



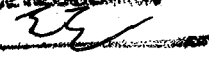
OFFICE OF INSURANCE REGULATION

KEVIN M. McCARTY
COMMISSIONER

FILED

JUL 23 2008

OFFICE OF
INSURANCE REGULATION

Deckerted by: 

IN THE MATTER OF:

PALM BEACH WINDSTORM
SELF-INSURANCE TRUST

CASE NO.: 96772-08

ORDER

TO: John A. Vivenzio, Chairman
Palm Beach Windstorm Self-Insurance Trust
525 Southeast Central Parkway
Stuart, Florida 34994

YOU ARE HEREBY NOTIFIED that pursuant to the applicable provisions of Chapter 624, Florida Statutes, the **OFFICE OF INSURANCE REGULATION** (hereinafter referred to as the "**OFFICE**") finds:

1. **PALM BEACH WINDSTORM SELF-INSURANCE TRUST** (hereinafter "**PALM BEACH WINDSTORM**") is a not-for-profit commercial self-insurance fund and is within the jurisdiction and subject to regulation by the **OFFICE** pursuant to the Florida Insurance Code.

2. **PALM BEACH WINDSTORM** was issued a Certificate of Authority as a commercial self-insurance fund to write (0200) Allied Lines insurance coverage in this state in Consent Order Number 93100-07-CO on January 16, 2008.

3. Section 624.418(1)(a), Florida Statutes, provides that the **OFFICE** shall suspend or revoke an insurer's Certificate of Authority if it finds that the insurer is in unsound financial condition.

4. Section 624.418(1)(d), Florida Statutes, provides that the **OFFICE** shall suspend or revoke an insurer's Certificate of Authority if it finds that the insurer no longer meets the requirements for the authority granted.

5. Section 624.418(2)(a), Florida Statutes, provides that the **OFFICE** may, in its discretion, suspend or revoke the Certificate of Authority of an insurer if it finds that the insurer has violated any lawful order or rule of the office or commission provision of the Florida Insurance Code.

5. Consent Order Number 93100-07-CO, paragraph 17.h) requires **PALM BEACH WINDSTORM** to provide the **OFFICE** within twenty-one (21) days of issuance of a policy to an initial member, copies of properly-executed evergreen letters of credit, issued by a financial institution, for each initial member in an amount equal to at least one-half- percent (0.5%) of the total insured value of each condominium association to be insured by **PALM BEACH WINDSTORM**.

6. **PALM BEACH WINDSTORM** has failed to obtain the necessary and required evergreen letters of credit, thereby placing the commercial self-insurance fund in an unsound financial condition.

8. Based on the foregoing, **PALM BEACH WINDSTORM** is in violation of Consent Order 93100-07-CO and the Florida Insurance Code.

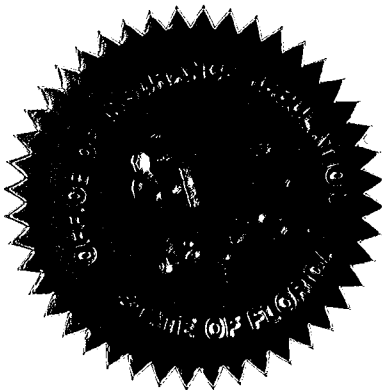
IT IS THEREFORE CHARGED that **PALM BEACH WINDSTORM**, for the reasons set forth hereinabove, is no longer eligible for the authority originally granted in Consent

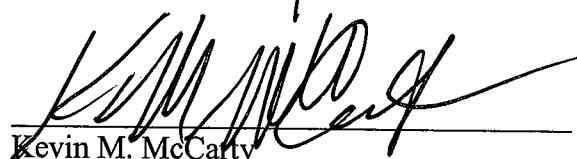
Order Number 93100-07-CO. Further, the **OFFICE** finds that **PALM BEACH WINDSTORM** has violated a lawful order of the **OFFICE**, to wit, it has failed to comply with Consent Order Number 93100-07-CO, paragraph 17.h), providing grounds for the revocation or suspension of its Certificate of Authority as an authorized commercial self-insurance fund.

WHEREFORE, you, **PALM BEACH WINDSTORM**, are hereby notified that based upon the foregoing allegations and pursuant to Sections 624.418 and 120.57, Florida Statutes, the **OFFICE** intends for this Order to become final agency action suspending your Certificate of Authority as an authorized commercial self-insurance fund unless you file a Petition requesting a proceeding to contest this action within twenty-one (21) days in accordance with the Notice of Rights.

Pursuant to Section 624.421(3), Florida Statutes, if not reinstated, the certificate of authority shall be deemed to have expired as of the end of the suspension period or upon failure of the insurer to continue the certificate during the suspension period in accordance with subsection (2), whichever event first occurs

DONE and ORDERED this 23rd day of July, 2008.





Kevin M. McCarty
Commissioner
Office of Insurance Regulation

NOTICE OF RIGHTS

Pursuant to Sections 120.569 and 120.57, Florida Statutes and Rule Chapter 28-106, Florida Administrative Code (F.A.C.), you may have a right to request a proceeding to contest this action by the Office of Insurance Regulation (hereinafter the "Office"). You may request a proceeding by filing a Petition. Your Petition for a proceeding must be in writing and must be filed with the General Counsel acting as the Agency Clerk, Office of Insurance Regulation. If served by U.S. Mail the Petition should be addressed to the Florida Office of Insurance Regulation at 612 Larson Building, Tallahassee, Florida 32399-4206. If Express Mail or hand-delivery is utilized, the Petition should be delivered to 612 Larson Building, 200 East Gaines Street, Tallahassee, Florida 32399-0300. The written Petition must be received by, and filed in the Office no later than 5:00 p.m. on the twenty-first (21) day after your receipt of this notice. Unless your Petition challenging this action is received by the Office within twenty-one (21) days from the date of the receipt of this notice, the right to a proceeding shall be deemed waived. Mailing the response on the twenty-first day will not preserve your right to a hearing.

If a proceeding is requested and there is no dispute of material fact the provisions of Section 120.57(2), Florida Statutes may apply. In this regard you may submit oral or written evidence in opposition to the action taken by this agency or a written statement challenging the grounds upon which the agency has relied. While a hearing is normally not required in the absence of a dispute of fact, if you feel that a hearing is necessary one may be conducted in Tallahassee, Florida or by telephonic conference call upon your request.

If you dispute material facts which are the basis for this agency's action you may request a formal adversarial proceeding pursuant to Sections 120.569 and 120.57(1), Florida Statutes. If you request this type of proceeding, the request must comply with all of the requirements of Rule Chapter 28-106.2015, F.A.C., including but not limited to:

- a) A statement requesting an administrative hearing identifying those material facts that are in dispute. If there are none, the petition must so state; and
- b) A statement of when the respondent received notice of the agency's action.

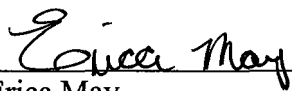
These proceedings are held before a State Administrative Law Judge of the Division of Administrative Hearings. Unless the majority of witnesses are located elsewhere, the Office will request that the hearing be conducted in Tallahassee.

In some instances, you may have additional statutory rights than the ones described herein.

Failure to follow the procedure outlined with regard to your response to this notice may result in the request being denied. Any request for administrative proceeding received prior to the date of this notice shall be deemed abandoned unless timely renewed in compliance with the guidelines as set out above.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of this ORDER was sent by Certified Mail to John A. Vivenzio, Chairman, Palm Beach Windstorm Self-Insurance Trust, 525 Southeast Central Parkway, Stuart, Florida 34994 this 23rd day of July, 2008.



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