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INSURANCE REGULATION
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OFFICE OF INSURANCE REGULATION

MICHAEL YAWORSKY
COMMISSIONER

Index: OIR 2025-115

IN THE MATTER OF:

CASE NO.: 401731-25-CO

SUNZ INSURANCE COMPANY
_____/

CONSENT ORDER

THIS CAUSE came for consideration upon the request by SUNZ INSURANCE COMPANY ("SUNZ INSURANCE") to the FLORIDA OFFICE OF INSURANCE REGULATION ("OFFICE") to update its Plan of Operation (the "Request"). Following a complete review of the entire record, and upon consideration thereof, and being otherwise 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. SUNZ INSURANCE is a Florida-domiciled property and casualty insurer licensed and authorized to transact property and casualty insurance in the State of Florida through a subsisting Certificate of Authority issued by the OFFICE and subject to regulation by the OFFICE pursuant to the Florida Insurance Code.

3. SUNZ INSURANCE is owned 100% by SUNZ HOLDINGS, LLC ("SUNZ HOLDINGS"), a Florida limited liability company, which is owned 99.5% by Accelevant Holdings, LLC, a Florida limited liability company, and 0.5% by Prominence Holdings, LLC, a Florida limited liability company, both of which are owned 100% by Steven Herrig.

4. On March 25, 2022, SUNZ INSURANCE, SUNZ HOLDINGS, and the OFFICE entered into Consent Order 291923-22-CO, which consolidated and superseded all prior Consent

Orders SUNZ INSURANCE had entered into with the OFFICE. This Consent Order incorporates and amends the remaining operative provisions of Consent Order 291923-22-CO.

PROVISIONS OF CONSENT ORDER 291923-22-CO
AMENDED, RESTATED, AND INCORPORATED HEREIN

5. SUNZ INSURANCE shall maintain a deposit with the Division of Treasury, Bureau of Collateral Management, in the amount of at least $500,000 USD.

6. SUNZ INSURANCE submitted an updated Plan of Operation in support of the Request. The OFFICE has relied upon the documentation, explanations, and representations in the updated Plan of Operation in the review of the Request, all of which are material to the issuance of this Consent Order and the approval of the Request. This updated Plan of Operation is approved with the issuance of this Consent Order. Written approval must be secured from the OFFICE prior to any material deviation from said Plan of Operation or substantive change to its reinsurance program.

7. The expansion of operations by SUNZ INSURANCE into any state in which it is not currently approved to transact business shall be subject to prior written approval by the OFFICE. SUNZ INSURANCE shall submit a written notice and an updated Plan of Operation to the OFFICE prior to any such expansion.

8. SUNZ INSURANCE shall maintain its principal place of business in Florida and shall make available to the OFFICE complete records of its affairs. SUNZ INSURANCE shall also maintain its office, records, and assets in Florida as required by section 628.271, Florida Statutes.[1] The physical form, if any, of the assets shall also be maintained in Florida or in compliance with section 628.511.

[1] All statutory citations contained herein refer to Florida Statutes (2024), unless otherwise noted.

9. SUNZ INSURANCE agrees it will not write any worker's compensation insurance or coverage for any affiliated professional employer organization ("PEO"), affiliated staffing company, or affiliated standalone company or organization without prior written approval from the OFFICE.

10. If the OFFICE determines that any individual for whom SUNZ INSURANCE is required to submit background information is unacceptable under the Florida Insurance Code, SUNZ INSURANCE and SUNZ HOLDINGS shall remove or cause the removal of said person within 30 days of notice from the OFFICE and replace them with a person or persons acceptable to the OFFICE or shall undertake such other corrective action as directed by the OFFICE. SUNZ INSURANCE and SUNZ HOLDINGS agree that failure to act would constitute an immediate serious danger to the public and the OFFICE may immediately suspend, revoke, or take other administrative action as it deems appropriate upon the Certificate of Authority of SUNZ INSURANCE without further proceedings, pursuant to sections 120.569(2)(n) and 120.60(6).

11. SUNZ INSURANCE, in conformity with statutory accounting principles, agrees that any arrangement or agreement SUNZ INSURANCE enters into with an affiliated party for the provisions of administrative services shall further comply with the following requirements:

a. SUNZ INSURANCE must have the right to terminate the contract for cause;

b. The contract shall contain a provision with respect to the underwriting or other standards pertaining to the business underwritten by SUNZ INSURANCE;

c. The contract shall be retained as part of the official records of both the affiliate and SUNZ INSURANCE for the term of the contract and 5 years afterward;

d. Payment to the affiliate of any premiums or charges for insurance by or on behalf of the insured shall be deemed to have been received by SUNZ INSURANCE, and return premiums or claims payments forwarded by SUNZ INSURANCE to the affiliate shall not be

deemed to have been paid to the insured or claimant until such payments are received by the insured or claimant;

e. The affiliate shall hold all funds collected on behalf of or for SUNZ INSURANCE as well as all return premiums received from SUNZ INSURANCE in a fiduciary capacity in trust accounts;

f. The affiliate shall adhere to underwriting standards, rules, procedures, and manuals setting forth the rates to be charged and the conditions for the acceptance or rejection of risks as determined by SUNZ INSURANCE;

g. All fees and charges must be specified in the contract and they must be comparable to fees charged to any other insurer for which similar contracted services are provided by the affiliate. If the affiliate does not perform such services for other insurers, the fees charged must be reasonable in relation to the services provided;

h. All claims paid by the affiliate from funds collected on behalf of SUNZ INSURANCE shall be paid only on drafts of, and as authorized by, SUNZ INSURANCE;

i. SUNZ INSURANCE shall retain the right of continuing access to books and records maintained by the affiliate sufficient to permit SUNZ INSURANCE to fulfill all of its contractual obligations to insured persons, subject to any restrictions in the written agreement between SUNZ INSURANCE and the affiliate on the proprietary rights of the parties in such books and records;

j. The affiliate shall provide written notice approved by SUNZ INSURANCE to insured individuals advising them of the identity of and relationship among the affiliate, the policyholder, and SUNZ INSURANCE; and

k. Any policies, certificates, booklets, termination notices, or other written communications delivered by SUNZ INSURANCE to the affiliate for delivery to its policyholders

shall be delivered by the affiliate promptly after receipt of instructions from SUNZ INSURANCE to deliver them.

12. SUNZ INSURANCE acknowledges that any managerial, administrative, cost-sharing, or employee-sharing arrangements involving SUNZ INSURANCE shall be in accordance with a formal written agreement and contain at a minimum, the following:

a. A requirement of monthly cash settlement of any expenses incurred for the month; and

b. A clear delineation of the financial boundaries of each operation.

Further, SUNZ INSURANCE shall not bear any occupancy expenses for space which is occupied by any other affiliate and, upon examination, shall be prepared to demonstrate how the occupancy cost and space is allocated among co-located entities.

13. SUNZ INSURANCE shall not enter into any reinsurance or brokerage agreement, whether or not affiliated, that requires approval from the reinsurer or broker regarding any potential sale of SUNZ INSURANCE.

14. SUNZ INSURANCE shall submit to the OFFICE, no less than annually, all required filings pursuant to section 627.0645, and Rule 69O-170.007, *Florida Administrative Code*.

15. SUNZ INSURANCE shall maintain an anti-fraud plan that complies with section 626.9891, and Chapter 69D-2, *Florida Administrative Code*.

16. SUNZ INSURANCE shall maintain sufficient and adequate internal controls and supervision of any external contractors providing services in connection with the insurance transactions of SUNZ INSURANCE and shall further assume responsibility for the actions of said contractors as they relate to any performance under the service agreements.

17. Any managing general agent and related contracts entered into by SUNZ INSURANCE shall meet the requirements of sections 626.015(16) and 626.7451. Further SUNZ INSURANCE shall obtain the prior written approval of the OFFICE before amending, updating, or changing any managing general agent contracts entered into by SUNZ INSURANCE with an affiliate.

18. SUNZ INSURANCE shall notify the OFFICE within 10 business days of any breach of, non-performance of, or default under, any servicing agreement with affiliates or third-party vendors providing services, directly or indirectly, to SUNZ INSURANCE, or other change that could result in or cause a material adverse change in the financial condition, business performance, operations, or property of SUNZ INSURANCE or its affiliates or subsidiaries.

19. SUNZ INSURANCE shall report to the OFFICE, Property & Casualty Financial Oversight, any time that it is named, either individually or jointly, as a party defendant in a class action lawsuit, within 15 days after the class is certified. SUNZ INSURANCE shall include a copy of the complaint at the time it reports the class action lawsuit to the OFFICE.

20. SUNZ INSURANCE and SUNZ HOLDINGS acknowledge that any agreements that SUNZ INSURANCE enters into with an affiliate are subject to Rule 69O-143.047, *Florida Administrative Code*.

21. SUNZ INSURANCE shall continue to take necessary steps to effectuate membership of SUNZ INSURANCE in the associations and funds, as required by the following statutes, and to comply with the conditions contained in such entities' Plan of Operation. Further SUNZ INSURANCE agrees to pay any and all assessments levied by such entities and applicable laws. SUNZ INSURANCE acknowledges full responsibility for determining the associations and funds SUNZ INSURANCE is required to join pursuant to, but not limited to, sections 215.555, 627.311(4), 627.351(1), 627.351(4), 627.351(6), 627.3515, 631.55, 631.715, and 631.911. SUNZ

INSURANCE further acknowledges its statutory obligations pursuant to, but not limited to, the aforementioned statutes and will continually monitor the various associations and funds that it is required to join as determined by the lines of business on the Certificate of Authority of SUNZ INSURANCE. Further, SUNZ INSURANCE shall, based upon the lines of business on its Certificate of Authority, continually monitor and comply with statutory requirements regarding SUNZ INSURANCE's membership in the associations and funds that are identified herein or that may be established in the future.

22. SUNZ INSURANCE shall maintain an information security program for the security and protection of confidential and proprietary information under its control that complies with all applicable laws and regulations regarding information security. SUNZ INSURANCE agrees that it shall continually monitor and enhance its information security program in order to mitigate data security breaches. SUNZ INSURANCE further agrees that it shall notify the OFFICE within 5 business days of identifying a data breach.

23. SUNZ INSURANCE shall require all policyholder captive cells to be audited annually to determine the level and type of funds held and provide copies of the audits to the OFFICE within 5 days of receipt of the audits.

24. SUNZ INSURANCE shall file a report with the OFFICE containing financial information specific to reinsurance assumed by each policyholder captive cell. The report shall be filed as a separate schedule with its annual financial statement. The report must identify the portion of the product ceded by types and the amounts for each.

25. SUNZ INSURANCE intends to maintain at least one financial strength rating from independent rating agencies equivalent to or above its current A.M. Best rating. SUNZ INSURANCE shall notify the OFFICE within 3 business days of any change to its use of rating agencies or if its financial strength rating with A.M. Best falls below its current A- rating.

GENERAL PROVISIONS

26. This Consent Order supersedes all prior Orders and Consent Orders regarding SUNZ INSURANCE.

27. SUNZ INSURANCE and SUNZ HOLDINGS affirm and represent that all information, explanations, representations, statements, and documents provided to the OFFICE in connection with this Request, including all attachments and supplements thereto, are true and correct and fully describe all transactions, agreements, ownership structures, understandings, and control with regard to the current and future operations of SUNZ INSURANCE. SUNZ INSURANCE and SUNZ HOLDINGS further agree and affirm that said information, explanations, representations, statements, and documents, including all attachments and supplements thereto, are material to the issuance of this Consent Order and have been relied upon by the OFFICE in its determination to enter into this Consent Order.

28. Any deadlines, reporting requirements, other provisions, or requirements set forth in this Consent Order may be altered or terminated by written approval of the OFFICE. Such approval must be requested in writing prior to any proposed deviation from the terms of this Consent Order.

29. SUNZ INSURANCE and SUNZ HOLDINGS affirm that all requirements set forth herein are material to the issuance of this Consent Order.

30. SUNZ INSURANCE and SUNZ HOLDINGS expressly waive a hearing in this matter, the making of findings of fact and conclusions of law by the OFFICE, and all further and other proceedings herein to which they may be entitled by law or rules of the OFFICE. SUNZ INSURANCE and SUNZ HOLDINGS hereby knowingly and voluntarily waive all rights to challenge or to contest this Consent Order in any forum available to them, now or in the future, including the right to any administrative proceeding, state or federal court action, or any appeal.

31. Each party to this Consent Order shall bear its own costs and fees.

32. SUNZ INSURANCE and SUNZ HOLDINGS agree that, upon execution of this Consent Order, failure to adhere to one or more of the terms and conditions of this Consent Order shall constitute a violation of a lawful order of the OFFICE.

33. SUNZ INSURANCE and SUNZ HOLDINGS agree that, upon execution of this Consent Order, failure to adhere to one or more of the terms and conditions contained herein may result, without further proceedings, in the OFFICE suspending, revoking, or taking other administrative action as it deems appropriate upon the Certificate of Authority of SUNZ INSURANCE in this state in accordance with sections 120.569(2)(n) and 120.60(6).

34. The parties agree that this Consent Order shall be deemed to be executed when the OFFICE has signed a copy of this Consent Order bearing the notarized signatures of the authorized representatives of SUNZ INSURANCE and SUNZ HOLDINGS.

WHEREFORE, the agreement between SUNZ INSURANCE COMPANY, SUNZ HOLDINGS, LLC, and the FLORIDA OFFICE OF INSURANCE REGULATION, the terms and conditions of which are set forth above, is APPROVED.

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

DONE and ORDERED this 24 day of July 2025.

Michael Yaworsky, Commissioner
Office of Insurance Regulation

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

SUNZ INSURANCE COMPANY

By: _____

[Corporate Seal]

Print Name: Steven F. Herrig

Title: CEO

Date: 7/24/2025

STATE OF Florida

COUNTY OF Manatee

The foregoing instrument was acknowledged before me by means of ☑ physical presence or ☐ online notarization, this 24 day of July 2025, by Steven F. Herrig
(name of person)

as CEO for Sunz Insurance Company
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

_____
(Signature of the Notary)

Glen Distefano
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known ✓ OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires 6/29/29

GLEN J. DISTEFANO
NOTARY PUBLIC
MY COMMISSION
EXPIRES 6-29-2029
STATE OF FLORIDA
COMMISSION NUMBER HH 659531

By execution hereof, SUNZ HOLDINGS, LLC, 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 SUNZ HOLDINGS, LLC, to the terms and conditions of this Consent Order.

SUNZ HOLDINGS, LLC

By: _____

[Corporate Seal]

Print Name: Steven F Herring

Title: CEO

Date: 7/24/2025

STATE OF Florida

COUNTY OF Manatee

The foregoing instrument was acknowledged before me by means of ☑ physical presence or ☐ online notarization, this 31 day of July 2025, by Steven F. Herring
(name of person)

as CEO for Sunz Holdings, LLC
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

_____
(Signature of the Notary)

Glen DiStefano
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known ✓ OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires 6/29/29

GLEN J. DISTEFANO NOTARY PUBLIC MY COMMISSION EXPIRES 6-29-2029 STATE OF FLORIDA COMMISSION NUMBER HH 659551

COPIES FURNISHED TO:

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