



FLORIDA DEPARTMENT OF FINANCIAL SERVICES

Division of Rehabilitation and Liquidation
www.myfloridacfo.com/division/receiver

**Si necesita una versión en español de este aviso, visite el sitio web de la
División de Rehabilitación y Liquidación www.myfloridacfo.com/division/receiver.
(If you need a Spanish version of this notice, visit the Receiver's website at www.myfloridacfo.com/division/receiver)**

NOTICE TO AGENT OR BROKER **September 29, 2022**

Regarding the Liquidation of FedNat Insurance Company

On September 27, 2022, FedNat Insurance Company ("FedNat") was ordered liquidated by the Second Judicial Circuit Court in Leon County, Florida. The Florida Department of Financial Services ("Department") is the Court appointed Receiver of FedNat. A copy of the Liquidation Order for FedNat is available on the Department's website, www.myfloridacfo.com/division/receiver. Prior to the liquidation, FedNat and Maison Insurance Company ("Maison") were merged into one entity. FedNat is the surviving entity after the merger.

The Department is sending this notice of the receivership proceedings to all of the FedNat agents of record in order to provide them with information to better assist them in advising the FedNat policyholders who are their clients. As you are an agent of record, you are advised that the Liquidation Order significantly affects FedNat's policyholders and legally imposes certain obligations on you. The Department expects you to contact your clients who are FedNat policyholders and assist them with any questions they may have regarding the receivership proceeding.

As an agent for FedNat and pursuant to Section 631.341, Florida Statutes, you are also expected to provide a written notice of the receivership, by registered or certified mail or by email with delivery receipt required, to the last known address of policyholders whose policies have not been transitioned or insured with another solvent authorized insurer. A copy of Section 631.341, Florida Statutes, is found at the end of this notice. At this time, the Department intends to send a notice of the liquidation proceedings to all FedNat policyholders. Please note, however, that you are still responsible for providing written notice to policyholders under Section 631.341, Florida Statutes.

FLORIDA POLICYHOLDERS – NOT IMPACTED BY FEDNAT LIQUIDATION

Prior to liquidation, FedNat entered into an Assumption Agreement with Monarch National Insurance Company ("Monarch") whereby Monarch assumed all obligations for FedNat Florida policies as of June 1, 2022. The liquidation of FedNat **does not** affect the Monarch assumed policies.

ALABAMA, MISSISSIPPI, SOUTH CAROLINA AND CERTAIN TEXAS POLICYHOLDERS

Prior to liquidation, FedNat entered into an Assumption Reinsurance Agreement with SureChoice Underwriters Reciprocal Exchange ("SureChoice") whereby SureChoice would offer replacement coverage through novation for FedNat policyholders in the above states as of July 1, 2022. Policyholders who have accepted the SureChoice novation prior to liquidation; or those who accept novation prior to October 27, 2022, are **not** affected by the FedNat liquidation.

FedNat policyholders in the above states, which have not accepted the SureChoice novation will be cancelled on October 27, 2022 at 12:01 am. These policyholders will be subject to the Transition Plan described below.

**TRANSITION PLAN - REPLACEMENT INSURANCE COVERAGE WITH
SURECHOICE UNDERWRITERS RECIPROCAL EXCHANGE**

The Department has entered into a Transition Plan with SureChoice Underwriters Reciprocal Exchange (“SureChoice”), whereby SureChoice will provide replacement insurance coverage to all non-novated Alabama, Mississippi, South Carolina and certain Texas FedNat policyholders. Highlights of the Transition Plan include the following:

- Under the Transition Plan, as approved by the court, FedNat policies will be canceled on October 27, 2022 at 12:01 a.m. and immediately replaced by SureChoice. There will be no gaps in coverage and the policyholders’ coverage and premium policy will be identical before and after the transition.
- Under the Transition Plan, a letter will be sent to your clients by SureChoice that will clearly explain the transition process.

TEXAS POLICYHOLDERS WITH MAISON INSURANCE COMPANY

Prior to liquidation, FedNat merged with Maison Insurance Company (“Maison”) with FedNat being the surviving entity. Texas policyholders with Maison coverage will be **canceled effective October 27, 2022 at 12:01 am**. The Texas Maison policyholders will **not** be eligible for the SureChoice transition coverage. Agents should assist the affected policyholders in finding replacement coverage with another insurer.

The deadline for filing claims in the FedNat receivership is September 27, 2023.

CLAIMS ISSUES

FLORIDA:

1) If your policy was not assumed by Monarch

With the entry of the Liquidation Order, the Florida Insurance Guaranty Association (“FIGA”) was activated to help pay outstanding claims for FedNat policies.

The Department is currently gathering claim files and claim data to forward the information to FIGA. As a result, there may be a slight delay in claim processing during this transitional period. Please continue to contact FedNat using the contact information below to check the status of an existing claim or to file a new claim. The Department’s website, www.myfloridacfo.com/division/receiver, will be updated as appropriate regarding the claim transfer process.

2) If your policy was assumed by Monarch

Prior to liquidation, Monarch National Insurance Company (“Monarch”) assumed all obligations for approximately 78,000 FedNat Florida policies. Policyholders with questions regarding Monarch should visit the company’s website at <https://monarchnational.com/> or contact the company directly as follows:

Monarch National Insurance Company – Direct Contact Information:

Customer Service: 1-800-293-2532

Customer Service Email: uwinfo@monarchnational.com

ALABAMA, MISSISSIPPI, AND SOUTH CAROLINA:

1) For losses incurred prior to 12:01 a.m. July 1, 2022

With the entry of the Liquidation Order, the applicable Guaranty Associations were activated to help pay outstanding claims for FedNat policies.

The Department is currently gathering claim files and claim data to forward the information to applicable GAs. As a result, there may be a slight delay in claim processing during this transitional period. Please

continue to contact FedNat using the contact information below to check the status of an existing claim or to file a new claim incurred prior to July 1, 2022. The Department's website, www.myfloridacfo.com/division/receiver, will be updated as appropriate regarding the claim transfer process.

2) For losses incurred on or after July 1, 2022

The GAs will not pay any claims occurring on or after 12:01 a.m. on July 1, 2022, for FedNat policyholders whose policies were assumed/transitioned to SureChoice.

SureChoice Underwriters Reciprocal Exchange – Direct Contact Information:

Customer Service: 1-888-346-6907 (9:00 a.m. – 6:00 p.m., Monday through Friday)

TEXAS FEDNAT POLICIES:

1) FedNat Policies for losses incurred prior to 12:01 a.m. July 1, 2022

With the entry of the Liquidation Order, the Texas Property and Casualty Insurance Guaranty Association (“TPCIGA”) was activated to help pay outstanding claims for FedNat policies.

The Department is currently gathering claim files and claim data to forward the information to TPCIGA. As a result, there may be a slight delay in claim processing during this transitional period. Please continue to contact FedNat using the contact information below to check the status of an existing claim or to file a new claim incurred prior to July 1, 2022. The Department's website, www.myfloridacfo.com/division/receiver, will be updated as appropriate regarding the claim transfer process.

2) FedNat Policies for losses incurred on or after July 1, 2022

The GAs will not pay any claims occurring on or after 12:01 a.m. on July 1, 2022, for FedNat policyholders whose policies were assumed/transitioned to SureChoice. Policyholders with questions regarding SureChoice should visit the company's website at <https://www.sureins.com> or contact the company directly as follows:

SureChoice Underwriters Reciprocal Exchange – Direct Contact Information:

Customer Service: 1-888-346-6907 (9:00 a.m. – 6:00 p.m., Monday through Friday)

TEXAS MAISON POLICIES:

1) For losses incurred prior to 12:01 a.m. on October 27, 2022

With the entry of the Liquidation Order, the Texas Property and Casualty Insurance Guaranty Association (“TPCIGA”) was activated to help pay outstanding claims for FedNat policies. The Department is currently gathering claim files and claim data to forward the information to TPCIGA. As a result, there may be a slight delay in claim processing during this transitional period. Please continue to contact FedNat using the contact information below to check the status of an existing claim or to file a new claim incurred prior to October 27, 2022. The Department's website, www.myfloridacfo.com/division/receiver, will be updated as appropriate regarding the claim transfer process.

LOUISIANA AND GEORGIA:

With the entry of the Liquidation Order, the applicable Guaranty Associations were activated to help pay outstanding claims for FedNat policies. The Department is currently gathering claim files and claim data to forward the information to applicable GAs. As a result, there may be a slight delay in claim processing during this transitional period. Please continue to contact FedNat using the contact information below to check the status of an existing claim or to file a new claim. The Department's website, www.myfloridacfo.com/division/receiver, will be updated as appropriate regarding the claim transfer process.

CONSUMER/CLAIMS CALLS:

Until further notice, policyholders with questions regarding FedNat should continue to visit the company's website at <https://www.fednat.com/> or contact the company directly as follows:

FedNat Insurance Company – Direct Contact Information:

Underwriting Customer Service:	1-954-308-1200
Claims:	1-800-293-2532
Flood Customer Service:	1-800-219-3102
Flood Claims:	1-800-759-8656

CONTACTING THE DEPARTMENT:

Please contact the Department by using the “Contact Us” form at the Department's website, <https://www.myfloridacfo.com/division/receiver> if you have any non-claims related questions regarding the receivership. For claims questions, please refer to the phone numbers provided under Claims Issues. You may also contact the Florida Department of Financial Services, as Receiver, at (850) 413-3081 or toll free at 1-800-882-3054 (in Florida only).

Your anticipated cooperation and assistance in these matters is greatly appreciated.

Section 631.341, Florida Statutes

631.341 Notice of insolvency to policyholders by insurer, general agent, or agent.—

(1) The receiver shall, immediately after appointment in any delinquency proceeding against an insurer in which the policies have been canceled, give written notice of such proceeding to each general agent and licensed agent of the insurer in this state. Each general agent and licensed agent of the insurer in this state shall forthwith give written notice of such proceeding to all subagents, producing agents, brokers, and service representatives writing business through such general agent or licensed agent, whether or not such subagents, producing agents, brokers, and servicing representatives are licensed or permitted by the insurer and whether or not they are operating under a written agency contract.

(2) Unless, within 15 days subsequent to the date of such notice, all agents referred to in subsection (1) have either replaced or reinsured in a solvent authorized insurer the insurance coverages placed by or through such agent in the delinquent insurer, such agents shall then, by registered or certified mail, or by e-mail with delivery receipt required, send to the last known address of any policyholder a written notice of the insolvency of the delinquent insurer.

(3) The license, permit, or certificate of authority of any person, firm, or corporation which fails to comply with the provisions of this section is subject to revocation as otherwise provided by law.

(4) If such person, firm, or corporation is not licensed or permitted or the holder of a certificate of authority under any section of this code, such person, firm, or corporation, or the officers and directors thereof, are, upon failure to comply with the provisions of this section, guilty of a misdemeanor of the first degree, punishable as provided in s. 775.082 or by a fine of not more than \$5,000.

History.—s. 750, ch. 59-205; s. 15, ch. 70-27; s. 809(1st), ch. 82-243; s. 24, ch. 83-38; ss. 187, 188, ch. 91-108; s. 4, ch. 91-429; s. 68, ch. 2002-206; s. 16, ch. 2015-180.