIN M. McCARTY  
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 85989-06

FRANK WINSTON CRUM INSURANCE, INC.  
2005 Market Conduct Examination

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CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between FRANK WINSTON CRUM INSURANCE, INC. (hereinafter referred to as "FWC") and the OFFICE OF INSURANCE REGULATION (hereinafter referred to as the "OFFICE"). Following a complete review of the entire record, and upon consideration thereof, and being fully advised in the premises, the OFFICE hereby finds as follows:

1. The OFFICE has jurisdiction over the subject matter and parties to this proceeding.
2. FWC is a domestic insurer which is authorized to transact property and casualty insurance in the State of Florida.
3. In 2005, the OFFICE conducted an investigation of FWC pursuant to Section 624.3161, Florida Statutes (2005), and as a result, it determined that FWC violated the following sections of the Florida Statutes and Florida Administrative Code:

Workers' Compensation

Rule 690-189.003, Fla. Admin. Code -- Failure to Use Proper Application.

Section 627.191, Fla. Stat. -- Failure to Apply Experience Modification Factor.

Section 627.191, Fla. Stat. – Use of Expected Loss Ratio Factor Outside of Filed Range.

Section 627.191, Fla. Stat. – Failure to Document Deviations of Filed Factors.

Section 627.191, Fla. Stat. – Failure to Display Required Information on Policy Information Page.

Section 627.0915, Fla. Stat. – Failure to Audit PEO Safety Programs.

Section 627.192, Fla. Stat. – Failure to Complete Audit Properly due to Failure to Verify Payroll and Classification Information Provided by PEO.

Section 627.192, Fla. Stat. – Failure to Consistently Obtain Payroll and Classification Information.

Section 627.191, Fla. Stat. – Failure to Conduct On-site Inspections.

Section 627.192, Fla. Stat. – Failure to Obtain Complete Client Data Surveys.

Section 627.191, Fla. Stat. – Use of Incorrect Class Codes.

Section 627.192, Fla. Stat. – Failure to Consistently Verify No Prior Debt.

Section 440.42, Fla. Stat. – Improper Transmission of Notice to the Certificate Holder.

Section 627.192, Fla. Stat. – Failure of the PEO to Timely Notify Insurer of Client Employer Terminations.

Section 440.42, Fla. Stat. – Failure to Monitor PEO Issued Notices to ensure Timeliness.

Section 440.42, Fla. Stat. – Incorrect Information on Notices.

4. FWC agrees that upon execution of this Consent Order it shall be subject to the terms and conditions contained herein.
5. Within thirty (30) days of the execution of this Consent Order, FWC shall provide documentation, certified by an officer of the Company to be true and correct, which confirms that FWC has completed the corrective actions outlined in the market conduct final examination report.

6. FWC shall pay a penalty in the amount of Forty Thousand Dollars (\$40,000) and administrative costs in the amount of Three Thousand Dollars (\$3,000) within thirty (30) days of the execution of this Consent Order.

7. The OFFICE and FWC expressly waive a hearing in this matter, and the making of Findings of Fact and Conclusions of Law by the OFFICE and all further or other proceedings to which the parties may be entitled by law or the rules of the OFFICE. FWC hereby knowingly and voluntarily waives all rights to challenge or contest this Consent Order, in any forum presently or in the future available to it, including the right to any administrative proceeding, state or federal court action, or any appeal.

8. FWC agrees that failure to adhere to one or more of the terms and conditions of this Consent Order shall constitute a violation of a lawful order of the OFFICE, and may subject FWC to such administrative penalties or remedies available under the Florida Insurance Code.

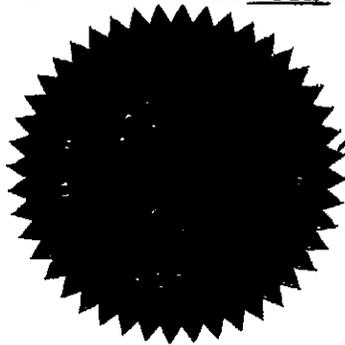
9. FWC is hereby placed on notice of the requirements of the above-referenced sections of law and agrees that any future violations of these sections by FWC may be deemed willful, subjecting FWC to the appropriate penalties.

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

THEREFORE, the agreement between FWC and the OFFICE, the terms and conditions of which are set forth above, is approved.

FURTHER, all terms and conditions contained herein are hereby ORDERED.

DONE and ORDERED this 18TH day of AUGUST, 2006.



Kevin M. McCarty  
Commissioner  
Office of Insurance Regulation

By execution hereof, FRANK WINSTON CRUM INSURANCE, INC., consents to the 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 FRANK WINSTON CRUM INSURANCE INC., to the terms and conditions of this Consent Order.

FRANK WINSTON CRUM INSURANCE, INC.

By: \_\_\_\_\_

Print Name: BRIAN M. BOALES

Title: President & COO

Date: 8-16-06

[Corporate Seal]

STATE OF Florida

COUNTY OF Pinellas

The foregoing instrument was acknowledged before me this 16<sup>th</sup> day of August 2006, by Brian M. Boales, who is personally known to me or has produced the following identification \_\_\_\_\_

\_\_\_\_\_  
Signature of Notary Public

RHONDA C. WAGERS

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
My Commission Expires:

[Notarial Seal]



**RHONDA C. WAGERS**  
Notary Public, State of Florida  
My Commission Expires April 25, 2010  
Commission No. # DD628445

**COPIES FURNISHED TO:**

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