



OFFICE OF INSURANCE REGULATION

FILED

JUN 8 2007

KEVIN M. McCARTY
COMMISSIONER

Dictated by DOM

IN THE MATTER OF:

CASE NO: 89322-07-CO

PHYSICIANS INSURANCE COMPANY

2005 Market Conduct Examination

CONSENT ORDER

THIS CAUSE came on for consideration upon the agreement between PHYSICIANS INSURANCE COMPANY (hereinafter referred to as "PHYSICIANS INSURANCE") 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 otherwise fully advised in the premises, the COMMISSIONER OF THE OFFICE OF INSURANCE REGULATION hereby finds as follows:

1. The OFFICE has jurisdiction over the subject matter of, and parties to, this proceeding.
2. PHYSICIANS INSURANCE 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 market conduct examination of PHYSICIANS INSURANCE, pursuant to Section 624.3161, Florida Statutes, in 2005, and as a result of that examination it has been determined that PHYSICIANS INSURANCE, has violated the following provisions of the Florida Insurance Code and/or Florida Administrative Code, to wit:

Medical Malpractice

Section 627.912, Florida Statutes – Failure to Timely Report Closed Claims.

Section 627.912, Florida Statutes – Failure to Accurately Report Closed Claims.

4. PHYSICIANS INSURANCE expressly waives a hearing in this matter, 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. PHYSICIANS INSURANCE hereby knowingly and voluntarily waives all rights to challenge or to contest this Consent Order, in any forum, including the right to any administrative proceeding, circuit or federal court action, or any appeal.

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

(a) PHYSICIANS INSURANCE shall pay a penalty of \$14,000 and administrative costs of \$3,000 on or before the 30th day after this Consent Order is executed.

(b) PHYSICIANS INSURANCE shall henceforth comply with all of the provisions of the Florida Insurance Code and the Florida Administrative Code.

(c) PHYSICIANS INSURANCE 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 PHYSICIANS INSURANCE may be deemed willful, subjecting PHYSICIANS INSURANCE to appropriate penalties.

(d) PHYSICIANS INSURANCE shall, within 30 days of the execution of the Consent Order, provide to the OFFICE certification by an officer of the Company that all necessary corrective actions have been completed.

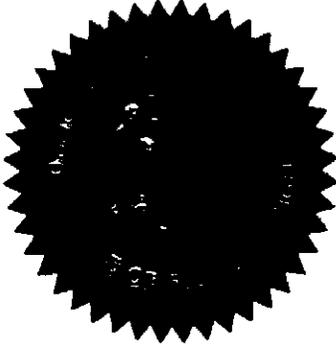
6. PHYSICIANS INSURANCE agrees that the failure to adhere to one or more of the above terms and conditions of this Consent Order shall constitute a violation of a lawful order of the OFFICE, and shall subject PHYSICIANS INSURANCE to such administrative action as the OFFICE may deem appropriate.

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

THEREFORE, the agreement between PHYSICIANS INSURANCE 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 8th day of JUNE, 2007.



KEVIN M. McCARTY
Commissioner
Office of Insurance Regulation

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

PHYSICIANS INSURANCE COMPANY

[Corporate Seal]

By: _____
Print Name: Daniel O'Neal
Title: C.E.O
Date: 4-2-01

STATE OF Florida
COUNTY OF Howard

The foregoing instrument was acknowledged before me this 2 day of April, 2007, by Daniel O'Neal, who is personally known to me or has produced the following identification _____.

[Notarial Seal]



Signature of Notary

LISA M. Bennett
Print or Type Name

My Commission Expires: Sept 25, 2010

COPIES FURNISHED TO:

DANIEL R. O'NEAL, PRESIDENT
Physicians Insurance Company
3200 NE 14th Street
Pompano Beach, FL 33062

BRITT L. THOMAS, ESQ.
George, Hartz, Lundeen, Fulmer, Johnstone,
King & Stevens
863 E. Park Avenue
Tallahassee, FL 32301-2620

SAM BINNUN, DIRECTOR
Office of Insurance Regulation
Market Investigations
200 East Gaines Street
Tallahassee, FL 32399-4210

JIM L. BENNETT
Assistant General Counsel
Office of Insurance Regulation
Legal Services
200 East Gaines Street
Tallahassee, Florida 32399-4206