



**FILED**

**FEB 28 2020**

**INSURANCE REGULATION**  
Docketed by: J.O.

**OFFICE OF INSURANCE REGULATION**

**DAVID ALTMAIER**  
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 260539-20-CO

ANCHOR PROPERTY & CASUALTY  
INSURANCE COMPANY

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CONSENT ORDER FOR PUBLIC ADMINISTRATIVE SUPERVISION

THIS CAUSE came on for consideration upon review of the financial condition of ANCHOR PROPERTY & CASUALTY INSURANCE COMPANY ("ANCHOR") by the FLORIDA OFFICE OF INSURANCE REGULATION ("OFFICE"). After a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the OFFICE hereby finds as follows:

1. The OFFICE has jurisdiction over the subject matter and the parties herein.
2. ANCHOR is a domestic property and casualty insurer authorized to transact insurance business in the state of Florida pursuant to a Certificate of Authority issued by the OFFICE, pursuant to Chapter 624, Part III, Florida Statutes.
3. On February 13, 2020, the OFFICE issued Consent Order 258650-20-CO, which approved a Policy Replacement Agreement between ANCHOR and Homeowners Choice Property Insurance Company and the cancellation of all ANCHOR policies effective April 1, 2020, with the simultaneous offer of short-term replacement coverage from Homeowners Choice Property Insurance Company. ANCHOR was further required to submit a wind-down plan to the OFFICE by February 17, 2020.

4. The OFFICE has determined that grounds exist for ANCHOR to be placed in administrative supervision for the purpose of effectuating an orderly wind-down of its remaining liabilities, safeguarding its assets, and protecting the interests of policyholders, claimants, and the public.

5. ANCHOR has been cooperative with the OFFICE and agrees to be placed under administrative supervision for a period of 120 days from the date of execution of this Consent Order and to be subject to the provisions of Sections 624.80-.87, Florida Statutes, as if an order were issued by the OFFICE. Such administrative supervision may be extended in 60-day increments at the OFFICE's sole discretion for as long as is necessary for the company to effectuate a smooth transition and orderly wind-down of its remaining liabilities. All terms of the transition and wind-down of business are to be included in a wind-down plan ("Plan"), which is subject to the OFFICE's approval.

6. The time within which ANCHOR must file its Plan with the OFFICE is hereby extended to the close of business on March 13, 2020. The Plan must include, but is not limited to, the following:

- a. A demonstration, in sufficient detail as determined by the OFFICE, of ANCHOR's ability to fund its operations in amounts sufficient to pay all policyholder claims and provide for the payment of other liabilities as they become due;
- b. A schedule of all outstanding claims to include date of loss, initial reserve amount, and current reserve amount as of February 29, 2020, and such further claim information as may be requested by the OFFICE;
- c. Such other information as the OFFICE requested in its letters to ANCHOR dated January 29, 2019; February 4, 2020; and February 20, 2020.

7. ANCHOR will remain in administrative supervision, pursuant to this Consent Order, for the purpose of implementing its Plan.

8. ANCHOR may not conduct the following activities during the period of supervision, without prior approval by the OFFICE, as set forth in Section 624.83, Florida Statutes:

- a. Dispose of, convey, or encumber any of its assets or its business in force;
- b. Withdraw any of its bank accounts;
- c. Lend any of its funds;
- d. Invest any of its funds;
- e. Transfer any of its property;
- f. Incur any debt, obligation, or liability;
- g. Merge or consolidate with another company;
- h. Enter into any new reinsurance contract or treaty;
- i. Terminate, surrender, forfeit, convert, or lapse any insurance policy, certificate, or contract of insurance, except for nonpayment of premiums due;
- j. Release, pay, or refund premium deposits, accrued cash or loan values, or other reserves on any insurance policy or certificate; or
- k. Make any material change in management.

9. ANCHOR hereby knowingly and voluntarily waives the requirement of written notice under Section 624.81(1), Florida Statutes, and agrees that any timelines outlined in this Consent Order will be binding, notwithstanding any timelines provided for in Section 624.81, Florida Statutes.

10. ANCHOR is not currently writing new business and may only renew policies where required by statute.

11. ANCHOR shall not enter into any new or amend any existing agreements with any

affiliate, as defined in Section 631.011(1), Florida Statutes, without prior written consent of the OFFICE.

12. ANCHOR shall not waste assets or expend funds in excess of \$10,000 United States Dollars ("USD"), other than in the ordinary course of business, without the prior written consent of the OFFICE. If, after approval of a transaction over \$10,000 has been granted by the OFFICE, the OFFICE becomes aware of additional facts or circumstances that materially affect such approval, the OFFICE reserves the right to require such corrective action as it may deem necessary or advisable. Transactions in the ordinary course of business shall include, but not be limited to, payment of claims or settlement of disputed or litigated claims. ANCHOR need not obtain prior written approval for payment of claims or settlement of disputed or litigated claims over the amount of \$10,000 USD; however, the OFFICE may retrospectively review such payments.

13. Within 5 business days of the execution of this Consent Order, ANCHOR shall provide a list of any known pending litigation in which ANCHOR is named as a party. ANCHOR agrees to provide the OFFICE with an updated list on a monthly basis.

14. The OFFICE may appoint a Deputy Supervisor pursuant to Section 624.87, Florida Statutes. Such Deputy Supervisor shall represent the OFFICE and shall be under the control of the OFFICE.

15. ANCHOR shall be responsible for administrative supervision expenses pursuant to Section 624.87, Florida Statutes, unless ANCHOR shows that payment of administrative supervision expenses will have an adverse material impact on its financial condition and jeopardize its rehabilitation. Otherwise, ANCHOR shall reimburse the OFFICE for any reasonable expenses of supervision and will pay directly all contractors, including any Deputy Supervisor retained by the OFFICE, for assistance with the administrative supervision.

16. ANCHOR agrees that the OFFICE and the Department of Financial Services ("Department") may have examiners or other designees present at the offices of ANCHOR to obtain independent information. Further, the OFFICE may have examiners or other designees to supervise activities, verify transactions, verify the conditions and status of ANCHOR and its progress in developing and complying with its Plan, and perform any other duty as designated by the OFFICE. ANCHOR shall cooperate with and facilitate the presence and work of such examiners or designees.

17. Administrative supervision is confidential as provided in Section 624.82, Florida Statutes, unless otherwise specified within that statute. The OFFICE finds, and ANCHOR agrees, that it is in the best interest of its policyholders and the public to make this Consent Order public pursuant to Section 624.82(4), Florida Statutes. This finding does not affect the confidentiality of any other orders, notices, correspondence, reports, records, or other information in the possession of the OFFICE relating to the administrative supervision of ANCHOR pursuant to Section 624.82(1), Florida Statutes.

18. ANCHOR affirms that all explanations, representations, statements, and documents provided to the OFFICE in connection with this Consent Order, including all attachments and supplements thereto, are true and correct and are material to the issuance of this Consent Order.

19. ANCHOR expressly waives its rights to a hearing in this matter, the making of findings of fact and conclusions of law by the OFFICE, and all further and other proceedings herein to which it may be entitled by law or rules of the OFFICE. ANCHOR hereby knowingly and voluntarily waives all rights to challenge or contest this Consent Order in any forum available to it, now or in the future, including the rights to any administrative proceeding, state or federal court action, or any appeal.

20. ANCHOR acknowledges that the execution of this Consent Order does not prohibit other administrative action upon the Certificate of Authority of ANCHOR deemed appropriate by

the OFFICE in accordance with the Florida Insurance Code or with Sections 120.569(2)(n), 120.60(6), and 631.031, Florida Statutes.

21. Any prior orders, consent orders, or corrective action plans that ANCHOR has entered into with the OFFICE prior to the issuance of this Consent Order, shall remain in full force and effect for ANCHOR, except where provisions of such orders, consent orders, or corrective action plans have expired; have been superseded by subsequent orders, consent orders, or corrective action plans; or are inconsistent with this Consent Order.

22. Any deadlines, reporting requirements, other provisions, or requirements set forth in this Consent Order may be altered or terminated by written approval of the OFFICE. Such written approval by the OFFICE is subject to statutory or administrative regulation limitations.

23. ANCHOR agrees that it has entered into this Consent Order voluntarily, without coercion from the OFFICE, or any agent, employee, or designee of the OFFICE, and that ANCHOR has obtained legal counsel prior to entering into this Consent Order.

24. The parties agree that this Consent Order shall be deemed to be executed when the OFFICE has signed and docketed a copy of this Consent Order bearing the signature of the authorized representative of ANCHOR, notwithstanding the fact that the copy may have been transmitted to the OFFICE electronically. Further, ANCHOR agrees that the signature of its authorized representative as affixed to this Consent Order shall be under the seal of a Notary Public.

WHEREFORE, the agreement between ANCHOR PROPERTY & CASUALTY INSURANCE COMPANY and the FLORIDA OFFICE OF INSURANCE REGULATION, the terms and conditions of which are set forth above, is APPROVED. FURTHER, all terms and conditions contained herein to place ANCHOR PROPERTY & CASUALTY INSURANCE COMPANY in administrative supervision are hereby ORDERED.

DONE and ORDERED this 28 day of February 2020.



David Altmaier  
David Altmaier, Commissioner  
Office of Insurance Regulation

By execution hereof, ANCHOR 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 herein. The undersigned represents that they have the authority to bind ANCHOR PROPERTY & CASUALTY INSURANCE COMPANY to the terms and conditions of this Consent Order. The undersigned also certifies that they have provided the signature below voluntarily and without coercion, based upon the assistance of legal counsel for ANCHOR PROPERTY & CASUALTY INSURANCE COMPANY.

ANCHOR PROPERTY & CASUALTY INSURANCE COMPANY

By: *Kevin Paulowski*

[Corporate Seal]

Name: KEVIN PAULOWSKI  
(Please type or print)

Title: CEO

Date: 2/28/2020

STATE OF Florida

COUNTY OF Duval

The foregoing instrument was acknowledged before me by means of  physical presence

or  online notarization, this 28 day of Feb 2020, by Kevin Paulowski  
(name of person)

as officer for Anchor Property & Casualty Insurance Company  
(type of authority; e.g., officer, trustee, attorney in fact) (company name)



*Kaley R. Conner*  
(Signature of the Notary)

Kaley R. Conner  
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification \_\_\_\_\_

Type of identification produced \_\_\_\_\_

My Commission Expires 01/07/2022



COPIES FURNISHED TO:

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