



**EXAMINATION REPORT
OF**

**Condo Owners Reciprocal Exchange
Tampa, Florida**

NAIC Company Code: 17547

**as of
December 31, 2023**

**By
The Florida Office of Insurance Regulation**

TABLE OF CONTENTS

LETTER OF TRANSMITTAL	-
SCOPE OF EXAMINATION	1
SUMMARY OF SIGNIFICANT FINDINGS	1
CURRENT EXAMINATION FINDINGS	1
PREVIOUS EXAMINATION FINDINGS	1
COMPANY HISTORY	2
GENERAL	2
DIVIDENDS	2
CAPITAL STOCK AND CAPITAL CONTRIBUTIONS.....	2
SURPLUS NOTES	2
ACQUISITIONS, MERGERS, DISPOSALS, DISSOLUTIONS	2
MANAGEMENT AND CONTROL	3
CORPORATE GOVERNANCE	3
HOLDING COMPANY SYSTEM	4
ATTORNEY-IN-FACT AGREEMENT	4
ACCOUNTS AND RECORDS	5
TERRITORY AND PLAN OF OPERATIONS	5
CONCLUSION	6

April 11, 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

Condo Owners Reciprocal Exchange
3802 Coconut Palm Drive
Tampa, Florida 33619

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

SCOPE OF EXAMINATION

This was a limited scope examination of the Reciprocal as directed by the Florida Office of Insurance Regulation (“the Office”). This is the Reciprocal’s first examination by representatives of the Office as the Reciprocal was licensed on November 30, 2023. To the extent applicable, the limited scope examination was conducted in accordance with the guidance of the National Association of Insurance Commissioners (“NAIC”) Financial Condition Examiner’s Handbook, the NAIC Accounting Practices and Procedures Manual and the Florida Administrative Code. This examination was limited to particular risk areas of operational processes and the focus is less comprehensive than a full-scope examination. This report is for a limited scope examination and is not intended to communicate all matters of importance for an understanding of the Reciprocal’s financial condition.

The fieldwork commenced on May 9, 2024, and concluded as of April 11, 2025. Our limited scope examination only included material events occurring subsequent to December 31, 2023, and noted during the course of the examination as they related solely to the areas within the limited scope of the examination detailed in the following paragraph.

This examination covered a review of corporate governance and whether the infrastructure is in place to ensure successful operations as a new Florida domestic.

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 prior examination findings as this examination constitutes the first examination of Condo Owners Reciprocal Exchange.

COMPANY HISTORY

General

Condo Owners Reciprocal Exchange (“CORE” or “the Reciprocal”) received its Certificate of Authority from the Office on November 30, 2023.

The Reciprocal was organized as an unincorporated association of individuals, hereafter referred to as “subscribers”, who formed a reciprocal insurer pursuant to Section 629.081, Florida Statutes. The subscribers participate in an interexchange of reciprocal agreements of indemnity, effectuated through the Company’s Attorney-in-Fact. Each subscriber is both an insurer and an insured and has entered into a subscriber agreement with power of attorney. The Reciprocal is governed by a Subscribers’ Advisory Committee (“SAC”) and managed by Core Risk Managers, LLC (“CRM”) as the Attorney-in-Fact (“AIF”). The powers of the SAC and the AIF are derived from subscribers and to be exercised for the benefit of subscribers.

Dividends

CORE did not declare or pay any dividends during the period under examination.

Capital Stock and Capital Contributions

CORE is a reciprocal exchange and does not issue common or preferred stock. The Reciprocal did not receive any capital contributions during the period under examination.

Surplus Notes

On November 21, 2023, the Reciprocal issued a surplus note of \$25 million to its ultimate parent, HCI Group, Inc. The note bears interest at the rate of nine percent (9%) and matures on November 21, 2033.

Acquisitions, Mergers, Disposals, Dissolutions

CORE had no acquisitions, mergers, disposals, or dissolutions during the period under examination.

MANAGEMENT AND CONTROL

Corporate Governance

CORE has no employees and no officers. The Reciprocal's day-to-day affairs are managed by CRM which acts as the AIF for the subscribers of the Reciprocal. As of December 31, 2023, the Senior Officers of the AIF were as follows:

Senior Officers		
Name	City, State	Title
Pareshbhai Suryakant Patel	Clearwater, Florida	President, Chief Executive Officer
James Mark Harmsworth	Tampa, Florida	Chief Financial Officer
Andrew Lloyd Graham	Tampa, Florida	Secretary

The following were the members of the SAC as of December 31, 2023:

Subscribers Advisory Committee	
Name	Title
Pareshbhai Suryakant Patel ⁽¹⁾	President, Chief Executive Officer
John Coursen	President, Sonew Lofts Homeowners Association, Inc.
Richard Carlson	President, Anchor Cove – 1 Condominium Association, Inc.

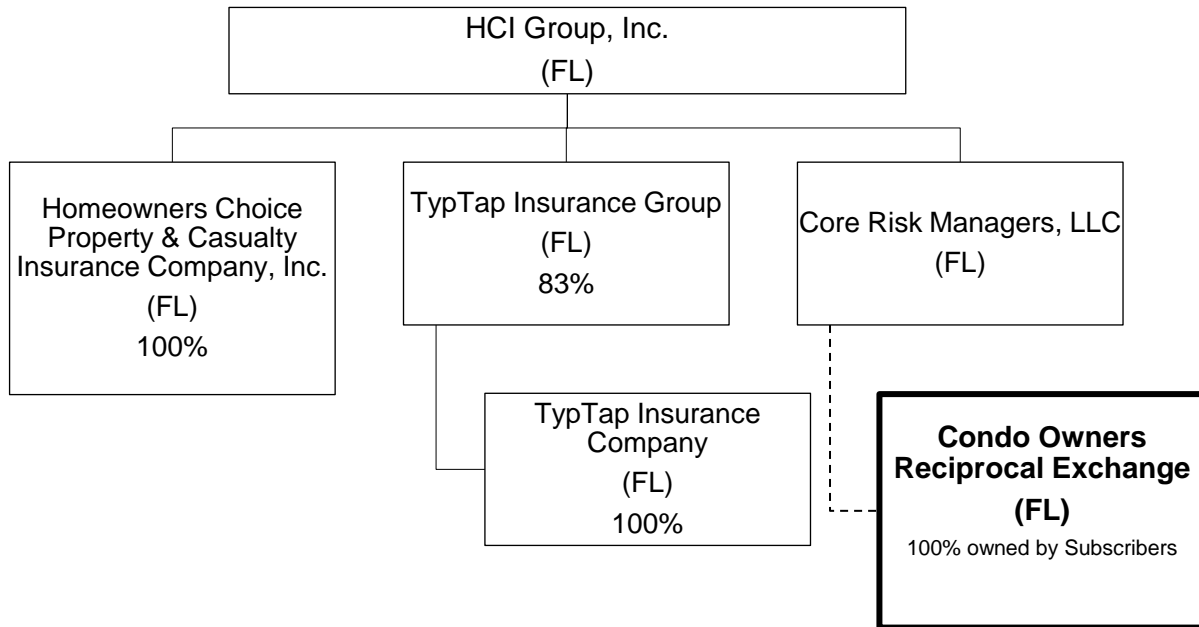
The Company maintained an audit committee, as required by Section 624.424(8)(c), Florida Statutes. The audit committee of HCI serves as the audit committee for the Company.

Audit Committee		
Wayne Burks ⁽¹⁾	Sue Watts	Sanjay Madhu

⁽¹⁾ Chairman

Holding Company System

A simplified organizational chart as of December 31, 2023, reflecting the holding company system, is shown below. Schedule Y of the Reciprocal's 2023 annual statement provided a list of all related companies of the holding company group.



The following agreement was in effect between the Reciprocal and its affiliates:

Attorney-in-fact Agreement

On November 21, 2023, the Reciprocal entered into an AIF agreement with CRM to conduct daily operations. Such daily operations include general administration, marketing, underwriting, accounting, policy administration, claim adjusting, and information technology. The AIF agreement continues in force for a term of five (5) years and will automatically renew for additional one (1) year terms, otherwise terminated within the guidelines of the agreement.

ACCOUNTS AND RECORDS

The Company maintained its principal operational offices in Tampa, Florida.

TERRITORY AND PLAN OF OPERATIONS

The Company was authorized to transact insurance in Florida on November 30, 2023, and is currently authorized for the following lines of business in Florida as of December 31, 2023:

- Commercial Multi Peril
- Fire

As of December 31, 2023, the Company has yet to commence operations.

CONCLUSION

The insurance examination practices and procedures as promulgated by the NAIC have been followed in ascertaining the financial condition of Condo Owners Reciprocal Exchange as of December 31, 2023, consistent with the insurance laws of the State of Florida.

In addition to the undersigned, the following individuals from The Office and the firm Examination Resources, LLC (“ER”) also participated in the examination:

Natalie Howe, CFE, CFE (Fraud), ACI	Examination Manager	ER
William Fedak, CFE	Financial Examiner	ER
Hollylynn Ford, AFE	Financial Examiner	ER
Solomon Frazier, FCAS, FSA, MAAA	Actuarial Specialist	ER
Daniel Walker	Actuarial Specialist	ER
James Gowins, CISA, AES, AFE, MMC	Managing IT Specialist	ER
Lori Shores, CISA	IT Specialist	ER
Casey Hengstebeck, APIR	Financial Examiner	The Office

Respectfully submitted,



April Spevak, CFE
Examiner in Charge
Examination Resources, LLC
Representing the Florida Office of Insurance Regulation



Chad Mason, PIR
Chief Financial Examiner
Property & Casualty Financial Oversight
Florida Office of Insurance Regulation