



FILED

SEP 21 2022

INSURANCE REGULATION
Docketed by: AB

OFFICE OF INSURANCE REGULATION

DAVID ALTMAIER
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 300808-22-CO

MONARCH NATIONAL INSURANCE COMPANY
_____ /

CONSENT ORDER

THIS CAUSE came for consideration as a result of the Assumption Agreement (“Assumption Agreement”) between FEDNAT INSURANCE COMPANY (“FEDNAT”) and MONARCH NATIONAL INSURANCE COMPANY (“MONARCH”) as approved in Consent Order Case Number 295638-22-CO and as amended by Case Number 297724-22-CO. A referral for the liquidation of FEDNAT has been presented to the Department of Financial Services on September 21, 2022. The FLORIDA OFFICE OF INSURANCE REGULATION (“OFFICE”) wants to ensure that continuous and uninterrupted insurance coverage exists for the policyholders who are currently being provided coverage by MONARCH as a result of the Assumption Agreement. Upon the rendition of a final order of liquidation by the Leon County Circuit Court adjudicating FEDNAT insolvent and following a complete review of the 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. MONARCH entered into an Assumption Agreement with FEDNAT wherein MONARCH assumed approximately 78,000 FEDNAT Florida policies effective June 1, 2022.

3. MONARCH has received all unearned premium reserves to which it was entitled under the terms of the Assumption Agreement.

4. MONARCH has assumed all of the liabilities for the assumed policies from the effective date of June 1, 2022 forward, including all policyholder claims under assumed policies which occurred on or after June 1, 2022.

5. All policyholder claims which occurred on or after June 1, 2022 are the responsibility of MONARCH for the adjusting, defense, and payment of such claims.

6. If MONARCH determines that an assumed policyholder claim occurred prior to June 1, 2022 after its adjustment of that claim, MONARCH will provide all claims documents to FEDNAT, and/or to its statutory successor(s) in interest and to the Florida Insurance Guaranty Association ("FIGA"). FEDNAT, and/or its statutory successor(s) in interest or FIGA will indemnify Monarch, as appropriate, for any expenses incurred in connection with that claim, including any defense costs, investigation and adjustment expenses, and/or any court-ordered payments associated with that claim.

7. MONARCH agrees that it will not contest its responsibility for policyholder claims arising on the assumed policies which occurred on or after June 1, 2022.

8. If a claim is presented to FEDNAT, and/or to its statutory successor(s) in interest or to FIGA for an assumed policyholder claim which occurred on or after June 1, 2022, and so long as FEDNAT, and/or its statutory successor(s) in interest or FIGA agree to the indemnification provisions in paragraph 6, MONARCH will indemnify FEDNAT, and/or its statutory successor(s) in interest and/or FIGA, as appropriate, for any expenses incurred in connection with that claim, including any defense costs, investigation and adjustment expenses, and/or any court-ordered payments associated with that claim.

9. Any prior orders, consent orders, or corrective action plans that MONARCH has entered into with the OFFICE prior to the execution of this Consent Order shall apply and remain in full force and effect for MONARCH, 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.

10. In the event FEDNAT is not declared insolvent, and a final order of liquidation is not entered by the Leon County Circuit Court, the provisions of this Consent Order will be void, and all prior Orders of the OFFICE for MONARCH shall control.

11. 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 approval must be requested in writing prior to any proposed deviation from the terms of this Consent Order.

12. MONARCH expressly waives 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. MONARCH hereby knowingly and voluntarily waives all rights to challenge or to contest this Consent Order in any forum available to it, now or in the future, including the right to any administrative proceeding, state or federal court action, or any appeal.

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

14. MONARCH agrees that, upon execution of this Consent Order, failure to adhere to one or more of the terms and conditions contained herein may result, without further proceedings, in the OFFICE suspending, revoking, or taking other administrative action as it deems appropriate

upon MONARCH's Certificate of Authority in this state in accordance with Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

15. 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 notarized signature of the authorized representative of MONARCH.

WHEREFORE, subject to the requirements, terms, and conditions detailed above, MONARCH NATIONAL INSURANCE COMPANY agrees to be bound by the findings detailed above.

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

DONE and ORDERED on this 21st day of September, 2022.



David Altmaier
David Altmaier, Commissioner
Office of Insurance Regulation

By execution hereof, MONARCH NATIONAL 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 represent that they have the authority to bind MONARCH NATIONAL INSURANCE COMPANY to the terms and conditions of this Consent Order.

MONARCH NATIONAL INSURANCE COMPANY

By: [Signature]

Name: David Lockhart

Title: President + CFO

STATE OF FLORIDA
COUNTY OF SEVIER

The foregoing instrument was acknowledged before me by means of X physical presence or _____ online notarization, this 21st day of September 2022, by DAVID LOCKHART as President's CFO for MONARCH NATIONAL INS. CO.

[Signature]
Signature of Notary

JAMES GORDON JENNINGS III
Print, Type or Stamp Commissioned Name of Notary

Personally Known X OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires: 12/16/2025



COPIES FURNISHED TO:

WES STRICKLAND, ESQ.

Colodny Fass
119 East Park Avenue
Tallahassee, Florida 32301
(850) 577-0398
Email: wstrickland@colodnyfass.com

DAVID LOCKHART, PRESIDENT AND CHIEF FINANCIAL OFFICER

Monarch National Insurance Company
6265 Old Water Oak Road, Suite 204
Tallahassee, Florida 32312

VIRGINIA A. CHRISTY, DIRECTOR

Property & Casualty Financial Oversight
Florida Office of Insurance Regulation
200 East Gaines Street
Tallahassee, Florida 32399
Email: Virginia.Christy@flor.com

ROBERT RIDENOUR, FINANCIAL ADMINISTRATOR

Florida Office of Insurance Regulation
200 East Gaines Street
Tallahassee, Florida 32399
Email: robert.ridenour@flor.com

JANE NELSON, FINANCIAL ADMINISTRATOR

Florida Office of Insurance Regulation
200 East Gaines Street
Tallahassee, Florida 32399
Email: jane.nelson@flor.com

ANOUSH ARAKALIAN BRANGACCIO, GENERAL COUNSEL

Florida Office of Insurance Regulation
200 East Gaines Street
Tallahassee, Florida 32399
Telephone: (850) 413-4116
Email: Anoush.Brangaccio@flor.com