

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

State of Florida, ex rel.,
the Department of Financial Services
of the State of Florida,

Relator

CASE NO.:

v.

United Property and Casualty Insurance Company,

Respondent.

_____ /

**PETITION FOR CONSENT ORDER APPOINTING THE FLORIDA DEPARTMENT OF
FINANCIAL SERVICES AS RECEIVER OF UNITED PROPERTY AND CASUALTY
INSURANCE COMPANY FOR PURPOSES OF LIQUIDATION, INJUNCTION, AND
NOTICE OF AUTOMATIC STAY**

The Florida Department of Financial Services, Division of Rehabilitation and Liquidation (“Department”), hereby petitions this Court pursuant to sections 631.031 and 631.051, Florida Statutes (2022) for the entry of a Consent Order Appointing the Department as Receiver of United Property and Casualty Insurance Company (“Respondent” or “Company”) for Purposes of Liquidation, Injunction, and Notice of Automatic Stay. In support of its petition, the Department states:

1. Respondent was licensed by the Florida Office of Insurance Regulation (“OIR”), as a state of Florida domestic property and casualty insurer authorized to transact insurance business in the state of Florida pursuant to Part III of Chapter 624, Florida Statutes on April 2, 1999. Respondent currently is authorized to write the following lines of business: (010) Fire; (020) Allied Lines; (040) Homeowners Multi-peril; (090) Inland Marine; (120) Earthquake; (170) Other Liability; (260) Burglary and Theft; and, (270) Boiler and Machinery under Part III, Chapter 624, Florida Statutes. Respondent’s principal place of business is located at: 800 2nd Ave South, St.

Petersburg, Florida 33701.

STATUTORY BASIS FOR REFERRAL

2. Section 631.021, Florida Statutes, provides that a delinquency proceeding pursuant to Chapter 631, Florida Statutes, constitutes the sole and exclusive method of liquidating, rehabilitating, reorganizing, or conserving a Florida domiciled insurer.

3. This Court has original jurisdiction over these proceedings and can exercise jurisdiction over any person required by section 631.391, Florida Statutes, to cooperate with the Department and OIR, and over all other persons made subject to this Court's jurisdiction by other provisions of law. §§ 631.021(1) and 631.025, Fla. Stat. Additionally, this Court is authorized to enter all necessary or proper orders to carry out the purpose of the Florida Insurers Rehabilitation and Liquidation Act, sections 631.001 *et seq.*, Florida Statutes. § 631.021(1), Fla. Stat.

4. Venue is proper in the Circuit Court of Leon County. § 631.021(2), Fla. Stat.

5. Upon a determination by the Office of Insurance Regulation ("OIR") that one or more grounds exist to initiate a delinquency proceeding against an insurer, and upon OIR's determination that a delinquency proceeding should be initiated, OIR is required to refer the insurer to the Department for the initiation of such delinquency proceeding. § 631.031(1), Fla. Stat.

REFERRAL FOR DELINQUENCY PROCEEDINGS

6. On February 16, 2023, and pursuant to section 631.031(1), Florida Statutes, Mark Yaworsky, Interim OIR Commissioner, advised Florida's Chief Financial Officer, Jimmy Patronis, that grounds exist for the initiation of delinquency proceedings against Respondent. A copy of the referral letter is attached as **Exhibit A**. The affidavit of Virginia Christy, Director of the Property & Casualty Financial Oversight, from the referral package is attached hereto as **Exhibit B** and includes the information required by Section 631.031(1), Florida Statutes as outlined below.

FACTS SUPPORTING REFERRAL

Adverse Developments Begin: 2020

7. Due to a significant drop in net income and surplus since the prior year and negative underwriting income and reserve development revealed in Respondent's December 31, 2019, Annual Financial Statement filed on March 1, 2020, due to adverse weather events in Florida, Louisiana, Texas, and other states, OIR required Respondent to file monthly financial statements. OIR also initiated monthly telephone conferences with the Company. **(See Exhibit B at paragraph 9)**

8. Respondent additionally started to reduce its exposure in other states where it wrote insurance policies, to wit: Connecticut, Massachusetts, New Jersey, and Rhode Island, by entering into renewal rights agreements and transitioning its policies to other insurers licensed to write business in those states. **(See Exhibit B at paragraph 10).**

Additional Reduction of Exposure and Increased Monitoring: 2022

9. On January 27, 2022, OIR approved a plan for Respondent to further reduce its exposure by entering into an 85% quota share reinsurance agreement and renewal rights agreement with another carrier for its business in Georgia, North Carolina, and South Carolina with the policies in South Carolina to start this process on June 1, 2022, and the policies in Georgia and North Carolina to transition in the fourth quarter of 2022. The Company also started preparing to transition policies in New York by mid-2022. **(See Exhibit B at paragraph 10).**

10. At the same time OIR increased its calls with the Company to bi-weekly.

11. On April 14, 2022, due to a rating downgrade in an affiliated insurer, Journey Insurance Company [Journey], the Company's parent, United Insurance Holding Corp., started preparing and submitting merger plans to OIR to further reduce its insurance companies' exposure.

(See Exhibit B at paragraph 11.)

12. On June 1, 2022, Journey merged with an affiliate insurer of Respondent, American Coastal Insurance Company. The merger was approved by OIR on June 14, 2022. **(See Exhibit B at paragraph 12).**

13. On June 17, 2022, OIR approved the merger of another affiliate insurer, Family Security Insurance Company (Family Security) with Respondent through Consent Order 297138-22-CO. The merger was effective May 31, 2022. Respondent was the surviving company. **(See Exhibit B at paragraph 13).**

14. In June 2022, the Company also notified OIR that it would be transitioning its flood book of business to Wright National Flood Company in the third quarter of 2022 subject to approval by the Federal Emergency Management Agency [FEMA]. **(See Exhibit B at paragraph 14).**

15. On July 19, 2022, Respondent notified OIR that its financial strength rating would be downgraded, and as a result of the downgrade, its participation in the secondary mortgage market would be adversely affected. Consequently, OIR approved the Company's participation in the Temporary Market Stabilization Arrangement with Citizens Property Insurance Corporation. **(See Exhibit B at paragraph 15).**

16. On August 3, 2022, Respondent notified OIR that it intended to withdraw from the business of insurance in Florida and other states and effectuate an orderly run-off of its current business which as of July 31, 2022, reflected 161,071 Florida policies and 151,325 policies in six other states. **(See Exhibit B at paragraphs 16 and 17).**

17. On November 15, 2022, Respondent submitted an amended run-off plan with OIR that included, amongst other items, non-renewals of policies and capital infusions, which was approved by the Office on December 5, 2022. At the same time and through the same Consent

Order, OIR placed the Company in public administrative supervision with an on-site administrator present to assist in a solvent run-off via Consent Order 303643-22-CO. **(See Exhibit B at paragraphs 19 and 20)**

Denouement due to Hurricane Ian: 2023

18. On January 23, 2023, the Company notified OIR of an agreement to transfer approximately half its Florida policies to another Florida licensed insurer. OIR approved the Agreement on January 31, 2023, whereby approximately 72,000 of Respondent's Florida policies were cancelled and re-written by Slide Insurance Company (SLIDE) as of February 1, 2023, through Consent Order 305835-23-CO. **(See Exhibit B at paragraph 21)**

19. On January 27, 2023, Respondent notified OIR that its reserves booked for Hurricane Ian losses compared to its third-party actuary's preliminary point estimate were deficient by approximately \$140 million, making the company insolvent if those reserves were reported. **(See Exhibit B at paragraph 22).**

20. On February 6, 2023, Respondent submitted pro forma financial statements to OIR after further review of its reserves that indicated that as a result of its increased loss reserves, its surplus for the period ending December 31, 2022, was (\$217,603,217), meaning that the Company was insolvent. **(See Exhibit B at paragraph 23).**

GROUND SUPPORTING APPOINTMENT OF RECEIVER AND LIQUIDATION

21. Section 631.031(2), Florida Statutes, empowers the Department to petition this Court for a consent order directing it to liquidate a domestic insurer, and section 631.051, Florida Statutes, provides that the Department may apply for such order upon the existence of any of the grounds specified in that section. Based on the documentation received from OIR, including the affidavit of Virginia Christy and a *Consent to Order of Receivership United Property and Casualty*

Insurance Company executed on various dates by the Company's board of directors and the Company's Secretary Certification dated February 14, 2023, the Department has confirmed that grounds exist that warrant the liquidation of Respondent. A copy of the Consents and Secretary Certification are incorporated in **Department Exhibit "C"**.

22. Under section 631.061(1), Florida Statutes, Respondent is insolvent within the meaning of section 631.011(14) as stated in the affidavit of Virginia Christy and by Respondent in its Consent to Order of Receivership.

23. More specifically, Respondent was deemed insolvent on February 6, 2023, because all of its assets if made immediately available would be insufficient to discharge all of its liabilities as defined in section 631.011(14), Florida Statutes.

24. Furthermore, under Section 631.051(3), Florida Statutes, OIR has determined that the continued operation of Respondent would be hazardous to policyholders, creditors, stockholders, and the public.

25. Finally, under Section 631.051(11), Florida Statutes, Respondent has consented, through the Consent of the majority of its board of directors, to the appointment of the Department as Receiver of Respondent for the purposes of liquidation, has waived any hearing on the Department's petition, and has waived any right to appeal the order entered by this court appointing the Department as the Receiver of Respondent, thus making the order final.

REQUESTED RELIEF

26. Accordingly, the Department requests, pursuant to sections 631.031 and 631.061, Florida Statutes, the entry of a *Consent Order Appointing the Florida Department of Financial Services as Receiver of United Property and Casualty Insurance Company for Purposes of Liquidation, Injunction, and Notice of Automatic Stay* ("Consent Order") to allow the Department

the ability to marshal Respondent's assets in the best interest of Respondent's policyholders, creditors, other claimants, and the public.

27. The Department further requests that as part of the Consent Order, the court also apply the protections of Chapter 631, Part I, Florida Statutes, and more specifically Section 631.041, Florida Statutes, to Family Security, the predecessor company that was merged with Respondent on May 31, 2022.

28. Finally, the Department requests the Court specifically authorize the Department to take immediate possession of all bank accounts of Respondent, and all premiums collected by Respondent or premium finance companies, or any person otherwise engaged in premium financing, on behalf of Respondent, pursuant to Section 631.111(2), Florida Statutes, so that the department may hold such assets until further order of this Court.

WHEREFORE, the Florida Department of Financial Services, Division of Rehabilitation and Liquidation, respectfully requests that this Court enter a *Consent Order Appointing the Florida Department of Financial Services as Receiver of United Property and Casualty Insurance Company for the Purposes of Liquidation, Injunction, and Notice of Automatic Stay*.

RESPECTFULLY SUBMITTED this the 20th day of February 2023.

/signed/

MIRIAM O. VICTORIAN

Chief Attorney

Florida Bar No. 355471

Miriam.Victorian@myfloridacfo.com

Jamila Gooden - Senior Attorney

Jamila.Gooden@myfloridacfo.com

Florida Bar No. 46740

Florida Department of Financial Services

Division of Rehabilitation and Liquidation

325 John Knox Road

The Atrium, Suite 101

Tallahassee, FL 32303

Telephone: (850) 413-4408



OFFICE OF INSURANCE REGULATION

MICHAEL YAWORSKY
INTERIM COMMISSIONER

**FINANCIAL SERVICES
COMMISSION**

RON DESANTIS
GOVERNOR

JIMMY PATRONIS
CHIEF FINANCIAL OFFICER

ASHLEY MOODY
ATTORNEY GENERAL

WILTON SIMPSON
COMMISSIONER OF
AGRICULTURE

February 16, 2023

The Honorable Jimmy Patronis
The Chief Financial Officer
Department of Financial Services
The Capitol, PL-11
Tallahassee, FL 32399

Re: United Property & Casualty Insurance Company

Dear Chief Financial Officer Patronis:

Pursuant to Chapter 631, Florida Statutes, the Office of Insurance Regulation ("OIR") has determined that one or more grounds exist for the Department of Financial Services, Division of Rehabilitation and Liquidation ("Department"), to initiate delinquency proceedings against United Property & Casualty Insurance Company ("Company"). Attached to this letter, please find an affidavit setting forth the grounds specified including the date the Company was deemed impaired or insolvent as those terms are defined in Section 631.011, a concise statement of the circumstances that led to the delinquency, and a summary of the actions taken by the Company and the OIR to avoid delinquency, along with a consent to order of receivership signed by the Company so that the Department can promptly initiate those proceedings.

As always, the OIR stands ready to provide any additional information or assistance the Department needs in order for this matter to proceed as expeditiously as possible. OIR currently has a deputy supervisor onsite at the Company who can be made available to the Department in any way you need. Thank you for your attention to this matter.

Sincerely,

Michael Yaworsky, Interim Commissioner
Office of Insurance Regulation

Enclosure

cc:

Michael Dobson, General Counsel, Department of Financial Services

MICHAEL YAWORSKY • INTERIM COMMISSIONER
200 EAST GAINES STREET • TALLAHASSEE, FLORIDA 32399-0305 • (850) 413-3140 • FAX (850) 488-3334
WEBSITE: WWW.FLOIR.COM • EMAIL: INSURANCECOMMISSIONER@FLOIR.COM

Affirmative Action / Equal Opportunity Employer

Exhibit A

AFFIDAVIT OF VIRGINIA A. CHRISTY

STATE OF FLORIDA

COUNTY OF LEON

BEFORE ME, the undersigned authority, personally appeared Virginia A. Christy, who after being duly sworn, deposes and says:

1. I, Virginia A. Christy, am over the age of eighteen (18), sui juris, and I am competent to testify to and have personal knowledge of the facts contained herein.

2. I have been employed by the Florida Office of Insurance Regulation (hereinafter referred to as "Office") since July 2012. From July 2012 to August 2014, I served as Assistant General Counsel. From September 2014 to August 2017, I served as Chief Assistant General Counsel for the Office. In that position, I supervised the Legal Division's Regulatory Section, which provided legal representation to several business units in the Office, including Property & Casualty Financial Oversight.

3. Since September 2017, I have held the position of Director of the Property & Casualty Financial Oversight business unit. In this position, I supervise a team of over fifty employees, including twenty persons specifically assigned to financial analysis of insurance companies licensed to do business in Florida.

4. I have a Bachelor of Science degree in Business Administration with a major in Accounting from Missouri Southern State College and a Juris Doctor from Florida Coastal School of Law. I am a member of the Florida Bar.

5. United Property & Casualty Insurance Company (hereinafter referred to as "United") holds a Certificate of Authority as a state of Florida domestic property and casualty

insurer and is authorized to write in the lines of (010) Fire, (020) Allied Lines, (040) Homeowners Multi-Peril, (090) Inland Marine, (120) Earthquake, (170) Other Liability, (260) Burglary and Theft, and (270) Boiler and Machinery pursuant to Part III of Chapter 624, Florida Statutes.

6. As a licensed insurer, United is subject to the regulation of the Office pursuant to the Florida Insurance Code.

BACKGROUND

7. United received an active Certificate of Authority in Florida on April 02, 1999.

8. United is 100% owned by United Insurance Holdings Corp. ("United Holdings"), which is a Delaware Corporation whose common stock is publicly traded on the NASDAQ stock exchange.

CIRCUMSTANCES THAT LED TO THE DELINQUENCY OF UNITED AND ACTIONS TAKEN BY THE INSURER AND THE OFFICE TO AVOID DELINQUENCY

9. As a result of the review of United's December 31, 2019 financial statement, filed with the Office on March 1, 2020, which reflected a significant drop in net income and surplus since prior year end and negative underwriting income totaling (\$35,544,394) along with continued adverse reserve development due to numerous catastrophic weather events in Florida, Texas, Louisiana, and other states, the Office required United to file monthly financial statements beginning with its March 2020 period-end. Each monthly financial statement was due on the 21st day of the month following the prior period month end. In addition, the Office started to have monthly calls and beginning on July 2, 2022, bi-weekly calls with United's management to address and monitor its continued downward trends and its declining financial results. United experienced significant decline in underwriting results, with net underwriting losses exceeding \$35 million in each year since 2017. These losses increased significantly beginning in 2020, with reported

underwriting losses of (\$69,285,960) as of December 31, 2020, and (\$53,987,634) as of December 31, 2021, and (\$189,803,628) as of September 30, 2022. Additionally, the Company's surplus as regards policyholders continued to decline despite actions noted below. United's surplus declined from \$159,003,538 as of December 31, 2019 to \$138,967,744 as of December 31, 2020, \$128,434,738 as of December 31, 2021 and \$56,854,784 as of September 30, 2022.

10. At the end of 2020, United began to reduce its exposure in other states and entered into renewal rights agreements transitioning policies from United to other carriers in Rhode Island, Connecticut, New Jersey and Massachusetts. In addition, a transition of United's North Carolina, South Carolina, and New York policies began in mid-2022. To further reduce exposure outside of the southern coastal states, United entered into an 85% quota share reinsurance agreement and a renewal rights agreement with another carrier for the Company's Georgia, North Carolina, and South Carolina business, which was approved by the Office on January 27, 2022. The transition of the Company's South Carolina policies began on June 1, 2022, with Georgia and North Carolina policies to transition in the fourth quarter of 2022.

11. On April 14, 2022, the financial strength rating of Journey Insurance Company ("Journey"), a United affiliate, was downgraded. As part of United Holdings' strategic plan, and in an effort to consolidate its books of business and protect the group from the effects of the downgrade, United Holdings submitted merger applications for its affiliates.

12. On June 14, 2022, the Office approved, by Consent Order 296419-22-CO, attached as Exhibit A and incorporated by reference, the merger of Journey with and into affiliate American Coastal Insurance Company which was effective June 1, 2022.

13. On June 17, 2022, the Office approved, by Consent Order 297138-22-CO, attached as Exhibit B and incorporated by reference, the merger of Family Security Insurance Company, Inc., also a United affiliate, with and into United which was effective May 31, 2022.

14. In June of 2022, United notified the office that Wright National Flood Insurance Company would take over United's flood insurance book of business beginning in the third quarter of 2022. This transaction was subject to approval by the Federal Emergency Management Agency, after which Wright Flood began servicing, administering, and issuing flood coverage under the National Flood Insurance Program for United policyholders and agents.

15. On July 19, 2022, United notified the Office that its financial strength ("FRS") rating would be downgraded below that which is acceptable for the purposes of the secondary mortgage market. Through an immediate final order issued by the Office on August 2, 2022, United was determined to be qualified to participate in the Temporary Market Stabilization Arrangement with Citizens Property Insurance Corporation, which is set to expire on May 31, 2023.

16. As of July 31, 2022, United's policies in force in the state of Florida was 161,071 with another 151,325 policies in force in six other states.

17. The Office received a notice from United on August 3, 2022, of its intent to withdraw from Florida and other states to effectuate an orderly run-off due to significant uncertainty around the future availability of reinsurance for personal lines business. The Office continued its bi-weekly calls with United to closely monitor United's financial condition and to initiate the possibility of an accelerated run-off of its business.

18. On or about October 10, 2022 and in anticipation of United's filings regarding its runoff, the Office engaged a Financial Administrator to assess the complex proformas and to make

recommendations to the Office regarding the likelihood of a solvent runoff.

19. On November 15, 2022, United submitted an amended Plan of Runoff (“Plan”), supplementing expected claims, losses, and delays in implementing non-renewals from Hurricanes Ian and Nicole, which included a number of different elements to facilitate a solvent run off of its liabilities and to wind down its affairs in an orderly fashion. To aid in the solvent runoff, additional capital infusions into United originating from affiliated entities in the group, along with strategic conversions of assets to cash was contemplated in the pro-formas specifically to facilitate the Plan.

20. On December 5, 2022, the Office issued Consent Order 303643-22-CO, attached as Exhibit C and incorporated by reference, approving United’s Plan and, due to varied factors that would materially affect the success of the Plan, placed United in Administrative Supervision for the duration of the runoff period.

21. On or about January 23, 2023, United notified the Office of a transaction that would transfer approximately 72,000 Florida policies to another carrier. On January 31, 2023, the Office issued Consent Order 305835-23-CO, attached as Exhibit D and incorporated by reference, approving the transaction.

22. On or about January 27, 2023, United notified the Office that its reserves booked for Hurricane Ian losses as compared to its appointed third-party actuary’s point estimate were deficient by approximately \$140 million and that if United booked those reserves at the actuary’s point estimate, United would be insolvent. United would therefore be reviewing the actuarial determination and the range provided and would provide statutory pro-formas reflecting an appropriate adjustment to reserves.

23. On Monday February 6, 2023, after United’s review of its reserves, United provided statutory pro-forma financial statements that increased its retained losses and recognized the point

estimate of the actuary. As a result of increasing its loss reserves, United's surplus as regards policyholders reflected in the pro-formas for the period ended December 31, 2022 is (\$217,603,217).

24. On February 9, 2023, United provided to the Office an executed Consent to Order of Receivership, hereinafter referred to as "Consent". A true and correct copy of the Consent is attached hereto as Exhibit E and hereby incorporated by reference. The Consent admits that grounds exist for the appointment of a Receiver of United for Rehabilitation or Liquidation pursuant to Sections 631.051 and 631.061, Florida Statutes, and specifically admits that it is insolvent as that term is defined in Section 631.011(14), Florida Statutes (See Exhibit E). After transmitting the Consent, United provided additional director signatures and a secretary certification to the Office related to the voice vote of the Board of Directors (See Exhibit F).

25. The Office has determined that grounds exist for the Department of Financial Services, Division of Rehabilitation and Liquidation (hereinafter referred to as "Department") to petition for an order, under Section 631.051 or 631.061, Florida Statutes, directing the Department to rehabilitate United or appointing the Department as receiver for purposes of liquidating the business of United. The three bases for this determination are summarized as follows:

BASIS ONE: UNITED IS INSOLVENT OR ABOUT TO BECOME INSOLVENT

Authority: §§ 631.051(1) and 631.061(2) Fla. Stat.

26. Section 631.011(14), Florida Statutes, defines "insolvency" as a condition in which all of the assets of the insurer, if made immediately available, would be insufficient to discharge all of the liabilities of the insurer or the insurer is unable to pay its debts as they become due in the normal course of business.

27. United was deemed insolvent on February 6, 2023, because if all of the assets of United, if made immediately available, would be insufficient to discharge all of the liabilities of United.

**BASIS TWO: FURTHER TRANSACTION OF INSURANCE BY UNITED IS
HAZARDOUS TO POLICYHOLDERS, CREDITORS, STOCKHOLDERS,
OR THE PUBLIC**

Authority: §631.051(3), Fla. Stat.

28. Based on the above, the Office has determined that United is operating in an unsound condition that is hazardous to policyholders, creditors, stockholders, and the public.

BASIS THREE: CONSENT TO REHABILITATION OR LIQUIDATION

Authority: §631.051(11), Fla. Stat.

29. On February 9, 2023, United executed a Consent to Order of Receivership for the appointment of the Department as Receiver. (See, Exhibit E). In the Consent, United specifically admits that it is insolvent as that term is defined in Section 631.011(14), Florida Statutes (See, Exhibit E, paragraph 3).

30. The Consent admits “that grounds exist for the appointment of a Receiver for Rehabilitation or Liquidation pursuant to Sections 631.051 and 631.061, Florida Statutes” (See Exhibit E, paragraph 2).

31. The Consent states as follows:

Pursuant to Sections 631.051 and 631.061, Florida Statutes, Respondent consents through a majority of its directors, to the entry of an Order, appointing the Florida Department of Financial Services, Division of Rehabilitation and Liquidation (hereinafter “Department”) as the Receiver of Respondent and acknowledges that the Department may apply to the Court for an Order of Rehabilitation or Liquidation. Respondent further agrees that the Department shall have the sole discretion to determine the type of order to be sought and entered and consents to any injunctions the

receivership court, as defined by Section 631.021, Florida Statutes, deems necessary and appropriate.

Exhibit C, paragraph 4.

32. Further, the Consent states:

Respondent additionally agrees that the Department may, at its sole discretion, apply to the Court for any additional orders regarding Respondent, and that all such orders entered shall be final when entered, with Respondent waiving any right to appeal such orders, including any order liquidating Respondent.

Id.

CONCLUSION

As set forth above, United Property & Casualty Insurance Company is insolvent or about to become insolvent; is in such condition or is using or has been subject to such methods or practices in the conduct of its business, as to render its further transaction of insurance presently or prospectively hazardous to its policyholders, creditors, stockholders, or the public; and has consented to rehabilitation or liquidation. Thus, grounds for issuing an Order for entry into receivership exist under Sections 631.051(1), 631.051(3), 631.051(11), and 631.061(2), Florida Statutes.

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FURTHER AFFIANT SAYETH NOT.

Virginia A. Christy
Virginia A. Christy, Director
Property & Casualty Financial Oversight
Office of Insurance Regulation

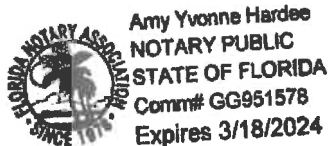
STATE OF Florida

COUNTY OF Leon

The foregoing instrument was acknowledged before me by means of ☒ physical presence

or ☐ online notarization, this 16th day of February, 2023, by Virginia A. Christy
(name of person)

as Director Property & Casualty Financial Oversight for Florida Office of Insurance Regulation
(type of authority; e.g., officer, trustee, attorney in fact) (company name)



Amy Yvonne Hardee
(Signature of the Notary)

Amy Yvonne Hardee
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known ☒ OR Produced Identification ☐

Type of Identification Produced _____

My Commission Expires 3/18/2024

**CONSENT TO ORDER OF RECEIVERSHIP
UNITED PROPERTY & CASUALTY INSURANCE COMPANY**

IT IS HEREBY AGREED TO AS FOLLOWS:

1. United Property & Casualty Insurance Company ("Respondent") is a Florida corporation and is a domestic property and casualty insurer authorized to transact insurance business in Florida and regulated by the Florida Office of Insurance Regulation.

2. Respondent admits that grounds exist for the appointment of a Receiver of the company for Rehabilitation or Liquidation, pursuant to Sections 631.051 and 631.061, Florida Statutes.

3. Respondent specifically admits that it is insolvent as that term is defined in Section 631.011(14), Florida Statutes.

4. Pursuant to Sections 631.051 and 631.061, Florida Statutes, Respondent consents through a majority of its directors to the entry of an Order appointing the Florida Department of Financial Services, Division of Rehabilitation and Liquidation (hereinafter "Department") as the Receiver of Respondent and acknowledges that the Department may apply to the Court for an Order of Rehabilitation or Liquidation. Respondent further agrees that the Department shall have the sole discretion to determine the type of order to be sought and entered and consents to any injunctions the receivership court, as defined by section 631.021, Florida Statutes, deems necessary and appropriate. Respondent additionally agrees that the Department may, at its sole discretion, apply to the Court for any additional orders regarding Respondent, and that all such orders entered shall be final when entered, with Respondent waiving any right to appeal such orders, including any order liquidating Respondent. The Resolution of the Board of Directors is attached as Attachment A to this Consent.

5. Respondent acknowledges that it has executed this Consent to Order of Receivership

voluntarily and of its own accord, having had the opportunity to consult counsel of its choosing, and has not been threatened or coerced to execute this consent by the Department of Financial Services, Florida Office of Insurance Regulation, or any other individual or entity.

By execution hereof, **UNITED PROPERTY & CASUALTY INSURANCE COMPANY** consents to the appointment of the Department of Financial Services as receiver for purposes of Rehabilitation or Liquidation, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind **UNITED PROPERTY & CASUALTY INSURANCE COMPANY** to the terms and conditions of this Consent Order.



UNITED PROPERTY & CASUALTY INSURANCE COMPANY

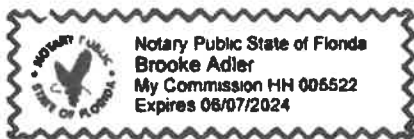
By: [Signature]
Print Name: Brad Martz
Title: President & CEO
Date: 2-8-2023

STATE OF Florida
COUNTY OF Pinellas

The foregoing instrument was acknowledged before me by means of ☒ physical presence

or ☐ online notarization, this 8 day of Feb 2023, by Brad Martz

as officer for United Property & Casualty Ins Co.
(type of authority; e.g., officer, trustee, attorney in fact) (company name)



[Signature]
(Signature of the Notary)

(Print, Type or Stamp Commissioned Name of Notary)

Personally Known ☒ OR Produced Identification _____
Type of Identification Produced _____
My Commission Expires _____

**RESOLUTION OF THE BOARD OF DIRECTORS OF
UNITED PROPERTY & CASUALTY INSURANCE COMPANY
ATTACHMENT A**

The undersigned, being the majority of the Directors of United Property & Casualty Insurance Company, (hereinafter "the Company") hereby makes the following resolutions, at their sole discretion and after consultation with their attorneys of record, as follows:

RESOLVED that the majority of the current Directors on the Board of Directors consent to the entry of an Order of Liquidation of the Company.

FURTHER RESOLVED, that pursuant to Sections 631.051 and 631.061, the majority of the Directors consent to the immediate appointment of the Florida Department of Financial Services (hereinafter "the Department") as Receiver of the company, for the purposes of Liquidation, without further notice or hearing, and waive any and all rights to notice and hearing.

FURTHER RESOLVED, that the majority of Directors admit that the company is insolvent as defined by Section 631.011, Florida Statutes.

FURTHER RESOLVED, that the Majority of the Directors consent to waive any right to appeal any order entered by the receivership court appointing the Department as Receiver of the company, and that the order entered is a final order.

FURTHER RESOLVED, that the Majority of the Directors consent to the filing of any additional motions or pleadings regarding the company by the Department after its appointment as Receiver without the necessity for hearing.

FURTHER RESOLVED, that the Majority of the Directors consent to waive any right to appeal any order entered by the court and that such orders shall be final.

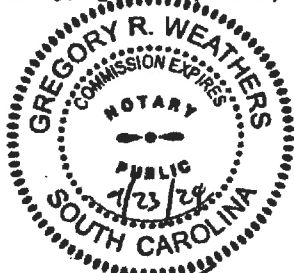
FURTHER RESOLVED, that the Chairman of the Board of Directors and the Officers of the Company are hereby authorized to execute any and all consent agreements or documents on behalf of the company, and are authorized to take any and all additional actions, including the Consent to Receivership under Chapter 631, Part I, Florida Statutes, as deemed necessary or appropriate by the Office of Insurance Regulation and/or the Department, without further approval of the shareholders or directors.

Directors of United Property & Casualty Insurance Company

By: [Signature]
Print Name: Michael R. Hogan
Title: Director
Date: 3/9/2023

STATE OF South Carolina
COUNTY OF Georgetown

The foregoing instrument was acknowledged before me by means of ☒ physical presence
or ☐ online notarization, this 9 day of February 2023, by Michael R. Hogan
as Director for United Property and Casualty
(type of authority; e.g., officer, trustee, attorney in fact) (company name)



[Signature]
(Signature of the Notary)
Gregory R. Weathers
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known ☒ OR Produced Identification _____
Type of Identification Produced _____
My Commission Expires 09/23/24

FURTHER RESOLVED, that the Chairman of the Board of Directors and the Officers of the Company are hereby authorized to execute any and all consent agreements or documents on behalf of the company, and are authorized to take any and all additional actions, including the Consent to Receivership under Chapter 631, Part I, Florida Statutes, as deemed necessary or appropriate by the Office of Insurance Regulation and/or the Department, without further approval of the shareholders or directors.

Directors of United Property & Casualty Insurance Company

By: [Signature]

Print Name: R. DANIEL PEED

Title: CHAIRMAN

Date: 02/08/2023

STATE OF Texas
COUNTY OF Harris

The foregoing instrument was acknowledged before me by means of ☒ physical presence
or ☐ online notarization, this 8th day of Feb 2023, by R. DANIEL PEED
as Officer & Director for UPC
(type of authority; e.g., officer, trustee, attorney in fact) (company name)



[Signature]
(Signature of the Notary)

(Print, Type or Stamp Commissioned Name of Notary)

Personally Known _____ OR Produced Identification ✓
Type of Identification Produced ID
My Commission Expires 02/03/2026

FURTHER RESOLVED, that the Chairman of the Board of Directors and the Officers of the Company are hereby authorized to execute any and all consent agreements or documents on behalf of the company, and are authorized to take any and all additional actions, including the Consent to Receivership under Chapter 631, Part I, Florida Statutes, as deemed necessary or appropriate by the Office of Insurance Regulation and/or the Department, without further approval of the shareholders or directors.

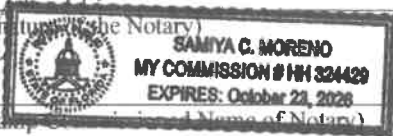
Directors of United Property & Casualty Insurance Company

By: Patrick F. Maroney
Print Name: PATRICK F. MARONEY
Title: DIRECTOR
Date: 2-9-23

STATE OF FL
COUNTY OF Leon

The foregoing instrument was acknowledged before me by means of ☒ physical presence
or ☐ online notarization, this 9 day of February 2023, by Patrick Maroney
(name of person)
as _____ for _____
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

Samiya C. Moreno
(Signature of the Notary)
(Print, Type or Stamp Name of Notary)



Personally Known _____ OR Produced Identification X
Type of Identification Produced Drivers License
My Commission Expires October 23, 2026

By: Kern M Davis

Print Name: Kern Davis

Title: Director

Date: Feb. 8, 2023

STATE OF Florida
COUNTY OF Pinellas

The foregoing instrument was acknowledged before me by means of ☒ physical presence

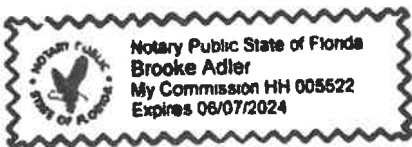
or ☐ online notarization, this 8 day of Feb 2023, by Kern Davis

as Director

(type of authority; e.g., officer, trustee, attorney in fact)

for United Property & Casualty
INS. Co.

(company name)



Brooke Adler
(Signature of the Notary)

(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires _____

By: [Signature]

Print Name: Kent Whittemore

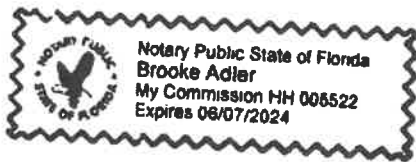
Title: Director

Date: February 8, 2023

STATE OF Florida
COUNTY OF Pinellas

The foregoing instrument was acknowledged before me by means of ☒ physical presence

or ☐ online notarization, this 8 day of Feb 2023, by Kent Whittemore
as Director for United Property & Casualty
(type of authority; e.g., officer, trustee, attorney in fact) (company name) Ins. Co.



[Signature]
(Signature of the Notary)

(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires _____

By: Sherrell W. Hudson
Print Name: SHERRELL W. HUDSON
Title: DIRECTOR
Date: February 8, 2023

STATE OF Florida
COUNTY OF Miami-Dade

The foregoing instrument was acknowledged before me by means of X physical presence

or ☐ online notarization, this 8th day of February 2023,
by Sherrell W. Hudson (name of person)
as Director for

(type of authority; e.g., officer, trustee, attorney in fact)

(company name)

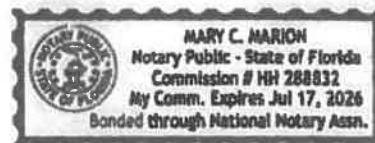
Mary C. Marion
(Signature of the Notary)

Mary C. Marion
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification

Type of Identification Produced

My Commission Expires July 17, 2026



**RESOLUTION OF THE BOARD OF DIRECTORS OF
UNITED PROPERTY & CASUALTY INSURANCE COMPANY
ATTACHMENT A**

The undersigned, being the majority of the Directors of United Property & Casualty Insurance Company, (hereinafter “the Company”) hereby makes the following resolutions, at their sole discretion and after consultation with their attorneys of record, as follows:

RESOLVED that the majority of the current Directors on the Board of Directors consent to the entry of an Order of Liquidation of the Company.

FURTHER RESOLVED, that pursuant to Sections 631.051 and 631.061, the majority of the Directors consent to the immediate appointment of the Florida Department of Financial Services (hereinafter “the Department”) as Receiver of the company, for the purposes of Liquidation, without further notice or hearing, and waive any and all rights to notice and hearing.

FURTHER RESOLVED, that the majority of Directors admit that the company is insolvent as defined by Section 631.011, Florida Statutes.

FURTHER RESOLVED, that the Majority of the Directors consent to waive any right to appeal any order entered by the receivership court appointing the Department as Receiver of the company, and that the order entered is a final order.

FURTHER RESOLVED, that the Majority of the Directors consent to the filing of any additional motions or pleadings regarding the company by the Department after its appointment as Receiver without the necessity for hearing.

FURTHER RESOLVED, that the Majority of the Directors consent to waive any right to appeal any order entered by the court and that such orders shall be final.

FURTHER RESOLVED, that the Chairman of the Board of Directors and the Officers of the Company are hereby authorized to execute any and all consent agreements or documents on behalf of the company, and are authorized to take any and all additional actions, including the Consent to Receivership under Chapter 631, Part I, Florida Statutes, as deemed necessary or appropriate by the Office of Insurance Regulation and/or the Department, without further approval of the shareholders or directors.

Directors of United Property & Casualty Insurance Company

By: _____

Print Name: William H Hood III

Title: Board Member

Date: 2/9/2023

STATE OF Florida
COUNTY OF Pinellas

The foregoing instrument was acknowledged before me by means of ☒ physical presence
or ☐ online notarization, this 9th day of February, 2023, by William H. Hood III
as Director for UPCIC
(type of authority; e.g., officer, trustee, attorney in fact) (company name)



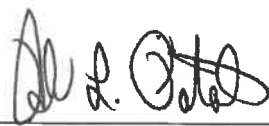
SABRINA ERNST
Notary Public
State of Florida
Comm# HH167070
Expires 8/19/2025

(Signature of the Notary)

Sabrina Ernst

(Print, Type or Stamp Commissioned Name of Notary)

Personally Known ☒ OR Produced Identification _____
Type of Identification Produced _____
My Commission Expires 8/19/2025

By: 

Print Name: Alec L. Poitevint

Title: Director

Date: February 13, 2023

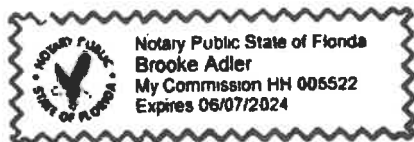
STATE OF FLORIDA

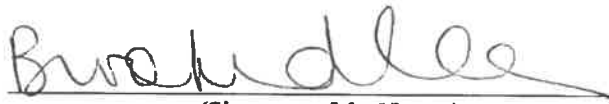
COUNTY OF PINELLAS _____

The foregoing instrument was acknowledged before me by means of ☒ physical presence

or ☐ online notarization, this 13TH day of FEBRUARY 2023, by Alec L. Poitevint
(name of person)

as DIRECTOR for United Property & Casualty Insurance Company_.
(type of authority; e.g., officer, trustee, attorney in fact) (company name)




(Signature of the Notary)

(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires _____

Secretary's Certificate

The undersigned, Brooke Adler, hereby certifies that she is the duly elected and acting Secretary of United Property & Casualty Insurance Company, a Florida corporation (the "**Company**"), and that, as such, she is duly authorized to execute and deliver this Secretary's Certificate on behalf of the Company. She hereby further certifies on behalf of the Company that:

The following is a true, correct, and complete copy of resolutions of the board of directors of the Company (the "**Resolutions**") as unanimously adopted at a duly called meeting of the board of directors held on February 8, 2023. The Resolutions are the only resolutions adopted by the board of directors of the Company in relation to the subject matter thereof and were duly adopted in accordance with the provisions of the Certificate and By-Laws. The Resolutions have not been rescinded, amended or otherwise modified since the date of their adoption and are in full force and effect on the date hereof.

RESOLVED that the majority of the current Directors on the Board of Directors consent to the entry of an Order of Liquidation of the Company.

FURTHER RESOLVED, that pursuant to Sections 631.051 and 631.061, the majority of the Directors consent to the immediate appointment of the Florida Department of Financial Services (hereinafter "the Department") as Receiver of the company, for the purposes of Liquidation, without further notice or hearing, and waive any and all rights to notice and hearing.

FURTHER RESOLVED, that the majority of Directors admit that the company is insolvent as defined by Section 631.011, Florida Statutes.

FURTHER RESOLVED, that the Majority of the Directors consent to waive any right to appeal any order entered by the receivership court appointing the Department as Receiver of the company, and that the order entered is a final order.

FURTHER RESOLVED, that the Majority of the Directors consent to the filing of any additional motions or pleadings regarding the company by the Department after its appointment as Receiver without the necessity for hearing.

FURTHER RESOLVED, that the Majority of the Directors consent to waive any right to appeal any order entered by the court and that such orders shall be final.

FURTHER RESOLVED, that the Chairman of the Board of Directors and the Officers of the Company are hereby authorized to execute any and all consent agreements or documents on behalf of the company, and are authorized to take any and all additional actions, including the Consent to Receivership under Chapter 631, Part I, Florida Statutes, as deemed necessary or appropriate by the Office of Insurance Regulation and/or the Department, without further approval of the shareholders or directors.

IN WITNESS WHEREOF, the undersigned has executed this Secretary's Certificate on behalf of the Company as of this 14 day of February, 2023.

United Property & Casualty Insurance Company

By: Brooke Adler

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Brooke Adler, Secretary