

# **FINANCIAL SERVICES COMMISSION**

**OFFICE OF INSURANCE REGULATION  
MARKET INVESTIGATIONS**

**TARGET MARKET CONDUCT FINAL EXAMINATION  
REPORT**

**OF**

**PHYSICIANS PREFERRED INSURANCE RECIPROCAL**

**AS OF**

**November 1, 2005**

**NAIC COMPANY CODE: 12153**

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**EXAMINER: Thomas Howell Ferguson, P.A. - Jenny Rinehart**

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## **PURPOSE AND SCOPE OF EXAMINATION**

Under authorization of the Financial Services Commission, Office of Insurance Regulation (Office), Market Investigations, pursuant to Section 624.3161, Florida Statutes, a target market conduct examination of Physicians Preferred Insurance Reciprocal (Company) was performed by Thomas Howell Ferguson, PA. The scope of this examination was June 1, 2004 through September 29, 2005. The examination began October 31, 2005 and ended November 1, 2005.

The purpose of this examination was to validate the completeness, accuracy and timeliness of reporting Professional Liability claims as required by Section 627.912, Florida Statutes.

This Final Report is based upon information from the examiner's draft report, additional research conducted by the Office, and additional information provided by the Company. The files examined were selected systematically from data files provided by the Company using Microsoft Excel's "random sample" selection process. Procedures and conduct of the examination were in accordance with the Market Conduct Examiner's Handbook produced by the National Association of Insurance Commissioners.

## **COMPANY OPERATIONS**

The Company is a domestic property and casualty insurer licensed to conduct business in the State of Florida. The Company provides professional liability insurance in the State of Florida.

Total Direct Premiums Written in Florida for Professional Liability are broken down as follows:

Year	Total Written Premium (Florida)
2004	\$1,100,000

## **CLAIMS REVIEW**

### **Findings**

The Company had thirty-two (32) Professional Liability claims open as of April 1, 2004, which were subject to Section 627.912, Florida Statutes.

- It was determined that the Company did not experience any closed claim activity during the reporting period being examined.

### **Completeness Test**

The Company did not have any closed claims to report to the Office meeting the requirements of the above statute.

Accuracy Test

The Company did not have any closed claims to report as defined in the above statute.

Timeliness Test

The Company did not have any closed claims to report within the time frame required in the above statute.

**EXAMINATION DRAFT REPORT SUBMISSION**

The Office hereby issues this report as the Final Report, which is based upon information from the examiner's draft report, additional research conducted by the Office, and additional information provided by the Company.