

Market Conduct Final Examination Report

HONOR CAPITAL CORPORATION

Florida Company Code: 89308

Date: February 18, 2026



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Executive Summary

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

Company Operations

Honor Capital Corporation is a domestic Premium Finance Company licensed to offer premium finance agreements in Florida on September 30, 1986. Honor Capital finances annual property and casualty insurance policies that are generally paid over ten monthly installments. Refunds resulting from cancellations are sent from the insurance company to Honor Capital who issues refunds by check to the consumer. Refunds from policy endorsements and credits are issued to the agent, who is responsible for refunding 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.

Year	Date Annual Report Filed with OIR	Date Annual Report Filing Fees Remitted to DFS
2024	02/28/2025	04/14/2025
2023	03/01/2024	03/07/2024
2022	02/28/2023	02/27/2023

Finding 1: The examiners determined that in two instances Honor Capital did not timely remit the Annual Report Filing Fees to DFS by March 1, as required by Section 627.836(2), F.S.

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 Honor Capital 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 February 5, 2026. The last examination of Honor Capital was completed as of June 16, 2023. That examination report can be found [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, Honor Capital was requested to provide the total number, or universe, of premium finance agreements entered into during the examination’s scope period. Honor Capital 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. Honor Capital reported entering into a total of 103,231 premium finance agreements during the examination scope period. Of the 103,231 premium finance agreements, 21,323 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 Honor Capital’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. The examiners reviewed a total of 232 randomly selected premium finance agreements. The number of randomly selected premium finance agreements is consistent with the recommended sample size for non-claims in the *Market Regulation Handbook’s* Acceptance Samples Table. Examination results with a 95% confidence level permit those results to be extrapolated to the population of non-claims in each of the two premium finance agreement categories. Based on the universe of Honor Capital’s premium finance agreements subject to this examination, the total sample size required to achieve a 95% confidence level in both categories was determined to be 232.

The 232 randomly selected premium finance agreements consisted of:

- 116 premium finance agreements; and
- 116 cancellations and refunds.

Findings

Premium Finance Agreements

This portion of the examination evaluated specific statutory components required by Honor Capital 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 Honor Capital'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 2: The examiners determined that in three instances out of 116 premium finance agreements reviewed, an error percentage of 2.6%, the Premium Finance Agreement was not dated or signed by or on behalf of the insured, as required by Section 627.839(1), F.S.

Finding 3: The examiners determined that in one instance out of 116 premium finance agreements received, an error percentage of 0.9%, 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 Honor Capital'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 two instances out of 116 premium finance agreements reviewed, an error percentage of 1.7%, Honor Capital did not maintain in its files a certificate of mailing reflecting that a 10-Day Intent to Cancel Notice was mailed to the last known address of the insured, as required by Rule 60O-196.002(2), Florida Administrative Code.

Recommendations

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

It is recommended that Honor Capital:

- Ensure to timely file the annual report filing fees to DFS;
- 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; and
 - Ensure that certificates of mailing reflecting that a 10-Day Intent to Cancel Notice are mailed to the last known address of the insured and are maintained in each file.

Conclusion

This market conduct examination of Honor Capital Corporation was designed to review and evaluate whether Honor Capital'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 Honor Capital.

This examination report and the observations contained therein are the result of a factual, data-driven analysis of Honor Capital'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 Honor Capital. It does not document what regulatory or administrative action may be taken by OIR.

Examination Final Report Submission

OIR hereby issues this final report based upon information from the examiner's draft report, additional research conducted by OIR, and additional information provided by the Honor Capital Corporation.



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