FILED

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INSURANCE REGULATION
Docketed by: A.M.V.

OFFICE OF INSURANCE REGULATION

MICHAEL YAWORSKY
COMMISSIONER

Index: OIR 25-242
IN THE MATTER OF: CASE NO.: 402312-25-CO

MAINSAIL INSURANCE COMPANY
_____/

CONSENT ORDER

THIS CAUSE came for consideration as a result of MAINSAIL INSURANCE COMPANY's ("MAINSAIL") proposal to assume selected commercial lines policies from CITIZENS PROPERTY INSURANCE CORPORATION ("CITIZENS"), which was submitted to the FLORIDA OFFICE OF INSURANCE REGULATION ("OFFICE") for its review on or about October 31, 2025. Following a complete review of the entire record and upon consideration thereof, and otherwise being fully advised in the premises, the OFFICE hereby finds as follows:

1. The OFFICE has jurisdiction over the subject matter and the parties herein.

2. CITIZENS has been established in accordance with the provisions of section 627.351(6), Florida Statutes (2025),[1] as amended, to provide insurance for residential and commercial property qualified risks under circumstances specified in the statute.

3. The Florida Legislature enacted sections 627.351(6)(q)3.a. and 627.351(6)(ii)3. to encourage and provide a means for the depopulation of CITIZENS. Pursuant to this legislation, CITIZENS submitted a depopulation plan titled "Citizens Property Insurance Corporation Depopulation Plan" ("Plan"), which the OFFICE approved and adopted by Order No. 401992-25,

[1] All statutory citations contained herein refer to Florida Statutes (2025), unless otherwise noted.

on October 21, 2025. MAINSAIL shall abide by the terms and conditions of the Plan and section 627.351(6)(ii)3. as a condition for the issuance of this Consent Order.

4. MAINSAIL is a Texas-domiciled property and casualty insurance company authorized to transact insurance in the State of Florida.

5. On or about October 31, 2025, MAINSAIL submitted a proposal to assume selected policies from CITIZENS. The policies are expected to be assumed on or about March 24, 2026, and the proposal provides for an assumption of up to 619 policies, consisting of up to 266 commercial residential multi-peril policies and up to 353 commercial residential wind-only policies, from the CITIZENS' Account.

6. MAINSAIL understands that the selected policies to be assumed from CITIZENS on March 24, 2026, or at a later date approved by the OFFICE and CITIZENS, will not be subject to any incentive or bonus plan, whether statutory or otherwise.

7. Coverage offered by MAINSAIL must be "comparable coverage" as required by section 627.351(6). MAINSAIL cannot establish comparable coverage through the offer of optional endorsements. Comparable coverage means, at a minimum, that the offer of coverage, without endorsements, include the same major covered perils at substantially similar levels of coverage as that already provided by CITIZENS. The premium calculation used to determine the 20% eligibility threshold detailed in section 627.351(6) must be calculated using offers of coverage that are comparable without the need to offer additional terms or endorsements.

8. Because of the potential harmful impact to Florida policyholders, MAINSAIL shall not make take-out offers to CITIZENS policyholders that are more than 40% higher than the policyholder's estimated renewal premium with CITIZENS. MAINSAIL must use rates that have either been approved by the OFFICE or rates that have been filed with the OFFICE as "use and

file" prior to the date by which MAINSAIL must provide to CITIZENS its preferred policy selections and estimated renewal premiums for the subject assumption period as specified in the 2026 Assumption Calendar published by CITIZENS. The estimated premium offered by MAINSAIL must reflect the cost of an offer of comparable coverage.

9. MAINSAIL is responsible for ensuring that it has entered or will enter into appropriate agreements with CITIZENS to effectuate the assumption of policies as authorized by this Consent Order. By entering into this Consent Order, MAINSAIL represents that it will comply with any such agreements between it and CITIZENS.

10. MAINSAIL must timely provide to CITIZENS all information required by the 2026 Assumption Calendar published by CITIZENS. MAINSAIL acknowledges that neither approval by CITIZENS nor entry into this Consent Order by the OFFICE constitutes a guarantee that the above-referenced policies will ultimately be available to MAINSAIL for assumption from CITIZENS, as the availability of policies for assumption may vary over time.

11. MAINSAIL shall limit its actual assumption of policies from CITIZENS to the number and type of policies authorized by the OFFICE in this Consent Order. The OFFICE based its review on MAINSAIL's current and projected reinsurance program, catastrophe modeling, and financial statement projections, as well as the impact on policyholders. Such reinsurance program, catastrophe modeling, and financial statement profiles were based upon MAINSAIL's projected book of property policies, MAINSAIL's projected voluntary market writings, and the actual number of policies available in CITIZENS prior to the anticipated assumption date identified by MAINSAIL as satisfying its filed and approved underwriting guidelines.

12. MAINSAIL submitted the proposed reinsurance documentation and financial projections for the assumption of up to the number and types of CITIZENS' policies as set forth

in paragraph five (5) above. Each additional assumption of CITIZENS' policies by MAINSAIL shall be subject to advance written approval by the OFFICE.

13. MAINSAIL's acquisition of adequate reinsurance and maintenance of executed reinsurance agreements are material to the OFFICE's review and analysis of MAINSAIL's proposal to assume selected policies from CITIZENS and to the OFFICE's approval of assumptions in the proposal.

14. MAINSAIL expressly waives its right to any hearing in this matter, the making of findings of fact and conclusions of law by the OFFICE, and all other and further proceedings herein to which it may be entitled by law or by rules of the OFFICE. MAINSAIL agrees not to appeal or otherwise contest this Consent Order in any forum now or in the future available to it, including its right to any administrative proceeding, state or federal court action, or any appeal.

15. MAINSAIL represents that all explanations and documents made or submitted to the OFFICE as part of its proposal to assume selected policies from CITIZENS, including all attachments and supplements thereto, fully describe all transactions, agreements, and understandings relating to the assumption of policies from CITIZENS by MAINSAIL. However, all draft documents and non-executed agreements relating to MAINSAIL's plan shall not be deemed approved by this Consent Order until such time as executed agreements or final documents are submitted to and approved by the OFFICE.

16. The parties agree this Consent Order will be deemed executed when the OFFICE has signed a copy of this Consent Order bearing the signature of the authorized representative of MAINSAIL, notwithstanding the fact the copy was transmitted to the OFFICE electronically. MAINSAIL agrees the signature of its representative as affixed to this Consent Order shall be under seal of a Notary Public.

17. Each party to this action shall bear its own costs and attorney fees.

IT IS THEREFORE ORDERED that:

(A) Upon consideration of the proposal to assume selected policies from CITIZENS, including its attachments, the OFFICE approves the assumption of selected policies from CITIZENS, subject to adherence to the terms and conditions of this Consent Order by MAINSAIL.

(B) The OFFICE approves the assumption of CITIZENS' policies up to the amounts set forth above in paragraph five (5), in accordance with any agreements between MAINSAIL and CITIZENS, and this Consent Order.

(C) Regarding all reinsurance matters, MAINSAIL shall:

(i) Secure and maintain catastrophe reinsurance at such levels that are acceptable to the OFFICE but in no event less than that evidenced to the OFFICE in the proposal to assume selected policies from CITIZENS;

(ii) Notify the OFFICE of any termination of any of its reinsurance agreements. The notification shall be made to the OFFICE in writing 60 days prior to the effective date of any such termination; and

(iii) Comply with the requirements of section 624.610 with regard to all of its reinsurance arrangements.

(D) MAINSAIL shall participate annually in any examination of MAINSAIL's reinsurance program as requested by the OFFICE. Based upon the OFFICE's review of the models and plans, MAINSAIL may be required at the OFFICE's sole discretion to take corrective action to cure any overexposure identified by the OFFICE. Such action may include obtaining additional amounts of reinsurance coverage as directed by the OFFICE or suspending writing of any additional business, including the CITIZENS policies.

(E) Upon the expiration of the assumed CITIZENS policies, MAINSAIL shall provide coverage substantially equivalent to that afforded by CITIZENS at rates that have either been approved by the OFFICE or rates that have been filed with the OFFICE as "use and file," unless such policies are cancelled or nonrenewed by MAINSAIL for a lawful reason.

(F) At the time MAINSAIL assumes any policy of insurance from CITIZENS, MAINSAIL shall either obtain a new policy application from each affected policyholder or maintain in its files a copy of the policyholder's application on file with CITIZENS. If MAINSAIL chooses the former option, MAINSAIL may not initiate any retroactive increase in rates or premium or any retroactive decrease in coverage provided under the assumed CITIZENS policy (if applicable) as a result of the information obtained from or through the new policy application.

(G) For a period of three (3) years immediately following the date of entry of this Consent Order, MAINSAIL shall abide by the proposal to assume selected policies from CITIZENS in all material respects. Further, MAINSAIL shall abide by all terms of this Consent Order and all provisions of any agreements entered into with CITIZENS.

(H) Should the OFFICE determine MAINSAIL has failed to materially comply with the terms of this Consent Order, the proposal to assume selected policies from CITIZENS, including its attachments and amendments thereto as submitted to the OFFICE, or terms of any agreements with CITIZENS, MAINSAIL shall, upon receipt of notice of such material non-compliance, have 60 days to cure its material non-compliance. In the event MAINSAIL fails to cure any such material non-compliance within the 60-day period, MAINSAIL expressly agrees the OFFICE may enter an order directing it to immediately cease writing commercial or other lines of insurance within the State of Florida, imposing such other sanctions authorized by statute or rule, or imposing other restrictions as may be deemed appropriate by the OFFICE.

WHEREFORE, the assumption of up to 619 policies, consisting of up to 266 commercial residential multi-peril and up to 353 commercial residential wind-only policies, from the CITIZENS' Account, subject to the terms and conditions of this Consent Order, is hereby APPROVED.

FURTHER, all terms and conditions contained herein are hereby ORDERED.

DONE and ORDERED this 16 day of December, 2025.

Michael Yaworsky, Commissioner
Office of Insurance Regulation

By execution hereof, MAINSAIL INSURANCE COMPANY consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions therein. The undersigned represents that they have the authority to bind MAINSAIL INSURANCE COMPANY to the terms and conditions of this Consent Order.

MAINSAIL INSURANCE COMPANY

Tracey Sharis

Tracey Keefe Sharis, CEO and President
Mainsail Insurance Company

STATE OF New Jersey

COUNTY OF Morris

The foregoing instrument was acknowledged before me by means of ☑ physical presence or ☐ online notarization, this 16th day of December 2025, by Tracey Sharis
(name of person)

as Chief Executive Officer for Mainsail Insurance Company.
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

DAVID S. SILBERMAN
Notary Public, State of New Jersey
Comm. # 50159410
My Commission Expires 5/4/2026

(Signature of the Notary)

David Silberman
(Print, Type, or Stamp Commissioned Name of Notary)

Personally Known ✓ OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires: 05/04/2026

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