

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

STATE OF ARIZONA
FILED

OCT 17 2019

In the Matter of:

**FLORIDA SPECIALTY INSURANCE
COMPANY**

(NAIC NO. 17248)

Respondent.

No. 19A-149-INS

DEPT OF INSURANCE
BY AS 10/17/2019

**ORDER SUMMARILY SUSPENDING
CERTIFICATE OF AUTHORITY AND
NOTIFICATION OF RIGHTS**

The Arizona Department of Insurance (the "Department") alleges that **Florida Specialty Insurance Company ("Respondent")** has violated provisions of Arizona Revised Statutes ("A.R.S."), Title 20. In light of the serious nature of these allegations, the Director of Arizona Department of Insurance ("Director") finds that the public health, safety and welfare imperatively require emergency action, within the meaning of A.R.S. § 41-1092.11(B).

FINDINGS OF FACT

1. Respondent is domiciled in Florida and presently holds a certificate of authority issued by the Arizona Department of Insurance ("Department") to transact casualty (without workers' compensation), property and vehicle insurance in Arizona.

2. Respondent's continued operation of insurance business in the State of Arizona is deemed to be hazardous to its policyholders, creditors and/or the general public for the following reasons:

a. On October 2, 2019, the Circuit Court of the Second Judicial Circuit, Florida entered against Respondent a Consent Order Appointing the Florida Department of Financial Services As Receiver of Florida Specialty Insurance

1 Company for Purpose of Liquidation, Injunction, and Notice of Automatic Stay
2 (the" Florida Order").

3 b. The Florida Order and Respondent's present affairs render its financial
4 condition hazardous.

5 3. In light of the serious nature of these allegations, the Director finds that the
6 public health, safety and welfare imperatively require emergency action, within the meaning of
7 A.R.S. § 41-1092.11(B).

8 **CONCLUSIONS OF LAW**

9 1. Respondent's continued operation of insurance business in this state is deemed
10 to be hazardous to its policyholders or creditors or the general public pursuant to A.R.S. § 20-
11 220.01(A)(1).

12 3. Respondent is in unsound financial condition or in such condition as to render
13 its further transaction of insurance in this state hazardous to the policyholders or to the
14 people of this state, within the meaning of A.R.S. § 20-220(A)(3).

15 4 The Director shall suspend or revoke the certificate of authority of any insurer
16 which no longer meets the requirements for the authority originally granted, on account of
17 deficiency in assets or otherwise, pursuant to A.R.S. § 20-219(2).

18 5. Respondent is in unsound financial condition or in such condition as to render
19 its further transaction of insurance in the State of Arizona hazardous to the policyholders or to
20 Arizona residents pursuant to A.R.S. § 20-169.

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1 ORDER

2 IT IS ORDERED summarily suspending the Arizona certificate of authority held by
3 Respondent and, effective immediately, prohibiting the issuance of new and renewal Arizona
4 insurance.

5 DATED AND EFFECTIVE this 17th day of October, 2019.

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7 
8 Keith A. Schraad
9 Director of the Arizona Department of Insurance

10 NOTIFICATION OF RIGHTS

11 **You have the right to request a hearing on this determination by filing a notice of**
12 **appeal after your receipt of this notice.** The notice of appeal must identify the party
13 appealing, the party's address, the matter being appealed and must contain a detailed
14 statement of the reason for the appeal. Your hearing will be treated as an "appealable
15 agency action" and promptly instituted and determined as prescribed by A.R.S. §§ 41-
16 1092(3), 41-1092.05(E) and 41-1092.11(B) to the extent the Office of Administrative
17 Hearings' calendar permits. In any event, your hearing will be held within 60 days of the filing
18 of your notice of appeal, unless the hearing is advanced or delayed by agreement or a
19 showing of good cause by any party. The Department will serve a "Notice of Hearing" in
20 accordance with A.R.S. § 41-1092.05(D) that will inform you of the date, time and location of
21 the hearing as well as the issues to be determined.

22 If you file an appeal, you may also request an "informal settlement conference"
23 pursuant to A.R.S. § 41-1092.06 by filing a **written request no more than twenty (20) days**
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1 **before the scheduled hearing.** The conference will be held within 15 days after our receipt
2 of your request. If an informal settlement conference is requested, a person with the authority
3 to act on behalf of the Department will be present. Please note that you waive any right to
4 object to participation of the Department's representative in the final administrative decision of
5 the matter if it is not settled.

6 Your notice of appeal and/or request for an information settlement conference may be
7 addressed to the attention of:

8 **Arizona Department of Insurance**
9 **Hearing Administration – Notice of Appeal**
10 **100 N. 15th Ave., Suite 102**
Phoenix, Arizona 85007-2624

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COPY of the foregoing mailed by U.S. First Class Mail and
Certified Mail, Return Receipt Requested
this 18th day of October, 2019, to:

Susan Jean Patschak, CEO and Secretary
Florida Specialty Insurance Company
1 South School Avenue, Suite 900
Sarasota, FL 34237-6014
Respondent

Florida Specialty Insurance Company
c/o William Loden, Service of Process
P.O. Box 357760
Gainesville, FL 32635-7760
Statutory Agent for Respondent

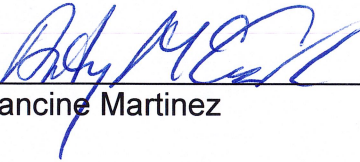
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COPY of the foregoing emailed/delivered same date to:

Kurt Regner, Assistant Director
Cary Cook, Chief Financial Compliance Officer
Mary E. Kosinski, Regulatory Legal Affairs Officer
Ana Starcevic, Paralegal Program Specialist
Liane Kido, Financial Affairs Division
Arizona Department of Insurance
100 N. 15th Ave., Suite 102
Phoenix, Arizona 85007-2624

COPY of the foregoing delivered electronically same date to:

Deian Ousounov, Assistant Attorney General
Deian.Ousounov@azag.gov
Attorney for the Arizona Department of Insurance

 for
Francine Martinez