

REPORT ON EXAMINATION
OF
AMERICAN INTEGRITY INSURANCE
COMPANY OF FLORIDA
TAMPA, FLORIDA

AS OF
DECEMBER 31, 2007

BY THE
OFFICE OF INSURANCE REGULATION

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Tallahassee, Florida

August 8, 2008

Kevin M. McCarty
Commissioner
Office of Insurance Regulation
State of Florida
Tallahassee, Florida 32399-0326

Dear Sir:

Pursuant to your instructions, in compliance with Section 624.316, Florida Statutes, and in accordance with the practices and procedures promulgated by the National Association of Insurance Commissioners (NAIC), we have conducted an examination as of December 31, 2007, of the financial condition and corporate affairs of:

**AMERICAN INTEGRITY INSURANCE COMPANY OF FLORIDA
4343 ANCHOR PLAZA PARKWAY
TAMPA, FLORIDA 33634**

Hereinafter referred to as the "Company". Such report of examination is herewith respectfully submitted.

SCOPE OF EXAMINATION

This examination covered the period of September 13, 2006 through December 31, 2007. This is the first examination conducted by representatives of the Florida Office of Insurance Regulation (Office). This examination commenced, with planning at the Office, on April 14, 2008, to April 18, 2008. The fieldwork commenced on April 28, 2008, and was concluded as of August 8, 2008.

This financial examination was a statutory financial examination conducted in accordance with the NAIC Financial Condition Examiners Handbook (Handbook), Accounting Practices and Procedures Manual and annual statement instructions promulgated by the NAIC as adopted by Rules 69O-137.001(4) and 69O-138.001, Florida Administrative Code, with due regard to the statutory requirements of the insurance laws and rules of the State of Florida.

The Handbook requires that the examination be planned and performed to evaluate the financial condition and identify prospective risks of the Company by obtaining information about the Company including corporate governance, identifying and assessing inherent risks within the Company, and evaluating system controls and procedures used to mitigate those risks. An examination also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation and management's compliance with Statutory Accounting Principles and annual statement instructions when applicable to domestic state regulations.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process.

The examination included a review of the corporate records and other selected records deemed pertinent to the Company's operations and practices. In addition, the NAIC IRIS ratio reports, the A.M. Best Report, the Company's independent audit reports and certain work papers prepared by the Company's independent certified public accountant (CPA) and other reports as considered necessary were reviewed and utilized where applicable within the scope of this examination.

This report of examination is confined to financial statements and comments on matters that involve departures from laws, regulations or rules, or which are deemed to require special explanation or description.

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Status of Adverse Findings from Prior Examination

There was no prior examination.

HISTORY

General

The Company was incorporated in Florida on July 20, 2006 and commenced business on September 13, 2006 as American Integrity Insurance Company of Florida.

The Company was party to several Consent Orders: Nos. 86219-06-CO, 88018-06-CO, 87438-04-CO and amended Consent Order No. 90385-07-CO during the period under examination. The Company was in compliance with these orders.

The Company was authorized to transact the following insurance coverage in Florida on December 31, 2007:

- Homeowners' multi peril
- Mobile home multi peril
- Fire
- Other liability

The articles of incorporation and the bylaws were not amended during the period covered by this examination.

Capital Stock

As of December 31, 2007, the Company's capitalization was as follows:

Number of authorized common capital shares	1,000
Number of shares issued and outstanding	1,000
Total common capital stock	\$1,000
Par value per share	\$1.00

Control of the Company was maintained by its parent, American Integrity Insurance Group, LLC a privately held company incorporated in Texas that owned 100% of the stock issued by the Company.

During the first quarter of 2007, American Integrity Insurance Group made a \$7,000,000 capital contribution to the Company.

Profitability of Company

The following table shows the profitability trend (in dollars) of the Company for the period of examination, as reported in the filed annual statement.

	2007
Premiums Earned	54,456,195
Net Underwriting Gain/(Loss)	1,516,863
Net Income	(1,178,626)
Total Assets	94,489,405
Total Liabilities	73,146,693
Surplus As Regards Policyholders	21,342,712

Dividends to Stockholders

There were no dividends declared or paid to its stockholders during the examination year.

Management

The annual shareholder meeting for the election of directors was held in accordance with Sections 607.1601 and 628.231, Florida Statutes. Directors serving as of December 31, 2007, were:

Directors

Name and Location

David Lewis Clark
Dallas, Texas

James Edwin Sowell
Dallas, Texas

Principal Occupation

Vice President and Principal
Sowell & Company

Chief Executive Officer
Sowell & Company

Robert C. Ritchie
Tampa, Florida

President, American Integrity
Insurance Company of Florida

Steven Edward Smathers
Dallas, Texas

Steven Smathers
Attorney at Law

Keith Douglas Martin
Dallas, Texas

Chief Executive Officer
Sowell & Company

The Board of Directors in accordance with the Company's bylaws appointed the following senior officers:

Senior Officers

Name	Title
David Lewis Clark	Chairman, Treasurer, Secretary
Robert C. Ritchie	Chief Executive Officer
Keith Douglas Martin	Executive Vice President, Assistant Secretary

The Company's board appointed several internal committees in accordance with Section 607.0825, Florida Statutes. Following are the principal internal board committees and their members as of December 31, 2007:

Audit Committee

David Lewis Clark*
Steven Edward Smathers
Keith Douglas Martin

Investment Committee

David Lewis Clark *
Keith Douglas Martin
Robert C. Ritchie

*Chairman

Conflict of Interest Procedure

The Company adopted a policy statement requiring annual disclosure of conflicts of interest in accordance with the Handbook.

Corporate Records

The recorded minutes of the shareholder, Board of Directors, and certain internal committees were reviewed for the period under examination. The recorded minutes of the Board adequately documented its meetings and approval of Company transactions and events in accordance with Section 607.1601, Florida Statutes, including the authorization of investments as required by Section 625.304, Florida Statutes.

The Company has not written any insurance in Other liability. Section 624.430(1), Florida Statutes, requires that any insurer who does not write any premium in a kind or line of insurance within a calendar year have that line of insurance removed from its COA.

Acquisitions, Mergers, Disposals, Dissolutions, and Purchase or Sales through Reinsurance

There were no acquisitions, mergers, disposals, dissolutions, or purchases or sales through reinsurance during the period under examination.

Surplus Debentures

There were no surplus debentures issued by the Company.

AFFILIATED COMPANIES

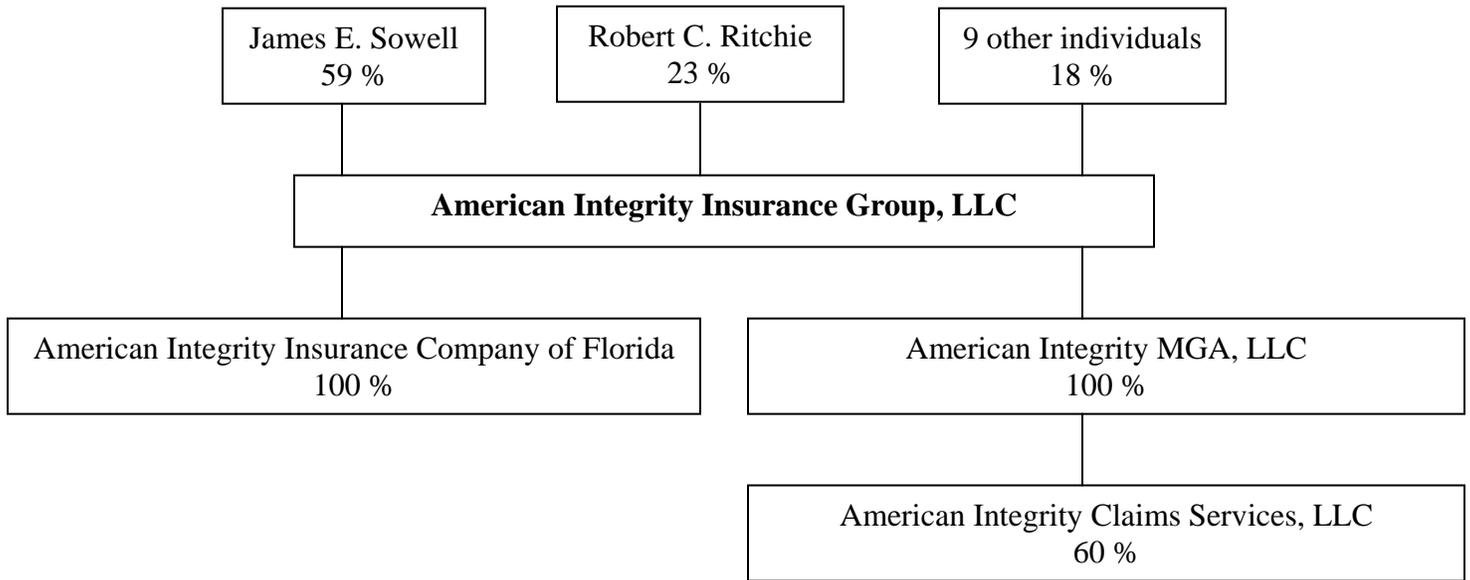
The Company was a member of an insurance holding company system as defined by Rule 69O-143.045(3), Florida Administrative Code. The latest holding company registration statement was filed with the State of Florida on June 27, 2007, as required by Section 628.801, Florida Statutes, and Rule 69O-143.046, Florida Administrative Code.

Subsequent event: The Company filed an updated holding company registration statement on February 6, 2008 and June 12, 2008 to reflect a change in ownership and a clarification to the change in ownership.

An organizational chart as of December 31, 2007, reflecting the holding company system, is shown below.

**AMERICAN INTEGRITY INSURANCE COMPANY OF FLORIDA
ORGANIZATIONAL CHART**

DECEMBER 31, 2007



The Company had not included the ultimate controlling person(s) of the Company nor all of its affiliates in Schedule Y- Part 1- Organization Chart as required by NAIC Annual Statement Instructions.

The following agreements were in effect between the Company and its affiliates:

Management Agreement

The Company entered into an agreement with American Integrity Insurance Group, LLC on June 23, 2006 to provide certain management services. The agreement continues in force for a term of five years and will automatically renew for successive five-year periods, unless otherwise terminated within the guidelines of the agreement. The management fee paid by the Company each month was equal to 2.0% of written premium on new and renewed business. Fees incurred under the agreement during 2007 amounted to \$2,802,883.

Managing General Agent Agreement

The Company was affiliated with American Integrity Managing General Agency, LLC (AIMGA), a wholly owned subsidiary of American Integrity Insurance Group, LLC, and American Integrity Claims Services, LLC (AICS), a 60% owned subsidiary of AIMGA. Effective September 5, 2006, the Company engaged AIMGA to manage the Company's policy and claims administration functions. The agreement with AIMGA continues in force for a term of five years and will automatically renew for successive five year periods unless otherwise terminated within the guidelines of the agreement. Fees incurred under the agreement during 2007 amounted to \$18,623,366.

FIDELITY BOND AND OTHER INSURANCE

The Company maintained fidelity bond coverage up to \$1,000,000 with a deductible of \$10,000, which adequately covered the suggested minimum amount of coverage for the Company as recommended by the NAIC.

The Company also maintained Directors and Officers (D&O) liability insurance coverage up to \$3,000,000 with a deductible of \$25,000.

PENSION, STOCK OWNERSHIP AND INSURANCE PLANS

The Company through its parent, provided a defined contribution savings plan.

STATUTORY DEPOSITS

The following securities were deposited with the State of Florida as required by Section 624.411, Florida Statutes:

State	Description	Par Value	Market Value
FL	Cash	<u>\$ 300,000</u>	<u>\$ 300,000</u>
Total Florida Deposits		<u>\$ 300,000</u>	<u>\$ 300,000</u>

PLAN OF OPERATIONS

Territory

The Company was authorized to transact insurance in the state of Florida only.

Treatment of Policyholders

The Company established procedures for handling written complaints in accordance with Section 626.9541(1) (j), Florida Statutes.

The Company maintained a claims procedure that included detailed procedures for handling each type of claim in accordance with Section 626.9541(1)(i) 3a, Florida Statutes.

REINSURANCE

The reinsurance agreements were reviewed for the years 2007 and 2008 and complied with NAIC standards with respect to the standard insolvency clause, arbitration clause, transfer of risk, reporting and settlement information deadlines. For both years, the Company obtained only catastrophe reinsurance coverage.

Assumed

The Company did not assume any business through reinsurance other than that business obtained from the Citizens Property Insurance Company take out program.

Ceded

The Company's ceded reinsurance program was obtained through a reinsurance intermediary. Letters of credit were properly established for unauthorized reinsurers.

All reinsurance agreements were reviewed by the Company's appointed Actuary and was utilized in determining the ultimate loss opinion.

ACCOUNTS AND RECORDS

The Company maintained its principal operational offices in Tampa, Florida, where this examination was conducted.

An independent CPA audited the Company's statutory basis financial statements for 2007, in accordance with Section 624.424(8), Florida Statutes. Supporting work papers were prepared by the CPA as required by Rule 69O-137.002, Florida Administrative Code.

The Company's accounting records were maintained on a computerized system. The Company's balance sheet accounts were verified with the line items of the annual statement submitted to the Office.

The Company's Net written premium to Surplus ratio at December 31, 2007 exceeded the maximum ratio specified in Section 624.4095(1), Florida Statutes.

The Company and non-affiliates had the following agreements:

Custodial Agreement

The Company had a custodial agreement with Credit Suisse Asset Management, LLC. This agreement did not include all of the requirements of the Rule 69O-143.042, (2), (a), (b), (c), (d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), (o), Florida Administrative Code, defined as follows:

- (a) Securities certificates held by the custodian are held separate from the securities certificates of the custodian and of all of its other customers.
- (b) Securities held in a fungible bulk by the custodian and securities in a clearing corporation or in the Federal Reserve book-entry system are separately identified on the custodian's official records as being owned by the insurance company. Said records shall identify which custodied securities are held by the custodian or by its agent and which securities are in a clearing corporation or in the Federal Reserve book-entry system. If the securities are in a clearing corporation or in the Federal Reserve book-entry system, said records will also identify where the securities are and if in a clearing corporation, the name of the clearing corporation and if through an agent, the name of the agent.
- (c) All custodied securities are registered in the name of the company or in the name of a nominee of the company or in the name of the custodian or its nominee or, if in a clearing corporation, in the name of the clearing corporation or its nominee.
- (d) Custodied securities are held subject to the instructions of the insurance company and withdrawable upon the demand of the insurance company, except that custodied securities used to meet the deposit requirements set forth in Section 624.411, Florida Statutes, shall, to the extent required by that section, be under the control of the Office and not be withdrawn by the insurance company without the approval of the Office.
- (e) The custodian is to arrange for execution of transactions in custodied securities in accordance with the insurance company's instructions and not exercise discretionary authority to effect transactions in custodied securities except in such limited or special circumstances as the insurance company may authorize.
- (f) During the course of the custodian's regular business hours, any officer or employee of the insurance company, any independent accountant selected by the insurance company and any representative of an appropriate regulatory body are entitled to examine, on the premises of the custodian, the custodian's records relating to custodied securities, but only upon furnishing the custodian with written instructions to that effect from an appropriate officer of the insurance company.
- (g) During the course of the custodian's regular hours, any representative of the Company or any appropriate regulatory body is entitled to examine the custodian records relating to the custodied securities.

- (h) Upon request, the custodian will send to the Company all reports received from a clearing corporation or the Federal Reserve book-entry system.
- (i) The custodian is to maintain sufficient records to determine and verify information relating to the custody securities.
- (j) The custodian is to provide, upon written request from the Insurance Director or from an appropriate officer of the insurance company, the appropriate affidavits, on Forms OIR-D0-341 (A), (B), or (C) or substantially similar forms with respect to custodied securities. Forms OIR-D0-341 (A), (B) and (C), entitled "Custodian Affidavit," are hereby incorporated by reference. These forms shall become effective on the effective date of these rules and may be obtained from the Office of Insurance Regulation, Larson Building, Tallahassee, Florida.
- (k) The custodian is obligated to indemnify the Company for any loss of custody securities.
- (l) In the event of (k) above, the custodian will promptly replace the securities or the value thereof and the value of any loss of rights or privileges resulting from said loss of securities.
- (m) The agreement is to provide that the custodian will not be liable for any failure to take any action required to be taken under the agreement in the event and to the extent that the taking of such action is prevented or delayed by war (whether declared or not and including existing wars), revolution, insurrection, riot, civil commotion, act of God, accident, fire, explosion, stoppage of labor, strikes or other differences with employees, laws, regulations, orders or other acts of any governmental authority, or any other cause whatever beyond its reasonable control.
- (n) In the event that the custodian gains entry in a clearing corporation or in the Federal Reserve book-entry system through an agent, there is an agreement between the custodian and the agent under which the agent is subject to the same liability for loss of custodied securities as the custodian, provided, however, that, if the agent is subject to regulation under the laws of a jurisdiction which is different from the jurisdiction the laws of which regulate the custodian, the Director may accept a standard of liability applicable to the agent which is different from the standard of liability applicable to the custodian.
- (o) The agreement must be terminable by the insurance company on not more than thirty (30) days' notice.

Investment Advisory Agreement

The Company had an agreement with Credit Suisse Asset Management, LLC dated March 27, 2007. Under this agreement, Credit Suisse Asset Management, LLC managed investments within established account objectives and guidelines.

Information Technology Report

INS Services, Inc. performed a computer systems evaluation on the Company. Results of the evaluation were noted in the Information Technology (IT) report provided to the Company.

FINANCIAL STATEMENTS PER EXAMINATION

The following pages contain financial statements showing the Company's financial position as of December 31, 2007, and the results of its operations for the year then ended as determined by this examination. Adjustments made as a result of the examination are noted in the section of this report captioned, "Comparative Analysis of Changes in Surplus."

AMERICAN INTEGRITY INSURANCE COMPANY OF FLORIDA
Assets
DECEMBER 31, 2007

	Per Company	Examination Adjustments	Per Examination
Bonds	\$60,179,932		\$60,179,932
Cash	4,110,835		4,110,835
Agents' Balances:			
Uncollected premium	18,682,332		18,682,332
Deferred premium	6,187,530		6,187,530
Electronic data processing equipment	53,405		53,405
Interest and dividend income due & accrued	935,817		935,817
Current federal and foreign income tax recoverable and interest thereon	521,384		521,384
Net deferred tax asset	3,660,074		3,660,074
Aggregate write-in for other than invested assets	158,096		158,096
Totals	\$94,489,405	\$0	\$94,489,405

AMERICAN INTERGRITY INSURANCE COMPANY OF FLORIDA
Liabilities, Surplus and Other Funds
DECEMBER 31, 2007

	Per Company	Examination Adjustment	Per Examination
Losses	\$7,783,126		\$7,783,126
Loss adjustment expenses	923,758		923,758
Other expenses	295,461		295,461
Taxes, licenses and fees	319,660		319,660
Unearned premium	51,063,594		51,063,594
Advance premiums	922,496		922,496
Ceded reinsurance premiums payable	7,022,137		7,022,137
Funds held under reinsurance treaties	23,625		23,625
Amounts withheld or retained by company for others	504,780		504,780
Remittances and items not allocated	721,599		721,599
Payable to parent, subsidiaries and affiliates	3,447,992		3,447,992
Aggregate write-ins for liabilities	118,465		118,465
	<hr/>		
Total Liabilities	\$73,146,693	\$0	\$73,146,693
Common capital stock	\$1,000		\$1,000
Gross paid in and contributed surplus	7,000,000		7,000,000
Surplus notes	11,999,000		11,999,000
Unassigned funds (surplus)	2,342,712		2,342,712
	<hr/>		
Surplus as regards policyholders	\$21,342,712		\$21,342,712
	<hr/>		
Total liabilities, surplus and other funds	\$94,489,405	\$0	\$94,489,405
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AMERICAN INTEGRITY INSURANCE COMPANY OF FLORIDA
Statement of Income

DECEMBER 31, 2007

Underwriting Income	
Premiums earned	\$54,456,195
Deductions:	
Losses incurred	20,963,211
Loss expenses incurred	2,782,057
Other underwriting expenses incurred	29,194,064
Aggregate write-ins for underwriting deductions	0
Total underwriting deductions	<u>\$52,939,332</u>
Net underwriting gain or (loss)	\$1,516,863
Investment Income	
Net investment income earned	\$2,159,089
Net realized capital gains or (losses)	66,717
Net investment gain or (loss)	<u>\$2,225,806</u>
Other Income	
Net gain or (loss) from agents' or premium balances charged off	\$0
Finance and service charges not included in premiums	27,700
Aggregate write-ins for miscellaneous income	67,252
Total other income	<u>\$94,952</u>
Net income before dividends to policyholders and before federal & foreign income taxes	\$3,837,621
Dividends to policyholders	0
Net Income, after dividends to policyholders, but before federal & foreign income taxes	<u>\$3,837,621</u>
Federal & foreign income taxes	<u>5,016,247</u>
Net Income	(\$1,178,626)
Capital and Surplus Account	
Surplus as regards policyholders, December 31 prior year	\$5,000,000
Net Income	(\$1,178,626)
Change in net deferred tax	3,797,341
Change in non admitted assets	(276,003)
Change in surplus notes	7,000,000
Surplus adjustments: Paid in	7,000,000
Examination Adjustment	0
Change in surplus as regards policyholders for the year	<u>\$16,342,712</u>
Surplus as regards policyholders, December 31 current year	<u><u>\$21,342,712</u></u>

COMMENTS ON FINANCIAL STATEMENTS

Assets

Cash \$4,110,835

The Company listed its short-term investments, on Schedule E – Part 1 - Cash instead of on Schedule DA – Part 1. The NAIC Annual Statement Instructions requires listing the Company's short-term investments in Schedule DA.

The Company reported \$630,970 of claims checks as issued in 2007, but they were not issued until the year 2008. They were included in the cash balance but should have been listed as a payable amount.

Agent Balances-Uncollected Premiums \$18,682,332

Premiums booked as deferred were left in deferred after the due date of an installment until the Company received payment. At that point the deferred portion was reduced by the amount of received installment. The Company agreed that this was an improper accounting treatment and should have reduced the deferred amount on the due date, and then established the uncollected amount and age it until payment was received. In addition, since the Company did not book the Due but uncollected premium, it did not age the receivable amount.

The Company's accounting treatment of deferred premiums and uncollected premiums was not in accordance with SSAP No. 6, SSAP No. 53, NAIC Annual Statement Instructions and Rule 690-138.024, Florida Administrative Code.

Liabilities

Losses and Loss Adjustment Expenses

\$8,706,884

An outside actuarial firm appointed by the Board of Directors, rendered an opinion that the amounts carried in the balance sheet as of December 31, 2007, make a reasonable provision for all unpaid loss and loss adjustment expense obligations of the Company under the terms of its policies and agreements.

INS Consultants, Inc. reviewed work papers provided by the Company and conducted a separate review of the amounts carried for loss and loss adjustment expense reserves. INS Consultants, Inc. determined these reserves were reasonably stated.

Capital and Surplus

The amount reported by the Company of \$21,342,712, exceeded the minimum of \$4,000,000 required by Section 624.408, Florida Statutes.

A comparative analysis of changes in surplus is shown below.

**AMERICAN INTEGRITY INSURANCE COMPANY OF FLORIDA
COMPARATIVE ANALYSIS OF CHANGES IN SURPLUS**

DECEMBER 31, 2007

The following is a reconciliation of Surplus as regards policyholders between that reported by the Company and as determined by the examination.

Surplus as Regards Policyholders December 31, 2007, per Annual Statement	\$21,342,712
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	<u>PER COMPANY</u>	<u>PER EXAM</u>	<u>INCREASE (DECREASE) IN SURPLUS</u>
ASSETS:			
No adjustment needed.			\$0
LIABILITIES:			
No adjustment needed.			\$0
Net Change in Surplus:			0
Surplus as Regards Policyholders December 31, 2007, Per Examination			\$21,342,712

SUMMARY OF FINDINGS

Compliance with previous directives

There was no prior examination

Current examination comments and corrective action

The following is a brief summary of items of interest and corrective action to be taken by the Company regarding findings in the examination as of December 31, 2007.

Corporate Records

The Company had not written any insurance in Other liability within the calendar year. Section 624.430(1), Florida Statutes, requires that any insurer not writing premium in a kind or line of insurance within a calendar year to request from the Office to have that kind or line of insurance removed from its COA. **We recommend that the Company comply with Section 624.430(1), Florida Statutes, and request in writing to the Office to remove Other liability from its COA.**

Affiliated Companies

The Company did not include the ultimate controlling person(s) of the Company nor all of its affiliates in Schedule Y- Part 1- Organization Chart as required by the NAIC Annual Statement Instructions. **We recommend that the Company include the ultimate controlling person(s) of the insurance company and all of its affiliates in Schedule Y – Part 1 – Organizational Chart as required by the NAIC Annual Statement Instructions.**

Accounts and Records

The Company's Net written premium to Surplus ratio at December 31, 2007 exceeded the maximum ratio specified in Section 624.4095(1), Florida Statutes. **We recommend that the Company maintain its Net written premium to Surplus ratio at the proper level specified in Section 624.4095(1), Florida Statutes.**

Custodial Agreement

The Company's custodial agreement with Credit Suisse Asset Management, LLC did not include all provisions of Rule 69O-143.042, (2), (a), (b), (c), (d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), (o), Florida Administrative Code. See Custodial Agreement Section of the report for details. **We recommend that the Company submit a revised custodial agreement to comply with the requirements of Rule 69O-143.042, Florida Administrative Code.**

Subsequent Event: The Company submitted a global custody agreement to the Office dated June 25, 2008 with The Bank of New York Mellon to comply with Rule 69O-143.042, Florida Administrative Code. The approval of this agreement by the Office was pending.

Cash

The Company listed its money market funds on Schedule E – Part 1 - Cash instead of Schedule DA – Part 1, Short-term investments, as required in the NAIC Annual Statement Instructions. **We recommend that the Company properly report its Short-term investments on Schedule DA – Part 1 as required in the NAIC Annual Statement Instructions.**

The Company reported \$ 630,970 of claims checks issued in 2007. The claims checks were not issued until 2008. **We recommend that the Company properly report all assets and liabilities in accordance with Sections 625.012(1) and 625.041(1), Florida Statutes.**

Agent Balances-Uncollected Premiums

Premiums booked as deferred remained in deferred after the due date of the installment until the Company received the premium payment. Upon receipt of payment, the deferred portion was reduced by the amount of received installment. The Company agreed that this was improper accounting treatment and should have reduced the deferred amount on the due date and established an uncollected amount and aged it until it was received. In addition, considering the Company did not book the due but uncollected premium, it did not age what should have been booked as a receivable. The Company's accounting treatment of deferred premiums and uncollected premiums was not in accordance with SSAP No. 6, SSAP No. 53, NAIC Annual Statement Instructions or the Rule 690-138.024, Florida Administrative Code. **We recommend that the Company reduce its deferred premiums on the due date of its installment and set up a corresponding uncollected amount and age it until it was received in accordance with SSAP No. 6, SSAP No. 53, NAIC Annual Statement Instructions and also Rule 690-138.024, Florida Administrative Code.**

CONCLUSION

The insurance examination practices and procedures as promulgated by the NAIC have been followed in ascertaining the financial condition of **American Integrity Insurance Company of Florida** as of December 31, 2007, consistent with the insurance laws of the State of Florida.

Per examination findings, the Company's Surplus as regards policyholders was \$21,342,712, in compliance with Section 624.408, Florida Statutes.

In addition to the undersigned, Barry Armstrong, CFE, Supervisor, Francis Matejik, CFE, Examiner in Charge, Hails Taylor, CFE of INS Regulatory Services, Inc. and participating Examiner, Roger Kelley participated in this examination. We also recognize the participation of INS Consultants, Inc. and INS Services, Inc. in the examination.

Respectfully submitted,

James D. Collins,
Reinsurance/Financial Specialist
Florida Office of Insurance Regulation