

**REPORT ON EXAMINATION**  
**OF**  
**PEACHTREE CASUALTY INSURANCE**  
**COMPANY**  
**LONGWOOD, FLORIDA**

**AS OF**  
**DECEMBER 31, 2003**

**BY THE**  
**OFFICE OF INSURANCE REGULATION**

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Tallahassee, Florida  
June 11, 2004

Kevin M. McCarty  
Commissioner  
Office of Insurance Regulation  
State of Florida  
Tallahassee, Florida 32399-0326

Dear Sir:

Pursuant to your instructions, in compliance with Section 624.316, Florida Statutes (FS), and in accordance with the practices and procedures promulgated by the National Association of Insurance Commissioners (NAIC), we have conducted an examination as of December 31, 2003, of the financial condition and corporate affairs of:

**PEACHTREE CASUALTY INSURANCE COMPANY  
2889 ELMWOOD DRIVE  
ATLANTA, GEORGIA 30080**

Hereinafter referred to as the "Company". Such report of examination is herewith respectfully submitted.

## **SCOPE OF EXAMINATION**

This examination covered the period of January 1, 2001 through December 31, 2003. This was the first examination of the Company since its re-domestication to Florida in 2001. This examination commenced with planning at the Office on April 5, 2004 through April 9, 2004. The fieldwork commenced on April 12, 2004, and was concluded as of June 10, 2004. The examination included any material transactions and/or events occurring subsequent to the examination date and noted during the course of the examination.

This financial examination was a statutory financial examination conducted in accordance with the Financial Examiners Handbook, Accounting Practices and Procedures Manual and annual statement instructions promulgated by the NAIC as adopted by Rules 69O-137.001(4) and 69O-138.001, Florida Administrative Code (FAC), with due regard to the statutory requirements of the insurance laws and rules of the State of Florida.

In this examination, emphasis was directed to the quality, value and integrity of the statement assets and the determination of liabilities, as those balances affect the financial solvency of the Company.

The examination included a review of the corporate records and other selected records deemed pertinent to the Company's operations and practices. In addition, the NAIC IRIS ratio report, the A.M. Best Report, the Company's independent audit reports prepared by the Company's independent certified public accountant (CPA) were reviewed.

We valued and/or verified the amounts of the Company's assets and liabilities as reported by the Company in its annual statement as of December 31, 2003. Transactions subsequent to year-end 2003 were reviewed where relevant and deemed significant to the Company's financial condition.

This report of examination was confined to financial statements and comments on matters that involve departures from laws, regulations or rules, or which were deemed to require special explanation or description.

### **Status of Adverse Findings from Prior Examination**

This was the first examination of the Company by the State of Florida.

The previous examination report by the State of Georgia was not recorded in the board of directors minutes as being reviewed.

## **HISTORY**

### **General**

The Company was incorporated on November 29, 1983, and commenced business on July 1, 1985, as Peachtree Casualty Insurance Company, Inc. The Company subsequently changed its name to Peachtree Casualty Insurance Company.

The Company was the wholly owned subsidiary of Network Holding, Inc. (NHI). The Company was actively writing business in the states of Florida and Georgia during 2003.

In accordance with Section 624.401(1), FS, the Company was authorized to transact the following insurance coverage in Florida on December 31, 2003:

Private Passenger Auto Liability

Auto Physical Damage

The Company was authorized to write policies in 23 states, but was actively writing in Florida and Georgia only. The Company obtained additional licenses in Utah and Texas in 2004.

The articles of incorporation were amended during the period covered by this examination to reflect a name change dropping "Inc." from the Company's original name.

### **Capital Stock**

As of December 31, 2003, the Company's capitalization was as follows:

Number of authorized common capital shares	2,000,000
Number of shares issued and outstanding	1,466,667
Total common capital stock	\$2,200,000
Par value per share	\$ 1.50

NHI was 100% owned by William A. Dial, Jr., and NHI owned all common capital shares of the Company.

### **Profitability of Company**

The Company reported direct premiums of \$14,410,849, which were thirty-five percent ceded to a non-affiliate. At December 31, 2003, the Company reported net income, after taxes, of \$695,217. This amount was an increase from a reported net income of \$158,362 in 2002.

### **Dividends to Stockholders**

In accordance with Section 628.371, FS, the Company declared a dividend of \$25,000 to its stockholder in 2003. The dividend was declared to increase gross paid in and contributed surplus

funds because additional surplus was needed to obtain additional state licenses. The dividend paid to the stockholder was subsequently returned to the Company as a contribution to surplus.

## **Management**

The annual shareholder meeting for the election of directors was held in accordance with Section 607.1601 and 628.231, FS. Directors serving as of December 31, 2003, were:

### **Directors**

<b>Name and Location</b>	<b>Principal Occupation</b>
William A. Dial, Jr. Atlanta, Georgia	Director/Chairman
Donald E. Tefft Roswell, Georgia	Director
Jairam Yerramilli Duluth, Georgia	Director
Marianne Johnston Marietta, Georgia	Director
Sherri Klein Marietta, Georgia	Director

In accordance with the Company's bylaws, the board of directors appointed the following senior officers:

### **Senior Officers**

<b>Name</b>	<b>Title</b>
William A. Dial, Jr.	President
Jairam Yerramilli	Treasurer
Donald Tefft	Secretary

Marianne Johnston

Vice President

Sherri Klein

Vice President

As of December 2003, the Company's board had not appointed an audit committee as required in Section 624.424(8)(c), FS. **Subsequent event:** On April 15, 2004, the Company held a special meeting of the board of directors to establish an audit committee and to elect the following members:

**Audit Committee**

William A. Dial, Jr.  
Donald E. Tefft  
Jairam Yerramilli

The Company provided board minutes which documented the authorization of the parent to authorize investments in accordance with Section 625.304 and 607.1601(1), FS.

**Conflict of Interest Procedure**

The Company had not adopted a formal policy statement for conflict of interests. **Subsequent event:** During the period of this examination the Company executed a formal conflict of interest policy.

### **Corporate Records**

The recorded minutes of the shareholder and board of directors meetings were reviewed for the period under examination. The recorded minutes of the board adequately documented its meetings and approval of Company transactions in accordance with Section 607.1601, FS.

### **Acquisitions, Mergers, Disposals, Dissolutions, and Purchase or Sales Through Reinsurance**

There were no acquisitions, mergers, disposals, dissolutions, purchases or sales through reinsurance.

### **Surplus Debentures**

The Company had no surplus debentures.

## **AFFILIATED COMPANIES**

The Company was a member of an insurance holding company system as defined by Rule 69O-143.045(3), FAC. The latest holding company registration statement was filed with the State of Florida on February 27, 2004, as required by Section 628.801, FS, and Rule 69O-143.046, FAC.

The following agreements were in effect between the Company and its affiliates:

## **Tax Allocation Agreement**

The Company, along with its parent and an affiliated company, filed a consolidated federal income tax return. The tax allocation agreement, dated May 20, 2002 (revised April 30, 2004) was between the Company and NHI.

The tax allocation agreement did not state the specific repayment terms. **Subsequent event:** The Company executed a new agreement on April 30, 2004, which specified settlement dates.

The tax allocation agreement did not name the same parties as the 2003 filed tax form. The IRS filing also noted the affiliate, Peaches Insurance Agencies, Inc.

The tax allocation agreement was not reported in the Company's holding company registration, in violation of Rule 69O-143.046, FAC.

The Company's inter-company tax sharing transactions were not listed on Schedule Y, Part 2, in violation of Rule 69O-137.001(4)(a)(1), FAC.

## **Cost Sharing Agreement**

The Company did not maintain a cost sharing agreement with its managing general agency (MGA), First Insurance Network, Inc. (FIN), in violation of Rule 69O-143.047(1)(d), FAC. The Company maintained an office within the FIN office. The MGA agreement stated that the "Company shall bear its home office expenses...". No expenses were recorded as being payable to FIN for office space.

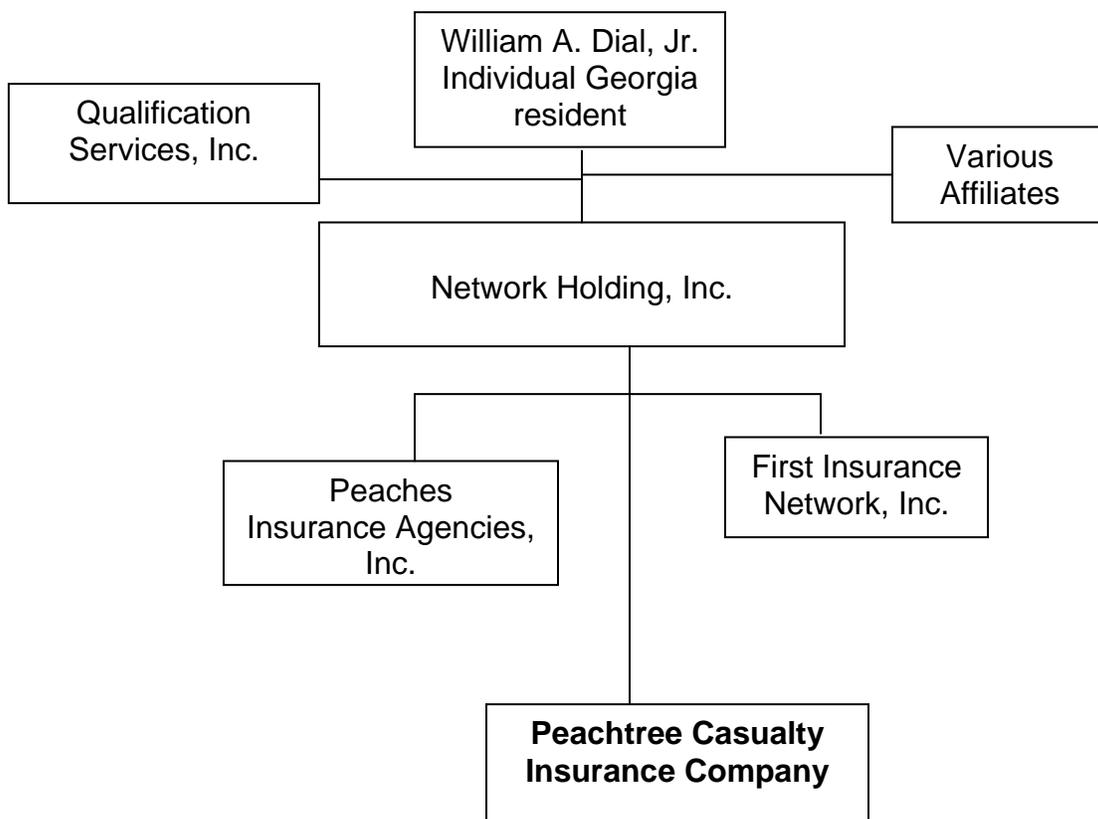
**MGA Agreement**

The Company entered into an MGA agreement with FIN. The agreement called for FIN to perform all policy and claims services for the Company. FIN assigned claim services to an affiliate, Qualification Services, Inc. (QSI), in violation of Section 626.7451(5), FS.

Neither the Company nor the MGA had a written contract in place for claims services, performed by QSI, in violation of Rule 69O-143.047(1)(d), FAC.

An organizational chart as of December 31, 2003, reflecting the holding company system is shown below. Schedule Y of the Company's 2003 annual statement provided a list of all related companies of the holding company group in compliance with Rule 69O-137.001(4), FAC.

**PEACHTREE CASUALTY INSURANCE COMPANY  
ORGANIZATIONAL CHART  
DECEMBER 31, 2003**



## FIDELITY BOND AND OTHER INSURANCE

The Company maintained fidelity bond coverage which adequately covered the suggested minimum amount of coverage for the Company as recommended by the NAIC. The Company carried \$1,000,000 in coverage with a \$150,000 deductible.

## PENSION, STOCK OWNERSHIP, AND INSURANCE PLANS

The Company had no employees.

## STATUTORY DEPOSITS

The following securities were deposited with the State of Florida as required by Section 624.411, F.S., and with various state officials as required or permitted by law:

State	Description	Par Value	Market Value
FL	CD, 1.09%, 3/28/04	\$ 250,000	\$ 250,000
FL	USBonds, 2.875%, 6/30/04	\$1,000,000	\$1,019,179
FL	CD, 1.19%%, 1/7/05	\$ 250,000	\$ 252,943
AZ	USTNTS, 3.00%, 11/15/07	\$220,000	\$ 221,925
GA	Bond, 6.5%, 5/1/10	\$ 30,000	\$ 35,562
IN	Fannie Mae, 2.5%, 1/30/07	\$100,000	\$ 99,531
KS	CD, 0.80%, 12/29/04	\$ 25,000	\$ 36,766
LA	CD, 0.80%, 9/23/04	\$ 20,000	\$ 29,686
NM	Bond, 5.250%, 10/1/15	\$105,000	\$ 120,891
OK	Bond, 4.50%, 1/1/07	\$250,000	\$ 267,867
OK	Bond, 6.250%, 8/1/11	\$ 50,000	\$ 60,616
SC	Bond, 6.250%, 4/1/07	\$ 80,000	\$ 89,631
SC	Bond, 6.250%, 8/1/11	<u>\$ 90,000</u>	<u>\$ 109,017</u>
TOTAL DEPOSITS		<u>\$2,470,000</u>	<u>\$2,593,614</u>

The Company did not report Special Deposits for Florida on Schedule D, Part 3 of their annual statement.

### **Territory**

The Company was authorized to transact insurance in Florida, in accordance with Section 624.401(2), FS. The Company held certificates of authority to write business in twenty-three (23) states. The Company continued obtaining additional licenses in other states in 2004.

### **Treatment of Policyholders**

The Company had established procedures for handling written complaints in accordance with Section 626.9541(1)(j), FS.

The Company maintained a claims procedure manual that included detailed procedures for handling each type of claim.

## **REINSURANCE**

The reinsurance agreements reviewed complied with NAIC standards with respect to the standard insolvency clause, arbitration clause, transfer of risk, reporting and settlement information deadlines. The Company was in compliance with SSAP No. 62, paragraph 9, in regard to timing risk, and the receipt and payment of cash.

The Company's reinsurance contract with Dorinco Reinsurance Company (Dorinco) contained a section titled "Special Commutations" which stated that the reinsurer shall have the sole option to

commute the contract and to commute all outstanding liabilities upon the occurrence of specific events. The section was in violation of SSAP No. 62, Paragraph No. 7.

### **Assumed**

The Company assumed no insurance.

### **Ceded**

The Company maintained a thirty-five percent quota share agreement with Dorinco, effective until canceled. This quota share agreement was initially effective on February 1, 2003. The Company also maintained a thirty-five percent Quota Share Agreement with GMAC Re Corporation, for the month of January of 2003.

The reinsurance agreements were reviewed by the Company's appointed actuary and was utilized in determining the ultimate loss opinion.

## **ACCOUNTS AND RECORDS**

An independent CPA audited the Company's statutory basis financial statements annually for the years 2001, 2002 and 2003, in accordance with Section 624.424(8), FS. Supporting work papers were prepared by the CPA as required by Rule 69O-137.002, FAC.

The Company's accounting records were maintained on a computerized system. The Company's balance sheet accounts were verified with the line items of the annual statement submitted to the Office, except where noted in this report.

The Company maintained its principal operational offices in Atlanta, Georgia. The examination was conducted at the office of FIN, the Company's MGA.

The Company and non-affiliates had the following agreements:

### **Evaluation of Controls in Information Systems**

Current information technology staff were unable to support the infrastructure for the Policy Tracking System (PTS). The Company did not contract for support of the PTS application. The vendor, Information Distribution and Marketing, Inc. (IDMI) was handling all issues and enhancements under the development contract.

The vendor had unmonitored access to the PTS application. Failure to limit and monitor vendor access to the system weakens the change control process and could ultimately disrupt the productive relationship between the Company and the vendor.

The Company did not have sufficient expertise to administer the Microsoft SQL server database. No accommodation had been made for managing and maintaining knowledge of the regulatory and legal issues inherent in this application.

Inherent risks of web-based applications were not clearly communicated as part of the agent agreement to minimize the Company's exposure for processing errors, user errors and system intrusion.

The Company had not finalized the support service level agreement. Without a service agreement, the Company could lose their entire investment in PTS if the vendor should become insolvent.

A port was open in the systems firewall. Access should be limited by specific IP addresses,

### **Custodial Agreement**

The Company maintained a custodial agreement with Regions Morgan Keegan Trust. The agreement was in compliance with Rule 69O-143.042(1), FAC. The exceptions for asset location and bank classification were noted in the Summary of Findings section of this report.

### **Independent Auditor Agreement**

The Company maintained a contract with an external CPA to perform the annual audit, in compliance with Section 624.424(8), FS.

### **Risk-Based Capital**

The Company reported its risk-based capital at an adequate level.

## **FINANCIAL STATEMENTS PER EXAMINATION**

The following pages contain financial statements showing the Company's financial position as of December 31, 2003, and the results of its operations for the year then ended as determined by this examination. Adjustments made as a result of the examination are noted in the section of this report captioned, "Comparative Analysis of Changes in Surplus."

**PEACHTREE CASUALTY INSURANCE COMPANY**  
**Analysis of Assets**

**DECEMBER 31, 2003**

Classification	Per Company	Examination Adjustments	Per Examination
Bonds	\$8,108,353	\$0	\$8,108,353
Preferred Stock	40,000	0	40,000
Cash:			
On deposit	302,956	0	302,956
Agents' Balances:			
Due in course of collection	1,972,796	0	1,972,796
Reinsurance Recoverable	346,363	0	346,363
FIT Recoverable	193,009	0	193,009
Interest & dividend income due and accrued	107,082	0	107,082
Totals	<u>\$11,070,559</u>	<u>\$0</u>	<u>\$11,070,559</u>

**PEACHTREE CASUALTY INSURANCE COMPANY**  
**Liabilities, Capital and Surplus**

**DECEMBER 31, 2003**

Liabilities	Per Company	Examination Adjustments	Per Examination
Losses	\$2,556,344		\$2,556,344
Loss adjustment expenses	844,564		844,564
Other expenses	108,331		108,331
Taxes, licenses and fees	80,869		80,869
Federal and foreign income taxes	97,345		97,345
Unearned premiums	2,094,591		2,094,591
Ceded reinsurance premiums payable	<u>247,737</u>		<u>247,737</u>
 Total Liabilities	 \$6,029,781		 \$6,029,781
 Common capital stock	 \$2,200,000		 \$2,200,000
Gross paid in and contributed surplus	425,000		425,000
Unassigned funds (surplus)	<u>2,415,778</u>		<u>2,415,778</u>
Surplus as regards policyholders	<u>\$5,040,778</u>		<u>\$5,040,778</u>
 Total liabilities, capital and surplus	 <u>\$11,070,559</u>	 \$0	 <u>\$11,070,559</u>

**PEACHTREE CASUALTY INSURANCE COMPANY**  
**Statement of Income**

**DECEMBER 31, 2003**

**Underwriting Income**

Premiums earned	\$ 9,848,297
DEDUCTIONS:	
Losses incurred	5,395,807
Loss expenses incurred	773,702
Other underwriting expenses incurred	3,431,731
Aggregate write-ins for underwriting deductions	0
Total underwriting deductions	<u>\$ 9,601,240</u>
Net underwriting gain or (loss)	\$ 247,057

**Investment Income**

Net investment income earned	\$ 245,878
Net realized capital gains or (losses)	98,251
Net investment gain or (loss)	<u>\$ 344,129</u>

**Other Income**

Total other income	\$0
Net income before dividends to policyholders and before federal & foreign income taxes	\$ 591,186
Dividends to policyholders	<u>25,000</u>
Net Income, after dividends to policyholders, but before federal & foreign income taxes	\$ 566,186
Federal & foreign income taxes	<u>(129,031)</u>
Net Income	\$ 695,217

**Capital and Surplus Account**

Surplus as regards policyholders, December 31, 2002	\$ 4,340,383
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**Gains and (Losses) in Surplus**

Net Income	\$ 695,217
Net unrealized capital gains or losses	0
Change in net deferred income tax	(51,580)
Change in non-admitted assets	31,758
Surplus changes: Paid in	25,000
Examination Adjustment	0
Change in surplus as regards policyholders for the year	<u>\$ 700,395</u>
Surplus as regards policyholders, December 31, 2002	<u><u>\$ 5,040,778</u></u>

## COMMENTS ON FINANCIAL STATEMENTS

### Assets

#### Bonds

\$8,108,354

The Company did not maintain their investments in the State of Florida, in violation of Section 628.271, FS.

The Company was maintaining investments and some cash balances with Morgan Keegan & Company, which is not listed as a national or state bank, savings and loan association, or trust company, in violation of Section 625.306, FS.

#### Preferred Stock

\$26,760

The Company was recording preferred stock at a value above the fair market value, in violation of Section 625.151, FS. The excess amount was not material; therefore, no adjustment was made by this examination.

#### Agents' Balances

\$1,972,796

The Company was required by the Office to maintain trust accounts to collateralize their affiliated agents' balances accounts. **Subsequent event:** During the period of this examination, the Company had Regions Morgan Keegan Trust re-title the accounts as required by the Office.

The Company provided written premium data as backup documentation for total written premiums as recorded on their annual statement. Within the data provided were premiums for years that did not apply to 2003. The amounts were immaterial; therefore, no adjustments were made by this examination.

**Reinsurance Recoverables**\$346,363

The Company reported various account balances within their reinsurance recoverable balance, in violation of SSAP No. 62, Paragraph 19. The amount of the reclassifications were immaterial; therefore, no reclassifications were made by this examination.

**Liabilities****Losses and Loss Adjustment Expenses**\$3,400,908

An outside actuarial firm appointed by the board of directors rendered an opinion that the amounts carried in the balance sheet as of December 31, 2003, made a reasonable provision for all unpaid loss and loss expense obligations of the Company under the terms of its policies and agreements.

The Office actuary reviewed work papers provided by the Company and rendered an opinion which agreed with the outside actuarial firm.

**Other Expenses**\$108,331

The Company reported an accrual for unclaimed property on this line item rather than on the line item for aggregate write-ins for liabilities.

The Company reported an accrual for balances due for taxes and licenses on this line item rather than on the line item for taxes, licenses and fees.

**Federal Income Taxes**\$97,345

The Company recorded a payable for state income taxes on the line item for federal income taxes payable, rather than on the line item for taxes, licenses and fees.

**Advance Premiums**\$0

The Company reported zero dollars for advance premium; however, the Company provided a report showing there was an amount of advance premiums collected by their MGA and therefore should have reported a balance. The amount was immaterial; therefore, no adjustment was made by this examination.

**PEACHTREE CASUALTY INSURANCE COMPANY**  
**Comparative Analysis of Changes in Surplus**

**DECEMBER 31, 2003**

The following is a reconciliation of surplus as regards policyholders between that reported by the Company and as determined by the examination.

Surplus as Regards Policyholders per December 31, 2003, Annual Statement	\$5,040,778
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	<u>PER</u> <u>COMPANY</u>	<u>PER</u> <u>EXAM</u>	INCREASE (DECREASE) <u>IN SURPLUS</u>
ASSETS:			
No adjustment necessary			
LIABILITIES:			
No adjustment necessary			
Net Change in Surplus:			0
Surplus as Regards Policyholders December 31, 2003, Per Examination			\$5,040,778

## SUMMARY OF FINDINGS

### Current examination comments and corrective action

The following is a brief summary of items of interest and corrective action to be taken by the Company regarding findings in the examination as of December 31, 2003.

### General

The Company did not record the review of the prior examination report in the board of director minutes. **The Company is directed to document the review of all future examination reports in the minutes of the board of directors meetings.**

### Management Agreements

The Company's tax allocation agreement did not include all parties to their consolidated income tax return. **The Company is directed to amend the agreement to include all parties and to provide a copy of the amended agreement to the Office within 90 days after this report is issued.**

The Company did not report their tax allocation agreement on their Holding Company Registration Statement. **The Company is directed to amend the registration statement to include the agreement within 90 days after this report is issued.**

The Company did not list all tax-related transactions resulting from the inter-company tax sharing agreement on Schedule Y, Part 2. **The Company is directed to do so in all future filings.**

The Company's reinsurance agreement contained non-compliant clauses. **The Company is required to comply with SSAP No. 62, Paragraph No. 7. The Company is to provide documentation of compliance to the Office within 90 days after this report is issued.**

The Company's MGA was assigning part of their claim servicing duties to an affiliate. **The Company is directed to comply with Section 626.7451(5), FS. The Company is to provide documentation of compliance to the Office within 90 days after this report is issued.**

The Company's claims servicing was being performed by QSI without a contract agreement. **The Company is directed to insure that all functions being performed by a servicing company are documented in a written agreement.**

The Company did not have a cost sharing allocation agreement in place to allocate home office expenses with FIN. **The Company is directed to enter into such agreement and to provide a copy of the agreement to the Office within 90 days after this report is issued.**

## Financial Items

### Bonds

The Company did not maintain all of their cash and investment accounts in a bank in the State of Florida. **The Company is directed to comply with Section 628.271, FS. The Company is to provide documentation of compliance to the Office within 90 days after this report is issued.**

### Preferred Stock

The Company incorrectly valued their preferred stock on their annual statement. **The Company is directed to comply with Section 625.151, FS in future filings.**

### Cash

The Company did not maintain cash balances in a national or state bank, saving and loan association or trust company. **The Company is directed to comply with Section 625.306, FS.**

The Company did not report all of their special deposits on Schedule E, Part 3 of their annual statement. **The Company is directed to properly report such in future filings.**

### **Agents Balances'**

The Company provided written premium data for 2003 that contained premiums related to years other than 2003. **The Company is directed to reconcile their premium data to support all future annual and quarterly statement filings.**

### **Reinsurance Recoverables**

The Company did not record the reinsurance recoverable balance correctly on the annual statement. **The Company is directed to properly report such in future filings.**

### **Other Expenses**

The Company incorrectly reported an accrual for unclaimed property and taxes on this line item rather than on the line items for aggregate write-ins for liabilities, and taxes, licenses and fees, respectively. **The Company is directed to properly report such in future filings.**

### **Federal Income Taxes Payable**

The Company incorrectly reported state income taxes payable on the line item for federal income taxes payable. **The Company is directed to properly report such in future filings.**

### **Advance Premiums**

The Company did not report an amount for advance premiums when such amounts had been received. **The Company is directed to report such in future filings.**

## **Evaluation of Controls in Information Systems**

**For all the significant findings listed below, the Company is directed to provide documentation of completion to the Office within 90 days after this report is issued.**

Current information technology staff were unable to support the infrastructure for the Policy Tracking System (PTS). The Company did not contract for support of the PTS application. The vendor, Information Distribution and Marketing, Inc. (IDMI) was handling all issues and enhancements under the development contract.

The vendor had unmonitored access to the PTS application. Failure to limit and monitor vendor access to the system weakens the change control process and could ultimately disrupt the productive relationship between the Company and the vendor.

The Company did not have sufficient expertise to administer the Microsoft SQL server database. No accommodation had been made for managing and maintaining knowledge of the regulatory and legal issues inherent in this application.

Inherent risks of web-based applications were not clearly communicated as part of the agent agreement to minimize the Company's exposure for processing errors, user errors and system intrusion.

The Company had not finalized the support service level agreement. Without a service agreement, the Company could lose their entire investment in PTS if the vendor should become insolvent.

A port was open in the systems firewall. Access should be limited by specific IP addresses,

## CONCLUSION

The customary insurance examination practices and procedures as promulgated by the NAIC have been followed in ascertaining the financial condition of **Peachtree Casualty Insurance Company** as of December 31, 2003, consistent with the insurance laws of the State of Florida.

Per examination findings, the Company's surplus as regards policyholders was \$5,040,778, which was in compliance with Section 624.408, FS.

In addition to the undersigned, Michael Hampton, CPA, CFE, DABFA, CFE, CPM, Financial Examiner/Analyst Supervisor, Sri Ramanujam, Actuary, March Fisher, Senior Actuarial Analyst, participated in the examination. Additionally, Dixon-Hughes, PLLC conducted the information technology part of the examination.

Respectfully submitted,

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Miriam Bleakley  
Financial Examiner/Analyst II  
Florida Office of Insurance Regulation