FILED

AUG 18 2025

INSURANCE REGULATION
Docketed by: A.M.V.

OFFICE OF INSURANCE REGULATION

MICHAEL YAWORSKY
COMMISSIONER

Index: OIR 2025-146

IN THE MATTER OF:

CASE NO.: 401483-25-CO

TRIDENT RECIPROCAL EXCHANGE
_____/

CONSENT ORDER

THIS CAUSE came for consideration upon review of the corporate governance practices of TRIDENT RECIPROCAL EXCHANGE ("TRIDENT") by the FLORIDA OFFICE OF INSURANCE REGULATION ("the OFFICE"). After 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 parties and subject matter of this action.

2. TRIDENT is a domestic property and casualty reciprocal insurer authorized to transact insurance business in the State of Florida through a Certificate of Authority issued on August 21, 2024, to TRIDENT RISK MANAGERS, LLC ("ATTORNEY-IN-FACT"), in the name of TRIDENT RECIPROCAL EXCHANGE by the OFFICE, pursuant to the Florida Insurance Code and the terms of Consent Order 400107-24-CO ("TRIDENT's Licensing Consent Order").

3. TRIDENT and ATTORNEY-IN-FACT have violated two provisions of TRIDENT's Licensing Consent Order.

FINDING I

Neither TRIDENT nor ATTORNEY-IN-FACT Obtained the OFFICE's Prior Approval for Ryan Hodges' Appointment

4. Paragraph 15.gg of TRIDENT's Licensing Consent Order states:

> For the first 3 years following APPLICANT's receipt of a Certificate of Authority, any change in the officers, directors, or managers of ATTORNEY-IN-FACT shall be subject to the prior written approval of the OFFICE.

5. On or about May 2, 2025, TRIDENT announced on LinkedIn that ATTORNEY-IN-FACT had appointed Ryan Hodges to serve as its Chief Executive Officer ("CEO").

6. Paragraph 15.gg of TRIDENT's Licensing Consent Order requires the OFFICE's prior written approval for any CEO appointment by ATTORNEY-IN-FACT.

7. Neither TRIDENT nor ATTORNEY-IN-FACT obtained the OFFICE's prior written approval for Mr. Hodges' appointment to serve as ATTORNEY-IN-FACT's CEO.

8. The OFFICE finds that ATTORNEY-IN-FACT violated Paragraph 15.gg of TRIDENT's Licensing Consent Order because it failed to obtain the OFFICE's prior written approval before its appointment of Mr. Hodges as ATTORNEY-IN-FACT's CEO.

FINDING II

Neither TRIDENT nor ATTORNEY-IN-FACT Obtained the OFFICE's Prior Approval for Eric Anderson's Appointment

9. On or about May 5, 2025, TRIDENT announced on LinkedIn that ATTORNEY-IN-FACT had appointed Eric Anderson as Chief Operating Officer ("COO") of ATTORNEY-IN-FACT.

10. Paragraph 15.gg of TRIDENT's Licensing Consent Order requires the OFFICE's prior written approval for any COO appointment by ATTORNEY-IN-FACT.

11. Neither TRIDENT nor ATTORNEY-IN-FACT obtained the OFFICE's prior written approval for Mr. Anderson's appointment to serve as ATTORNEY-IN-FACT's COO.

12. The OFFICE finds that ATTORNEY-IN-FACT violated Paragraph 15.gg of TRIDENT's Licensing Consent Order because it failed to obtain the OFFICE's prior written approval before its appointment of Mr. Anderson as ATTORNEY-IN-FACT's COO.

FINDING III

Neither TRIDENT nor ATTORNEY-IN-FACT Obtained the OFFICE's Prior Approval for Catherine Chang's Appointment

13. On May 8, 2025, the OFFICE initiated its review of Catherine Chang's investigative background report in connection with her request for appointment as ATTORNEY-IN-FACT's Vice President of Products and Underwriting.

14. On or about May 19, 2025, TRIDENT announced on LinkedIn that ATTORNEY-IN-FACT had appointed Ms. Chang as ATTORNEY-IN-FACT's Vice President of Products and Underwriting.

15. According to the background investigative report, Ms. Chang had been serving in this role since April 1, 2025.

16. Paragraph 15.gg of TRIDENT's Licensing Consent Order requires the OFFICE's prior written approval for any Vice President of Products and Underwriting appointment by ATTORNEY-IN-FACT.

17. Neither TRIDENT nor ATTORNEY-IN-FACT obtained the OFFICE's prior written approval for Ms. Chang's appointment to serve as ATTORNEY-IN-FACT's Vice President of Products and Underwriting.

18. The OFFICE finds that ATTORNEY-IN-FACT violated Paragraph 15.gg of TRIDENT's Licensing Consent Order because it failed to obtain the OFFICE's prior written approval before its appointment of Ms. Chang as ATTORNEY-IN-FACT's Vice President of Products and Underwriting.

FINDING IV

Neither TRIDENT nor ATTORNEY-IN-FACT Obtained the OFFICE's Prior Approval for Chris Johnson's Appointment

19. On February 7, 2025, the OFFICE initiated its review of Chris Johnson's investigative background report in connection with his request for appointment as ATTORNEY-IN-FACT's General Counsel and President of Risk Management (the "Request"). The Request included, in part, a Written Consent of the Board of Managers of ATTORNEY-IN-FACT ("Board Consent") that appointed Mr. Johnson as General Counsel and President of Risk Management of ATTORNEY-IN-FACT.

20. On April 14, 2025, the OFFICE began the first-year limited scope financial examination ("Financial Exam") of TRIDENT and ATTORNEY-IN-FACT, pursuant to section 624.316(2)(f), Florida Statutes.

21. The Financial Exam pertained to calendar year 2024.

22. During the Financial Exam, the OFFICE interviewed ATTORNEY-IN-FACT and learned that ATTORNEY-IN-FACT had appointed Chris Johnson as its General Counsel and President of Risk Management despite the Board Consent stating that his appointment was subject to approval by the OFFICE.

23. Paragraph 15.gg of TRIDENT's Licensing Consent Order requires the OFFICE's prior written approval for any General Counsel and President of Risk Management appointment by ATTORNEY-IN-FACT.

24. Neither TRIDENT nor ATTORNEY-IN-FACT obtained the OFFICE's prior written approval for Mr. Johnson's appointment to serve as ATTORNEY-IN-FACT's General Counsel and President of Risk Management.

25. The OFFICE finds that ATTORNEY-IN-FACT violated Paragraph 15.gg of

TRIDENT's Licensing Consent Order because it failed to obtain the OFFICE's prior written approval before its appointment of Mr. Johnson as ATTORNEY-IN-FACT's General Counsel and President of Risk Management.

FINDING V

TRIDENT Failed to Obtain the OFFICE's Prior Approval for a Material Deviation from TRIDENT's Plan of Operation

26. Paragraph 15.c of TRIDENT's Licensing Consent Order states:

> APPLICANT shall comply with its Plan of Operation and supporting documents as submitted with the Application. Written approval must be secured from the OFFICE prior to any material deviation from said Plan of Operation.

27. On a call with ATTORNEY-IN-FACT on May 19, 2025, ATTORNEY-IN-FACT stated that TRIDENT had entered into a quota share reinsurance agreement to assume commercial residential business.

28. The OFFICE finds that TRIDENT's execution of a quota share reinsurance agreement to assume commercial residential business constitutes a material deviation from TRIDENT's Plan of Operation.

29. Paragraph 15.c of TRIDENT's Licensing Consent Order requires the OFFICE's prior written approval for any material deviation from TRIDENT's Plan of Operation.

30. TRIDENT failed to obtain the OFFICE's prior written approval for this material deviation from the Plan of Operation described in Paragraph 15.c.

31. Accordingly, the OFFICE finds that TRIDENT violated Paragraph 15.c of TRIDENT's Licensing Consent Order because it failed to obtain the OFFICE's prior written approval for TRIDENT to enter into the quota share reinsurance agreement.

CONCLUSION

32. As a result of Findings I, II, III, IV, and V, ATTORNEY-IN-FACT shall:

a. Within thirty days after the execution of this Consent Order, ATTORNEY-IN-FACT shall pay an administrative fine to the OFFICE of $100,000.00 U.S. Dollars ("USD") and administrative costs of $5,000 USD. ATTORNEY-IN-FACT shall not issue payment until this Consent Order's execution. ATTORNEY-IN-FACT shall not fund payment or obtain a reimbursement for the above-mentioned administrative fine and costs from TRIDENT. ATTORNEY-IN-FACT's payment shall be funded solely through ATTORNEY-IN-FACT's assets. ATTORNEY-IN-FACT shall send $105,000.00 pursuant to the directions on the invoice attached hereto as Exhibit A.

b. TRIDENT's ATTORNEY-IN-FACT must maintain a Board of Directors comprised of at least twenty-five percent independent directors. Within sixty days after the execution of this Consent Order, TRIDENT or ATTORNEY-IN-FACT must submit to the OFFICE the biographical affidavits, proof that third-party background reports have been ordered, and fingerprints of the independent directors identified by TRIDENT or ATTORNEY-IN-FACT. For the purposes of this Consent Order, "independent" means a person who lacks any financial interest in TRIDENT or ATTORNEY-IN-FACT.

33. As a result of Finding V, TRIDENT shall:

a. Within five business days after the execution of this Consent Order, TRIDENT shall submit to the OFFICE the quota share reinsurance agreement referenced in Paragraph 26 above and a revised business plan which includes the impact of the quota share reinsurance agreement for the OFFICE's review and approval.

34. Any prior Orders or Consent Orders that TRIDENT and ATTORNEY-IN-FACT have entered into with the OFFICE prior to the issuance of this Consent Order shall remain in

full force and effect for TRIDENT and ATTORNEY-IN-FACT, except where provisions of such Orders or Consent Orders have expired; have been superseded by subsequent Orders or Consent Orders; or are inconsistent with this Consent Order.

35. 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.

36. TRIDENT and ATTORNEY-IN-FACT expressly waive their rights to 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. TRIDENT and ATTORNEY-IN-FACT hereby knowingly and voluntarily waive all rights to challenge or contest this Consent Order in any forum now or in the future available to them, including the rights to any administrative proceeding, state or federal court action, or any appeal.

37. TRIDENT and ATTORNEY-IN-FACT affirm that all representations are true, and all requirements set forth herein are material to the issuance of this Consent Order.

38. TRIDENT and ATTORNEY-IN-FACT agree that, upon execution of this Consent Order, failure to adhere to one of more of the terms and conditions of this Consent Order or of TRIDENT's Licensing Consent Order, shall constitute a willful violation of a lawful order of the OFFICE.

39. TRIDENT and ATTORNEY-IN-FACT agree that, upon execution of this Consent Order, failure to adhere to one or more of the terms and conditions contained herein may result in administrative action as the OFFICE deems appropriate in accordance with Florida law including, without further proceedings, in the OFFICE suspending, revoking, or taking other as it

deems appropriate upon TRIDENT's Certificate of Authority in this state in accordance with sections 120.569(2)(n) and 120.60(6), Florida Statutes.

40. Except as otherwise provided in this Consent Order, each party to this action shall bear its own costs and fees.

41. 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 TRIDENT and ATTORNEY-IN-FACT.

WHEREFORE, the agreement between TRIDENT RISK MANAGERS, LLC, TRIDENT RECIPROCAL EXCHANGE, and the FLORIDA OFFICE OF INSURANCE REGULATION, the terms and conditions of which are set forth above, is APPROVED.

DONE and ORDERED this 18 day of August, 2025.

Michael Yaworsky, Commissioner
Office of Insurance Regulation

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

TRIDENT RECIPROCAL EXCHANGE

By: _____

[Corporate Seal]

Print Name: DANNY L JOHNSON

Title: CHAIRMAN, SUBSCRIBER'S ADVISORY COMMITTEE

Date: 6 AUGUST 2025

STATE OF North Carolina

COUNTY OF Durham

The foregoing instrument was acknowledged before me by means of ☑ physical presence or ☐ online notarization, this 6 day of Aug 2025, by Danny L Johnson (name of person) as Officer (type of authority; e.g., officer, trustee, attorney in fact) for Trident Reciprocal Exchange. (company name)

_____
(Signature of the Notary)

Jamir A. Walker
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known _____ OR Produced Identification ✓

Type of Identification Produced Florida Driver License

My Commission Expires October 6, 2029

JAMIR A WALKER NOTARY PUBLIC DURHAM COUNTY, NC

By execution hereof, TRIDENT RISK MANAGERS, LLC consents to entry of this Consent Order, agrees without reservation to all the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind TRIDENT RISK MANAGERS, LLC to the terms and conditions of this Consent Order.

TRIDENT RISK MANAGERS, LLC

By: _____

[Corporate Seal]

Print Name: Ryan Hodges

Title: CEO

Date: 8.5.25

STATE OF Florida

COUNTY OF Hillsborough

The foregoing instrument was acknowledged before me by means of ☑ physical presence or ☐ online notarization, this 5 day of August 2025, by Ryan Hodges (name of person) as CEO (type of authority; e.g., officer, trustee, attorney in fact) for Trident Risk Managers LLC (company name).

ERIC G. ANDERSON
Notary Public, State of Florida
Commission No. HH 662532
My Comm. Exp. 4/9/2029

_____
(Signature of the Notary)

Eric G. Anderson
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known ✓ OR Produced Identification —

Type of Identification Produced —

My Commission Expires 4/9/2029

COPIES FURNISHED TO:

DANNY JOHNSON, CHAIRMAN
SUBSCRIBERS' ADVISORY COMMITTEE
TRIDENT RECIPROCAL EXCHANGE
250 International Parkway, Suite 360
Lake Mary, Florida 32746
E-Mail: djohnson@albers.aero

RYAN HODGES, CHIEF EXECUTIVE OFFICER
TRIDENT RISK MANAGERS, LLC, as Attorney-In-Fact for
TRIDENT RECIPROCAL EXCHANGE
250 International Parkway, Suite 360
Lake Mary, Florida 32746
E-Mail: rhodges@tridentreciprocal.com

ERIC ANDERSON, CHIEF OPERATING OFFICER
TRIDENT RISK MANAGERS, LLC, as Attorney-In-Fact for
TRIDENT RECIPROCAL EXCHANGE
250 International Parkway, Suite 360
Lake Mary, Florida 32746
E-Mail: eanderson@tridentreciprocal.com

TIM MEENAN, ESQUIRE
Meenan, P.A.
300 South Duval Street, Suite 410
Tallahassee, Florida 32302
E-Mail: tim@meenanlawfirm.com

JANE NELSON, DIRECTOR
Property & Casualty Financial Oversight
Florida Office of Insurance Regulation
200 East Gaines Street
Tallahassee, Florida 32399
E-Mail: jane.nelson@floir.com

STEPHANIE ROMAN CABAN, ASSISTANT GENERAL COUNSEL
Florida Office of Insurance Regulation
200 East Gaines Street
Tallahassee, FL 32399
Telephone: (850) 413-4292
E-Mail: Stephanie.RomanCaban@floir.com