FILED
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INSURANCE REGULATION
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# OFFICE OF INSURANCE REGULATION

**MICHAEL YAWORSKY**
COMMISSIONER

**Index: OIR 2025-177**

IN THE MATTER OF:

CASE NO.: 401969-25-CO

HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC.
_____/

## CONSENT ORDER

THIS CAUSE came for consideration as a result of HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC.'s ("HOMEOWNERS CHOICE") proposal to assume selected personal 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 July 30, 2025. 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 (2025),[1] 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. 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-

[1] All statutory citations contained herein refer to Florida Statutes (2025), unless otherwise noted.

Bonus Depopulation Plan" ("Plan"), which the OFFICE adopted in Order No. 199206-16, approved on November 30, 2016, and amended on December 2, 2016. In December 2022, the Florida Legislature added section 627.351(6)(ii)3. through ch. 2022-271(8), Laws of Florida,[2] 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)(ii)3., as added by ch. 2022-271(8); the Florida Statutes in effect at the time of the assumption will control. HOMEOWNERS CHOICE shall abide by the terms and conditions of the Plan and section 627.351(6)(ii)3., as added by ch. 2022-271(8), 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 July 30, 2025, HOMEOWNERS CHOICE submitted a proposal to assume selected policies from CITIZENS. The policies are expected to be assumed on or about December 16, 2025, and the proposal provides for an assumption of up to 25,000 policies, consisting of up to 24,000 personal residential multi-peril policies and up to 1,000 personal residential wind-only policies from the CITIZENS' Account.

6. HOMEOWNERS CHOICE understands that the selected policies to be assumed from CITIZENS on December 16, 2025, 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.

[2] If a policyholder receives a take-out offer from an authorized insurer, the risk is no longer eligible for coverage with the corporation unless the premium for coverage from the authorized insurer is more than 20 % greater than the renewal premium for comparable coverage from Citizens. This 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. Ch. 2022-271(8), Laws of Florida.

7. Coverage offered by HOMEOWNERS CHOICE must be "comparable coverage" as required by section 627.351(6). HOMEOWNERS CHOICE cannot establish 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) 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, HOMEOWNERS CHOICE shall not make take-out offers to CITIZENS policyholders that are more than 40% higher than the policyholder's estimated renewal premium with CITIZENS. HOMEOWNERS CHOICE must use rates that have either been approved by the OFFICE or rates that have been filed with the OFFICE as "use and file" prior to the date by which HOMEOWNERS CHOICE must provide to CITIZENS its preferred policy selections and estimated renewal premiums for the subject assumption period as specified in the 2025 Assumption Calendar published by CITIZENS. The estimated premium offered by HOMEOWNERS CHOICE must reflect the cost of an offer of comparable coverage.

9. HOMEOWNERS CHOICE 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, HOMEOWNERS CHOICE represents that it will comply with any such agreements between it and CITIZENS.

10. HOMEOWNERS CHOICE must timely provide to CITIZENS all information required by the 2025 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 assumption from CITIZENS, as the availability of policies for assumption may vary over time.

11. HOMEOWNERS CHOICE 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 HOMEOWNERS CHOICE's current and projected reinsurance programs, 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 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.

12. HOMEOWNERS CHOICE submitted the 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 HOMEOWNERS CHOICE shall be subject to advance written approval by the OFFICE.

13. 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 assume selected policies from CITIZENS and to the OFFICE's approval of assumptions in the proposal.

14. 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.

15. HOMEOWNERS CHOICE 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 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.

16. 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 HOMEOWNERS CHOICE, notwithstanding the fact that 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.

17. 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 HOMEOWNERS CHOICE.

(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 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 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 days prior to the effective date of any such termination; and

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

(D) HOMEOWNERS CHOICE shall participate annually in any examination of 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 rates that have either been approved by the OFFICE or rates that have been filed with the OFFICE as

"use and file", unless such policies are cancelled or nonrenewed by HOMEOWNERS CHOICE for a lawful reason.

(F) At the time HOMEOWNERS CHOICE assumes 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 assume 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 agreements entered into with CITIZENS.

(H) Should the OFFICE determine HOMEOWNERS CHOICE 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, HOMEOWNERS CHOICE shall, upon receipt of notice of such material non-compliance, have sixty days to cure its material non-compliance. In the event HOMEOWNERS CHOICE fails to cure any such material non-compliance within the 60-day period, HOMEOWNERS CHOICE expressly agrees the OFFICE may enter an order directing it to immediately cease writing personal lines 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 25,000 policies, consisting of up to 24,000 personal residential multi-peril policies and up to 1,000 personal residential wind-only policies from the CITIZENS' Account, for the initial assumption starting on or about December 16, 2025, 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 15 day of September, 2025.

Michael Yaworsky, Commissioner
Office of Insurance Regulation

By execution hereof, HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC., 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 HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC., to the terms and conditions of this Consent Order.

HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC.

[Corporate Seal]

Karin Coleman

Karin Coleman, President
Homeowners Choice Property & Casualty Insurance Company, Inc.

STATE OF Florida

COUNTY OF Hillsborough

The foregoing instrument was acknowledged before me by means of ☑ physical presence or ☐ online notarization, this 15 day of September 2025, by Karin Coleman (name of person) as President (type of authority; e.g., officer, trustee, attorney-in-fact) for Homeowners Choice Property & Casualty Insurance Company, Inc. (company name).

JHOSELYN SCIAMATORE
MY COMMISSION # HH 706417
EXPIRES: August 5, 2029

(Signature of the Notary)

Jhoselyn Sciamatore
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known ✓ OR Produced Identification _____

Type of Identification Produced —

My Commission Expires: August 5, 2029

COPIES FURNISHED TO:

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