



EXAMINATION REPORT

OF

**AMERICAN COASTAL INSURANCE COMPANY
ST. PETERSBURG, FLORIDA**

NAIC Company Code: 12968

**as of
December 31, 2023**

**By
The Florida Office of Insurance Regulation**

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June 24, 2025

Michael Yaworsky
Commissioner
Office of Insurance Regulation
State of Florida
Tallahassee, Florida 32399-0326

Dear Commissioner:

Pursuant to your instructions, in compliance with Section 624.316, Florida Statutes, Rule 69O-138.005, Florida Administrative Code, and in accordance with the practices and procedures promulgated by the National Association of Insurance Commissioners (“the NAIC”), we have conducted an examination as of December 31, 2023, of the financial condition and corporate affairs of

American Coastal Insurance Company
570 Carillon Parkway, Suite 100
St. Petersburg, FL 33716

hereinafter referred to as the “Company.” Such report of examination is herewith respectfully submitted.

SCOPE OF EXAMINATION

This examination covered the period of January 1, 2020, through December 31, 2023, and the fieldwork commenced with planning with the Florida Office of Insurance Regulation (“the Office”) on June 18, 2024. The fieldwork concluded on June 24, 2025.

The examination was a single state examination conducted in accordance with the NAIC Financial Condition Examiners Handbook (“the Handbook”). The Handbook requires that the examination be planned and performed to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company, and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer’s surplus to be materially misstated both currently and prospectively.

The examination was on a Florida domestic only and did not involve participation from other states. The Company is only licensed to write business in the state of Florida.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management’s compliance with the NAIC Statements of Statutory Accounting Principles (“SSAP”).

This examination report includes information obtained from the examination of the records, accounts, files and documents of or relative to the Company and other information as permitted by Section 624.319, Florida Statutes. There may be other items identified during the examination that, due to their nature (for example, subjective conclusions or proprietary information), are not included within the examination report but separately communicated to other regulators and/or the Company.

SUMMARY OF SIGNIFICANT FINDINGS

Current Examination Findings

There were no significant findings as a result of this examination.

Previous Examination Findings

There were no significant findings in the previous examination.

COMPANY HISTORY

General

American Coastal Insurance Company (“Company”) is a stock insurance company domiciled in Florida. It was licensed on June 21, 2007.

The Company was initially capitalized with \$50 million in capital and surplus. This capitalization was funded by BB&T Corporation through AmCo Holding Company, a North Carolina-based insurance holding company.

On June 1, 2015, the Office approved the indirect acquisition of the Company by RDX Holding, LLC.

Subsequently, on September 16, 2016, an application was submitted for another indirect acquisition. In this transaction, United Insurance Holdings Corporation proposed to acquire 100% of American Coastal Insurance Company through the acquisition of its immediate parent, AmCo Holding Company.

On April 15, 2022, both Journey Insurance Company and American Coastal Insurance Company filed applications to merge into a single entity. American Coastal Insurance Company was designated as the surviving company. The merger application was approved on June 14, 2022, with an effective date of May 31, 2022.

On July 27, 2023, United Insurance Holdings Corporation formally changed its corporate name to American Coastal Insurance Corporation. This corporate name change followed the insolvency of United Property & Casualty Insurance Company in February 2023.

Dividends

On November 4, 2022, the Company received approval from the Office to pay a dividend of \$26 million to United Property & Casualty Insurance Company. The dividend was paid on November 10, 2022.

Capital Stock and Capital Contributions

As of December 31, 2023, the Company's capitalization was as follows:

Number of authorized common capital shares	100,000
Number of shares issued and outstanding	100
Total common capital stock	\$100
Par value per share	\$1.00

Surplus Notes

The Company did not have or issue any surplus notes during the period under examination.

Acquisitions, Mergers, Disposals, Dissolutions

On June 1, 2022, with approval from the Office, Journey Insurance Company and the Company merged into one Company, with the surviving entity being American Coastal Insurance Company.

On February 27, 2023, United Property & Casualty Insurance Company was placed into receivership and is no longer affiliated with the Company.

MANAGEMENT AND CONTROL

Corporate Governance

The annual shareholder meeting for the election of Directors was held in accordance with Section 628.231, Florida Statutes. Directors serving as of December 31, 2023, are shown below:

Directors		
Name	City, State	Principal Occupation, Company Name
Alec Loyd Poitevint II ^(a)	Bainbridge, Georgia	Chairman and President, Southeastern Minerals, Inc.
Gregory Croswell Branch ^(a)	Ocala, Florida	Chairman and Owner, Branch Properties Inc.
Kent Guy Whittemore ^(a)	St. Petersburg, Florida	President and Shareholder, Whittemore Law Group
Kern Michael Davis ^(a)	St. Petersburg, Florida	President, Pathology Associates Group
Michael Randolph Hogan ^(a)	Mussells Inlet, South Carolina	Former Insurance Agent
Patrick Francis Maroney ^(b)	Tallahassee, Florida	University Professor (Retired)
Robert Daniel Peed ^(a)	Spring, Texas	President, American Coastal Insurance Company
Sherrill Wayne Hudson	Coral Gables, Florida	Certified Public Accountant (Retired)
William Hall Hood III ^(a)	Palm Harbor, Florida	Managing Director, Hall Capital Holdings, LLC

(a) Resigned from the Board effective June 15, 2024

(b) Chairman

On May 8, 2024, Cathy Purkiss Swanson, Deirdre Ann Brown, James Andrew Gray Jr., Patrick Francis Maroney, and Sherrill Wayne Hudson were elected.

In accordance with the Company's Bylaws, the Company Board appointed the following Senior Officers:

Officers		
Name	City, State	Title
Bennett Bradford Martz	St. Petersburg, Florida	Chief Financial Officer
Brooke Eileen Adler ^(a)	St. Petersburg, Florida	General Counsel / Secretary
Christopher Lee Griffith	St. Petersburg, Florida	Chief Information Officer & Chief Operating Officer
Robert Daniel Peed ^(b)	Spring, Texas	President & Chief Executive Officer

(a) Resigned as Secretary effective June 15, 2024

(b) Resigned as President effective June 15, 2024

On January 22, 2024, Svetlana Castle was appointed Chief Financial Officer. On May 8, 2024, Christopher Lee Griffith was appointed President and James Andrew Gray was appointed to a newly created position as Chief Compliance & Risk Officer

As of December 31, 2023, the Company Board had no internal committees. However, the Board of the Company's ultimate parent, American Coastal Insurance Corporation, appointed the following internal committees serving in an oversight capacity to the Company. The first person listed for each committee is the chairman.

Investment Committee		
Alec Loyd Poitevint II	Patrick Francis Maroney	William H. Hood III

Compensation and Benefits Committee		
Kent Guy Whittemore	Alec Loyd Poitevint II	Sherrill Wayne Hudson

Nominating and Corporate Governance Committee		
Kern Michael Davis	Kent Guy Whittemore	Michael Randolph Hogan

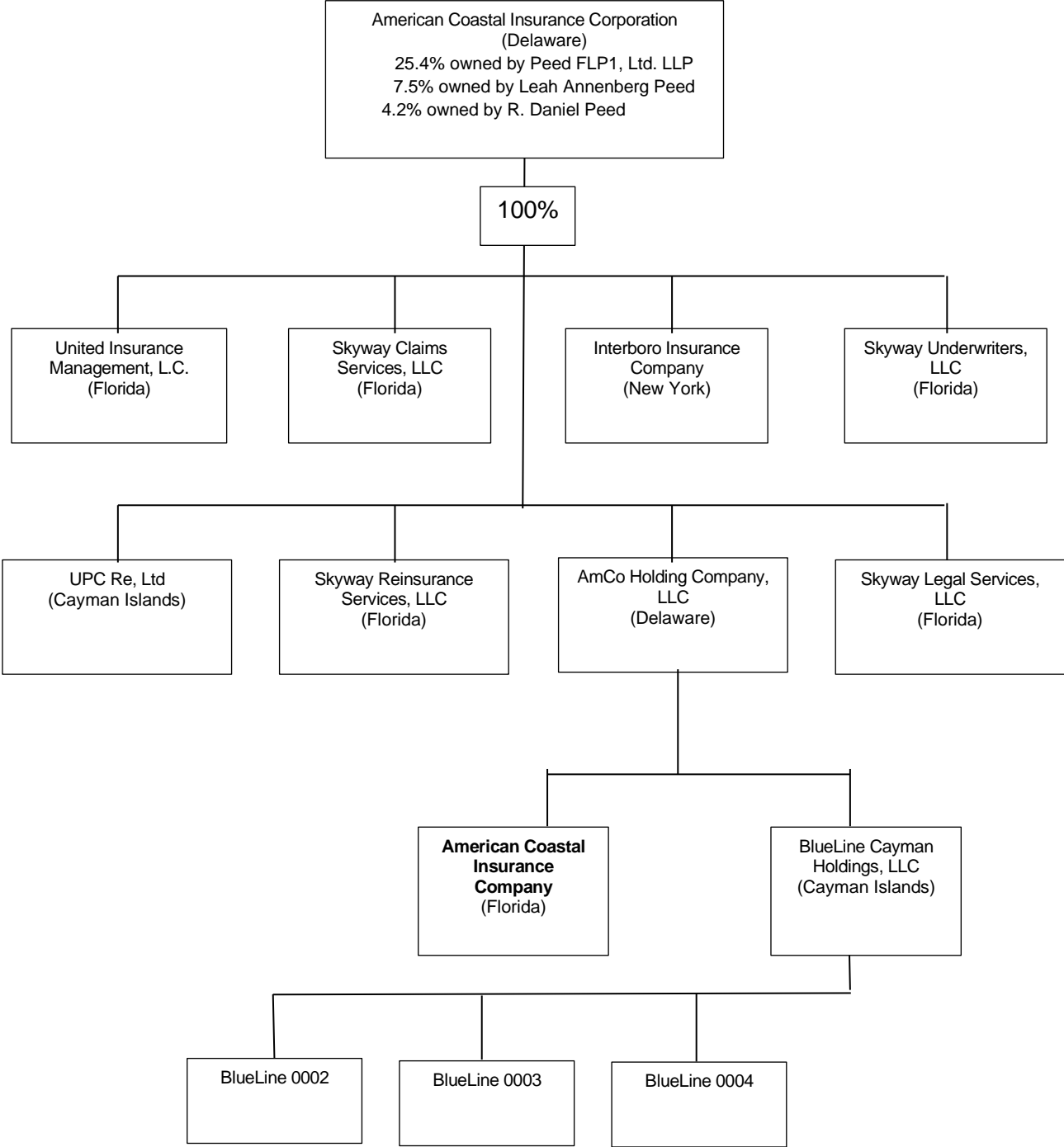
Audit Committee		
Sherrill Wayne Hudson	Kern Michael Davis	Patrick Francis Maroney

Reinsurance Advisory Committee	
Gregory Crosswell Branch	Robert Daniel Peed

Holding Company System

An organizational chart as of December 31, 2023, reflecting the holding company system, is shown on the following page. Schedule Y of the Company's 2023 annual statement provided a list of all related companies of the holding company group.

**American Coastal Insurance Company
Organizational Chart
December 31, 2023**



Affiliate Agreements

The following agreements were in effect between the Company and its affiliates:

Related Party Transactions

Expense Sharing Cost Allocation Agreement

Effective January 1, 2023, the Company and UIHC entered into an Expense Sharing Cost Allocation Agreement which covered shared services provided by Skyway Claims Services, LLC; Skyway Reinsurance Services, LLC; Skyway Legal Services, LLC; and Skyway Underwriters, LLC. These services include Executive, Finance, Legal, Internal Audit, Claims, Information Technology, Human Resources, Sales, Marketing, Product Management, and Underwriting. Under the terms of this agreement, the Company paid \$13,774 to Skyway Claims Services, LLC.

Reinsurance Agreements

Effective June 1, 2023, UPC Re, Ltd and the Company entered into a Catastrophe Excess of Loss Reinsurance Contract. Under this agreement, UPC Re, Ltd provided excess of loss reinsurance coverage to the Company for building and contents coverage related to named storms and all other peril losses. The Company ceded approximately \$2,250,000 in premium and approximately \$1,081,000 in losses to UPC Re, Ltd.

Effective December 5, 2022, the Company and UPC Re, Ltd were also parties to a Reinsurance Allocation Agreement. This agreement allocated a portion of the Group's total reinsurance cost based on each Company's percentage of modeled expected loss. The Company and its insurance affiliates participated as multi-cedants on the catastrophe reinsurance treaties. For the period ending December 31, 2023, the Company reported an additional reinsurance cost of approximately \$5,076,000 to UPC Re, Ltd.

Consolidated tax allocation agreement

Since April 3, 2017, the Company has been a party to a tax-sharing agreement with the affiliated entities within the group. The affiliates' federal income tax return is consolidated, and the allocation is primarily based on a separate return basis, with current credit provided for any net operating losses or other items utilized in the consolidated tax return.

ACCOUNTS AND RECORDS

The Company maintained its principal operational offices in St. Petersburg, Florida.

TERRITORY AND PLAN OF OPERATIONS

The Company was authorized to transact insurance in the state of Florida. The Company reported premium in South Carolina in Texas as a result of its merger with Journey Insurance Company, but this business was run off in 2023.

The Company was authorized to transact insurance in Florida on June 21, 2007, and is currently authorized for the following lines of business as of December 31, 2023:

Fire	Inland Marine ^(a)	Earthquake ^(a)
Allied Lines	Burglary and Theft ^(a)	Boiler and Machinery ^(a)
Other Liability ^(a)	Commercial Multi-Peril	Homeowners Multi-Peril ^(a)

(a) Reinsurer only

The Company primarily writes commercial residential products in Florida.

REINSURANCE

The reinsurance agreements reviewed complied with NAIC standards with respect to the standard insolvency clause, arbitration clause, intermediary clause, transfer of risk, reporting and settlement information deadlines.

Reinsurance Assumed

The Company did not assume any reinsurance during the period of this examination.

Reinsurance Ceded

The Company's open market reinsurance program consists of Excess of Loss (XOL) and Quota Share (QS) agreements. The XOL program provided approximately \$465.0 million in coverage at a total cost of approximately \$125.3 million. The QS program provided approximately \$750.0 million in coverage at a total cost of approximately \$126.8 million net of ceding commissions.

The Company paid approximately \$101.7 million for \$752.2 million in XOL coverage from the Florida Hurricane Catastrophe Fund.

FINANCIAL STATEMENTS

The following includes the Company's statutory Statement of Assets, Liabilities, Surplus and Other Funds; statutory Statement of Income; and the statutory Analysis of Changes in Surplus for the year ended December 31, 2023. The financial statements are based on the statutory financial statements filed by the Company with the Office and present the financial condition of the Company for the period ending December 31, 2023. (Note: Failure of the columns to add to the totals reflected in this Report is due to rounding.)

American Coastal Insurance Company
Assets
December 31, 2023

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	\$153,579,824		\$153,579,824
Cash and short-term investments	118,580,911		118,580,911
Other invested assets	2,103,676		2,103,676
Subtotals, cash, and invested assets	\$274,264,411		\$274,264,411
Investment income due and accrued	1,592,496		1,592,496
Premiums and considerations			
Uncollected Premiums and agents' balances in the course of collection	41,405,981		41,405,981
Reinsurance			
Amounts recoverable from reinsurer	35,192,988		35,192,988
Net deferred tax asset	6,101,176		6,101,176
Receivables from parent, subsidiaries and affiliates	23,883,879		23,883,879
Aggregate write-in for other than invested assets	42,912,186	42,868,268	43,918
Total assets excluding Separate Accounts, Segregated Accounts, and Protected Cell Accounts	425,353,117	42,868,268	382,484,849
Totals	\$425,353,117	\$42,868,268	\$382,484,849

**American Coastal Insurance Company
Liabilities, Surplus and Other Funds
December 31, 2023**

	Per Company
Losses	\$73,893,179
Loss adjustment expenses	6,162,470
Other expenses	3,468,961
Taxes, licenses and fees	9,872,381
Current federal and foreign income taxes	14,592,117
Unearned premiums	119,922,728
Ceded reinsurance premiums payable	898,230
Provision for reinsurance	218,200
Payable to parent, subsidiaries and affiliates	1,770,990
Aggregate write-in for liabilities	8,233,887
Total liabilities excluding protected cell liabilities	239,033,143
Total liabilities	\$239,033,143
Common capital stock	100
Gross paid-in and contributed surplus	77,499,900
Unassigned funds (surplus)	65,951,706
Surplus as regards policyholders	143,451,706
Totals	\$382,484,849

American Coastal Insurance Company
Statement of Income
December 31, 2023

	Per Company
Underwriting Income	
Premiums earned	\$244,116,869
Deductions	
Losses incurred	26,081,981
Loss adjustment expenses incurred	19,399,494
Other underwriting expenses incurred	70,602,485
Total Underwriting deductions	116,083,960
Net underwriting gain (loss)	128,032,909
Investment Income	
Net investment income earned	5,770,000
Net realized capital gains or (losses)	(5,363,540)
Net investment gain or (loss)	406,460
Other Income	
Net gain or (loss) from agents' or premium balances charged off	3,919
Aggregate write-ins for miscellaneous income	60,147
Total other income	64,066
Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	128,503,435
Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	128,503,435
Federal & foreign income taxes incurred	22,641,102
Net Income	\$105,862,333
Capital and Surplus Account	
Surplus as regards policyholders, December 31 prior year	\$77,510,571
Net Income	105,862,333
Change in net unrealized capital gains or (losses) less capital gains tax	904,140
Change in net deferred income taxes	(442,995)
Change in non-admitted assets	(42,823,310)
Change in provision for reinsurance	2,440,967
Change in surplus as regards policyholders for the year	65,941,135
Surplus as regards policyholders, December 31, current year	\$143,451,706

**American Coastal Insurance Company
Reconciliation of Capital and Surplus
December 31, 2023**

No adjustments were made to surplus as regards policyholders as a result of the examination.

Capital/Surplus Change during Examination Period			
Balance as of December 31, 2019, per Prior Exam Report			\$107,709,635
	Increase	Decrease	
Net Income (loss)	86,065,405		
Change in surplus due to merger with Journey Insurance Company	55,506,594		
Change in net unrealized capital gain (loss)		7,751,226	
Change in net deferred income tax		1,271,886	
Change in non-admitted assets		39,851,825	
Change in provision for reinsurance		120,200	
Change in Capital: Transferred to Surplus		6,000,000	
Change in paid in surplus	17,500,000		
Change in Surplus: Transferred from Capital	6,000,000		
Dividends to stockholders		26,000,000	
Aggregate Write-Ins for Gains and Losses		48,334,792	
Net increase (or decrease)			\$35,742,071
Balance as of December 31, 2023, per Examination			\$143,451,706

COMMENTS ON FINANCIAL STATEMENT ITEMS

Liabilities

Losses and Loss Adjustment Expenses

Arthur R. Randolph, FCAS, MAAA, CPCU, ARM, ARe of Pinnacle Actuarial Resources, Inc., appointed by the Board, rendered an opinion that the amounts carried in the balance sheet as of December 31, 2023, made a reasonable provision for all unpaid loss and loss expense obligations of the Company under the terms of its policies and agreements.

The examination actuary, Laura Martin, FCAS, MAAA, of The Actuarial Advantage, Inc., reviewed the loss and loss adjustment expense work papers provided by the Company and was in concurrence with this opinion.

Capital and Surplus

The amount of capital and surplus reported by the Company of \$143,451,706 exceeded the minimum of \$20,843,046 required by Section 624.408, Florida Statutes.

SUBSEQUENT EVENTS

In January 2024, Svetlana Castle was appointed Chief Financial Officer.

In July 2024, the Board of the Company formed a Risk Management Committee having Deirdre Ann Brown, Cathy Purkiss Swanson, and James Andrew Gray Jr. as members.

In November 2024, the Company participated in the Citizens Insurance Company commercial lines take out consisting of policies covering fourteen apartment complexes, sixty-three condo complexes, and eleven homeowners' association policies. The Company also wrote two policies in the open market at the end of December 2024 through its affiliate, Skyway Underwriters, LLC.

In December 2024, a dividend of \$14.3 million was declared and paid to American Coastal Insurance Corporation.

CONCLUSION

The insurance examination practices and procedures as promulgated by the NAIC have been followed in ascertaining the financial condition of American Coastal Insurance Company as of December 31, 2023, consistent with the insurance laws of the State of Florida.

In addition to the undersigned, the following individuals from Highland Clark, LLC (HC); Exam 360, LLC (E360) The Actuarial Advantage, Inc. (TAA), and the Florida Office of Insurance Regulation also participated in the examination:

James Wheeler, PIR	Exam Manager	Office
Scott Eady, CFE	Supervising Examiner	E360
Megan Langston	Examiner	HC
Sydney Gates, ARe	Examiner, Reinsurance Specialist	HC
Laura Martin, FCAS, MAAA	Exam Actuary	TAA

Respectfully submitted,



Tracy, D. Gates, CISA, CFE
Examiner in Charge, IT Specialist
Highland Clark, LLC
Representing the Florida Office of Insurance Regulation



Chad Mason, PIR
Chief Financial Examiner
Florida Office of Insurance Regulation