



OFFICE OF INSURANCE REGULATION

KEVIN M. McCARTY
DIRECTOR

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FINANCIAL SERVICES
COMMISSION

JEB BUSH
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CHIEF FINANCIAL OFFICER

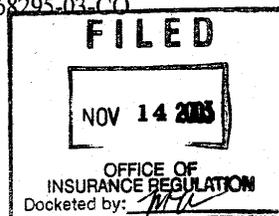
CHARLIE CRIST
ATTORNEY GENERAL

CHARLES BRONSON
COMMISSIONER OF
AGRICULTURE

IN THE MATTER OF:

PEAK PROPERTY AND CASUALTY
INSURANCE CORP.
2002 Property and Casualty Market Conduct

Case No.: 68295-03-CO



CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between PEAK PROPERTY AND CASUALTY INSURANCE CORP., (hereinafter referred to as "PEAK") and the OFFICE OF INSURANCE REGULATION of the FINANCIAL SERVICES COMMISSION within the DEPARTMENT OF FINANCIAL SERVICES, (hereinafter referred to as the "OFFICE"). Following a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the OFFICE hereby finds as follows:

1. The OFFICE has jurisdiction over the subject matter of, and parties to, this proceeding.
2. PEAK is a domestic property and casualty insurer authorized to transact insurance business in Florida and is subject to the jurisdiction and regulation of the OFFICE pursuant to the Florida Insurance Code.
3. The OFFICE conducted a property and casualty market conduct examination of PEAK, pursuant to Section 624.3161, Florida Statutes, in 2002, and as a result, it has been

determined that PEAK has violated the following provisions of the Florida Insurance Code and/or Florida Administrative Code, to wit:

Company Operations/Management

Section 626.9891, F.S.-Failure to File Anti-Fraud Plan.

Private Passenger Automobile

Section 626.7451, F.S.-Use of Unauthorized MGA Fee Due to Unappointed MGA.

Section 627.0651, F.S.-Use of Unfiled Rate, Rating Schedule, Rating Rule or Underwriting Guideline (PPA): Failure to File Revisions to Guidelines.

Section 627.318, F.S.-Failure to Maintain Records: Declarations Pages and Applications.

Section 627.739, F.S.-Failure to Comply with PIP Coverage Requirements.

Cancellations

Section 627.728, F.S.-Improper Ab Initio Cancellation -Notice of Dishonored Check was not Provided-10 Errors.

Section 627.728, F.S.-Failure to Provide Timely Notice of Renewal, Nonrenewal or Cancellation.

Section 627.7282, F.S.-Failure to Comply with Additional Premium Requirements.

Nonrenewals

Section 627.7277, F.S.-Failure to Provide Timely Notice of Renewal: Method of Notice did not Allow 30 Days Notice.

Complaints

Section 626.877, F.S.-Failure to Properly Adjust Claim per Policy Requirements.

Section 626.9541, F.S.-Failure to Comply with Unfair Trade Practice Requirements: Claims Delay.

Section 627.736, F.S.-Failure to Comply with PIP Benefit Requirements.

Claims

Section 627.318, F.S.-Failure to Maintain Records: Claim Files Missing.

4. The OFFICE and PEAK expressly waive a hearing in this matter, and the making of Findings of Fact and Conclusions of Law by the OFFICE, and all further and other proceedings herein to which the parties may be entitled by law. PEAK hereby knowingly and voluntarily waive all rights to challenge or to contest this Order, in any forum now available, including the right to any administrative proceeding, circuit or federal court action, or any appeal.

5. PEAK agrees that upon the execution of this Consent Order it shall be subject to the following terms and conditions:

- (a) PEAK shall pay a penalty of \$28,000 and administrative costs of \$2,000.00 on or before the 30th day after this Consent Order is executed.
- (b) PEAK shall henceforth comply with all of the provisions of the Florida Insurance Code and the Florida Administrative Code.
- (c) PEAK 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 PEAK may be deemed willful, subjecting PEAK to appropriate penalties.
- (d) PEAK must appoint an MGA, pay appointment fee and must provide documentation to the OFFICE within 90 days of receipt of Examination Report.

(e) PEAK must file underwriting guidelines and provide documentation to the OFFICE within 90 days of receipt of Examination Report.

(f) PEAK must file anti-fraud plan with the OFFICE and provide documentation to the Office within 90 days of receipt of Examination Report.

6. PEAK agrees that the failure to adhere to one or more of the above terms and conditions of this Order shall constitute a violation of a lawful order of the OFFICE, and shall be subject to such administrative action as the OFFICE may deem appropriate.

7. Except as noted above, each party to this action shall bear its own costs and attorney's fees.

8. THEREFORE, the agreement between PEAK 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 14th day of November 2003.



KEVIN M. McCARTY
DIRECTOR

By execution hereof, PEAK PROPERTY AND CASUALTY INSURANCE CORP. consents to entry of this 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 PEAK PROPERTY AND CASUALTY INSURANCE CORP. to the terms and conditions of this Consent Order.

PEAK PROPERTY AND CASUALTY
INSURANCE CORP.

Corporate Seal

By: Tammy Stringer

Title: Vice President

Date: November 5, 2003

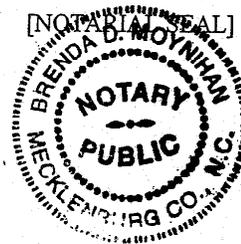
COUNTY OF Mecklenburg
STATE OF North Carolina

On November 5, 2003 before me, Brenda Moynihan personally appeared Tammy Stringer, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person or the entity upon whose behalf the person acted, executed the instrument.

Subscribed and sworn to before me this 5th day of November, 2003.

Signature: Brenda MOYNIHAN
(Signature of Notary Public)

My Commission Expires:



COPIES FURNISHED TO:

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