



FILED

MAR 11 2022

INSURANCE REGULATION
Docketed by: 

OFFICE OF INSURANCE REGULATION

DAVID ALTMAIER
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 293051-22-CO

AVATAR PROPERTY & CASUALTY
INSURANCE COMPANY

CONSENT ORDER FOR PUBLIC ADMINISTRATIVE SUPERVISION

THIS CAUSE came on for consideration upon review of the financial condition of AVATAR PROPERTY & CASUALTY INSURANCE COMPANY (“AVATAR”) by the FLORIDA OFFICE OF INSURANCE REGULATION (“OFFICE”) during the period since referring AVATAR for receivership proceedings. After 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. AVATAR is a domestic property and casualty insurer authorized to transact insurance business in the state of Florida pursuant to a Certificate of Authority issued by the OFFICE, pursuant to Chapter 624, Part III, Florida Statutes.
3. On March 2, 2022, the OFFICE referred AVATAR to the Department of Financial Services Division of Rehabilitation and Liquidation (the “Division”) so that delinquency proceedings could be initiated. (See Exhibit “A”).
4. On March 3, 2022, the Division filed its *Petition for Consent Order Appointing the Florida Department of Financial Services as Receiver of Avatar Property & Casualty Insurance*

Company for Purposes of Liquidation, Injunction, and Notice of Automatic Stay (“Petition”) with the Second Judicial Circuit Court, In Leon County, Florida (“Court”). As of the date of this Consent Order, the Court has yet to rule on the Division’s Petition.

5. AVATAR has been cooperative with the OFFICE and agrees to be placed under administrative supervision for a period of 120 days from the date of execution of this Consent Order or until placed into receivership, whichever comes first, and to be subject to the provisions of Sections 624.80-.87, Florida Statutes, as if an order were issued by the OFFICE. Such administrative supervision is necessary to effectuate a smooth transition of the company to receivership.

6. AVATAR may not conduct the following activities during the period of supervision, without prior approval by the OFFICE, as set forth in Section 624.83, Florida Statutes:

- a. Dispose of, convey, or encumber any of its assets or its business in force;
- b. Withdraw any of its bank accounts;
- c. Lend any of its funds;
- d. Invest any of its funds;
- e. Transfer any of its property;
- f. Incur any debt, obligation, or liability;
- g. Merge or consolidate with another company;
- h. Enter into any new reinsurance contract or treaty;
- i. Terminate, surrender, forfeit, convert, or lapse any insurance policy, certificate, or contract of insurance, except for nonpayment of premiums due;
- j. Release, pay, or refund premium deposits, accrued cash or loan values, or other reserves on any insurance policy or certificate; or
- k. Make any material change in management.

7. AVATAR hereby knowingly and voluntarily waives the requirement of written notice under Section 624.81(1), Florida Statutes, and agrees that any timelines outlined in this Consent Order will be binding, notwithstanding any timelines provided for in Section 624.81, Florida Statutes.

8. AVATAR is not currently writing business.

9. AVATAR shall not enter into any new or amend any existing agreements with any affiliate, as defined in Section 631.011(1), Florida Statutes, without prior written consent of the OFFICE.

10. AVATAR shall not waste assets or expend funds in excess of \$10,000 United States Dollars ("USD"), other than in the ordinary course of business, without the prior written consent of the OFFICE. If, after approval of a transaction over \$10,000 has been granted by the OFFICE, the OFFICE becomes aware of additional facts or circumstances that materially affect such approval, the OFFICE reserves the right to require such corrective action as it may deem necessary or advisable. Transactions in the ordinary course of business shall include, but not be limited to, payment of claims or settlement of disputed or litigated claims. AVATAR need not obtain prior written approval for payment of claims or settlement of disputed or litigated claims over the amount of \$10,000 USD; however, the OFFICE may retrospectively review such payments.

11. The OFFICE may appoint a Deputy Supervisor pursuant to Section 624.87, Florida Statutes. Such Deputy Supervisor shall represent the OFFICE and shall be under the control of the OFFICE.

12. AVATAR agrees that the OFFICE and the Department of Financial Services ("Department") may have examiners or other designees present at the offices of AVATAR to obtain independent information. Further, the OFFICE may have examiners or other designees to supervise activities, verify transactions, verify the conditions and status of AVATAR, and perform any other

duty as designated by the OFFICE. AVATAR shall cooperate with and facilitate the presence and work of such examiners or designees.

13. Administrative supervision is confidential as provided in Section 624.82, Florida Statutes, unless otherwise specified within that statute. The OFFICE finds, and AVATAR agrees, that it is in the best interest of its policyholders and the public to make this Consent Order public pursuant to Section 624.82(4), Florida Statutes. This finding does not affect the confidentiality of any other orders, notices, correspondence, reports, records, or other information in the possession of the OFFICE relating to the administrative supervision of AVATAR pursuant to Section 624.82(1), Florida Statutes.

14. AVATAR affirms that all explanations, representations, statements, and documents provided to the OFFICE in connection with this Consent Order, including all attachments and supplements thereto, are true and correct and are material to the issuance of this Consent Order.

15. AVATAR expressly waives its 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 it may be entitled by law or rules of the OFFICE. AVATAR hereby knowingly and voluntarily waives all rights to challenge or contest this Consent Order in any forum available to it, now or in the future, including the rights to any administrative proceeding, state or federal court action, or any appeal.

16. AVATAR acknowledges that the execution of this Consent Order does not prohibit other administrative action upon the Certificate of Authority of AVATAR deemed appropriate by the OFFICE in accordance with the Florida Insurance Code or with Sections 120.569(2)(n), 120.60(6), and 631.031, Florida Statutes.

17. Any prior orders, consent orders, or corrective action plans that AVATAR has entered into with the OFFICE prior to the issuance of this Consent Order, shall remain in full force

and effect for AVATAR, except where provisions of such orders, consent orders, or corrective action plans have expired; have been superseded by subsequent orders, consent orders, or corrective action plans; or are inconsistent with this Consent Order.

18. 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 written approval by the OFFICE is subject to statutory or administrative regulation limitations.

19. AVATAR agrees that it has entered into this Consent Order voluntarily, without coercion from the OFFICE, or any agent, employee, or designee of the OFFICE, and that AVATAR has obtained legal counsel prior to entering into this Consent Order.

20. The parties agree that this Consent Order shall be deemed to be executed when the OFFICE has signed and docketed a copy of this Consent Order bearing the signature of the authorized representative of AVATAR, notwithstanding the fact that the copy may have been transmitted to the OFFICE electronically. Further, AVATAR agrees that the signature of its authorized representative as affixed to this Consent Order shall be under the seal of a Notary Public.

WHEREFORE, the agreement between AVATAR PROPERTY & CASUALTY INSURANCE COMPANY 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 to place AVATAR PROPERTY & CASUALTY INSURANCE COMPANY in administrative supervision are hereby ORDERED.

DONE and ORDERED this 11 day of March 2022.



David Altmaier
David Altmaier, Commissioner
Office of Insurance Regulation

By execution hereof, AVATAR PROPERTY & CASUALTY 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 herein. The undersigned represents that they have the authority to bind AVATAR PROPERTY & CASUALTY INSURANCE COMPANY to the terms and conditions of this Consent Order. The undersigned also certifies that they have provided the signature below voluntarily and without coercion, based upon the assistance of legal counsel for AVATAR PROPERTY & CASUALTY INSURANCE COMPANY.

AVATAR PROPERTY & CASUALTY INSURANCE COMPANY

[Corporate Seal]

By: Hitesh P. Adhia
Name: Hitesh P. Adhia
(Please type or print)

Title: President

Date: March 11, 2022

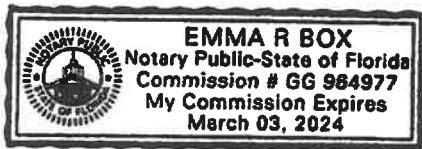
STATE OF Florida

COUNTY OF Hillsborough

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

or online notarization, this 11th day of March 2022, by Hitesh Adhia

as President for Avatar Property & Casualty
(type of authority; e.g., officer, trustee, attorney in fact) (name of person) (company name)



Emma Box
(Signature of the Notary)

Emma Box
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known OR Produced Identification _____

Type of identification produced Personally known

My Commission Expires March 3, 2024

COPIES FURNISHED TO:

HITESH P. ADHIA, PRESIDENT/CHAIRMAN
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OFFICE OF INSURANCE REGULATION

DAVID ALTMAIER
COMMISSIONER

**FINANCIAL SERVICES
COMMISSION**

RON DESANTIS
GOVERNOR

JIMMY PATRONIS
CHIEF FINANCIAL OFFICER

ASHLEY MOODY
ATTORNEY GENERAL

NICOLE "NIKKI" FRIED
COMMISSIONER OF
AGRICULTURE

March 2, 2022

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

Re: Avatar Property & Casualty Insurance Company

Dear Chief Financial Officer Patronis:

Please be advised that the Office of Insurance Regulation (the "Office") has determined that one or more grounds exist for the initiation of delinquency proceedings, pursuant to Chapter 631, Florida Statutes, against the above-referenced company. As such, I am advising you of that determination and including herewith a consent to order of receivership signed by the company in which it admits that it is insolvent, so that delinquency proceedings can be initiated by the Division of Rehabilitation and Liquidation ("Division").

OIR has worked closely with Avatar Property & Casualty Insurance Company ("Avatar") to facilitate options for consumers so they have access to continuous coverage in the voluntary market. While no insurer has expressed an interest in providing coverage to all of Avatar's policyholders, several insurers have expressed an interest in potentially providing coverage to some of Avatar's policyholders through direct solicitation by their appointed agents.

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DAVID ALTMAIER • COMMISSIONER
200 EAST GAINES STREET • TALLAHASSEE, FLORIDA 32399-0305 • (850) 413-5914 • FAX (850) 488-3334
WEBSITE: WWW.FLOIR.COM • EMAIL: DAVID.ALTMAIER@FLOIR.COM

The Honorable Jimmy Patronis
March 2, 2022
Page 2

We appreciate the collaborative working relationship we have with the Division and look forward to working with you and your staff to facilitate continued access to coverage for the benefit of affected Floridians.

Sincerely,



David Altmaier, Commissioner
Office of Insurance Regulation

Enclosure

cc:

John MacIver, General Counsel,
Department of Financial Services

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

IT IS HEREBY AGREED TO AS FOLLOWS:

1. Avatar 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, AVATAR 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 AVATAR PROPERTY & CASUALTY INSURANCE COMPANY to the terms and conditions of this Consent Order.

AVATAR PROPERTY & CASUALTY INSURANCE COMPANY

By: [Signature]

[Corporate Seal]

Print Name: Hitesh P Adhikari

Title: President / Chairman

Date: 3/2/22

STATE OF Florida

COUNTY OF Hillsborough

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

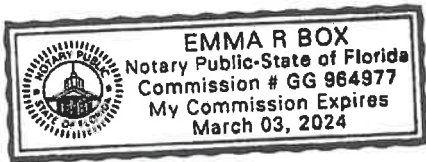
or online notarization, this 2 day of March 2022, by Hitesh Adhikari

(name of person)

as President / Chairman for Avatar Property + Casualty

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

(company name)



[Signature]
(Signature of the Notary)

Emma Box
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires March 3, 2024

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

A telephonic meeting of the Board of Directors of Avatar Property & Casualty Insurance Company (hereinafter "the Company") was held on February 28, 2022, for the sole purpose of approving the following resolutions as follows:

RESOLVED that the majority of the current Directors on the Board of Directors consent to the referral of the Company by the Florida Office of Insurance Regulation to the Department of Financial Services for delinquency proceedings under Chapter 631, Part I, Florida Statutes due to the insolvency of the Company as defined in Section 631.011(14), Florida Statutes.

FURTHER RESOLVED that the majority of the current Directors on the Board of Directors consent to the entry of an Order of Rehabilitation and/or Liquidation of the Company.

FURTHER RESOLVED, that pursuant to Sections 631.051 and 631.061, Florida Statutes, the majority of the current Directors on the Board of Directors consent to the immediate appointment of the Florida Department of Financial Services, Division of Rehabilitation (hereinafter "Department") as the Receiver of Company, without further notice or hearing, and waive any and all rights to notice and hearing.

FURTHER RESOLVED, that the majority of the Directors waive any right to appeal any Order of Rehabilitation or Liquidation entered by the court and agrees that said Order shall be final for the purposes of triggering the Florida Insurance Guaranty Association "FIGA" pursuant to Section 631.54(8), Florida Statutes.

FURTHER RESOLVED, that the Chairman of the Board of Directors and the President of the company, Mr. Hitesh Adhia, 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 Avatar Property & Casualty Insurance Company

By: [Signature]

[Corporate Seal]

Print Name: Hitesh P Adhia

Title: President / Chairman

Date: 3/2/22

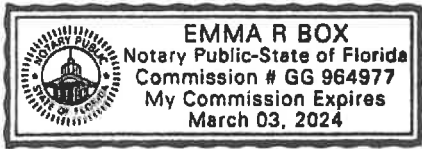
STATE OF Florida

COUNTY OF Hillsborough

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

or online notarization, this 2 day of March 2022, by Hitesh Adhia
(name of person)

as President / Chairman for Avatar Property + Casualty
(type of authority; e.g., officer, trustee, attorney in fact) (company name)



[Signature]
(Signature of the Notary)

Emma Box
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires March 3, 2024