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INSURANCE REGULATION
Docketed by: A.M.Y.

OFFICE OF INSURANCE REGULATION

MICHAEL YAWORSKY
COMMISSIONER

Index: OIR 25-227

IN THE MATTER OF:

CASE NO.: 402213-25-CO

MANGROVE PROPERTY INSURANCE COMPANY
_____/

CONSENT ORDER

THIS CAUSE came for consideration as a result of MANGROVE PROPERTY INSURANCE COMPANY's ("MANGROVE") proposal to assume selected personal 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 September 30, 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. MANGROVE shall abide by the terms and conditions of the Plan and section 627.351(6)(ii)3., as added by ch. 2022-271(8), Laws of Florida, as a condition for the issuance of this Consent Order.

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

5. On or about September 30, 2025, MANGROVE submitted a proposal to assume selected policies from CITIZENS. The policies are expected to be assumed on or about the assumption date of February 17, 2026, and the proposal provides for a total assumption of up to 15,000 personal residential multi-peril policies from the CITIZENS' Account.

6. MANGROVE understands that the selected policies to be assumed from CITIZENS on February 17, 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 MANGROVE must be "comparable coverage" as required by section 627.351(6). MANGROVE 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, MANGROVE shall not make take-out offers to CITIZENS policyholders that are more than 40% higher than the policyholder's estimated renewal premium with CITIZENS. MANGROVE 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 MANGROVE 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 MANGROVE must reflect the cost of an offer of comparable coverage.

9. MANGROVE 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, MANGROVE represents that it will comply with any such agreements between it and CITIZENS.

10. MANGROVE must timely provide to CITIZENS all information required by the 2026 Assumption Calendar published by CITIZENS. MANGROVE 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 MANGROVE for assumption from CITIZENS, as the availability of policies for assumption may vary over time.

11. MANGROVE 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 MANGROVE's current and projected reinsurance programs, 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 MANGROVE's current in-force book of property policies, MANGROVE's projected voluntary market writings, and the actual number of policies available in CITIZENS prior to the anticipated assumption date identified by MANGROVE as satisfying its filed and approved underwriting guidelines.

12. MANGROVE submitted the 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 MANGROVE shall be subject to advance written approval by the OFFICE.

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

14. MANGROVE 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. MANGROVE 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. MANGROVE 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 MANGROVE. However, all draft documents and non-executed agreements relating to MANGROVE'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 MANGROVE, notwithstanding the fact that the copy was transmitted to the OFFICE electronically. MANGROVE 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 MANGROVE.

(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 MANGROVE and CITIZENS, and this Consent Order.

(C) Regarding all reinsurance matters, MANGROVE 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 sixty 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) MANGROVE shall participate annually in any examination of MANGROVE's reinsurance program as requested by the OFFICE. Based upon the OFFICE's review of the models and plans, MANGROVE 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, MANGROVE 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 MANGROVE for a lawful reason.

(F) At the time MANGROVE assumes any policy of insurance from CITIZENS, MANGROVE 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 MANGROVE chooses the former option, MANGROVE 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, MANGROVE shall abide by the proposal to assume selected policies from CITIZENS in all material respects. Further, MANGROVE shall abide by all terms of this Consent Order and all provisions of any agreements entered into with CITIZENS.

(H) Should the OFFICE determine MANGROVE 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, MANGROVE shall, upon receipt of notice of such material non-compliance, have sixty days to cure its material non-compliance. In the event MANGROVE fails to cure any such material non-compliance within the 60-day period, MANGROVE expressly

agrees the OFFICE may enter an order directing it to immediately cease writing personal lines 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 total assumption of up to 15,000 personal residential multi-peril policies from the CITIZENS' Account, for the initial assumption starting on or about February 17, 2026, 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 20 day of November, 2025.

Michael Yaworsky, Commissioner
Office of Insurance Regulation

By execution hereof, MANGROVE PROPERTY 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 MANGROVE PROPERTY INSURANCE COMPANY to the terms and conditions of this Consent Order.

MANGROVE PROPERTY INSURANCE COMPANY

[Corporate Seal]

Stephen Weinstein, Chief Executive Officer
Mangrove Property Insurance Company

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me by means of ☑ physical presence or ☐ online notarization, this 20 day of October 2025, by STEPHEN WEINSTEIN
(name of person)

as CHIEF EXECUTIVE OFFICER for MANGROVE PROPERTY INSURANCE COMPANY
(type of authority; e.g., officer, trustee, attorney-in-fact) (company name)

(Signature of the Notary)

BENJAMIN M. ADAMSON
NOTARY PUBLIC
COMMISSIONER FOR OATHS
HAMILTON, BERMUDA
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known ✓ OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires: n/a

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