



by the terms and conditions of the CITIZENS depopulation plan as a condition of issuance of this Consent Order.

4. HOMEOWNERS CHOICE is a Florida-domiciled property and casualty insurance company authorized to transact insurance in the state of Florida.

5. On or about August 1, 2016, HOMEOWNERS CHOICE submitted a proposal to remove selected personal policies from CITIZENS. The proposal provides for an assumption to occur on or about November 22, 2016, of up to twenty-seven thousand (27,000) multi-peril and wind-only policies, consisting of eight thousand one hundred (8,100) multi-peril policies from CITIZENS' personal lines account, along with four thousand nine hundred (4,900) multi-peril and fourteen thousand (14,000) wind-only policies from CITIZENS' coastal account.

6. HOMEOWNERS CHOICE understands that the selected policies to be removed from CITIZENS on November 22, 2016, or at a later date approved by the OFFICE and CITIZENS will not be subject to any incentive or bonus plan, whether statutory or otherwise.

7. HOMEOWNERS CHOICE shall enter into appropriate agreements with CITIZENS to provide the following:

a. HOMEOWNERS CHOICE, at its own expense, shall give at least thirty (30) days advance written notice to affected policyholders informing them of the need to contact HOMEOWNERS CHOICE before the removal date if they desire to stay with CITIZENS. The notice shall include the estimated CITIZENS renewal premium and the estimated HOMEOWNERS CHOICE policy premium.

b. HOMEOWNERS CHOICE shall accumulate any objections and shall facilitate the return of any policyholder who desires to remain insured by CITIZENS if that policyholder executes an opt-out within the thirty (30) day notice period prior to the removal of

the policy or within thirty (30) days after the date of the policy removal. Policyholders shall not be required to make additional payments or take any action other than to express the desire to remain with CITIZENS in writing or by electronic mail no later than thirty (30) days following the date of their policy removal.

c. All communications with agents and policyholders regarding any policies to be removed from CITIZENS must be approved by CITIZENS and the OFFICE. HOMEOWNERS CHOICE agrees that once the policyholder notice required by paragraph 7a. above has been provided to affected policyholders, HOMEOWNERS CHOICE will honor the offer of coverage unless the policyholder opts out or the OFFICE approves termination of the offer for good cause shown.

8. HOMEOWNERS CHOICE must timely provide to CITIZENS all information required by the 2016 Assumption Calendar published by CITIZENS. HOMEOWNERS CHOICE acknowledges that neither approval by CITIZENS nor entry into this Consent Order by the OFFICE constitutes a guarantee that the above-referenced policies will ultimately be available to HOMEOWNERS CHOICE for removal from CITIZENS, as the availability of policies for removal may vary over time.

9. HOMEOWNERS CHOICE shall limit its actual removal of policies from CITIZENS to the number and type of policies authorized by the OFFICE in this Consent Order. The OFFICE will base its review on HOMEOWNERS CHOICE's reinsurance program, catastrophe modeling, and financial statement projections, as well as the impact on policyholders. Such reinsurance program, catastrophe modeling, and financial statement profiles shall be based upon HOMEOWNERS CHOICE's current in-force book of property policies, HOMEOWNERS CHOICE's projected voluntary market writings, and the actual number of policies available in

CITIZENS prior to the anticipated assumption date identified by HOMEOWNERS CHOICE as satisfying its filed and approved underwriting guidelines.

10. HOMEOWNERS CHOICE has submitted the proposed reinsurance documentation and financial projections for assumption of up to twenty-seven thousand (27,000) multi-peril and wind-only policies, consisting of eight thousand one hundred (8,100) multi-peril policies from CITIZENS' personal lines account, along with four thousand nine hundred (4,900) multi-peril and fourteen thousand (14,000) wind-only policies from CITIZENS' coastal account, expected to be assumed on or about November 22, 2016, or on subsequent dates approved by the OFFICE and CITIZENS. Each additional assumption of CITIZENS policies by HOMEOWNERS CHOICE shall be subject to advance written approval by the OFFICE.

11. HOMEOWNERS CHOICE's acquisition of adequate reinsurance and maintenance of executed reinsurance agreements are material to the OFFICE's review and analysis of HOMEOWNERS CHOICE's proposal to remove selected policies from CITIZENS and to the OFFICE's approval of the proposal.

12. HOMEOWNERS CHOICE expressly waives its right to any hearing in this matter, the making of findings of fact and conclusions of law by the OFFICE, and all other and further proceedings herein to which it may be entitled by law or by rules of the OFFICE. HOMEOWNERS CHOICE agrees not to appeal or otherwise contest this Consent Order in any forum now or in the future available to it, including its right to any administrative proceeding, state or federal court action, or any appeal.

13. HOMEOWNERS CHOICE represents that all explanations and documents made or submitted to the OFFICE as part of its proposal to remove selected policies from CITIZENS, including all attachments and supplements thereto, fully describe all transactions, agreements, and

understandings relating to the removal of policies from CITIZENS by HOMEOWNERS CHOICE. However, all draft documents and non-executed agreements relating to HOMEOWNERS CHOICE's plan shall not be deemed approved by this Consent Order until such time as executed agreements or final documents are submitted to and approved by the OFFICE.

14. The parties agree this Consent Order will be deemed executed when the OFFICE has signed a copy of this Consent Order bearing the signature of HOMEOWNERS CHOICE, or its authorized representative, notwithstanding the fact the copy was transmitted to the OFFICE electronically. HOMEOWNERS CHOICE agrees the signature of its representative as affixed to this Consent Order shall be under seal of a Notary Public.

15. Each party to this action shall bear its own costs and attorney fees.

IT IS THEREFORE ORDERED that:

(A) Upon consideration of the proposal to remove selected policies from CITIZENS, including its attachments, the OFFICE approves the proposal to remove selected policies from CITIZENS, subject to adherence to the terms and conditions of this Consent Order by HOMEOWNERS CHOICE.

(B) The OFFICE approves the assumption of up to twenty-seven thousand (27,000) multi-peril and wind-only policies, consisting of eight thousand one hundred (8,100) multi-peril policies from CITIZENS' personal lines account, along with four thousand nine hundred (4,900) multi-peril and fourteen thousand (14,000) wind-only policies from CITIZENS' coastal account, expected to be assumed on or about November 22, 2016, in accordance with the proposal to remove selected policies from CITIZENS, any agreement(s) between HOMEOWNERS CHOICE and CITIZENS, and this Consent Order.

(C) Regarding all reinsurance matters, HOMEOWNERS CHOICE shall:

(i) Maintain catastrophe reinsurance at such levels that are acceptable to the OFFICE but in no event less than that evidenced to the OFFICE in the proposal to remove selected policies from CITIZENS;

(ii) Notify the OFFICE of any termination of any of its reinsurance agreements. The notification shall be made to the OFFICE in writing sixty (60) days prior to the effective date of any such termination; and

(iii) Comply with the requirements of Section 624.610, Florida Statutes, with regard to all of its reinsurance arrangements.

(D) HOMEOWNERS CHOICE shall participate annually in any examination of the HOMEOWNERS CHOICE's reinsurance program as requested by the OFFICE. Based upon the OFFICE's review of the models and plans, HOMEOWNERS CHOICE may be required at the OFFICE's sole discretion to take corrective action to cure any overexposure identified by the OFFICE. Such action may include obtaining additional amounts of reinsurance coverage as directed by the OFFICE or suspending writing of any additional business, including the CITIZENS policies.

(E) Upon the expiration of the assumed CITIZENS policies, HOMEOWNERS CHOICE shall provide coverage substantially equivalent to that afforded by CITIZENS at approved rates, unless such policies are cancelled or nonrenewed by HOMEOWNERS CHOICE for a lawful reason.

(F) At the time HOMEOWNERS CHOICE removes any policy of insurance from CITIZENS, HOMEOWNERS CHOICE shall either obtain a new policy application from each affected policyholder or maintain in its files a copy of the policyholder's application on file with CITIZENS. If HOMEOWNERS CHOICE chooses the former option, HOMEOWNERS CHOICE

may not initiate any retroactive increase in rates or premium or any retroactive decrease in coverage provided under the assumed CITIZENS policy (if applicable) as a result of the information obtained from or through the new policy application.

(G) For a period of three (3) years immediately following the date of entry of this Consent Order, HOMEOWNERS CHOICE shall abide by the proposal to remove selected policies from CITIZENS in all material respects. Further, HOMEOWNERS CHOICE shall abide by all terms of this Consent Order and all provisions of any agreement(s) entered into with CITIZENS.

(H) Regarding required documentation to be maintained by HOMEOWNERS CHOICE relating to policies removed from CITIZENS:

(i) HOMEOWNERS CHOICE is required to track all agents, as well as the related policy information, that have declined to participate in the takeout process. This information shall be submitted to CITIZENS by the deadline published in the 2016 Citizens Assumption Calendar. CITIZENS will then mail out notices informing the policyholders of the agent's declination. This will allow the affected policyholders the opportunity to address the declination with their agent and possibly receive their agent's approval in time to be included in the current takeout. At no time shall HOMEOWNERS CHOICE contact a potential policyholder without the agent's appointment.

(ii) HOMEOWNERS CHOICE is required to track all agents, as well as the related policy information, who after discussing with the policyholder, decide to participate in the takeout process and submit this information to CITIZENS by the deadline published in the 2016 Citizens Assumption Calendar.

(iii) HOMEOWNERS CHOICE is required to keep a record of all agents who decline participation along with an explanation for the declination.

(iv) When contacting an agent regarding a potential takeout policy, HOMEOWNERS CHOICE is required to provide each agent with the policy form to be used, appointment contract, and a copy of HOMEOWNERS CHOICE's most current available financial statement.

(I) HOMEOWNERS CHOICE is required to comply with the following requirements when soliciting an agent's permission to participate in the assumption process:

(i) HOMEOWNERS CHOICE must utilize email and at least one other method for contact, such as via facsimile or United States Postal Service.

(ii) HOMEOWNERS CHOICE must send out a direct solicitation to the agent of record and copy the agency principal.

(iii) HOMEOWNERS CHOICE must provide all agents a minimum of fourteen (14) days to review the solicitation. This will allow agents adequate time to research the company and make an informed decision.

(iv) HOMEOWNERS CHOICE must provide a copy of the appointment contract. HOMEOWNERS CHOICE may opt to provide the agent a link to its website containing the required information.

(v) HOMEOWNERS CHOICE must provide a copy of the policy form. HOMEOWNERS CHOICE may opt to provide the agent a link to its website containing the required information.

(vi) HOMEOWNERS CHOICE must provide a chart identifying any differences in coverage from CITIZENS, which will help both the agent and the policyholder in making an informed decision.

(vii) HOMEOWNERS CHOICE must provide a list of policies specific to the agent that it would like to assume.

(viii) HOMEOWNERS CHOICE must provide a contact number of qualified staff to answer the agent's questions.

(ix) HOMEOWNERS CHOICE must provide an overview of its strategy for handling catastrophe and non-catastrophe claims.

(J) Should the OFFICE determine HOMEOWNERS CHOICE has failed to materially comply with terms of this Consent Order, the proposal to remove selected policies from CITIZENS, including its attachments and amendments thereto as submitted to the OFFICE, or terms of any agreement(s) with CITIZENS, HOMEOWNERS CHOICE shall, upon receipt of notice of such material non-compliance, have sixty (60) days to cure its material non-compliance. In the event HOMEOWNERS CHOICE fails to cure any such material non-compliance within the sixty (60) day period, HOMEOWNERS CHOICE expressly agrees the OFFICE may enter an order directing it to immediately cease writing personal or other lines of insurance within the state of Florida, imposing such other sanctions authorized by statute or rule, or imposing other restrictions as may be deemed appropriate by the OFFICE.

WHEREFORE, the proposal to remove up to twenty-seven thousand (27,000) multi-peril and wind-only policies, consisting of eight thousand one hundred (8,100) multi-peril policies from CITIZENS' personal lines account, along with four thousand nine hundred (4,900) multi-peril and fourteen thousand (14,000) wind-only policies from CITIZENS' coastal account, for the initial assumption starting on or about November 22, 2016, subject to the terms and conditions of this Consent Order, is hereby APPROVED.

FURTHER, all terms and conditions contained herein are hereby ORDERED.

DONE and ORDERED this 31 day of August, 2016.



David Altmaier  
David Altmaier, Commissioner  
Office of Insurance Regulation

By execution hereof, HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions and shall be bound by all provisions therein. The undersigned represents that he has the authority to bind HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY to the terms and conditions of this Consent Order.

HOMEOWNERS CHOICE PROPERTY &  
CASUALTY INSURANCE COMPANY

[Corporate Seal]



Pareshbhai Patel, President

STATE OF FLORIDA

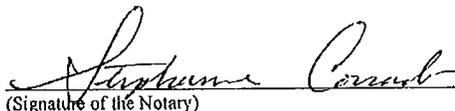
COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me this 31 day of AUGUST 2016,

by PARESHBHAI PATEL as PRESIDENT  
(name of person) (type of authority; e.g., officer, trustee, attorney in fact)

for HOMEOWNERS CHOICE PROPERTY'S CASUALTY INSURANCE COMPANY.  
(company name)

[Notary Seal]

  
(Signature of the Notary)

STEPHANIE CORRADO  
(Print, Type, or Stamp Commissioned Name of Notary)

Personally Known  OR Produced Identification

Type of Identification Produced \_\_\_\_\_

My Commission Expires: 8/30/2020

COPIES FURNISHED TO:

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