



**FILED**  
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INSURANCE REGULATION  
Docketed by: ke

OFFICE OF INSURANCE REGULATION

**MICHAEL YAWORSKY**  
COMMISSIONER

Index: OIR 2024-89

IN THE MATTER OF:

CASE NO.: 400149-24-CO

AMERICAN COASTAL INSURANCE COMPANY  
\_\_\_\_\_ /

CONSENT ORDER

THIS CAUSE came for consideration as a result of AMERICAN COASTAL INSURANCE COMPANY's ("AMERICAN COASTAL") proposal to assume selected commercial lines policies from CITIZENS PROPERTY INSURANCE CORPORATION ("CITIZENS"), which was submitted to the FLORIDA OFFICE OF INSURANCE REGULATION ("OFFICE") for its review on or about June 27, 2024. Following a complete review of the entire record and upon consideration thereof, and otherwise being 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. CITIZENS has been established in accordance with the provisions of section 627.351(6), Florida Statutes, as amended, to provide insurance for residential and commercial property qualified risks under circumstances specified in the statute.
3. The Florida Legislature has enacted section 627.351(6)(q)3.a., Florida Statutes, to encourage and provide a means for the depopulation of CITIZENS. CITIZENS submitted a plan of depopulation titled "Citizens Property Insurance Corporation Personal Residential and Commercial Lines Non-Bonus Depopulation Plan" ("Plan"), which the OFFICE adopted in Order No. 199206-16 and approved on November 30, 2016, and amended on December 2, 2016. In

December 2022, the Florida Legislature amended section 627.351(6)(c)5.b., Florida Statutes, through ch. 2022-271(8), Laws of Florida<sup>1</sup>. As a result of this statutory change, which applies to take-out offers that are part of an application to participate in depopulation submitted to the OFFICE on or after January 1, 2023, the Plan will conflict with Florida law. The Plan provides the terms and conditions that serve as the basis for this Consent Order except where the Plan conflicts with section 627.351(6)(c)5.b., Florida Statutes, as amended by ch. 2022-271(8), Laws of Florida; the Florida Statutes in effect at the time of the assumption will control. AMERICAN COASTAL shall abide by the terms and conditions of the Plan and section 627.351(6)(c)5.b., Florida Statutes, as amended by ch. 2022-271(8), Laws of Florida, as a condition of issuance of this Consent Order.

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

5. On or about June 27, 2024, AMERICAN COASTAL submitted a proposal to assume selected policies from CITIZENS. The policies are expected to be assumed on or about October 29, 2024, and the proposal provides for an assumption of up to 450 commercial residential multi-peril policies from the CITIZENS' Account.

6. AMERICAN COASTAL understands that the selected policies to be assumed from CITIZENS on October 29, 2024, 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. Coverage offered by AMERICAN COASTAL must be “comparable coverage” as required by section 627.351(6), Florida Statutes. AMERICAN COASTAL cannot establish

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<sup>1</sup> Whenever an offer of coverage for a commercial lines residential risk is received for a policyholder of the corporation at renewal from an authorized insurer, the risk is not eligible for coverage with the corporation unless the premium for coverage from the authorized insurer is more than 20 percent greater than the corporation's renewal premium for comparable coverage. Ch. 2022-271(8), Laws of Florida.

comparable coverage through the offer of optional endorsements. Comparable coverage means, at a minimum, that the offer of coverage, without endorsements, include the same major covered perils at substantially similar levels of coverage as that already provided by CITIZENS. The premium calculation used to determine the 20% eligibility threshold detailed in section 627.351(6), Florida Statutes, must be calculated using offers of coverage that are comparable without the need to offer additional terms or endorsements.

8. Because of the potential harmful impact to Florida policyholders, AMERICAN COASTAL shall not make takeout offers to CITIZENS policyholders that are more than forty percent higher than the policyholder's estimated renewal premium with CITIZENS. AMERICAN COASTAL must use rates that have either been approved by the OFFICE or rates that have been filed with the OFFICE as "use and file" at the time of execution of this Consent Order. The estimated premium offered by AMERICAN COASTAL must reflect the cost of an offer of comparable coverage.

9. AMERICAN COASTAL is responsible for ensuring that it has entered or will enter into appropriate agreements with CITIZENS to effectuate the assumption of policies as authorized by this Consent Order. By entering into this Consent Order, AMERICAN COASTAL represents that it will comply with any such agreements between it and CITIZENS.

10. AMERICAN COASTAL must timely provide to CITIZENS all information required by the 2024 Assumption Calendar published by CITIZENS. AMERICAN COASTAL 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 AMERICAN COASTAL for assumption from CITIZENS, as the availability of policies for assumption may vary over time.

11. AMERICAN COASTAL shall limit its actual assumption of policies from CITIZENS to the number and type of policies authorized by the OFFICE in this Consent Order. The OFFICE based its review on AMERICAN COASTAL's proposed reinsurance program, catastrophe modeling, and financial statement projections, as well as the impact on policyholders. Such reinsurance program, catastrophe modeling, and financial statement profiles were based upon AMERICAN COASTAL's projected book of property policies, AMERICAN COASTAL's projected voluntary market writings, and the actual number of policies available in CITIZENS prior to the anticipated assumption date identified by AMERICAN COASTAL as satisfying its filed and approved underwriting guidelines.

12. AMERICAN COASTAL submitted the proposed reinsurance documentation and financial projections for the assumption of up to the number and types of CITIZENS' policies as set forth in paragraph five (5) above. Each additional assumption of CITIZENS' policies by AMERICAN COASTAL shall be subject to advance written approval by the OFFICE.

13. AMERICAN COASTAL's acquisition of adequate reinsurance and maintenance of executed reinsurance agreements are material to the OFFICE's review and analysis of AMERICAN COASTAL's proposal to assume selected policies from CITIZENS and to the OFFICE's approval of assumptions in the proposal.

14. AMERICAN COASTAL agrees that it must have received approval from the OFFICE of its submitted rates and forms prior to uploading its preferred policy selections and estimated renewal premiums as required by the 2024 Assumption Calendar published by CITIZENS.

15. AMERICAN COASTAL 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. AMERICAN COASTAL 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.

16. AMERICAN COASTAL represents that all explanations and documents made or submitted to the OFFICE as part of its proposal to assume selected policies from CITIZENS, including all attachments and supplements thereto, fully describe all transactions, agreements, and understandings relating to the assumption of policies from CITIZENS by AMERICAN COASTAL. However, all draft documents and non-executed agreements relating to AMERICAN COASTAL'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.

17. 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 the authorized representative of AMERICAN COASTAL, notwithstanding the fact the copy was transmitted to the OFFICE electronically. AMERICAN COASTAL agrees the signature of its representative as affixed to this Consent Order shall be under seal of a Notary Public.

18. 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 assume selected policies from CITIZENS, including its attachments, the OFFICE approves the assumption of selected policies from CITIZENS, subject to adherence to the terms and conditions of this Consent Order by AMERICAN COASTAL.

(B) The OFFICE approves the assumption of CITIZENS' policies up to the amounts set forth above in paragraph five (5), in accordance with any agreements between AMERICAN COASTAL and CITIZENS, and this Consent Order.

(C) Regarding all reinsurance matters, AMERICAN COASTAL shall:

(i) Secure and 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 assume 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) AMERICAN COASTAL shall participate annually in any examination of AMERICAN COASTAL's reinsurance program as requested by the OFFICE. Based upon the OFFICE's review of the models and plans, AMERICAN COASTAL 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, AMERICAN COASTAL shall provide coverage substantially equivalent to that afforded by CITIZENS at rates that have either been approved by the OFFICE or rates that have been filed with the OFFICE as "use and

file” at the time of execution of this Consent Order, unless such policies are cancelled or nonrenewed by AMERICAN COASTAL for a lawful reason.

(F) At the time AMERICAN COASTAL assumes any policy of insurance from CITIZENS, AMERICAN COASTAL 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 AMERICAN COASTAL chooses the former option, AMERICAN COASTAL 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, AMERICAN COASTAL shall abide by the proposal to assume selected policies from CITIZENS in all material respects. Further, AMERICAN COASTAL shall abide by all terms of this Consent Order and all provisions of any agreements entered into with CITIZENS.

(H) Should the OFFICE determine AMERICAN COASTAL has failed to materially comply with the terms of this Consent Order, the proposal to assume selected policies from CITIZENS, including its attachments and amendments thereto as submitted to the OFFICE, or terms of any agreements with CITIZENS, AMERICAN COASTAL shall, upon receipt of notice of such material non-compliance, have 60 days to cure its material non-compliance. In the event AMERICAN COASTAL fails to cure any such material non-compliance within the 60-day period, AMERICAN COASTAL expressly agrees the OFFICE may enter an order directing it to immediately cease writing commercial 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 assumption of up to 450 commercial residential multi-peril policies from the CITIZENS' Account on or about October 29, 2024, 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 1<sup>st</sup> day of August, 2024.



A handwritten signature in blue ink, appearing to read "Michael Yaworsky". The signature is written in a cursive, flowing style.

Michael Yaworsky, Commissioner  
Office of Insurance Regulation



By execution hereof, AMERICAN COASTAL 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 they have the authority to bind AMERICAN COASTAL INSURANCE COMPANY to the terms and conditions of this Consent Order.



AMERICAN COASTAL INSURANCE COMPANY

*Christopher Griffith*

Christopher Griffith, President  
American Coastal Insurance Company

STATE OF Florida  
COUNTY OF Pinellas

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

or  online notarization, this 31<sup>st</sup> day of July 2024, by Christopher Griffith  
(name of person)

as President for American Coastal Insurance Company  
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

(company name)

[Notary Seal]



*Stephanie Brubaker*  
(Signature of the Notary)

Stephanie Brubaker  
(Print, Type, or Stamp Commissioned Name of Notary)

Personally Known  OR Produced Identification

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

My Commission Expires: March 23, 2025

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