



**FILED**

NOV 30 2021

INSURANCE REGULATION  
Docketed by: 

OFFICE OF INSURANCE REGULATION

DAVID ALTMAIER  
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 288881-21-CO

VYRD INSURANCE COMPANY  
\_\_\_\_\_ /

CONSENT ORDER

THIS CAUSE came on for consideration as a result of VYRD INSURANCE COMPANY's ("VYRD") 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 October 29, 2021. 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 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. VYRD shall abide by the terms and conditions of the Plan as a condition of issuance of this Consent Order.

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

5. On or about October 29, 2021, VYRD submitted a proposal to assume selected policies from CITIZENS. The policies are expected to be assumed on or about February 22, 2022, and the proposal provides for an assumption of up to 42,045 policies from CITIZENS' personal residential policies, with all 42,045 being from the Personal Lines Account.

6. VYRD understands that the selected policies to be assumed from CITIZENS on February 22, 2022, 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.

7. VYRD 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, VYRD represents that it will comply with any such agreements between it and CITIZENS.

8. VYRD must timely provide to CITIZENS all information required by the 2022 Assumption Calendar published by CITIZENS. VYRD 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 VYRD for assumption from CITIZENS, as the availability of policies for assumption may vary over time.

9. VYRD 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 VYRD's proposed 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 VYRD's projected book of property policies, VYRD's projected voluntary market writings, and the actual number of policies available in CITIZENS prior to the anticipated assumption date identified by VYRD as satisfying its filed and approved underwriting guidelines.

10. VYRD submitted the proposed reinsurance documentation and financial projections for the assumption of up to the number and types of CITIZENS' policies as set forth in paragraph five above. Each additional assumption of CITIZENS policies by VYRD shall be subject to advance written approval by the OFFICE.

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

12. VYRD agrees to submit executed reinsurance agreements as soon as they are available and prior to the assumption date of February 22, 2022.

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

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

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

(F) At the time VYRD assumes any policy of insurance from CITIZENS, VYRD 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 VYRD chooses the former option, VYRD 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 years immediately following the date of entry of this Consent Order, VYRD shall abide by the proposal to assume selected policies from CITIZENS in all

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

(H) Should the OFFICE determine VYRD 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, VYRD shall, upon receipt of notice of such material non-compliance, have 60 days to cure its material non-compliance. In the event VYRD fails to cure any such material non-compliance within the 60-day period, VYRD 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 42,045 policies from CITIZENS' personal residential policies, with all 42,045 being from the Personal Lines Account, for the initial assumption starting on or about February 22, 2022, 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 30 day of November, 2021.



*David Altmaier*

David Altmaier, Commissioner  
Office of Insurance Regulation

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

VYRD INSURANCE COMPANY

[Corporate Seal]



David Howard, Chief Executive Officer

STATE OF Florida

COUNTY OF Pinellas

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

or  online notarization, this 30 day of November 2021, by David Howard

as CEO for VYRD INSURANCE COMPANY  
(type of authority; e.g., officer, trustee, attorney in fact) (name of person) (company name)



(Signature of the Notary)

Aaron Stypinski

(Print, Type or Stamp Commissioned Name of Notary)

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

Type of Identification Produced Florida DL

My Commission Expires 8-16-2025



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