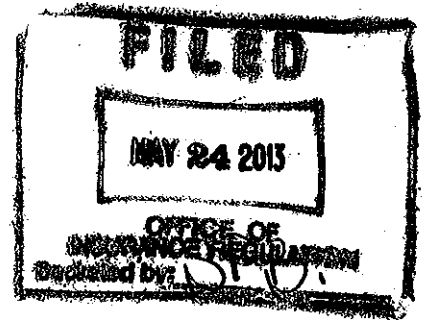




OFFICE OF INSURANCE REGULATION



KEVIN M. McCARTY
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 129348-12

**PHYSICIANS EXCHANGE ASSOCIATION, INC.
PHYSICIANS EXCHANGE RISK RETENTION GROUP
DOCTORS LIABILITY EXCHANGE
RELIANCE GENERAL INSURANCE COMPANY
MYRON M. PERSOFF, M.D.
CHESTER H. MORRIS, M.D.
EDWARD H. NUGENT
JAMES J. NEAL, ESQ.
MARK JACOBS
RICHARD BEAN**

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between MARK JACOBS (hereinafter referred to as "JACOBS") 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 OFFICE hereby finds as follows:

1. The OFFICE has jurisdiction over the subject matter of, and parties to, this proceeding.
2. In 2002, the Florida Department of Insurance (hereinafter "DOI"), the predecessor to the OFFICE, issued an Immediate Final Order, Case No. 61856-02-CO, against PHYSICIANS EXCHANGE ASSOCIATION, INC.; PHYSICIANS EXCHANGE RISK RETENTION GROUP; DOCTORS LIABILITY EXCHANGE; RELIANCE GENERAL INSURANCE COMPANY; MYRON M. PERSOFF, M.D.; CHESTER H. MORRIS, M.D.; EDWARD H. NUGENT; JAMES J. NEAL,

ESQ.; MARK JACOBS; and RICHARD BEAN. Subsequent to the issuance of the Immediate Final Order, DOI issued a Notice of Intent to Issue Cease and Desist Order and to Impose Penalties, Case No. 61857-02-CO, (hereinafter referred to jointly as the "Orders") to the same entities and individuals. Both Orders alleged that the named parties were engaging in the unlicensed, unauthorized insurance business in Florida as a medical malpractice insurer.

3. Based on the OFFICE's subsequent investigation and representations made to it, it appears as though the relationships between the named persons and entities have dissolved since the issuance of the Orders.

4. JACOBS has provided the OFFICE an affidavit regarding his involvement in the above-referenced matter. The affidavit is attached hereto as "EXHIBIT A."

5. Upon review of the affidavit and based upon representations made by JACOBS through his attorney, and in reliance thereon, the OFFICE has determined that the Orders should be vacated as to JACOBS only.

6. Because of the unique nature of this case, the OFFICE and JACOBS enter into this Consent Order to avoid further delay and legal expense associated with protracted litigation.

7. JACOBS 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 or rules of the OFFICE. JACOBS hereby knowingly and voluntarily waives all rights to challenge or to contest this Consent Order, in any forum now or in the future available to it, including the right to any administrative proceeding, circuit or federal court action, or any appeal.

8. Upon execution of this Consent Order:

- a. The Immediate Final Order, Case No. 61856-02-CO, entered on August 8, 2002, shall be vacated as to JACOBS only, and continue in force against the remaining named parties.
- b. The Notice of Intent to Issue Cease and Desist Order and to Impose Penalties, Case No. 61857-02-CO, entered on September 13, 2002, shall be vacated as to JACOBS only, and continue in force against the remaining named parties.

9. The parties agree that this Consent Order will be deemed to be executed when the OFFICE has executed a copy of this Consent Order bearing the signature of JACOBS, notwithstanding the fact that the copy was transmitted to the OFFICE electronically. Further, JACOBS agrees that his signature as affixed to this Consent Order shall be under the seal of a Notary Public.

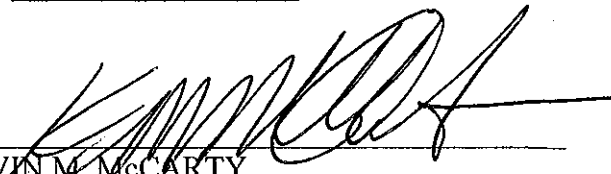
10. The OFFICE and JACOBS shall bear its own costs and attorney's fees.

THEREFORE, the agreement between JACOBS and the OFFICE, the terms and conditions of which are set forth above, is approved.

FURTHER, all terms and conditions above are hereby ORDERED.

DONE AND ORDERED this 24TH day of MAY 2013.





KEVIN M. McCARTY
Commissioner
Office of Insurance Regulation

By execution hereof, MARK JACOBS consents to entry of this Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein.

MARK JACOBS

By: [Signature]

Title: _____

Date: 4/25/13

STATE OF Georgia)
COUNTY OF Fulton)

The foregoing instrument was acknowledged before me this 25 day of April, 2013, by Mark Jacobs as _____ for _____ (Name of person) (Type of authority... e.g. officer, trustee, attorney in fact) _____ (Company name)

Personally Known or Produced Identification _____

Type of Identification Produced _____



Notarial Seal

[Signature]
(Signature of the Notary)

Ann Marie Lubatti
(Print, Type or Stamp Commissioned Name of Notary)

My Commission Expires:
March 7, 2017

COPIES FURNISHED TO:

Edward W. Dougherty, Jr., Esq.
Adams and Reese LLP
2457 Care Drive
Tallahassee, Florida 32308

Monica T. Ross, Esq.
Assistant General Counsel
Legal Services Office
Office of Insurance Regulation
200 E. Gaines Street
Tallahassee, FL 32399-4206

AFFIDAVIT OF MARK JACOBS

STATE OF GEORGIA

COUNTY OF FULTON

BEFORE ME, the undersigned authority, this day personally appeared Mark Jacobs, who after being duly cautioned and sworn, deposes and says as follows:

1. I am over 18 years of age, sui juris, and have personal knowledge of the facts we forth herein.
2. I am the Mark Jacobs named in the Immediate Final Order entered in Case No. 61856 by the Insurance Commissioner of the State of Florida on August 8, 2002 (the "IFO") and the Notice of Intent to Issue Cease and Desist Order and To Impose Penalties filed on September 13, 2012 by the Commissioner of Insurance of the State of Florida (the "Notice") and the Petitions for Hearing filed in connection therewith.
3. This Affidavit is given in connection with my request for the entry of an order removing me from the IFO and the Notice.
4. The IFO and the Notice state that PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, and RELIANCE GENERAL INSURANCE COMPANY, engaged in the unlicensed business of insurance in the state of Florida.
5. I am not now and I have never been an officer, director, manager, member, shareholder or employee of PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, or RELIANCE GENERAL INSURANCE COMPANY.



6. It has always been my understanding that neither PHYSICIANS EXCHANGE ASSOCIATION, nor PHYSICIANS EXCHANGE RISK RETENTION GROUP, nor DOCTORS LIABILITY EXCHANGE, was licensed to conduct the business of insurance in Florida and I never witnessed any attempt to do so. It was my understanding that an application would be filed in the future for formation and approval of a risk retention group.
7. From early in 2001 until August 2002, I served as a consultant to PHYSICIANS EXCHANGE ASSOCIATION, to assist in raising capital under the Risk Retention Act to pay expenses and capitalize a yet to be formed entity that would ultimately be licensed as a risk retention group.
8. In the course of my consulting, I never represented to anyone that any of these companies were licensed to conduct insurance business or exempt from such licensure in any transaction.
9. I have never had any business relationship with RELIANCE GENERAL INSURANCE COMPANY. I have never directed or referred anyone to RELIANCE GENERAL INSURANCE COMPANY to obtain insurance.
10. I did not promote, solicit the sale of, sell, or issue medical malpractice insurance to any medical doctor or other health care professional in Florida including but not limited to

Dr. Robert A. Gardner West Palm Beach, Florida

Dr. Caesar Orduna Palm Beach County, Florida

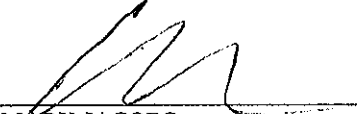
Dr. John King Miami, Florida

Dr. Mark Golden Boca Raton, Florida


Florida Institute for
Cardiovascular Care Hollywood, Florida

as set forth in paragraphs 23 of the IFO and Notice, nor did such actions occur in my presence.

FURTHER AFFIANT SAYETH NOT this 24 day of January, 2013.


MARK JACOBS

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 24th day of January, 2013 by Mark Jacobs, who is personally known to me or who have produced Drivers License as identification and who did take an oath.


Notary Public Candace Stewart
State of Cal. at large
My Commission No:
My Commission Expires: June 22, 2015



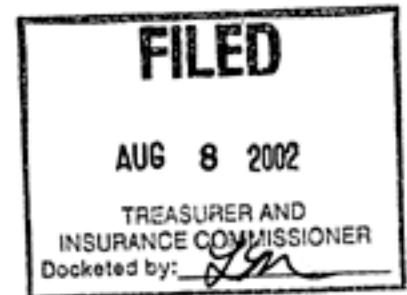
THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE

Tom Gallagher

IN THE MATTER OF:

CASE NO.: 61856-02-CO

PHYSICIANS EXCHANGE ASSOCIATION, INC.
PHYSICIANS EXCHANGE RISK RETENTION GROUP
DOCTORS LIABILITY EXCHANGE
RELIANCE GENERAL INSURANCE COMPANY
MYRON M. PERSOFF, M.D.
CHESTER H. MORRIS, M.D.
EDWARD H. NUGENT
JAMES J. NEAL, ESQ.
MARK JACOBS
RICHARD BEAN



IMMEDIATE FINAL ORDER

TO: PHYSICIANS EXCHANGE ASSOCIATION
1010 Huntcliff, Ste. 1350
Atlanta, Georgia 30350

PHYSICIANS EXCHANGE RISK RETENTION GROUP
1010 Huntcliff, Ste. 1350
Atlanta, Georgia 30350

DOCTORS LIABILITY EXCHANGE
1010 Huntcliff, Ste. 1350
Atlanta, Georgia 30350

RELIANCE GENERAL INSURANCE COMPANY
81000 Podgorica
Trg Ivana, Multinovica 14/1
Crna Gora, FR Yugoslavia

RELIANCE GENERAL INSURANCE COMPANY
10 College Terrace, Suite 8
London, England E3 5AN

RELIANCE GENERAL INSURANCE COMPANY
P.O. Box 546
Rome, Georgia 30162-0546

RELIANCE GENERAL INSURANCE COMPANY
In care of the Florida Department of Insurance
200 East Gaines Street
Tallahassee, Florida 32399
Pursuant to Section 626.906, Florida Statutes

PROFESSIONAL RISK MANAGEMENT, LLC.
In care of its Registered Agent and Manager
JERRY AGTMAAL
10126 Diamond Lake Road
Boynton Beach, Florida 33437

PROFESSIONAL RISK MANAGEMENT, LLC
In care of its Manager
JIM RICE
P.O. Box 810849
Boca Raton, Florida 33481-0849

MYRON M. PERSOFF, M.D.
1010 Huntcliff, Ste. 1350
Atlanta, Georgia 30350

MYRON M. PERSOFF, M.D.
2912 SW 27th Avenue
Miami, Florida 33133

CHESTER H. MORRIS, M.D.
1010 Huntcliff, Ste. 1350
Atlanta, Georgia 30350

CHESTER H. MORRIS, M.D.
660 N.E. 95th Street
Miami Shores, Florida 33138

EDWARD H. NUGENT
1010 Huntcliff, Ste. 1350
Atlanta, Georgia 30350

JAMES J. NEAL, ESQ.
1010 Huntcliff, Ste. 1350
Atlanta, Georgia 30350

JAMES J. NEAL, ESQ.
7603 Sugarbush Trail
Hudson, Ohio 44236

MARK A. JACOBS
1010 Huntcliff, Ste. 1350
Atlanta, Georgia 30350

RICHARD BEAN
1010 Huntcliff, Ste. 1350
Atlanta, Georgia 30350

YOU ARE HEREBY NOTIFIED that pursuant to the Florida Insurance Code including Sections 624.307, 624.317, 624.318, and 626.201, Florida Statutes, the State of Florida, Department of Insurance

(hereafter referred to as the "Department") has caused an investigation to be made of the insurance-related activities of PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, RELIANCE GENERAL INSURANCE COMPANY, PROFESSIONAL RISK MANAGEMENT, LLC., MYRON M. PERSOFF, M.D., CHESTER H. MORRIS, M.D., EDWARD H. NUGENT, JAMES J. NEAL, MARK JACOBS, and RICHARD BEAN.

PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, and DOCTORS LIABILITY EXCHANGE will hereafter be collectively referred to as, "the Exchange".

As a result of that investigation, the Department finds:

1. Neither the EXCHANGE nor RELIANCE are currently licensed or authorized, nor have they ever been licensed or authorized or certificated to transact insurance, in Florida or elsewhere, as an authorized property and casualty insurer, as an eligible Surplus Lines insurer pursuant to Chapter 626, Part VIII, Florida Statutes, as a risk retention group, or otherwise. All insurers must hold a Florida Certificate of Authority in order to conduct business in this State in accordance with Section 624.401, Florida Statutes, or be an eligible surplus lines insurer in accordance with, *inter alia*, Section 626.918, Florida Statutes. Likewise, in order to transact business in Florida, all risk retention groups must be certificated in Florida in accordance with Sections 627.943 or 627.944, Florida Statutes.

2. Despite the absence of any certificate of authority or any other authorization to transact insurance business in Florida, the EXCHANGE and RELIANCE have engaged and currently engage in the unlicensed, unauthorized, and therefore illegal business of insurance in violation of the Florida Insurance Code including, Sections 624.401(2), 626.901, 627.943 and 627.944, Florida Statutes.

3. The EXCHANGE and RELIANCE conduct their Florida unauthorized insurance business from offices located in Atlanta, Georgia. Specifically, the EXCHANGE and RELIANCE act as risk-bearing entities for medical malpractice liability. In some instances, the EXCHANGE and RELIANCE

engage in insurance transactions by and through principals, promoters, agents, or representatives, some of whom are located in Florida, and many of whom are not licensed to transact insurance business in Florida as required by Sections 626.112 and 626.927, Florida Statutes, and other provisions of the Florida Insurance Code. Those persons and entities have not posted the surplus agent's bond required by Section 626.928, Florida Statutes. Among the persons and entities involved in such insurance transactions include MYRON M. PERSOFF, M.D., (Miami, Florida), CHESTER H. MORRIS, M.D. (Miami Shores, Florida), EDWARD H. NUGENT (Georgia), JAMES J. NEAL (Georgia), MARK A. JACOBS (Georgia), and RICHARD BEAN (Georgia and England), PROFESSIONAL RISK MANAGEMENT, LLC. (Boynton Beach and Boca Raton, Florida), JERRY AGTMAAL (Boynton Beach, Florida), JIM RICE (Boca Raton, Florida), and MICHAEL W. HOUSTON (Boca Raton, Florida)

4. RELIANCE GENERAL INSURANCE COMPANY is not, nor has it ever been, authorized to transact insurance in Florida.

5. Section 624.02, Florida Statutes defines "Insurance" as: *"Insurance" is a contract whereby one undertakes to indemnify another or pay or allow a specified amount or a determinable benefit upon determinable contingencies.*

6. Section 624.03, Florida Statutes defines "Insurer" as: *"Insurer" includes every person engaged as indemnitor, surety, or contractor in the business of entering into contracts of insurance or annuity.*

7. Section 624.09, Florida Statutes defines "Authorized", "Unauthorized insurer" as: *(1) An "authorized" insurer is one duly authorized by a subsisting certificate of authority issued by the department to transact insurance in this state. (2) An "unauthorized" insurer is one not so authorized.*

8. Section 624.10, Florida Statutes defines "Transacting insurance" as: *"Transact" with respect to insurance includes any of the following, in addition to other applicable provisions of the code: (1) solicitation or inducement. (2) Preliminary negotiations. (3) Effectuation of a contract of insurance. (4) Transaction of matters subsequent to the effectuation of a contract of insurance and arising out of it.*

9. Section 626.901, Florida Statutes provides that if an insurer directly or indirectly engages in this state in the transactions described in subsection (1) of that statute, the insurer must be licensed as an authorized insurer or must be an eligible surplus lines insurer. If functioning as a risk retention group, the entity must be in compliance with Part XIX of Chapter 627, Florida Statutes.

10. Section 626.914(1), Florida Statutes defines "Surplus lines agent" as: *an individual licensed as provided in this part to handle the placement of insurance coverages with unauthorized insurers and to place such coverages with authorized insurers as to which the licensee is not licensed as an agent.*

11. Section 626.914(2), Florida Statutes defines "Eligible surplus lines insurer" as: *An unauthorized insurer which has been made eligible by the department to issue insurance coverage under this Surplus Lines Law.*

12. Section 626.938(1), Florida Statutes provides, in pertinent part: *Every insured who in this state procures or causes to be procured or continues or renews insurance with an unauthorized foreign or alien insurer...other than insurance procured through a surplus lines agent pursuant to the Surplus Lines Law of this state...shall, within 30 days after the date such insurance was so procured, continued, or renewed, file a report of same with the Florida Surplus Lines Service Office...*

13. Section 626.938(3), Florida Statutes provides, in pertinent part: *...there is levied upon the obligation, chose in action, or right represented by the premium charged for such [independently procured] insurance a tax at the rate of 5 percent of the gross amount of such premium and a 0.3 percent service fee pursuant to s.626.9325. The insured shall withhold the amount of the tax and service fee from the amount of premium charged by and otherwise payable to the insurer for such insurance. Within 30 days after the insurance is procured, continued, or renewed, and simultaneously with the filing of the report provided for in subsection (1)with the Florida Surplus Lines Service Office, the insured shall make payable to the Department of Insurance the amount of the tax and make payable to the Florida Surplus Lines Service Office the amount of the service fee. The insured shall remit the tax and service fee to the Florida Surplus*

Lines Service Office.

14. Section 626.938(4), Florida Statutes provides: *If the insured fails to withhold from the premium the amount of tax and the service fee herein levied, the insured shall be liable for the amount thereof and shall pay that amount to the Florida Surplus Lines Service Office within the time stated in subsection (3).*

15. Section 626.938(8), Florida Statutes provides: *This section does not abrogate or modify, and shall not be construed or deemed to abrogate or modify, any provision of s. 626.901, s. 626.902, s. 626.903, or any other provision of this code.*

16. Section 624.06, Florida Statutes provides: *(1) A "domestic" insurer is one formed under the laws of this state. (2) A "foreign" insurer is one formed under the laws of any state, district, territory, or commonwealth of the United States other than this state. (3) An "alien" insurer is an insurer other than a domestic or foreign insurer.*

17. Section 627.942(4), Florida Statutes provides: *"Liability" means legal liability for damages, including costs of defense, legal costs and fees, and other claims expenses, because of injuries to other persons, damage to their property, or other damages or loss to such persons resulting from or arising out of: (a) Any business, whether for profit or nonprofit, trade, product, services (including professional services), premises, or operations; or (b) Any activity of and state or local government, or any agency or political subdivision thereof. The term "liability" does not include personal risk liability or workers' compensation and employer's liability with respect to employees other than legal liability under the federal Employers' Liability Act (45 U.S.C. ss. 51 et seq.).*

18. Section 627.942(9), Florida Statutes provides, in pertinent part: *"Risk retention group" means any corporation or other limited liability association: (a) Whose primary activity consists of assuming and spreading all or any portion of the liability exposure of its group members. (b) Which is organized for the primary purpose of conducting the activity described in paragraph (a). (c) Which: 1. is certificated or*

licensed as a liability insurance company and authorized to engage in the business of insurance under the laws of any state.

19. Section 627.943, Florida Statutes provides, in pertinent part: *(1) A risk retention group seeking to be certified in this state shall first obtain a permit pursuant to chapter 628. The risk retention group shall then be organized as a limited liability association or corporation under the laws of this state and shall obtain and maintain a certificate of authority as a domestic insurer authorized to write only liability insurance by the Florida Insurance Code and, except as provided elsewhere in this part, shall comply with all of the provisions of the Florida Insurance Code, rules, statutes, and other laws applicable to domestic liability insurers, including requirements governing the use of agents, and with the provisions of s.627.944 to the extent the provisions of s. 627.944 are not a limitation on the applicable provisions of the Florida Insurance Code and related rules or other statutory or legal requirements of this state. (2) Before it may offer insurance in any state, each risk retention group shall also submit for approval to the department a plan of operation or a feasibility study... (3) A proposed risk retention group shall provide to the department a summary of the application for a certificate of authority at the time it files the application...*

20. Section 627.944, Florida Statutes provides, in pertinent part: *Risk retention groups certificated or licensed in states other than this state and seeking to do business as a risk retention group in this state must observe and abide by the laws of this state as follows: (1) Notice of Operations and Designation of Commissioner as Agent. Before offering insurance in this state, a risk retention group shall submit to the department:*

(a) A statement identifying the state or states in which the risk retention group is certificated or licensed as a liability insurance company, date of certification or licensing, its principal place of business, and such other information, including information on its membership, as the department may require to verify that the risk retention group is qualified as a risk retention group under the provisions of this part.

(b) A copy of its plan of operations or a feasibility study and revisions of such plan or study submitted to the state of domicile...

(c) A statement of registration which designates the Insurance Commissioner and Treasurer or her or his designee as its agent for the purpose of receiving service of legal documents of process.

(2) Financial Condition: Any risk retention group doing business in this state shall submit to the department:

(a) A copy of the group's financial statement submitted to its state of domicile, which shall be certified by an independent public accountant and contain a statement of opinion on loss and loss adjustment expense reserves made by a member of the American Academy of Actuaries or a qualified loss reserve specialist under criteria established by rule of the department after considering any criteria established by the National Association of Insurance Commissioners.

(b) A copy of each examination of the risk retention group as certified by the insurance commissioner or public official conducting the examination.

(c) Upon request of the department, a copy of any audit performed with respect to the risk retention group.

(d) Such information as may be required to verify its continuing qualification as a risk retention group under the provisions of this part.

21. Neither the EXCHANGE, RELIANCE, nor any of the other entities or persons named in this Immediate Final Order are subject to any exception to the requirement of the Florida Insurance Code for licensure to transact insurance in Florida, nor are they subject to any exception to the requirements of the Surplus Lines Law, including requirements applicable to offering "independently procured coverage" within the contemplation of Section 626.938, Florida Statutes.

22. Neither the EXCHANGE, RELIANCE, nor any of the other entities or persons named in this Immediate Final Order are subject to any exception to the requirement of the Florida Insurance Code, including the Surplus Lines Law, for licensure to transact insurance in Florida, or, once licensed or

otherwise authorized, as to its ongoing operation, by the Federal Liability Risk Retention Act (hereafter, LRRRA) (15 U.S.C. ss. 3901, *et seq.*).

23. The EXCHANGE and/or RELIANCE presently engage in the unlicensed, unauthorized, and therefore illegal, insurance business in Florida as an unauthorized medical malpractice insurer. They do so, directly and through agents, representatives, and promoters including, MYRON M. PERSOFF, M.D., CHESTER H. MORRIS, M.D., PROFESSIONAL RISK MANAGEMENT, LLC., JERRY AGTMAAL (a principal of Professional Risk Management, LLC), JIM RICE (a principal of Professional Risk Management, LLC), MICHAEL W. HOUSTON, EDWARD H. NUGENT, JAMES J. NEAL, MARK JACOBS, and RICHARD BEAN by promoting, soliciting the sale of, selling, and issuing medical malpractice insurance policies or certificates of liability coverage to medical doctors and other health care professionals in Florida, some of whom include:

Dr. Robert A. Gardner	West Palm Beach, Florida
Dr. Caesar Orduna	Palm Beach County, Florida
Dr. John King	Miami, Florida
Dr. Mark Golden	Boca Raton, Florida
Florida Institute for Cardiovascular Care	Hollywood, Florida

24. In conjunction with its solicitation and sale of the unauthorized medical malpractice insurance, the EXCHANGE and/or RELIANCE have misrepresented, disseminated, and published, and continues to represent, disseminate, and publish to Florida residents that it is not subject to the jurisdiction or regulation of the Department, but instead, is subject only to provisions of Federal Law, specifically, the Federal Liability Risk Retention Act (LRRRA) (15 U.S.C. ss.3901, *et seq.*). Such statements are both misleading and untrue because, while the LRRRA may operate to pre-empt some aspects of state regulation of certain forms of liability insurance, it does so only with respect to risk retention groups that are chartered or licensed as liability insurance companies under the laws of a State, and which are authorized to engage in the business of insurance under the laws of such State. (15 U.S.C. ss. 3901(4)(C)(ii)). Because neither the EXCHANGE

nor RELIANCE is chartered or licensed as a liability insurance company under the laws of any state, the LRRRA does not apply.

Similarly, the insurance is not "independently procured coverage" within the meaning of Section 626.938, Florida Statutes. In order to constitute "independently procured coverage", the insurance coverage must be issued by an alien or by a foreign insurer. Although there does exist an Indian insurer called "Reliance General Insurance Company", according to the attached e-mail dated April 10, 2002 from the President of that Indian insurer, it conducts no business outside of India (Exhibit "A"). In addition, in order to be considered independently procured coverage, there can be no direct transaction of insurance in this state; however, the EXCHANGE and RELIANCE have solicited insurance and have otherwise engaged in this state in the transaction of insurance as defined in Section 624.10, Florida Statutes.

25. As an unlicensed insurer that has not satisfied the statutory requirements necessary to obtain a Certificate of Authority, the EXCHANGE and RELIANCE present grave and immediate risks of financial harm to the residents of Florida. Although the Department is not now aware of instances of delays or failure to pay current claims, without a determination by the Department that the insurers meet the statutory capital, surplus, operational, and other requirements, the particularized harm resulting from its operation in Florida include:

A). The potential inability to meet its financial obligations to the physicians and other health care providers to whom and to which it sells its policies resulting, in whole or in part, from insufficient capital, surplus and reserves, by charging inadequate or otherwise actuarially unsound rates or premiums, and by enterprise management that is dishonest, unlicensed, untrained, or unskilled in legitimate insurance operations. In order to obtain a license to transact insurance business in Florida, the Insurance Code requires licensed insurers to maintain necessary funds with which to transact such business, including funds with which to:

i). Recruit, hire, train, and maintain a staff of qualified and licensed persons to investigate, evaluate, adjust, and negotiate claims made against persons and entities insured;

ii). Recruit, retain, and pay, on a continuing basis, qualified counsel to defend claims made against persons and entities insured and;

iii). Pay claims for which the insureds of the EXCHANGE and/or RELIANCE have been found, or who are determined to be legally liable.

B. The issuance of policies or contracts on forms that have not been approved by the Department of Insurance and which therefore do not contain the safeguards and disclosures for the benefit of the public that have been determined by the Legislature to be necessary and that are required by the Florida Insurance Code;

C. The adverse financial impact upon health care providers who have paid tens of thousands of dollars as premium for illusory medical malpractice insurance and who, as a result, believe that they have the financial protection afforded by legitimate liability coverage;

D. The adverse financial impact upon consumers of health care services who, if injured by the negligent act or omission of a health care provider allegedly insured through the EXCHANGE or RELIANCE, do not have the protection and source of recovery, as a third-party beneficiary of legitimate medical malpractice insurance, to compensate them for their legal damages including, ongoing medical care, treatment, therapy, or rehabilitation.

E. In part, by offering rates that are substantially below those charged by licensed insurers, the EXCHANGE and RELIANCE induce health care providers to abandon their legitimate insurance with lawful, licensed, and regulated insurers, and to purchase the unauthorized product. By so doing, the health care providers lose both the legal and financial safeguards that attend insurance with an entity that is licensed and regulated by the Department. Those safeguards include, mandatory financial reporting to and oversight by the Department, requirements that necessary reserves be established to defend and to pay claims on an ongoing basis, and requirements that persons who sell such coverage and who handle claims made under it be licensed and otherwise under the jurisdiction of the Department to ensure minimal competence, honesty, and adherence to applicable requirements of the Florida Insurance Code.

26. The unlicensed transaction of business as an insurer by the EXCHANGE and RELIANCE places Florida residents at grave and immediate risk for the further reason that neither of them have complied with the Department's application procedure for entities that wish to conduct insurance business in the State. As a condition of licensure, principals of insurers and other risk-bearing entities must submit an application to the Department of Insurance, undergo a background check, and otherwise be determined to have the requisite knowledge, experience, honesty, and integrity to transact insurance. These statutes were enacted for the benefit and the protection of the insurance-buying public by requiring that only honest and competent individuals obtain an insurance license and serve as principals of insurance entities. The unlicensed transaction of insurance by the EXCHANGE and RELIANCE therefore deprives Florida consumers of the benefits of such statutory requirements of competence and honesty.

27. In State vs. Knott, 166 Fla. 835 (Fla., 1936), the Florida Supreme Court found "that the business of insurance so directly affects the public that it is generally considered to be affected with a public interest, and, being so, is subject to the regulation and control by the Legislature, which includes the power to license and regulate the agents through whom such business is conducted". Id. at 837. The Court further held that "it would be difficult to find a business that more vitally affects the public interest... Id. In Natelson vs. Department of Insurance, 454 So.2d 31 (Fla. 1st DCA, 1984), the court stated that the business of insurance is "greatly affected by the public trust". Id. at 31. Indeed, insurance contracts are characterized by the law as uberrimae fidei contracts, and as such are agreements "of utmost good faith".

28. Based upon the foregoing, the Department of Insurance finds that PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, RELIANCE GENERAL INSURANCE COMPANY, PROFESSIONAL RISK MANAGEMENT, LLC., MYRON M. PERSOFF, M.D., CHESTER H. MORRIS, M.D., EDWARD H. NUGENT, JAMES J. NEAL, MARK A. JACOBS, and RICHARD BEAN are engaging in the

unauthorized and therefore illegal business of insurance in Florida in violation of the Florida Insurance Code including, Sections 624.410, 624.11, 626.112, 624.401(1), 626.451, 626.915, 626.916, 626.9521, 626.9541, 626.901, and 627.410, Florida Statutes.

WHEREFORE, pursuant to the Florida Insurance Code and other applicable statutes, including, Sections 120.569(2)(n), Florida Statutes, the Department finds that the continued transaction of insurance without licensure by PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, RELIANCE GENERAL INSURANCE COMPANY, PROFESSIONAL RISK MANAGEMENT, LLC., MYRON M. PERSOFF, M.D., CHESTER H. MORRIS, M.D., EDWARD H. NUGENT, JAMES J. NEAL, MARK A. JACOBS, and RICHARD BEAN, and in violation of the Florida Insurance Code, constitutes an immediate danger to the public welfare so as to require the issuance of this Immediate Final Order.

Accordingly, IT IS HEREBY ORDERED:

A). PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, RELIANCE GENERAL INSURANCE COMPANY, PROFESSIONAL RISK MANAGEMENT, LLC., MYRON M. PERSOFF, M.D., CHESTER H. MORRIS, M.D., EDWARD H. NUGENT, JAMES J. NEAL, MARK A. JACOBS, and RICHARD BEAN, whether acting in the State of Florida as an insurer, a risk retention group, an insurance agent, an insurance agency, an insurance adjuster, a third-party administrator, a managing general agent, or otherwise engaging in the business of insurance, either directly or indirectly through named and unnamed persons, entities, agents, or otherwise, shall forthwith CEASE AND DESIST from the transaction of any new or renewal insurance business, including as a medical malpractice insurer.

B). PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, RELIANCE GENERAL INSURANCE COMPANY, PROFESSIONAL RISK MANAGEMENT, LLC., MYRON M. PERSOFF, M.D., CHESTER H. MORRIS, M.D., EDWARD H. NUGENT, JAMES J. NEAL, MARK A. JACOBS, and

RICHARD BEAN shall forthwith notify, in writing, each and every agent, broker, salesperson, and other marketing outlet that is presently or that has in the past been used to solicit, sell, or deliver its products in Florida of the cessation of the Florida business of PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, and RELIANCE GENERAL INSURANCE COMPANY because they are unlicensed, and shall also inform such persons and entities that no further applications will be accepted nor contracts issued. They shall further direct each and every agent, broker, salesperson, and other marketing outlet, in writing, to forthwith offer to replace the medical malpractice coverage of each client, and person or entity afforded coverage under a policy or contract issued or underwritten by any of them with substantially comparable coverage provided by a Florida authorized insurer or eligible surplus lines carrier.

PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, RELIANCE GENERAL INSURANCE COMPANY, PROFESSIONAL RISK MANAGEMENT, LLC., MYRON M. PERSOFF, M.D., CHESTER H. MORRIS, M.D., EDWARD H. NUGENT, JAMES J. NEAL, MARK A. JACOBS, and RICHARD BEAN shall furnish for approval or edit a draft of such notification to the Department within five (5) days of this Immediate Final Order. They shall thereafter, within five (5) days of receipt by mail or by fax of the Department's approval or edits, mail such letter (in revised form if edited by the Department) to all such agents, brokers, salespersons, and other marketing outlets, and shall immediately thereafter file the sworn attestations of each officer, director, general partner, member, and limited partner of PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, RELIANCE GENERAL INSURANCE COMPANY, PROFESSIONAL RISK MANAGEMENT, LLC, and of MYRON M. PERSOFF, M.D., CHESTER H. MORRIS, M.D., EDWARD H. NUGENT, JAMES J. NEAL, MARK A. JACOBS, and RICHARD BEAN that there has been full compliance with this provision.

C). PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, RELIANCE GENERAL INSURANCE COMPANY, PROFESSIONAL RISK MANAGEMENT, LLC., MYRON M. PERSOFF, M.D., CHESTER H. MORRIS, M.D., EDWARD H. NUGENT, JAMES J. NEAL, MARK A. JACOBS, and RICHARD BEAN shall forthwith notify in writing each person or entity in Florida that was insured under any policy, contract, or certificate of coverage issued by or on behalf of, and to which has been furnished a certificate of coverage as evidence of medical malpractice insurance through PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, or RELIANCE GENERAL INSURANCE COMPANY, of the cessation of their business in Florida because they are unlicensed, and that each such person or entity should immediately obtain medical malpractice coverage from an authorized insurer or eligible surplus lines carrier.

PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, RELIANCE GENERAL INSURANCE COMPANY, PROFESSIONAL RISK MANAGEMENT, LLC., MYRON M. PERSOFF, M.D., CHESTER H. MORRIS, M.D., EDWARD H. NUGENT, JAMES J. NEAL, MARK A. JACOBS, and RICHARD BEAN shall furnish for approval or edit by the Department a draft of such notification to the Department within five (5) days of this Immediate Final Order. They shall, thereafter, within five (5) days of receipt by mail or by fax of the Department's approval or edits, mail such notice (in revised form if edited by the Department) to each such subscriber, member, beneficiary, and applicant, and shall immediately thereafter file the sworn attestations each officer, director, member, general partner, and limited partner of PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, RELIANCE GENERAL INSURANCE COMPANY, and PROFESSIONAL RISK MANAGEMENT, LLC., and of MYRON M. PERSOFF, M.D., CHESTER

H. MORRIS, M.D., EDWARD H. NUGENT, JAMES J. NEAL, MARK A. JACOBS, and RICHARD BEAN that there has been full compliance with this provision.

D). PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, RELIANCE GENERAL INSURANCE COMPANY, PROFESSIONAL RISK MANAGEMENT, LLC., MYRON M. PERSOFF, M.D., CHESTER H. MORRIS, M.D., EDWARD H. NUGENT, JAMES J. NEAL, MARK A. JACOBS, and RICHARD BEAN shall, within fifteen (15) calendar days from the date hereof, deliver to the Department all documents, materials, and things that are itemized on the attached Exhibit "B". The materials shall be accompanied by the sworn attestations of each officer, director, member, general partner, or limited partner of, PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, RELIANCE GENERAL INSURANCE COMPANY, and PROFESSIONAL RISK MANAGEMENT, LLC. and of MYRON M. PERSOFF, M.D., CHESTER H. MORRIS, M.D., EDWARD H. NUGENT, JAMES J. NEAL, MARK A. JACOBS, and RICHARD BEAN that they conducted a diligent search of all of the records within the actual or constructive control of all of them, and that the materials delivered to the Department in compliance with this provision constitute all of the documents that were located.

E). PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, RELIANCE GENERAL INSURANCE COMPANY, PROFESSIONAL RISK MANAGEMENT, LLC., MYRON M. PERSOFF, M.D., CHESTER H. MORRIS, M.D., EDWARD H. NUGENT, JAMES J. NEAL, MARK A. JACOBS, and RICHARD BEAN shall, within fifteen (15) calendar days from the date hereof, deliver to the DEPARTMENT a full and complete accounting of all premiums billed and claims paid or incurred, since the inception of its operation in Florida. Such accounting shall be sworn as true and correct by each officer, director, general partner, and limited partner of PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE,

RELIANCE GENERAL INSURANCE COMPANY, PROFESSIONAL RISK MANAGEMENT, LLC ,
and by EDWARD H. NUGENT, JAMES J. NEAL, MARK A. JACOBS, and RICHARD BEAN.

F). Subject to the other mandates of this Immediate Final Order, PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, RELIANCE GENERAL INSURANCE COMPANY shall continue to be responsible for the defense and payment of claims, and otherwise for the timely fulfillment of its contractual obligations to each person or entity insured until all Florida claims have been paid or until further action or order of the Department to the contrary. PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, RELIANCE GENERAL INSURANCE COMPANY shall use their assets, including reserves, solely for the defense and payment of claims. For the protection of the public, and to preserve books, records and assets of, PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, RELIANCE GENERAL INSURANCE COMPANY neither it nor its officers, directors, general partners, limited partners, employees, nor EDWARD H. NUGENT, JAMES J. NEAL, MARK A. JACOBS, and RICHARD BEAN shall take or permit any action that might waste, conceal or otherwise dispose of the assets, property, books, records, and accounts of PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, RELIANCE GENERAL INSURANCE COMPANY.

G). The entry of this Immediate Final Order, or any amendment thereto, shall not be interpreted as having, nor shall it have, the effect of abrogating any statutory, common law, or contractual rights of any person or entity insured by or who or which may be a third-party beneficiary of, coverage under any PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, RELIANCE GENERAL INSURANCE COMPANY policy, contract, or certificate of coverage, nor of any person or entity that has relied upon the existence of a policy, contract, or certificate of coverage with PHYSICIANS EXCHANGE ASSOCIATION,

PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, RELIANCE GENERAL INSURANCE COMPANY in granting or allowing any right, privilege, or chose in action.

H). The issuance of this Immediate Final Order and the procedural safeguards set forth herein are concluded to be fair under the circumstances due to the potential grave harm resulting from unauthorized insurance entities engaging in the business of insurance in Florida. A Notice of Intent to Issue a Cease and Desist Order and Assess Penalty will be issued immediately following this Immediate Final Order. Procedures set forth therein afford PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, RELIANCE GENERAL INSURANCE COMPANY, PROFESSIONAL RISK MANAGEMENT, LLC, and by EDWARD H. NUGENT, JAMES J. NEAL, MARK A. JACOBS, and RICHARD BEAN the opportunity to request a proceeding pursuant to Section 120.57, Florida Statutes.

DONE AND ORDERED this 8 day of August, 2002.




KEVIN MCCARTY
Deputy Insurance Commissioner

NOTICE OF RIGHTS

You are hereby notified pursuant to Section 120.569(1), *Florida Statutes*, that you have the right to request a hearing. The request for hearing must be in writing and filed with the Department within five (5) days of the receipt of this Order, excluding weekends or holidays. If a written request is timely filed, the affected party(ies) will be given an opportunity for a hearing at a convenient time in Tallahassee, Florida. The hearing will be limited to a review of the finding that the facts recited present an immediate threat to the public health, safety, and welfare sufficient to justify the entry of this

Immediate Final Order. Failure to file a request for a hearing within five (5) days constitutes a waiver, and no Hearing will be held.

Any party to these proceedings adversely affected by this Order is entitled to seek review of this Order pursuant to Section 120.68, *Florida Statutes*, and Rule 9.110, *Fla.R.App.P.* Review proceedings must be instituted by filing a petition or notice of appeal with the General Counsel, acting as the agency clerk, at 612 Larson Building, Tallahassee, Florida 32399-0333, and a copy of the same with the appropriate district court of appeal, within thirty (30) days of rendition of this Order.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Immediate Final Order has been sent by Certified Mail this 8 day of August, 2002 to, and shall forthwith be served upon:

PHYSICIANS EXCHANGE ASSOCIATION
1010 Huntcliff, Ste. 1350
Atlanta, Georgia 30350

PHYSICIANS EXCHANGE RISK RETENTION GROUP
1010 Huntcliff, Ste. 1350
Atlanta, Georgia 30350

DOCTORS LIABILITY EXCHANGE
1010 Huntcliff, Ste. 1350
Atlanta, Georgia 30350

RELIANCE GENERAL INSURANCE COMPANY
81000 Podgorica
Trg Ivana, Multinovica 14/1
Crna Gora, FR Yugoslavia

RELIANCE GENERAL INSURANCE COMPANY
10 College Terrace, Suite 8
London, England

RELIANCE GENERAL INSURANCE COMPANY
In care of the Florida Department of Insurance
Service of Process Section
200 East Gaines Street
Tallahassee, Florida 32399
Pursuant to Section 626.906, Florida Statutes

PROFESSIONAL RISK MANAGEMENT, LLC.
In care of its Registered Agent and Manager
JERRY AGTMAAL
10126 Diamond Lake Road
Boynton Beach, Florida 33437

PROFESSIONAL RISK MANAGEMENT, LLC
In care of its Manager
JIM RICE
P.O. Box 810849
Boca Raton, Florida 33481-0849

MYRON M. PERSOFF, M.D.
1010 Huntcliff, Ste. 1350
Atlanta, Georgia 30350

MYRON M. PERSOFF, M.D.
2912 SW 27th Avenue
Miami, Florida 33133

CHESTER H. MORRIS, M.D.
1010 Huntcliff, Ste. 1350
Atlanta, Georgia 30350

EDWARD H. NUGENT
1010 Huntcliff, Ste. 1350
Atlanta, Georgia 30350

JAMES J. NEAL, ESQ.
1010 Huntcliff, Ste. 1350
Atlanta, Georgia 30350

MARK A. JACOBS
1010 Huntcliff, Ste. 1350
Atlanta, Georgia 30350

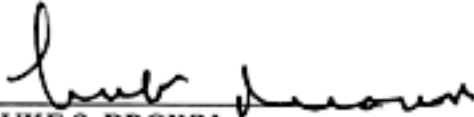
RICHARD BEAN
1010 Huntcliff, Ste. 1350
Atlanta, Georgia 30350

RICHARD BEAN
Reliance General Insurance Company
Trg Ivana, Multinovica 14/1
Crna Gora, FR Yugoslavia

CHESTER H. MORRIS, M.D.
660 N.E. 95th Street
Miami Shores, Florida 33138

JAMES J. NEAL, ESQ.
7603 Sugarbush Trail
Hudson, Ohio 44236

RICHARD BEAN
Reliance General Insurance Company
10 College Terrace, Suite 8
London, England E3 5AN


LUKE S. BROWN
Senior Executive Attorney
Unauthorized Entities Section
Florida Department of Insurance
P.O. Box 15465
Tallahassee, Florida 32317
Telephone: 850/ 413-2564
Fax: 850/ 488-0313

This message is a confidential attorney-client communication, is not for dissemination or distribution to any person except the addressee, and is exempt from disclosure pursuant to Chapter 119, Florida Statutes

Luke Brown

From: Vijay_Pawar@ril.com
Sent: Wednesday, April 10, 2002 8:31 PM
To: Luke Brown
Subject: Unauthorized Transaction of Insurance

Mr. Brown,
Reliance General Insurance Company is licensed by the Insurance Regulatory and Development Authority (IRDA) of India. The company is promoted by the Reliance Group, India's largest private sector conglomerate. We are licensed to transact General Insurance business in India as per the license obtained on the 22nd October 2000. I wish to state that we do not have any branches/operations in any part of the world and hence there is no question of us having transactions/operations in Florida.
I therefore am unable to throw any light on the matter raised by you in your e-mail attached. Should you need any further information please feel free to contact us.

Vijay Pawar
President
Reliance General Insurance Company Limited
903, Regent Chambers
Nariman Point
Mumbai 400 021
India.
Tel: +91 2885687.
Fax: +91 2889550.

"Luke Brown"
<BrownL2@doj.state.fl.us> To: <vijay_pawar@ril.com>
cc:
Subject: Unauthorized Transaction of Insurance
04/10/02 07:46
PM

Mr. Pawar:

I am an attorney with the Florida (U.S.A.) Department of Insurance, and supervise the Unauthorized Entities Section of the Division of Insurance Fraud.

Your company's name has arisen in connection with an investigation of the insurance-related activities of "Physicians Exchange Association, Inc.", also known as "Physicians Exchange Risk Retention Group". That entity

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appears to be soliciting the sale of, and selling, medical malpractice insurance in Florida, and may purport to be a Risk Retention Group. It is not authorized (licensed) to transact insurance business in Florida; likewise, we do not have a record of your company's Florida licensure as a surplus lines carrier or otherwise.

Individuals that appear to be affiliated with Physicians Exchange Association include, Dr. Myron M. Persoff and Dr. Chester H. Morris, both of Florida. There may also be an affiliation of one, Michael W. Houston and Jerry Agtmaal of Professional Risk Management, LLC, also of Florida.

I would appreciate hearing from you concerning your knowledge, if any, of these circumstances.

With best regards, I am,

Luke S. Brown
Senior Executive Attorney
Unauthorized Entity Supervisor
Florida Department of Insurance
Tallahassee, Florida
Phone: 850/ 413-4040
Fax: 850/ 488-2635
E-mail: Brownl2@doi.state.fl.us

EXHIBIT "B"

1. A complete listing of all persons and entities in Florida to whom and to which have been solicited, offered, or sold any policy, contract, or certificate of coverage for professional liability insurance or protection that was or is offered, sold, underwritten, or which otherwise involves in any way PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, or RELIANCE GENERAL INSURANCE COMPANY. In each case, you are also to specify the name and nature of the product. If different forms or contracts are or have been used the listing shall specify what form was offered or sold in each case. Included in the scope of this request are the names and addresses of all persons and entities provided with benefits under all such contracts, policies, or certificates of coverage.

2. A copy of each form of contract, policy, or certificate of coverage that has been used or issued in Florida since the inception of the business operation of PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, or RELIANCE GENERAL INSURANCE COMPANY.

3. A copy of each Certificate of Authority or other document issued to PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, or RELIANCE GENERAL INSURANCE COMPANY as an insurer, eligible surplus lines carrier, risk retention group, or other form of risk-bearing entity, or which otherwise authorizes the transaction of insurance, issued by the insurance regulatory authority of each other country, state or jurisdiction, and each application therefor. If you contend that PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, or RELIANCE GENERAL INSURANCE COMPANY is authorized to transact the business of insurance under any federal or international statute, treaty, compact, or other body of law, you are to produce all such documents upon which you rely in support of that contention.

4. Bank statements evidencing all sums collected from Florida and each other state as premium, statutory premium tax, and statutory service charges since the inception of business of PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, or RELIANCE GENERAL INSURANCE COMPANY. Please set forth separately each category of revenue.

5. All *pro formas*, actuarial memoranda, and related documents pertaining to benefit levels, premiums, reserves, and like aspects of all insurance policies, contracts, and certificates of coverage issued by or through PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, or RELIANCE GENERAL INSURANCE COMPANY.

6. A copy of the organizational chart depicting the functions and relationships of all persons, corporations, and other entities, including all indemnitors, reinsurers, stop-loss carriers, and all other functionally and organizationally related entities involved in the solicitation, marketing, sales, underwriting, and claims aspects of all insurance products issued by or through PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, or RELIANCE GENERAL INSURANCE COMPANY.

7. All underwriting guidelines that are and have in the past been used by PHYSICIANS

EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, or RELIANCE GENERAL INSURANCE COMPANY for all Florida business.

8. All claims manuals that are and have been utilized by PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, or RELIANCE GENERAL INSURANCE COMPANY for the investigation and adjudication of claims arising under contracts, policies, or certificates of coverage issued to persons and entities in Florida.

9. All written solicitation, advertising, and marketing material utilized in Florida by PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, or RELIANCE GENERAL INSURANCE COMPANY.

10. All applications for and policies of primary insurance, reinsurance, and stop-loss coverage submitted by or on behalf of PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, or RELIANCE GENERAL INSURANCE COMPANY. Included within the scope of this request are any pending applications for primary insurance, reinsurance, and stop-loss coverage, and any written denials or rescissions of such coverage.

11. A copy of each insurance license held by each officer, director, manager, member, general partner, limited partner, and salesperson of and for PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, or RELIANCE GENERAL INSURANCE COMPANY.

12. A copy of each contract, letter, or memorandum of agreement between PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, or RELIANCE GENERAL INSURANCE COMPANY and each Florida attorney or law firm, concerning the provision of legal representation to insureds of PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, or RELIANCE GENERAL INSURANCE COMPANY in the event of a lawsuit against such insured for a covered cause of loss.

13. Computer runs or similar documentation evidencing all claim payments under contracts, policies, or certificates issued to Floridians or under which Floridians are or were afforded coverage, since the inception of PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, or RELIANCE GENERAL INSURANCE COMPANY's operation in Florida. If necessary to understand or to clarify such documentation, please also provide a key to any coding systems employed.

14. Computer runs or similar documentation evidencing all claims, incurred but not paid, under contracts, policies, or certificates issued to Floridians or under which Floridians are or were afforded coverage, since the inception of PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, or RELIANCE GENERAL INSURANCE COMPANY's operation in Florida. If necessary to understand or to clarify such documentation, please also provide a key to any coding systems employed.

15. Documentation evidencing claim denials under contracts, policies, or certificates issued to Floridians or under which Floridians are or were afforded coverage, since the inception of PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, or RELIANCE GENERAL INSURANCE COMPANY's operation in Florida. If necessary to understand or to clarify such documentation, please also provide a key to any coding systems employed.

16. A copy of each contract with, and Florida insurance license of, each adjuster, or other person or entity involved in the investigation or adjustment of Florida claims since the inception of PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, or RELIANCE GENERAL INSURANCE COMPANY's operation in Florida.

17. A complete listing of the names and business and residence addresses of all persons who are presently authorized to submit potential business to PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, or RELIANCE GENERAL INSURANCE COMPANY.

18. All documentation or other data compilations evidencing the gross premium collected by PHYSICIANS EXCHANGE ASSOCIATION, PHYSICIANS EXCHANGE RISK RETENTION GROUP, DOCTORS LIABILITY EXCHANGE, or RELIANCE GENERAL INSURANCE COMPANY from Florida business.