



**FILED**

**JAN 31 2023**

**INSURANCE REGULATION**  
Docketed by: *EE*

**OFFICE OF INSURANCE REGULATION**

IN THE MATTER OF:

CASE NO.: 305879-23-CO

EDISON INSURANCE COMPANY  
\_\_\_\_\_ /

CONSENT ORDER

THIS CAUSE came on for consideration as a result of EDISON INSURANCE COMPANY's ("EDISON") 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 December 28, 2022. 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 of the parties herein.
2. CITIZENS has been established in accordance with the provisions of Section 627.351(6), Florida Statutes, as amended, to provide insurance for residential and commercial property qualified risks under circumstances specified in the statute.
3. The Florida Legislature has enacted Section 627.351(6)(q)3.a., Florida Statutes, to encourage and provide a means for the depopulation of CITIZENS. CITIZENS submitted a plan of depopulation titled "Citizens Property Insurance Corporation Personal Residential and Commercial Lines Non-Bonus Depopulation Plan" ("Plan"), which the OFFICE adopted in Order No. 199206-16 and approved on November 30, 2016, and amended on December 2, 2016. The

Plan provides the terms and conditions that serve as the basis for this Consent Order. EDISON shall abide by the terms and conditions of the Plan as a condition of issuance of this Consent Order.

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

5. On or about December 28, 2022, EDISON submitted a proposal to assume selected policies from CITIZENS. The policies are expected to be assumed on or about April 18, 2023, and the proposal provides for an assumption of up to five thousand (5,000) policies from CITIZENS' personal residential policies, consisting of four thousand five hundred forty-two (4,542) from CITIZENS' Personal Lines Account and four hundred fifty-eight (458) multi-peril policies from CITIZENS' Coastal Account.

7. EDISON understands that the selected policies to be assumed from CITIZENS on April 18, 2023, 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.

8. EDISON 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, EDISON represents that it will comply with any such agreements between it and CITIZENS.

9. EDISON must timely provide to CITIZENS all information required by the 2023 Assumption Calendar published by CITIZENS. EDISON 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 EDISON for assumption from CITIZENS, as the availability of policies for assumption may vary over time.

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

11. EDISON 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 EDISON shall be subject to advance written approval by the OFFICE.

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

13. EDISON 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. EDISON 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.

14. EDISON 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 EDISON. However, all draft documents and non-executed agreements relating to EDISON'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.

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

16. 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 EDISON.

(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 EDISON and CITIZENS, and this Consent Order.

(C) Regarding all reinsurance matters, EDISON shall:

(i) 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 (60) days prior to the effective date of any such termination; and

- (iii) Comply with the requirements of Section 624.610, Florida Statutes, with regard to all of its reinsurance arrangements.

(D) EDISON shall participate annually in any examination of EDISON's reinsurance program as requested by the OFFICE. Based upon the OFFICE's review of the models and plans, EDISON 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, EDISON shall provide coverage substantially equivalent to that afforded by CITIZENS at approved rates, unless such policies are cancelled or nonrenewed by EDISON for a lawful reason.

(F) At the time EDISON assumes any policy of insurance from CITIZENS, EDISON 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 EDISON chooses the former option, EDISON 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, EDISON shall abide by the proposal to assume selected policies from CITIZENS

in all material respects. Further, EDISON shall abide by all terms of this Consent Order and all provisions of any agreements entered into with CITIZENS.

(H) Should the OFFICE determine EDISON has failed to materially comply with 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, EDISON shall, upon receipt of notice of such material non-compliance, have sixty (60) days to cure its material non-compliance. In the event EDISON fails to cure any such material non-compliance within the sixty (60) day period, EDISON 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 assumption of up to five thousand (5,000) policies from CITIZENS' personal residential policies, consisting of four thousand five hundred forty-two (4,542) from the Personal Lines Account and four hundred fifty-eight (458) from the Coastal Account, for the initial assumption starting on or about April 18, 2023, 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 31<sup>st</sup> day of January, 2023.



Anoush Brangercin  
Commissioner or Designee  
Office of Insurance Regulation

By execution hereof, EDISON 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 he has the authority to bind EDISON INSURANCE COMPANY to the terms and conditions of this Consent Order.

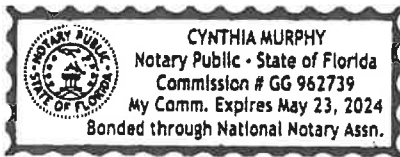
EDISON INSURANCE COMPANY

[Corporate Seal]

*Paul Adkins*  
Paul Adkins, Chief Executive Officer

STATE OF FLORIDA  
COUNTY OF PALEMBACH

The foregoing instrument was acknowledged before me this 31<sup>st</sup> day of January 2023,  
by PAUL ADKINS as Chief Executive Officer  
(name of person) (type of authority; e.g., officer, trustee, attorney in fact)  
for Edison Insurance Company.  
(company name)



*Cynthia Murphy*  
(Signature of the Notary)

Cynthia Murphy  
(Print, Type, or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_

My Commission Expires: 5/23/24

COPIES FURNISHED TO:

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