



FILED

JUN 25 2021

INSURANCE REGULATION
Docketed by: AB

OFFICE OF INSURANCE REGULATION

DAVID ALTMAIER
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 282917-21-CO

GULFSTREAM PROPERTY AND CASUALTY
INSURANCE COMPANY

CONSENT ORDER FOR PUBLIC ADMINISTRATIVE SUPERVISION

THIS CAUSE came on for consideration upon review of the financial condition of GULFSTREAM PROPERTY AND CASUALTY INSURANCE COMPANY ("GULFSTREAM") by the FLORIDA OFFICE OF INSURANCE REGULATION ("OFFICE"). After a complete review of the entire record, and upon consideration thereof, and otherwise being fully advised in the premises, the OFFICE hereby finds as follows:

1. The OFFICE has jurisdiction over the parties and subject matter herein.
2. GULFSTREAM is a domestic property and casualty insurer authorized to transact insurance business in the state of Florida pursuant to a Certificate of Authority issued by the OFFICE, in accordance with Chapter 624, Part III, Florida Statutes.
3. On June 23, 2021, GULFSTREAM notified the OFFICE that it determined that it was impaired as of June 21, 2021 and unable to comply with the minimum surplus required by Section 624.408(1)(g), Florida Statutes.
4. GULFSTREAM is not writing new business and has notified the OFFICE that it is pending the issuance of renewal notices.

5. The OFFICE has determined that grounds exist for GULFSTREAM to be placed in administrative supervision for the purpose of safeguarding the assets of GULFSTREAM, protecting the interests of policyholders and the public, facilitating a financial reorganization of the Company and/or the placement of its policies with other insurers.

6. Administrative supervision is confidential, as provided in Section 624.82, Florida Statutes, unless otherwise specified within the section. The OFFICE has determined, pursuant to Section 624.82(4), Florida Statutes, that making this Administrative Supervision public, including this Consent Order, is in the best interest of the public, GULFSTREAM, and policyholders.

7. GULFSTREAM agrees to be placed under administrative supervision for a period of 90 days from the date of execution of this Consent Order and be subject to the provisions of Sections 624.80-.87, Florida Statutes. Such administrative supervision may be extended in 90 day increments at the OFFICE's sole discretion for as long as is necessary for the company to resolve issues with its financial condition and to protect the interests of policyholders and the public.

8. GULFSTREAM may not conduct the following activities during the period of supervision without prior approval by the OFFICE, as set forth in Section 624.83, Florida Statutes:

- a. Dispose of, convey, or encumber any of its assets or its business in force;
- b. Withdraw any of its bank accounts;
- c. Lend any of its funds;
- d. Invest any of its funds;
- e. Transfer any of its property;

- f. Incur any debt, obligation, or liability;
- g. Merge or consolidate with another company;
- h. Enter into any new reinsurance contract or treaty;
- i. Terminate, surrender, forfeit, convert, or lapse any insurance policy, certificate, or contract of insurance, except for nonpayment of premiums due;
- j. Release, pay, or refund premium deposits, accrued cash or loan values, or other reserves on any insurance policy or certificate; or
- k. Make any material change in management.

9. GULFSTREAM agrees to immediately provide policyholder level data to insurers expressing an interest in offering coverage to GULFSTREAM policyholders, subject to the execution of a confidentiality agreement. GULFSTREAM also agrees, in connection with such offers, to relinquish any right that it or its MGA may have to renewal rights of or compensation for these policies.

10. GULFSTREAM shall not enter into any new, or amend any existing, agreements with any affiliate, as defined in Section 631.011(1), Florida Statutes, without prior written consent of the OFFICE.

11. GULFSTREAM shall not waste assets or expend funds in excess of \$10,000 United States Dollars ("USD"), other than in the ordinary course of business, without the prior written consent of the OFFICE. If, after approval of a transaction requiring the expenditure of funds in excess of \$10,000 USD has been approved by the OFFICE, the OFFICE becomes aware of additional facts or circumstances that materially affect the OFFICE's prior approval, the OFFICE reserves the right to require such corrective action as it may deem necessary or advisable. Transactions in the ordinary course of business shall include, but not be limited to,

payment of claims and settlement of disputed or litigated claims. GULFSTREAM need not obtain prior written approval for payment of claims or settlement of disputed or litigated claims over the amount of \$10,000 USD; however, the OFFICE may retrospectively review such payments pursuant to its reservation of rights above.

12. No later than June 30, 2021, GULFSTREAM shall provide to the OFFICE the following:

- a. a list of any known pending litigation in which GULFSTREAM is named as a party; and
- b. a plan that will address the immediate impairment of surplus and satisfy the increased surplus requirement that takes effect on July 1, 2021 pursuant to Section 624.408(1)(g), Florida Statutes.

13. GULFSTREAM agrees to provide the OFFICE with an updated pending litigation list on a monthly basis as long as it is under Administrative Supervision.

14. The OFFICE may appoint a Deputy Supervisor, pursuant to Section 624.87, Florida Statutes. Such Deputy Supervisor shall represent the OFFICE and shall be under the control of the OFFICE.

15. GULFSTREAM shall be responsible for administrative supervision expenses, pursuant to Section 624.87, Florida Statutes, unless the OFFICE defers the payment of such expenses in whole or in part, pursuant to the provisions of 624.87(5), Florida Statutes. GULFSTREAM shall reimburse the OFFICE for any reasonable expenses of supervision and will directly pay all contractors, including any Deputy Supervisor retained by the OFFICE, for assistance with the administrative supervision.

16. GULFSTREAM agrees that the OFFICE and the Department of Financial Services (“Department”) may have examiners or other designees present at the offices of GULFSTREAM to obtain independent information. Further, the OFFICE may have examiners or other designees to supervise activities, verify transactions, verify the condition and status of GULFSTREAM and its progress in developing and complying with its plan, pursuant to Section 624.81, Florida Statutes, and to perform any other duty as designated by the OFFICE. GULFSTREAM shall cooperate with and facilitate the presence and work of such examiners or designees.

17. GULFSTREAM agrees and affirms that all information, representations, submissions, explanations, statements, and documents provided to the OFFICE in connection with this matter, including all attachments and supplements thereto, are true and correct and material to the issuance of this Consent Order and have been relied upon by the OFFICE in its determination to enter into this Consent Order.

18. GULFSTREAM expressly waives its rights to 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 it may be entitled by law or rules of the OFFICE. GULFSTREAM hereby knowingly and voluntarily waives all rights to challenge or contest this Consent Order in any forum available to it, now or in the future, including the right to any administrative proceeding, state or federal court action, or any appeal.

19. GULFSTREAM acknowledges that the execution of this Consent Order does not prohibit any other administrative action to be taken upon the Certificate of Authority of GULFSTREAM as deemed appropriate by the OFFICE in accordance with the Florida Insurance Code or with Sections 120.569(2)(n), 120.60(6), and 631.031, Florida Statutes.

20. GULFSTREAM agrees that if the OFFICE expends staff time or funds because further proceedings are required to enforce the terms of this Consent Order, or if administrative proceedings are initiated by GULFSTREAM regarding this administrative supervision and the OFFICE prevails in such proceedings, GULFSTREAM shall reimburse the OFFICE for reasonable attorney fees and costs. Otherwise, each party to this Consent Order shall bear its own costs and fees.

21. Any prior orders, consent orders, or corrective action plans that GULFSTREAM has entered into with the OFFICE prior to the issuance of this Consent Order shall apply and remain in full force and effect for GULFSTREAM, except where provisions of such orders, consent orders, or corrective action plans have expired; have been superseded by subsequent orders, consent orders, or corrective action plans; or are inconsistent with this Consent Order.

22. Any deadlines, reporting requirements, other provisions, or requirements set forth in this Consent Order may be altered by written approval of the OFFICE. Such written approval by the OFFICE is subject to statutory and administrative regulation limitations.

23. GULFSTREAM affirms that all requirements set forth herein are material to the issuance of this Consent Order.

24. GULFSTREAM agrees that it has entered into this Consent Order voluntarily, without coercion from the OFFICE or any agent, employee, or designee of the OFFICE and that GULFSTREAM has obtained legal counsel from its attorney prior to entering into this Consent Order.

25. The parties agree that this Consent Order shall be deemed to be executed when the OFFICE has signed and docketed a copy of this Consent Order bearing the notarized signature of the authorized representative of GULFSTREAM.

WHEREFORE, the agreement between GULFSTREAM PROPERTY AND CASUALTY INSURANCE COMPANY and the FLORIDA OFFICE OF INSURANCE REGULATION, the terms and conditions of which are set forth above, is APPROVED. FURTHER, all terms and conditions contained herein to place GULFSTREAM PROPERTY AND CASUALTY INSURANCE COMPANY in administrative supervision are hereby ORDERED.

DONE and ORDERED this 25th day of June, 2021.



David Altmaier

David Altmaier, Commissioner
Office of Insurance Regulation

By execution hereof, GULFSTREAM PROPERTY AND CASUALTY INSURANCE COMPANY consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind GULFSTREAM PROPERTY AND CASUALTY INSURANCE COMPANY to the terms and conditions of this Consent Order. The undersigned also certifies that they have provided the signature below based upon the assistance of legal counsel for GULFSTREAM PROPERTY AND CASUALTY INSURANCE COMPANY.

GULFSTREAM PROPERTY AND CASUALTY INSURANCE COMPANY

DocuSigned by:
By: Ronald E. Natherson, Jr.
97D922A222BD474...

[Corporate Seal]

Name: Ronald E Natherson, Jr.
(Please type or print)

Title: President & CEO

Date: June 25, 2021

STATE OF Florida

COUNTY OF Sarasota

The foregoing instrument was acknowledged before me by means of physical presence or

online notarization, this 25 day of June 2021, by Ronald E. Natherson, Jr.
(name of person)

as President & CEO for Gulfstream Property and Casualty Insurance Company
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

DocuSigned by:
Natalie Nanjara Supe
66BC9FFBE0104E6...
(Signature of the Notary)

Natalie Nanjara Supe
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known OR Produced Identification _____

Type of identification produced _____

My Commission Expires 3/26/2023

COPIES FURNISHED TO:

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