



**FILED**

APR 15 2024

INSURANCE REGULATION

Docketed by: ile

OFFICE OF INSURANCE REGULATION

**MICHAEL YAWORSKY**  
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 326102-24-CO

AMERICAN MOBILE INSURANCE EXCHANGE  
/

CONSENT ORDER FOR PUBLIC ADMINISTRATIVE SUPERVISION

THIS CAUSE came on for consideration upon a request filed with the FLORIDA OFFICE OF INSURANCE REGULATION (“OFFICE”) by AMERICAN MOBILE INSURANCE EXCHANGE (“AMERICAN MOBILE” or “the Company”) for approval of a Withdrawal Plan (the “Plan”). The goal of the Plan is to facilitate a solvent run off of the liabilities of AMERICAN MOBILE and to wind down its affairs in an orderly way. Following 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. AMERICAN MOBILE is a domestic property and casualty reciprocal insurer authorized to transact property and casualty insurance in Florida through a subsisting Certificate of Authority issued by the OFFICE. AMERICAN MOBILE is operated by its attorney-in-fact, American Mobile Risk Management, LLC, a Florida limited liability company.
3. AMERICAN MOBILE has experienced a significant decline in its underwriting results, with net losses exceeding \$15 million United States Dollars (“USD”) in the previous three years. The Company reported a net underwriting loss of \$8,553,192 USD on its annual 2023 financial statement filed with the OFFICE. The Company’s surplus as regards policyholders

reported on that statement was \$15,091,331 USD and its minimum required surplus as regards policyholders was \$15,000,000 USD.

4. AMERICAN MOBILE's reported surplus as regards policyholders of \$15,091,331 USD as of December 31, 2023, is a decrease of \$5,894,915 USD from the surplus as regards policyholders of \$20,986,246 USD reported as of December 31, 2022. This surplus included a net loss of \$7,561,318 USD and a capital contribution of \$1,000,000 USD.

5. On March 5, 2024, pursuant to the requirements of Section 624.430, Florida Statutes, AMERICAN MOBILE submitted a Notice of Withdrawal from Florida ("Withdrawal Notice") and the Plan. Updates and revisions to the Plan were provided to the OFFICE on March 20, April 8, and April 9, 2024. In accordance with the Withdrawal Notice and Plan AMERICAN MOBILE will take the following actions:

a. Enter into an Assumption Agreement with another Florida domestic property and casualty insurance company ("Florida Domestic Insurer"), whereby AMERICAN MOBILE will transfer approximately 8,000 policies in force to the Florida Domestic Insurer, effective April 1, 2024;

b. Cancel or non-renew with 45 days' notice, pursuant to Section 627.4133(2)(b)6., Florida Statutes, approximately 1,100 policies in force that are not assumed by the Florida Domestic Insurer, with all such cancellations and non-renewals to be effective no later than May 31, 2024; and

c. Run off its remaining liabilities in an orderly manner, including administration and payment of claims.

6. In its Withdrawal Notice, AMERICAN MOBILE stated that it would be unable to maintain its surplus as regards policyholders above the statutorily required minimum. In addition,

AMERICAN MOBILE does not expect to be able to secure adequate catastrophe reinsurance on viable terms and pricing, and its Financial Strength Rating is at risk of being downgraded or withdrawn.

7. The Plan submitted by AMERICAN MOBILE included three-year pro forma financial projections for years 2024 through 2026. The Plan projects that the Company's surplus will remain positive but impaired throughout the duration of the runoff.

8. The Company's pro forma financial projections for 2024 include as an assumption that all unearned premiums and all unearned subscribers' surplus contributions for policies to be canceled or nonrenewed as of May 31, 2024, will be returned to all affected subscribers.

9. The OFFICE has reviewed the Plan, the projections provided in support of that Plan, the assumptions used in the Plan, as well as the factors that may materially affect the success of the Plan. The OFFICE finds that the Plan provides a reasonable basis to support an orderly and solvent runoff, in accordance with the terms and conditions of this Consent Order, and therefore the Plan is approved.

10. AMERICAN MOBILE must adhere to the representations made to the OFFICE in the Plan.

11. The OFFICE has determined that AMERICAN MOBILE is in an unsound condition as defined in Section 624.80(2), Florida Statutes. Accordingly, the OFFICE has determined that grounds exist for AMERICAN MOBILE to be placed in public administrative supervision for the purpose of effectuating an orderly wind-down of its remaining liabilities; safeguarding its assets; and protecting the interests of subscribers, claimants, and the public.

12. AMERICAN MOBILE has been cooperative with the OFFICE and agrees to be placed in public 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 624.81-.87, Florida Statutes, as if an order were issued by the OFFICE. Administrative supervision shall be administered so as to facilitate the payment of covered losses, reasonable loss adjustment expenses, the return of unearned premium, the return of unearned subscribers' surplus contributions, and reasonable expenses to administer the Plan. 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 an orderly wind-down of its remaining liabilities.

13. AMERICAN MOBILE will be unlikely to procure adequate reinsurance for the 2024 Hurricane Season, its policyholder surplus projects to be impaired, and its Financial Strength Rating is at risk of being downgraded or withdrawn. Accordingly, the OFFICE finds that the early cancellation of approximately 1,100 policies effective May 31, 2024, is necessary to protect the best interests of subscribers and the public. The early cancellation of policies is authorized by Section 627.4133(2)(b)6, Florida Statutes, which provides:

Notwithstanding any other provision of law, an insurer may cancel or nonrenew a property insurance policy after at least 45 days' notice if the office finds that the early cancellation of some or all of the insurer's policies is necessary to protect the best interests of the public or policyholders and the office approves the insurer's plan for early cancellation or nonrenewal of some or all of its policies. The office may base such finding upon the financial condition of the insurer, lack of adequate reinsurance coverage for hurricane risk, or other relevant factors. The office may condition its finding on the consent of the insurer to be placed under administrative supervision pursuant to s. 624.81 or to the appointment of a receiver under chapter 631.

14. The Assumption Agreement with the Florida Domestic Insurer was approved by the OFFICE in Consent Order 326072-24-CO.

15. AMERICAN MOBILE must have qualified and trained staff available to respond to policyholder inquiries about the cancellation and assumption of policies and must provide to the OFFICE its customer service script for review and approval.

16. AMERICAN MOBILE must file with the OFFICE, by the 21st day of the month subsequent to the previous month end, partial financial statements reflecting its operational results for the previous month. These filings must be prepared in accordance with the format prescribed within the National Association of Insurance Commissioners Quarterly Statement Instructions for Property & Casualty Insurers. Each filing should include, at a minimum, pages 1, 2, 3, 4, 5, and 13. Each filing should be received by the OFFICE by 5:00 PM on the 21st day of each month via the Regulatory Electronic Filing System (“REFS”). These reports should be filed monthly, beginning with the month of April 2024.

17. AMERICAN MOBILE must issue unearned premium and unearned subscribers surplus contribution refunds to canceled policyholders by no later than June 3, 2024.

18. AMERICAN MOBILE 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 except in accordance with its established investment policies in the ordinary course of business;
- e. Transfer any of its property other than in the ordinary course of business;
- f. Incur any debt, obligation, or liability other than in the ordinary course of business;
- 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, other than as permitted in accordance with its approved underwriting guidelines and rules in the ordinary course of business;
- j. Release, pay, or refund premium deposits, accrued cash or loan values, unearned premiums, or other reserves on any insurance policy or certificate, except as permitted in accordance with its approved underwriting guidelines and rules in the ordinary course of business; or
- k. Make any material change in management.

19. AMERICAN MOBILE agrees that it shall not provide bonus or severance packages to any employee or pay any dividends without the prior written approval of the OFFICE.

20. AMERICAN MOBILE 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.

21. AMERICAN MOBILE 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.

22. AMERICAN MOBILE shall not waste assets or expend funds in excess of \$10,000 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 USD 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. AMERICAN MOBILE 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.

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

24. 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.

25. AMERICAN MOBILE shall be responsible for administrative supervision expenses pursuant to Section 624.87, Florida Statutes.

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

27. Administrative supervision is confidential as provided in Section 624.82, Florida Statutes, unless otherwise specified within that statute. The OFFICE finds, and AMERICAN

MOBILE agrees, that it is in the best interest of its subscribers 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 AMERICAN MOBILE pursuant to Section 624.82(1), Florida Statutes.

28. AMERICAN MOBILE acknowledges and agrees that failure to comply with any of the terms of this Consent Order would constitute an immediate danger to the public and the OFFICE may immediately suspend, revoke, or take other administrative action as it deems appropriate upon the Certificate of Authority of AMERICAN MOBILE in this state, in accordance with Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

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

30. 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.

31. AMERICAN MOBILE affirms that all requirements set forth herein are material to the issuance of this Consent Order.

32. Except as provided herein, each party to this action shall bear its own costs and



fees.

33. AMERICAN MOBILE 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 to which AMERICAN MOBILE may be entitled, either by law or by rules of the OFFICE. AMERICAN MOBILE 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.

34. 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 AMERICAN MOBILE.

WHEREFORE, the agreement between AMERICAN MOBILE INSURANCE EXCHANGE 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 are hereby ORDERED.

DONE and ORDERED this 15<sup>th</sup> day of April, 2024.



*Michael Yaworsky*

Michael Yaworsky, Commissioner Office of Insurance Regulation

By execution hereof, AMERICAN MOBILE INSURANCE EXCHANGE 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 AMERICAN MOBILE INSURANCE EXCHANGE to the terms and conditions of this Consent Order.

AMERICAN MOBILE INSURANCE EXCHANGE

By: [Signature]

Print Name: Jeffrey P. LeGare

Title: President  
of AMERICAN MOBILE RISK MANAGEMENT, LLC, Attorney-in-Fact

Date: April 15, 2024

[Corporate Seal]

No Seal

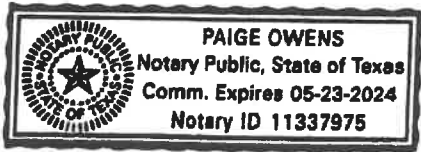
STATE OF: TEXAS

COUNTY OF: COLLIN

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

online notarization, this 15th day of April 2024, by Jeffrey P. LeGare  
(name of person)

as President of AMRM, Attorney-in-Fact for American Mobile Insurance Exchange  
(type of authority; e.g., officer, trustee, attorney-in-fact) (company name)



[Signature]  
(Signature of the Notary)

Paige Owens  
(Print, Type or Stamp Commissioned Name of Notary)

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

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

My Commission Expires \_\_\_\_\_

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