



**OFFICE OF INSURANCE REGULATION**

**MICHAEL YAWORSKY**  
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 320989-23

AMERICAN TRADITIONS INSURANCE COMPANY

**CONSENT ORDER**

THIS CAUSE came on for consideration as a result of AMERICAN TRADITIONS INSURANCE COMPANY's ("AMERICAN TRADITIONS") 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 November 30, 2023. 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 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. In December 2022, the Florida Legislature added Section 627.351(6)(ii)3., Florida Statutes, through ch. 2022-271(8), Laws of Florida<sup>1</sup>. As a result of this statutory change, which applies to take-out offers that are part of an application to participate in depopulation submitted to the OFFICE on or after January 1, 2023, the Plan will conflict with Florida law. The Plan provides the terms and conditions that serve as the basis for this Consent Order except where the Plan conflicts with Section 627.351(6)(ii)3., Florida Statutes, as added by ch. 2022-271(8), Laws of Florida; the Florida Statutes in effect at the time of the assumption will control. AMERICAN TRADITIONS shall abide by the terms and conditions of the Plan and Section 627.351(6)(ii)3., Florida Statutes, as added by ch. 2022-271(8), Laws of Florida, as a condition of issuance of this Consent Order.

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

5. On or about November 30, 2023, AMERICAN TRADITIONS submitted a proposal to assume selected policies from CITIZENS. The policies are expected to be assumed on or about March 19, 2024, and the proposal provides for an assumption of up to 10,000 personal residential multi-peril policies from the CITIZENS' Account.

6. AMERICAN TRADITIONS understands that the selected policies to be assumed from CITIZENS on March 19, 2024, 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.

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<sup>1</sup> If a policyholder receives a take-out offer from an authorized insurer, the risk is no longer eligible for coverage with the corporation unless the premium for coverage from the authorized insurer is more than 20 percent greater than the renewal premium for comparable coverage from Citizens. This applies to take-out offers that are part of an application to participate in depopulation submitted to the Office on or after January 1, 2023. Ch 2022-271(8), Laws of Florida.

7. Because of the potential harmful impact to Florida policyholders, AMERICAN TRADITIONS shall not make takeout offers to CITIZENS policyholders that are more than forty percent higher than the policyholder's estimated renewal premium with CITIZENS. AMERICAN TRADITIONS must use rates that have either been approved by the OFFICE or rates that have been filed with the OFFICE as "use and file" at the time of execution of this Consent Order.

8. AMERICAN TRADITIONS is responsible for ensuring that it has entered or will enter into appropriate agreement(s) with CITIZENS to effectuate the assumption of policies as authorized by this Consent Order. By entering into this Consent Order, AMERICAN TRADITIONS represents that it will comply with any such agreement(s) between it and CITIZENS.

9. AMERICAN TRADITIONS must timely provide to CITIZENS all information required by the 2024 Assumption Calendar published by CITIZENS. AMERICAN TRADITIONS 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 AMERICAN TRADITIONS for assumption from CITIZENS, as the availability of policies for assumption may vary over time.

10. AMERICAN TRADITIONS 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 AMERICAN TRADITIONS' 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 AMERICAN TRADITIONS' current in-force book of property policies, AMERICAN TRADITIONS' projected voluntary market writings, and the actual number of policies available

in CITIZENS prior to the anticipated assumption date identified by AMERICAN TRADITIONS as satisfying its filed and approved underwriting guidelines.

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

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

13. AMERICAN TRADITIONS 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. AMERICAN TRADITIONS 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. AMERICAN TRADITIONS 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 AMERICAN TRADITIONS. However, all draft documents and non-executed agreements relating to AMERICAN TRADITIONS' 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 AMERICAN TRADITIONS, notwithstanding the fact that the copy was transmitted to the OFFICE electronically. AMERICAN TRADITIONS 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 AMERICAN TRADITIONS.

(B) The OFFICE approves the assumption of CITIZENS' policies up to the amounts set forth above in paragraph five (5), in accordance with any agreement(s) between AMERICAN TRADITIONS and CITIZENS, and this Consent Order.

(C) Regarding all reinsurance matters, AMERICAN TRADITIONS 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 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) AMERICAN TRADITIONS shall participate annually in any examination of AMERICAN TRADITIONS' reinsurance program as requested by the OFFICE. Based upon the OFFICE's review of the models and plans, AMERICAN TRADITIONS 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, AMERICAN TRADITIONS shall provide coverage substantially equivalent to that afforded by CITIZENS at rates that have either been approved by the OFFICE or rates that have been filed with the OFFICE as "use and file" at the time of execution of this Consent Order, unless such policies are cancelled or nonrenewed by AMERICAN TRADITIONS for a lawful reason.

(F) At the time AMERICAN TRADITIONS assumes any policy of insurance from CITIZENS, AMERICAN TRADITIONS 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 AMERICAN TRADITIONS chooses the former option, AMERICAN TRADITIONS 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, AMERICAN TRADITIONS shall abide by the proposal to assume selected policies from CITIZENS in all material respects. Further, AMERICAN TRADITIONS shall abide

by all terms of this Consent Order and all provisions of any agreement(s) entered into with CITIZENS.

(H) Should the OFFICE determine AMERICAN TRADITIONS has failed to materially comply with the 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 agreement(s) with CITIZENS, AMERICAN TRADITIONS shall, upon receipt of notice of such material non-compliance, have 60 days to cure its material non-compliance. In the event AMERICAN TRADITIONS fails to cure any such material non-compliance within the 60-day period, AMERICAN TRADITIONS 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 10,000 personal residential multi-peril policies from the CITIZENS' Account, for the initial assumption starting on or about March 19, 2024, 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 28<sup>th</sup> day of December, 2023.



A handwritten signature in blue ink, appearing to read "Michael Yaworsky", is written over a horizontal line.

Michael Yaworsky, Commissioner  
Office of Insurance Regulation

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

AMERICAN TRADITIONS INSURANCE COMPANY

[Corporate Seal]



Thomas Jerger, Jr., President  
American Traditions Insurance Company

STATE OF Florida  
COUNTY OF Pinellas

The foregoing instrument was acknowledged before me by means of  physical presence  
or  online notarization, this 28<sup>th</sup> day of December 2023, by Thomas Jerger, Jr.  
(name of person)

as President for American Traditions Insurance Company  
(type of authority, e.g., officer, trustee, attorney in fact) (company name)

Deverah Bianco  
(Signature of the Notary)

(Print, Type or Stamp Commissioned Notary Public  
DEVERAH BIANCO  
Commission # 111098319  
Expires September 14, 2024  
Bonded Thru Budget Notary Services

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

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

My Commission Expires: \_\_\_\_\_



COPIES FURNISHED TO:

Judy Grunewald, Depopulation-FMAP Team Supervisor  
Citizens Property Insurance Corporation  
2101 Maryland Circle  
Tallahassee, FL 32303  
Judy.Grunewald@citizensfla.com

Thomas Jerger, Jr., President  
American Traditions Insurance Company  
7785 66<sup>th</sup> Street  
Pinellas Park, FL 33781  
johnj@westpointuw.com

Jane Nelson, Director  
P&C Financial Oversight  
Office of Insurance Regulation  
200 East Gaines Street  
Tallahassee, FL 32399  
Jane.Nelson@flor.com

Bradley Trim, Chief Financial Analyst  
P&C Financial Oversight  
Office of Insurance Regulation  
200 East Gaines Street  
Tallahassee, FL 32399  
Bradley.Trim@flor.com

Crystal Stephens  
Assistant General Counsel  
Office of Insurance Regulation  
200 E. Gaines Street  
Tallahassee, Florida 32399  
Crystal.Stephens@flor.com