

2000 PROPERTY AND CASUALTY TARGET MARKET CONDUCT EXAMINATION

OF

GREAT PACIFIC INSURANCE COMPANY
(FIRST AMERICAN CORPORATION)

BY

THE FLORIDA DEPARTMENT OF INSURANCE

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I. INTRODUCTION

Great Pacific Insurance Company is a foreign property and casualty insurer licensed to conduct business in the State of Florida during the scope of this examination, January 1999 to July 2000. The examination began August 27, 2000 and ended September 9, 2000. This is the first examination of this insurer by the Florida Department of Insurance.

Records reviewed during this examination included Lender force-placed flood policies.

Specifically, this report contains examination results addressing the relationship of issue date to effective date of Lender force-placed flood policies.

II. REVIEW OF POLICIES

A. FLOOD POLICIES

1. Application of Rules and Rates

When a homeowner fails to maintain proof of flood insurance, a request is made to issue a force-placed flood policy to provide the coverage. Great Pacific Insurance Company currently has 2,475 policies in force. The initial new business policy period of Lender force placed flood policies was examined to establish the relationship of effective date to issue date of the policies.

2. Exam Findings

One hundred (100) policies were reviewed. The initial policy period was reviewed in order to verify the handling of new policy issuance.

Eleven (11) policies displayed an initial effective date prior to the issue date of the policy. Eleven (11) of the policies were given an effective date prior to receipt of the premium by the Company. While the Company represented that the backdating was to prevent gaps in coverage as required by the lending institution's mortgage agreement, the practice of backdating is not allowed under the Federal Flood Program Guidelines. Federal Flood Program Guidelines, Exhibit I, states that force-placed flood policies do not require the 30 day waiting period on new policies for coverage to become effective. In addition, if the premium and application are received within 10 days of the application date the effective date can be the application date. If premium and application is received more than 10 days after the application date, the effective date is the date money and application is received by the Company.

The following chart reflects the pertinent data associated with the initial policy period of the one hundred (100) policies reviewed.

GREAT PACIFIC INSURANCE COMPANY

FORCE PLACED FLOOD POLICIES

No	Policy #	Payment Received	Issue Date	Effective Date	Correct Effective Date	Number of Days Backdated
1	W000005767	01/11/99	01/11/99	01/08/99	01/08/99	0
2	W000005910	01/14/99	01/14/99	01/12/99	01/12/99	0
3	W000006002	01/20/99	01/20/99	01/13/99	01/13/99	0
4	W000006076	01/28/99	01/28/99	01/27/99	01/27/99	0
5	W000006159	01/28/99	01/28/99	01/27/99	01/27/99	0
6	W000006222	01/28/99	01/28/99	01/27/99	01/27/99	0
7	W000006300	02/02/99	02/02/99	02/01/99	02/01/99	0
8	W000006449	02/18/99	02/18/99	02/16/99	02/16/99	0
9	W000006863	03/11/99	03/11/99	02/24/99	03/11/99	15
10	W000006629	03/09/99	03/09/99	02/25/99	03/09/99	12
11	W000006716	03/11/99	03/11/99	02/26/99	03/11/99	13
12	W000006799	03/11/99	03/11/99	03/02/99	03/02/99	0
13	W000006557	03/08/99	03/08/99	03/02/99	03/02/99	0
14	W000006933	03/15/99	03/15/99	03/12/99	03/12/99	0
15	W000006977	03/22/99	03/22/99	03/19/99	03/19/99	0
16	W000007183	04/02/99	04/02/99	03/30/99	03/30/99	0
17	W000007277	04/07/99	04/07/99	04/02/99	04/02/99	0
18	W000007581	04/29/99	04/29/99	04/21/99	04/21/99	0
19	W000007512	04/28/99	04/28/99	04/21/99	04/21/99	0
20	W000007674	05/03/99	05/03/99	04/29/99	04/29/99	0

	Policy #	Payment Received	Issue Date	Effective Date	Correct Effective Date	Number of Days Backdated
21	W000007810	05/18/99	05/18/99	05/17/99	05/17/99	0
22	W000007925	05/24/99	05/24/99	05/19/99	05/19/99	0
23	W000008041	05/27/99	05/27/99	05/24/99	05/24/99	0
24	W000008097	06/03/99	06/03/99	05/26/99	05/26/99	0
25	W000008226	06/11/99	06/11/99	06/07/99	06/07/99	0
26	W000008238	06/15/99	06/15/99	06/15/99	06/15/99	0
27	W000008680	06/25/99	06/25/99	06/21/99	06/21/99	0
28	W000008735	06/30/99	06/30/99	06/23/99	06/23/99	0
29	W000008861	07/09/99	07/09/99	07/01/99	07/01/99	0
30	W000009042	07/20/99	07/20/99	07/14/99	07/14/99	0
31	W000009246	07/29/99	07/29/99	07/19/99	07/19/99	0
32	W000009252	07/29/99	07/29/99	07/19/99	07/19/99	0
33	W000009327	07/29/99	07/29/99	07/20/99	07/20/99	0
34	W000009115	07/23/99	07/23/99	07/21/99	07/21/99	0
35	W000008728	06/30/00	06/30/99	07/30/99	07/30/99	0
36	W000009465	08/06/99	08/06/99	08/02/99	08/02/99	0
37	W000009451	08/06/99	08/06/99	08/05/99	08/05/99	0
38	W000009951	09/10/99	09/10/99	08/16/99	09/10/99	25
39	W000009628	08/19/99	08/19/99	08/18/99	08/18/99	0
40	W000009775	09/01/99	09/01/99	08/23/99	08/23/99	0
41	W000009844	09/02/99	09/02/99	08/30/99	08/30/99	0
42	W000010011	09/17/99	09/17/99	09/08/99	09/08/99	0
43	W000010784	10/27/99	10/27/99	09/14/99	10/27/99	43
44	W000010247	10/05/99	10/05/99	09/20/99	10/05/99	15
45	W000010192	10/02/99	10/02/99	09/28/99	09/28/99	0

	Policy #	Payment Received	Issue Date	Effective Date	Correct Effective Date	Number of Days Backdated
46	W000010411	10/13/99	10/13/99	10/07/99	10/07/99	0
47	W000010700	10/21/99	10/21/99	10/13/99	10/13/99	0
48	W000010841	10/27/99	10/27/99	10/15/99	10/27/99	12
49	W000010764	10/26/99	19/26/99	10/21/99	10/21/99	0
50	W000010882	11/02/99	11/02/99	10/29/99	10/29/99	0
51	W000011087	11/11/99	11/11/99	11/05/99	11/05/99	0
52	W000011122	11/12/99	11/12/99	11/11/99	11/11/99	0
53	W000011420	12/06/99	12/07/99	11/23/99	12/06/99	13
54	W000011307	12/01/99	12/01/99	11/26/99	11/26/99	0
55	W000011440	12/07/99	12/07/99	11/30/99	11/30/99	0
56	W000011348	12/03/99	12/03/99	12/01/99	12/01/99	0
57	W000011618	12/10/99	12/10/99	12/02/99	12/02/99	0
58	W000011643	12/14/99	12/14/99	12/13/99	12/13/99	0
59	W000011838	12/29/99	12/29/99	12/23/99	12/23/99	0
60	W000011810	12/30/99	12/30/99	12/28/99	12/28/99	0
61	W000011998	01/06/00	01/06/00	01/05/00	01/05/00	0
62	W000012079	01/10/00	01/10/00	01/07/00	01/07/00	0
63	W000012132	01/14/00	01/14/00	01/14/00	01/14/00	0
64	W000012184	01/20/00	01/20/00	01/18/00	01/18/00	0
65	W000012343	02/01/00	02/01/00	01/25/00	01/25/00	0
66	W000012297	01/31/00	01/31/00	01/25/00	01/25/00	0
67	W000012675	02/11/00	02/11/00	02/03/00	02/03/00	0
68	W000012534	02/09/00	02/09/00	02/08/00	02/08/00	0
69	W000012807	02/16/00	02/16/00	02/10/00	02/10/00	0
70	W000012884	02/18/00	02/18/00	02/18/00	02/18/00	0

	Policy #	Payment Received	Issue Date	Effective Date	Correct Effective Date	Number of Days Backdated
71	W000012903	02/28/00	02/28/00	02/25/00	02/25/00	0
72	W000013265	03/02/00	03/02/00	02/25/00	02/25/00	0
73	W000013408	03/09/00	03/09/00	02/28/00	02/28/00	0
74	W000012942	03/02/00	03/02/00	03/01/00	03/01/00	0
75	W000013937	03/16/00	03/16/00	03/04/00	03/16/00	12
76	W000013902	03/13/00	03/16/00	03/08/00	03/08/00	0
77	W000013975	03/21/00	03/21/00	03/15/00	03/15/00	0
78	W000014155	03/29/00	03/29/00	03/17/00	03/29/00	12
79	W000014089	03/29/00	03/29/00	03/20/00	03/20/00	0
80	W000014225	03/30/00	03/30/00	03/24/00	03/24/00	0
81	W000014397	04/12/00	04/12/00	04/06/00	04/06/00	0
82	W000014380	04/10/00	04/10/00	04/07/00	04/07/00	0
83	W000014482	04/19/00	04/20/00	04/12/00	04/12/00	0
84	W000014465	04/17/00	04/17/00	04/14/00	04/14/00	0
85	W000014575	04/27/00	04/27/00	04/20/00	04/20/00	0
86	W000014589	04/28/00	04/28/00	04/26/00	04/26/00	0
87	W000014661	05/01/00	05/01/00	04/27/00	04/27/00	0
88	W000014782	05/10/00	05/10/00	05/04/00	05/04/00	0
89	W000014820	05/11/00	05/11/00	05/10/00	05/10/00	0
90	W000014892	05/17/00	05/18/00	05/12/00	05/18/00	0
91	W000014963	05/25/00	05/25/00	05/18/00	05/18/00	0
92	W000015033	05/30/00	05/30/00	05/26/00	05/26/00	0
93	W000015181	06/06/00	06/06/00	05/31/00	05/31/00	0
94	W000015188	06/06/00	06/06/00	05/31/00	05/31/00	0
95	W000015250	06/16/00	06/16/00	06/08/00	06/08/00	0

	Policy #	Payment Received	Issue Date	Effective Date	Correct Effective Date	Number of Days Backdated
96	W000015313	06/20/00	06/20/00	06/15/00	06/15/00	0
97	W000015348	06/20/00	06/20/00	06/15/00	06/15/00	0
98	W000015447	07/05/00	07/05/00	06/22/00	07/05/00	13
99	W000015467	07/06/00	07/06/00	06/29/00	06/29/00	0
100	W000015470	07/06/00	07/06/00	06/29/00	06/29/00	0

III.

IV. CLAIMS

Four (4) claims were reviewed to verify that the date of loss occurred within the policy period.

No errors were found.

The following chart reflects pertinent data associated with the claims reviewed.

FLOOD CLAIMS

No	INSURED	DATE OF LOSS	POLICY PERIOD	POLICY NO.	CLAIM NO.	COMMENT
1	Sandra Burney & Ben Glenro	04/20/99	01/10/00-01	W000012 079	C000000 837	
2	Jaime H. Cardozo	10/15/99	09/08/99-00	W000010 036	C000000 543	
3	Elease Walker	10/15/99	10/14/99-00	W000010 639	C000000 666	
4	Addie L. Rogers	10/15/99	05/24/99-00	W000008 014	C000000 607	

IV. EXHIBITS

<u>SUBJECT</u>	<u>EXHIBIT NUMBER</u>
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FEDERAL FLOOD PROGRAM GUIDELINES	I
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CLAIM HANDLING PROCEDURES	II
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