



FILED

JUN 17 2022

INSURANCE REGULATION

Docketed by: ke

OFFICE OF INSURANCE REGULATION

DAVID ALTMAIER
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 297138-22-CO

Application for Approval of the Merger of
FAMILY SECURITY INSURANCE COMPANY, INC. with and into
UNITED PROPERTY & CASUALTY INSURANCE COMPANY

CONSENT ORDER

This cause came on for consideration upon the filing with the FLORIDA OFFICE OF INSURANCE REGULATION (“OFFICE”) by UNITED INSURANCE HOLDINGS CORP. (“APPLICANT”), of an application for the Merger of FAMILY SECURITY INSURANCE COMPANY, INC. (“FAMILY SECURITY”), with and into UNITED PROPERTY & CASUALTY INSURANCE COMPANY (“UNITED PROPERTY & CASUALTY”), pursuant to Section 628.451, Florida Statutes (“Application”). 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. APPLICANT has applied for and, subject to the continuing satisfaction of the requirements, terms, and conditions established herein, has satisfactorily met all of the conditions precedent to the granting of approval by the OFFICE of the proposed merger of FAMILY SECURITY with and into UNITED PROPERTY & CASUALTY, pursuant to the requirements of the Florida Insurance Code.

3. APPLICANT is a Delaware publicly traded holding company whose stock is 27.5% owned by Peed FLP1, Ltd. LLP, a Texas limited liability partnership whose General Partner is Peed Management, LLC, a Texas limited liability company whose sole member is Robert D. Peed. Applicant has no other 10% or greater shareholders.

4. FAMILY SECURITY is a stock property and casualty insurer domiciled in the state of Florida whose stock is 100% owned by FAMILY SECURITY HOLDINGS, LLC, a Delaware limited liability company, whose stock is 100% owned by APPLICANT.

5. UNITED PROPERTY & CASUALTY is a stock property and casualty insurer, domiciled in the state of Florida, whose stock is 100% owned by APPLICANT. FAMILY SECURITY and UNITED PROPERTY & CASUALTY are both operating under subsisting Certificates of Authority issued by the OFFICE.

6. As disclosed in the Application, FAMILY SECURITY will be merged with and into UNITED PROPERTY & CASUALTY, with UNITED PROPERTY & CASUALTY as the surviving entity ("Merger").

7. If the OFFICE determines that any individual for whom APPLICANT is required to submit background information as part of this Application is unacceptable under the Florida Insurance Code, APPLICANT, FAMILY SECURITY, and UNITED PROPERTY & CASUALTY shall 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. Failure to act would constitute an immediate serious danger to the public and the OFFICE may take administrative action as it deems appropriate upon the Certificate of Authority of FAMILY SECURITY or UNITED PROPERTY & CASUALTY without further proceedings, pursuant to Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

8. UNITED PROPERTY & CASUALTY shall continue to file monthly financial statements with the OFFICE until further notice. Those financial statements will be in the National Association of Insurance Commissioners (“NAIC”) monthly statement format and submitted no later than the 21st of the following month. UNITED PROPERTY & CASUALTY shall comply with the post-Merger Plan of Operation and supporting documents as submitted with this Application unless the OFFICE finds it necessary to require updated proformas and documentation for a successful transition. Prior written approval must be secured from the OFFICE before any material deviation from said post-Merger Plan of Operation.

9. APPLICANT represents that, except as described in the Application, there are no present plans or proposals to make any substantive changes to UNITED PROPERTY & CASUALTY, including liquidating it, selling any of its assets (except for transactions such as investment portfolio transactions, in the ordinary course of business), merging or consolidating it with any other person or persons, or making any other major change in the business operations, management, or corporate structure of UNITED PROPERTY & CASUALTY.

10. APPLICANT, or UNITED PROPERTY & CASUALTY, shall submit the following documents to the OFFICE:

a. Within 10 days of completion of the Merger, a copy of the fully executed Articles of Merger, certified by the Florida Secretary of State’s Office;

b. Within 10 days of completion of the Merger, a copy of all documents evidencing completion of the Merger transaction;

c. Within 10 days of filing of the Articles of Merger and Certificate of Merger with the Florida Secretary of State’s Office, the original Certificate of Authority of FAMILY SECURITY shall be surrendered to the OFFICE.

11. APPLICANT and UNITED PROPERTY & CASUALTY represent that all existing policyholders of FAMILY SECURITY will be sent a notice advising them of the Merger. Such notice is subject to a separate, prior approval by the OFFICE. Further, said notice shall include information that UNITED PROPERTY & CASUALTY will be assuming all duties and obligations that were originally those of FAMILY SECURITY.

12. All parties to this Consent Order agree that this Consent Order shall be deemed null and void if the Merger is not completed, or any additional required regulatory approvals are not obtained, within 60 days of the execution of this Consent Order.

13. Any prior orders, consent orders, or corrective actions plans that APPLICANT, FAMILY SECURITY, or UNITED PROPERTY & CASUALTY have entered into with the OFFICE prior to the execution of this Consent Order shall apply and remain in full force and effect for APPLICANT, FAMILY SECURITY, or UNITED PROPERTY & CASUALTY 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.

14. APPLICANT, FAMILY SECURITY, and UNITED PROPERTY & CASUALTY affirm and represent that all information, explanations, representations, statements, and documents provided to the OFFICE in connection with this Application, 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 merger and future operations of UNITED PROPERTY & CASUALTY. APPLICANT, FAMILY SECURITY, and UNITED PROPERTY & CASUALTY further agree and affirm 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.

15. 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.

16. APPLICANT, FAMILY SECURITY, and UNITED PROPERTY & CASUALTY affirm that all requirements set forth herein are material to the issuance of this Consent Order.

17. APPLICANT, FAMILY SECURITY, and UNITED PROPERTY & CASUALTY 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. APPLICANT, FAMILY SECURITY, and UNITED PROPERTY & CASUALTY 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.

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

19. APPLICANT, FAMILY SECURITY, and UNITED PROPERTY & CASUALTY agree that, upon execution of the 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 the OFFICE deems appropriate upon the Certificate of Authority of UNITED PROPERTY & CASUALTY or FAMILY SECURITY in this state in accordance with Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

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 notarized signatures of

the authorized representatives of APPLICANT, FAMILY SECURITY, and UNITED PROPERTY & CASUALTY.

WHEREFORE, subject to the terms and conditions which are set forth above, the Application for the Merger of FAMILY SECURITY INSURANCE COMPANY, INC., with and into UNITED PROPERTY & CASUALTY INSURANCE COMPANY, pursuant to Section 628.451, Florida Statutes, is APPROVED.

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

DONE and ORDERED this 17th day of June, 2022.



David Altmaier

David Altmaier, Commissioner
Office of Insurance Regulation

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



FAMILY SECURITY INSURANCE COMPANY, INC.

By: [Signature]

Print Name: B. Bradford Martz

Title: Chief Financial Officer

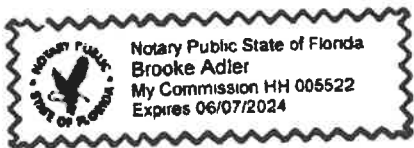
Date: June 17, 2022

STATE OF Florida

COUNTY OF Pinellas

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

online notarization, this 17 day of June 2022, by B. Bradford Martz
as Chief Financial Officer for Family Security Ins. Co.
(type of authority; e.g., officer, trustee, attorney in fact) (name of person) (company name)



[Signature]
(Signature of the Notary)

Brooke Adler
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires _____

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



UNITED PROPERTY & CASUALTY INSURANCE COMPANY

By: [Signature]

Print Name: B. Bradford Martz

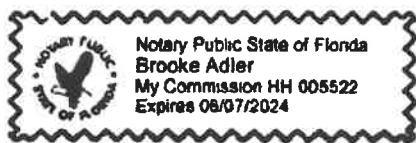
Title: Chief Financial Officer

Date: JUNE 17, 2022

STATE OF Florida
COUNTY OF Pinellas

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

online notarization, this 17 day of June 2022, by B. Bradford Martz
as Chief Financial Officer for United Property & Casualty Ins Co
(type of authority; e.g., officer, trustee, attorney in fact) (name of person) (company name)



[Signature]
(Signature of the Notary)

Brooke Adler
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires _____

By execution hereof, UNITED INSURANCE HOLDINGS CORP., 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 UNITED INSURANCE HOLDINGS CORP., to the terms and conditions of this Consent Order.



UNITED INSURANCE HOLDINGS CORP.

By: [Signature]

Print Name: B. Bradford Martz

Title: President

Date: June 17, 2022

STATE OF Florida
COUNTY OF Pinellas

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

online notarization, this 17 day of June 2022, by B. Bradford Martz

as President for United Insurance Holdings Corp
(type of authority; e.g., officer, trustee, attorney in fact) (company name)



[Signature]
(Signature of the Notary)

Brooke Adler
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires _____

COPIES FURNISHED TO:

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