

*Amended Market Conduct Final Examination Report*

***CORAL FINANCE COMPANY***

*Florida Company Code: 89198*

*Date: January 13, 2026*

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## Executive Summary

A market conduct examination of Coral Finance Company (“Coral Finance”) was performed to ascertain the Coral Finance’s compliance with the applicable provisions of the Florida Insurance Code as required by Section 627.834, Florida Statutes (“F.S.”).

## Company Operations

Coral Finance Company is a domestic Premium Finance Company licensed to offer premium finance agreements in Florida on April 1, 1971. Coral Finance generally finances 12-month policies for Hazard, Personal Liability, Personal Article Floater, Commercial Auto, Commercial Property, Commercial General Liability, Commercial Package, and Commercial Property and Excess solely for their affiliated agency, Continental Insurance Agency, Inc. Both companies are owned and managed by the same individual. Refund checks for overpayments are mailed directly to the insured.

Section 627.836(2), F.S., requires premium finance companies to file an annual report with OIR and remit the annual report filing fee to the Florida Department of Financial Services by March 1 of each year. Coral Finance met the requirements of Section 627.836(2), F.S. by timely filing both the annual report and the annual report filing fees by March 1 for each year during the examination scope period as follows:

Year	Date Annual Report Filed with OIR	Date Annual Report Filing Fees Remitted to DFS
2022	03/01/2023	02/27/2023
2023	03/01/2024	02/27/2024
2024	03/01/2025	02/26/2025

## Purpose and Scope of the Examination

OIR has primary responsibility for the regulation, compliance, and enforcement of statutes related to the business of insurance premium financing and the monitoring of industry markets. Due to this responsibility, OIR conducted a market conduct examination of Coral Finance pursuant to Section 627.834, F.S. The examination scope period was from January 1, 2022, to December 31, 2024. The examination was performed by members of OIR’s Property and Casualty Market Regulation business unit.

The purpose of a market conduct examination is to review the premium finance company’s operating practices to determine if they comply with the applicable provisions of the Florida Insurance Code, rules related to the business of insurance premium financing, the provisions contained within a premium finance contract issued by the premium finance company, or orders issued by OIR. A common element of all market conduct examinations is to evaluate a regulated entity’s business practices to promote the protection of insurance-buying consumers and to hold entities regulated by OIR accountable when issues or violations are found.

The examination began April 1, 2025, and ended December 3, 2025. The last examination of Coral Finance was completed as of March 30, 2023. That [examination report](#) contained findings that

required Coral Finance to submit a corrective action plan. In addition to submitting a corrective action plan, Coral Finance entered into a consent order with OIR, which can be located [here](#).

## Examination Procedures

The conduct of this examination and the procedures, statistical sampling, and examination processes used were consistent with and in accordance with those standards and procedures contained in the *Market Regulation Handbook* promulgated by the National Association of Insurance Commissioners (“NAIC”).

In preparation for the examination, Coral Finance was requested to provide the total number, or universe, of premium finance agreements entered into during the examination’s scope period. Coral Finance was also requested to identify premium finance agreements that were cancelled or received a refund from an insurer prior to the end of the premium finance agreement’s contract term. Coral Finance reported entering into a total of 100 premium finance agreements during the examination scope period. Of the 100 premium finance agreements, 10 were either cancelled or received a refund from the premium finance company prior to the end of the agreement’s term.

To facilitate a thorough review of Coral Finance’s premium finance agreements and corresponding documentation, the total universe of premium finance agreements was divided into two categories: Premium Finance Agreements; and Cancellations and Refunds. Each of the two categories were evaluated for compliance with the Florida Insurance Code.

For purposes of this examination, the two categories were defined as follows:

- Premium Finance Agreements: The initial premium finance agreement entered into during the examination scope period that completed the full term of the agreement (the premium finance agreement was not cancelled midterm or the consumer was not eligible for a refund); and
- Cancellation and Refunds: The initial premium finance agreements entered into during the examination scope period that were either cancelled prior to the end of the agreement’s term or were eligible for a refund from an insurer or the premium finance company.

The *Market Regulation Handbook* provides guidance regarding sampling methods utilized during market conduct examinations. A minimum confidence level of 95% is used to make inferences when a universe population is greater than 200 and permits those results to be extrapolated to the population of all premium finance agreements. In this instance, the total universe of premium finance agreements is less than 200. As a result, all 100 premium finance agreements were reviewed and tested for compliance with the Florida Insurance Code.

The 100 selected premium finance agreements consisted of:

- 90 premium finance agreements; and
- 10 cancellations and refunds.

# Findings

## Premium Finance Agreements

This portion of the examination focused on Coral Finance's use of approved forms and rates and evaluated specific statutory components required by Coral Finance in the execution of premium finance agreements, including but not limited to finance charges, service fees, late and nonsufficient fund fees, and products financed. To determine Coral Finance's adherence to these statutory requirements, the examiners reviewed and analyzed each sampled premium finance agreement to determine if the agreement was executed in compliance with Florida Insurance Code.

**Finding 1:** The examiners determined that in 25 instances out of 90 premium finance agreements reviewed, an error percentage of 27.8%, Coral Finance offered unlawful rebates of premiums payable by offering financing after the policy was paid in full by the affiliated agency, which is prohibited by Section 626.9541(1)(h)1.b., F.S.

**Finding 2:** The examiners determined that in one instance out of 90 premium finance agreements reviewed, an error percentage of 1.1%, the Premium Finance Agreement was not signed by or on behalf of the insured, as required by Section 627.839(1), F.S.

**Finding 3:** The examiners determined that in 10 instances out of 90 premium finance agreements reviewed, an error percentage of 11.1%, the Premium Finance Agreement did not contain a due date or period thereof, as required by Section 627.839(3)(b)5., F.S.

## Cancellations and Refunds

This portion of the examination focused on Coral Finance's premium finance agreements entered into during the examination scope period that were either cancelled prior to the end of the agreement's term or were eligible for a refund from an insurer to determine compliance with the Florida Insurance Code. The review evaluated specific statutory components pertaining to cancellations and refunds.

**Finding 4:** The examiners determined that in one instance out of 10 premium finance agreements reviewed, an error percentage of 10.0%, Coral Finance offered unlawful rebates of premiums payable by offering financing after the policy was paid in full by the affiliated agency, which is prohibited by Section 626.9541(1)(h)1.b., F.S.

**Finding 5:** The examiners determined that in one instance out of 10 premium finance agreements reviewed, an error percentage of 10.0%, the Premium Finance Agreement was not signed by or on behalf of the insured, as required by Section 627.839(1), F.S.

**Finding 6:** The examiners determined that in eight instances out of 10 premium finance agreements reviewed, an error percentage of 80.0%, Coral Finance did not issue a refund to the insured within 30 days, as required by Rule 69O-196.010(1), Florida Administrative Code ("F.A.C.").

**Finding 7:** The examiners determined that in one instance out of 10 premium finance agreements reviewed, an error percentage of 10.0%, Coral Finance did not mail to the insurer a request for cancellation after expiration of the 10 day's written notice of cancellation to the insured, as required by Section 627.848(1)(a)2., F.S.

## Recommendations

The following recommendations were compiled from the Findings contained within this report, and observations noted during the examination. Coral Finance is to provide a written report to OIR of actions taken on each Recommendation within 60 days of Coral Finance's receipt of the Amended Final Examination Report.

It is recommended that Coral Finance:

- Ensure to not pay, allow, give or offer unlaw rebate of premiums payable on the contract or any special favor or advantage in the dividends or other benefits thereon;
- Ensure that all premium finance agreements are signed and dated by or on behalf of the insured;
- Ensure that all premium finance agreements contain a due date;
- Ensure all refunds are issued timely; and
- Ensure that a request for cancellation is mailed to the insurer when a defaulted installment payment is not received from the insured within 10 days.

## Conclusion

This market conduct examination of Coral Finance Company was designed to review and evaluate whether Coral Finance's handling of premium finance agreements was in compliance with the provisions of the Florida Insurance Code. During the examination, OIR identified findings and made recommendations for remediation to be implemented by Coral Finance.

This examination report and the observations contained therein are the result of a factual, data-driven analysis of Coral Finance's premium finance agreements and practices related to the cancellation and refund of premiums to consumers. This report contains a number of recommendations for improvement that should be implemented by Coral Finance. It does not document what regulatory or administrative action may be taken by OIR.

## Amended Examination Report Final Submission

OIR hereby issues this amended final report based upon information from the examiner's draft report, additional research conducted by OIR, and additional information provided by Coral Finance Company.



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