

**IN THE CIRCUIT COURT OF THE SECOND JUDICIAL CIRCUIT,
IN AND FOR LEON COUNTY, FLORIDA**

In Re: The Receivership of
St. Johns Insurance Company, Inc.
a Florida corporation.

CASE NO.: 2022-CA-0316

**THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES, DIVISION OF
REHABILITATION AND LIQUIDATION AS RECEIVER OF
ST. JOHNS INSURANCE COMPANY, INC.'S MOTION TO APPROVE
TRANSITION PLAN**

Comes now the FLORIDA DEPARTMENT OF FINANCIAL SERVICES,
DIVISION OF REHABILITATION AND LIQUIDATION, AS RECEIVER OF ST. JOHNS
INSURANCE COMPANY, INC., (hereinafter "Department"), and moves this court to approve
the attached Transition Plan by entering an order approving same, and in support of said motion,
states as follows:

1. On February 23, 2022, the Office of Insurance Regulation (hereinafter "OIR") referred St. Johns Insurance Company, Inc. (hereinafter "St. Johns") to the Department for delinquency proceedings pursuant to Chapter 631, Part I, Florida Statutes.
2. On February 24, 2022, the Department filed its *Petition for Consent Order Appointing the Florida Department of Financial Services as Receiver of St. Johns Insurance Company, Inc for Purposes of Liquidation, Injunction, and Notice of Automatic Stay*.
3. On February 25, 2022, this Court entered a *Consent Order Appointing the Florida Department of Financial Services as Receiver of St. Johns Insurance Company, Inc for Purposes of Liquidation, Injunction, and Notice of Automatic Stay*. ("Liquidation Order")

4. The Department, OIR, SLIDE Insurance Company (hereinafter “SLIDE”), the Florida Insurance Guaranty Association (hereinafter “FIGA”), and the South Carolina Property and Casualty Insurance Guaranty Association (hereinafter “SCPCIGA”) have entered into a Transition Plan, attached hereto as in **Exhibit A** to this motion.

5. The Department believes that the Transition Plan is in the best interest of the Florida and South Carolina policyholders whose policies are canceled 30 days after the Liquidation Order was entered.

6. Due to the exigent circumstances and the current state of the Florida property and casualty home owners insurance market, the Transition Plan will give the St. Johns’ policy holders continuous coverage for the remainder of their policy period and offer a glide path to a new insurance policy at their regular renewal time.

7. All parties have agreed to the entry of an Agreed Order approving the Transition Plan.

8. The Department, therefore, respectfully requests that the Court enter an Order approving the Transition Plan.

WHEREFORE, the Department, respectfully requests that this Court enter an Order approving the Transition Plan which is attached hereto as Exhibit A.

RESPECTFULLY SUBMITTED this 25th day of February 2022.

/signed/
MIRIAM O. VICTORIAN
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Division of Rehabilitation and Liquidation
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Division of Rehabilitation and Liquidation
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CERTIFICATE OF CONFERENCE

I hereby certify that the Department of Financial Services, Division of Rehabilitation and Liquidation as Receiver of St. Johns Insurance Company's Motion to Approve Transition Plan has been circulated to all counsel of record and is filed without their opposition.

_____/signed/_____
Miriam O. Victorian

CERTIFICATE OF SERVICE

I hereby certify that this Motion has been served on all attorneys of record either via the e-portal service or via electronic mail.

_____/signed/_____
Miriam O. Victorian

TRANSITION PLAN

The Florida Department of Financial Services as Receiver (hereinafter the "Receiver") of St. Johns Insurance Company (hereinafter the "Respondent"), hereby submits this Transition Plan (hereinafter the "Transition Plan") on behalf of itself, the Florida Insurance Guaranty Association (hereinafter "FIGA"), South Carolina Property and Casualty Insurance Guaranty Association (hereinafter "SCPCIGA"), the Florida Office of Insurance Regulation (hereinafter "Office") and Slide Insurance Company (hereinafter "Slide").

1. The Court has entered a *Consent Order Appointing the Florida Department of Financial Services as Receiver of St. Johns Insurance Company for Purposes of Liquidation, Injunction and Notice of Automatic Stay*. (hereinafter the "Liquidation Order").

2. By letter dated February 23, 2022 addressed to Jimmy Patronis, Chief Financial Officer of the State of Florida, David Altmaier, Insurance Commissioner recommended that delinquency proceedings, pursuant to Chapter 631, Florida Statutes, be initiated against Respondent.

3. Recognizing the need for a plan for the orderly transition of coverage, the Office determined that it is in the best interest of those policyholders and the State of Florida to approve the cancellation of such policies with the concurrent offer of coverage by Slide. On February 25, 2022, the Office issued order number 292449-22-CO which approved the cancellation of Respondents policies and the offer of coverage by Slide and authorized Slide to use Respondents forms, rates and rules.

Exhibit A

4. Slide will provide transition coverage for Respondent's policyholders whose policies are cancelled pursuant to the Liquidation Order. Such coverage shall go into effect immediately following the cancellation of Respondent's policies.

5. The Receiver represents that it is in the best interest of Respondent's policyholders to keep their coverage with Respondent in effect until 12:01 am on March 1, 2022.

6. The Office and the Receiver represent that, without the Transition Plan as many as 147,000 of Respondent's policyholders would be cancelled with 30 days' notice and forced to seek replacement coverage; approximately 2,000 of Respondent's independent agents would be searching to find such coverage in Florida's challenging residential property insurance market.

7. Slide's participation in this Transition Plan is conditioned upon: 1) the agreement of the Receiver, SCPCIGA, the Office, and FIGA to all terms and conditions applicable to each party in the Transition Plan, and 2) the approval of the Transition Plan by the Receivership Court.

The terms and conditions of this Transition Plan are as follows:

8. Through their execution below, the Receiver, the Office, Slide, SCPCIGA and FIGA hereby agree to this Transition Plan, provided, however, that this Transition Plan shall not be effective unless approved and ordered by the Receivership Court.

9. Effective 12:01 a.m., March 1, 2022, those policyholders whose policies were canceled pursuant to the Liquidation Order will be provided new coverage by Slide under this Transition Plan, without the need of filing an application with Slide or paying premium already paid to Respondent, such coverage being provided using Respondents'

forms, rates, and rules as approved by the Office for use by Slide (hereinafter the "Transition Coverage").

10. As a condition to Slide providing Transition Coverage to the policyholders of Respondent for the period after Respondent's policies are cancelled pursuant to the Liquidation Order until the policies would otherwise have expired or been renewed, (i) Slide is hereby assigned the entirety of the unearned premium, paid or not paid, that is associated with such cancelled policies, including unearned commissions; and (ii) FIGA and SCPCIGA shall pay such unearned premium to Slide as provided in this paragraph provided that the amount of such payment to Slide: (a) shall be reduced by the amount of unearned premium that is unpaid by Respondent's policyholders (for which Slide retains its assignment), (b) shall be reduced by the amount of unearned commission due to Respondent from the policyholders' independent agents as a result of the March 1, 2022 policy cancellations (for which Slide retains its assignment), (c) shall be reduced by the SCPCIGA statutory deductible applicable to each South Carolina policy unearned premium claim, (d) FIGA shall transfer \$40 million to Slide on March 1, 2022, and \$50 million on or before March 15, 2022, (e) all remaining unpaid unearned premium to Slide no later than May 15, 2022, and (f) shall pay two percent (2%) annual interest to Slide on any unearned premium not transferred by March 1, 2022 until all remaining amounts are paid to Slide.

11. All advanced premiums for policies not yet in force are assigned to Slide. To the extent the advanced premiums are not turned over to Slide, the advanced premiums will become an obligation of FIGA and shall be reimbursed to Slide by FIGA no later than May 15, 2022. FIGA shall pay two percent (2%) interest on any advanced premiums not paid to Slide before March 1, 2022.

12. Slide shall be responsible for processing and paying unearned premium refunds to all policyholders that cancel coverage with Slide as of March 1, 2022 or later and shall provide an accounting of such refunds to the Receiver and FIGA upon request.

13. Any receivable owed to Slide by FIGA may be reflected as an admitted asset as defined by Section 625.012, Florida Statutes.

14. In order to avoid a widescale disruption to the market, all of Respondent's agents who wish to be appointed will be appointed by Slide.

15. All payments made with respect to Transition Coverage shall be the sole property of Slide, and Slide may deposit into Slide's bank account, any such checks made payable to Respondent. Slide will apply such payment to the policyholder's policy with Slide.

16. Respondent has sent approximately 20,000 non-renewal notices to policyholders. Slide, at its election, may offer renewal policies to these policyholders using Respondent's forms, rates and rules as approved by the Office.

17. FIGA shall be responsible for payment of all amounts due as unearned premium and advance premium in accordance with the timeframes set forth in paragraph 11 and paragraph 12 of this Transition Plan.

18. Slide will issue a new declarations page to each of Respondents policyholders and notify those policyholders that they may rely on the new declarations page and all other policy forms from their coverage with Respondent without any further action on the part of the policyholders. The Receiver and Slide shall work together and share costs of providing appropriate information to the policyholders and agents regarding the cancellation of coverage and the subsequent Transition Coverage offered by Slide.

19. Respondent shall cover losses occurring before 12:01 a.m., March 1, 2022. Slide's Transition Coverage shall cover losses occurring on or after 12:01 a.m., March 1, 2022.

20. Transition Coverage shall automatically terminate at the end of Respondent's remaining original policy periods, regardless of whether Slide issues a notice of cancellation or non-renewal. Slide will notify the policyholders having Transition Coverage, and notify their agents, that upon the expiration of the Transition Coverage such policyholders will be eligible for coverage with Slide and Slide may use Respondent's forms, rates and rules as approved by the Office.

21. Slide shall have no liabilities of any nature whatsoever with respect to the business, policies, and any liabilities, whether known or unknown, of Respondent, prior to March 1, 2022 unless explicitly agreed to by Slide.

22. The Receiver, Office, FIGA, SCPCIGA and Slide shall cooperate fully with one another to facilitate Slide's duties under the Transition Plan. In that regard, a Memorandum of Understanding will be entered into by the Receiver and Slide to address the use of employees, access to the facilities, hardware, software, applications, data, and other documents, books and records of Respondent that are controlled by the Receiver under the Liquidation Order. The purpose of this access is to facilitate Slide's servicing of the Transition Coverage and associated claims using Respondent's forms, rates and rules and Slide's ability to issue financial reports associated with the Transition Coverage and associated claims. Additionally, Slide shall be granted access to Respondent's current and historical data.

23. The parties hereto shall take measures to protect the confidentiality and privacy of policyholder and claimant information with respect to the policyholders and claimants of Respondent and Slide to the extent required by law.

24. The Receiver, Office, Slide, SCPCIGA and FIGA will cooperate with one another with respect to their servicing of policies and claims under this Transition Plan.

25. The Receiver, Office, Slide, SCPCIGA or FIGA may petition this Court for modifications to the Transition Plan. The Receiver, Office, Slide, SC and FIGA, may enter into other agreements to facilitate the terms and conditions of this Transition Plan.

SIGNATURES

IN WITNESS whereof the parties hereto have signed this Transition Plan on 24th day of February 2022.

**Florida Department of Financial Services
Receiver**



Florida Insurance Guaranty Association

**South Carolina Property and Casualty
Insurance Guaranty Association**

Florida Office of Insurance Regulation

Slide Insurance Company

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**Florida Department of Financial Services
Receiver**

Florida Insurance Guaranty Association

**South Carolina Property and Casualty
Insurance Guaranty Association**

Florida Office of Insurance Regulation



J. SMITH HARRISON JR.
EXECUTIVE DIRECTOR
Slide Insurance Company

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Florida Office of Insurance Regulation

Slide Insurance Company



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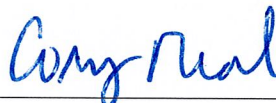
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**Florida Department of Financial Services
Receiver**

Florida Insurance Guaranty Association

A handwritten signature in blue ink, appearing to read "Amy Neal", is written over a horizontal line.

**South Carolina Property and Casualty
Insurance Guaranty Association**

Florida Office of Insurance Regulation

Slide Insurance Company

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**Florida Department of Financial Services
Receiver**

Florida Insurance Guaranty Association

**South Carolina Property and Casualty
Insurance Guaranty Association**

Florida Office of Insurance Regulation

David A. Altmaier

Slide Insurance Company
