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OFFICE OF INSURANCE REGULATION

DAVID ALTMAIER
COMMISSIONER

July 18, 2018

VIA ELECTRONIC MAIL
TO THE BOARD OF DIRECTORS

George De Heer et al.
Board of Directors
People's Trust Insurance Company
18 People's Trust Way
Deerfield Beach, Florida 33441

Dear Members of the Board of Directors,

The Office of Insurance Regulation has received and reviewed the audit report dated June 25, 2018 prepared by independent auditor Thomas Howell Ferguson, P. A., which identified, categorized, and summarized payments made by People's Trust Insurance Company, People's Trust Managing General Agency, and People's Trust Holding Company to former CEO Michael Gold. While the audit report does not identify violations of insurance laws, rules, or regulations, it does highlight the need for improvements in the areas of corporate governance and oversight, internal controls, and corporate processes and procedures. To address these deficiencies, People's Trust Insurance Company must prepare and file with the Office within sixty (60) days from the date of this letter, a plan, which will include initiatives the Board has implemented or plans to implement, that will provide senior management with the necessary and appropriate guidance, structure, and discipline to correct the following issues:

Corporate Governance Issues:

All executive compensation arrangements should be documented in writing. Please provide verification that employment contracts for all officers of the regulated entity, People's Trust Insurance Company, are in place and readily available to the Office for review.

Internal Control Issues:

Written standards for the proper use of corporate credit cards issued to People's Trust Insurance Company, People's Trust Managing General Agency, or People's Trust

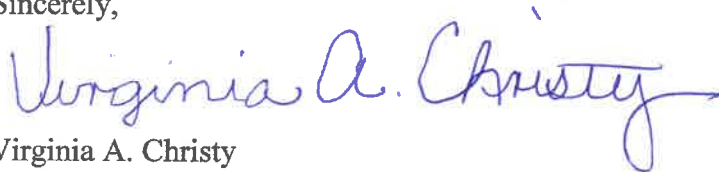
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VIRGINIA A. CHRISTY • DIRECTOR PROPERTY FINANCIAL OVERSIGHT
200 EAST GAINES STREET • TALLAHASSEE, FLORIDA 32399 • (850) 413-5019 • FAX (850) 488-2935
WEBSITE: WWW.FLOIR.COM • EMAIL: VIRGINIA.CHRISTY@FLOIR.COM

Holding Company should be established requiring appropriate documentation of the business purpose for the expenditure and standards for approval of such expenditures. Corporate procedures for the maintenance of expense records and documents supporting those expenditures should be strengthened.

Please provide the Board's written plan directly, via email, to Virginia Christy, Director of Property and Casualty Financial Oversight at virginia.christy@floi.com. If you have any questions or concerns, please contact me by phone at (850) 413-5019.

Sincerely,



Virginia A. Christy
Director, Property and Casualty Financial Oversight

Cc: Susanne Murphy
George Robert De Heer
Charles Thomas Gallagher
Adam Lawrence Frankel
Stephen Alfonso Gilotti
Adam Michael Hasner
George William Schaeffer
Brett Ross Frankel