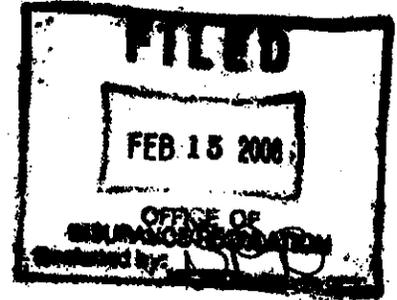




OFFICE OF INSURANCE REGULATION



KEVIN M. McCARTY
COMMISSIONER

IN THE MATTER OF:

CASE NO: 91452-07-CO

**PREFERRED PROFESSIONAL
INSURANCE COMPANY**

2005 Market Conduct Examination

CONSENT ORDER

THIS CAUSE came on for consideration upon the agreement between PREFERRED PROFESSIONAL INSURANCE COMPANY (hereinafter referred to as "PPIC") 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. PPIC is a foreign 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 PPIC pursuant to Section 624.3161, Florida Statutes, in 2005, and as a result of that examination it has determined

that PPIC failed to timely comply with the following provision of the Florida Insurance Code and/or Florida Administrative Code, to wit:

Medical Malpractice

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

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

(a) PPIC shall pay an assessment of \$38,000 and administrative costs of \$3,000 on or before the 30th day after this Consent Order is executed.

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

(c) PPIC is hereby placed on notice of the requirements of the above referenced statutory section, and failure by PPIC to comply with those requirements in the future may subject PPIC to appropriate penalties.

(d) PPIC 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.

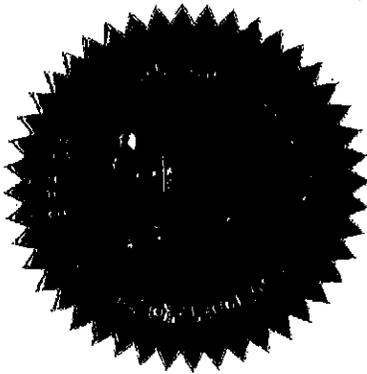
6. PPIC agrees that the failure to adhere to one or more of the above terms and conditions of this Consent Order shall constitute a violation of a lawful order of the OFFICE, and shall subject PPIC to such administrative action as the OFFICE may deem appropriate.

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

THEREFORE, the agreement between PPIC 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 15TH day of FEBRUARY, 2008.



KEVIN M. McCARTY
Commissioner
Office of Insurance Regulation

By execution hereof, PREFERRED PROFESSIONAL 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 PREFERRED PROFESSIONAL INSURANCE COMPANY to the terms and conditions of this Consent Order.

PREFERRED PROFESSIONAL INSURANCE COMPANY

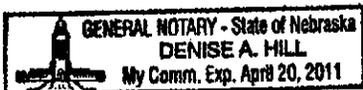
[Corporate Seal]

By: _____
Print Name: T.J. McKIVERGAN
Title: PRESIDENT / CEO
Date: DEC. 13 2007

STATE OF Nebraska
COUNTY OF Douglas

The foregoing instrument was acknowledged before me this 13 day of December, 2007, by T.J. McKivergan, who is personally known to me or has produced the following identification _____.

[Notarial Seal]



Signature of Notary
Denise A. Hill

Print or Type Name

My Commission Expires:

COPIES FURNISHED TO:

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