UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

☑

For the quarterly period ended June 30, 2023

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

☐

Commission File Number

001-34126

HCI Group, Inc.

(Exact name of registrant as specified in its charter)

Florida	**20-5961396**
(State of Incorporation)	*(IRS Employer Identification No.)*

3802 Coconut Palm Drive
Tampa , FL 33619
(Address, including zip code, of principal executive offices)

(813) 849-9500
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	**Trading Symbol**	**Name of Each Exchange on Which Registered**
Common Shares , no par value	**HCI**	**New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Non-accelerated filer ☐	Smaller reporting company ☐
Accelerated filer ☑		Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

The aggregate number of shares of the registrant's common stock, no par value, outstanding on August 1, 2023 was

8,594,764

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HCI GROUP, INC. AND SUBSIDIARIES

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PART I – FINANCIAL INFORMATION
Item 1 – Financial Statements
HCI GROUP, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
(Dollar amounts in thousands)

	June 30, 2023 (Unaudited)	December 31, 2022
Assets		
Fixed-maturity securities, available for sale, at fair value (amortized cost: $ 452,368 and $ 494,197, respectively and allowance for credit losses: $ 0 and $ 0, respectively)	$ 442,974	$ 483,901
Equity securities, at fair value (cost: $ 39,953 and $ 36,272, respectively)	39,690	34,583
Limited partnership investments	23,115	25,702
Investment in unconsolidated joint venture, at equity	—	18
Real estate investments	43,903	71,388
Total investments	549,682	615,592
Cash and cash equivalents	293,991	234,863
Restricted cash	2,987	2,900
Accrued interest and dividends receivable	2,290	1,952
Income taxes receivable	—	2,807
Premiums receivable, net (allowance: $ 4,204 and $ 5,362, respectively)	40,306	34,998
Prepaid reinsurance premiums	114,662	66,627
Reinsurance recoverable, net of allowance for credit losses:		

Paid losses and loss adjustment expenses (allowance: $ 0 and $ 0 , respectively)	45,674	71,594
Unpaid losses and loss adjustment expenses (allowance: $ 352 and $ 454 , respectively)	505,017	616,765
Deferred policy acquisition costs	45,107	45,522
Property and equipment, net	27,168	17,910
Right-of-use assets - operating leases	1,368	777
Intangible assets, net	7,073	10,578
Funds withheld for assumed business	45,767	48,772
Other assets	45,745	31,671
Total assets	$ 1,726,837	$ 1,803,328

(continued)

HCI GROUP, INC. AND SUBSIDIARIES
Consolidated Balance Sheets – (Continued)
(Dollar amounts in thousands)

	June 30, 2023 (Unaudited)	December 31, 2022
Liabilities and Equity		
Losses and loss adjustment expenses	$ 748,955	$ 863,765
Unearned premiums	385,870	368,047
Advance premiums	26,837	18,587
Reinsurance payable on paid losses and loss adjustment expenses	7,043	8,606
Ceded reinsurance premiums payable	5,391	17,646
Accrued expenses	19,224	14,534
Reinsurance recovered in advance on unpaid losses	—	19,863
Income tax payable	210	—
Deferred income taxes, net	3,133	1,704
Long-term debt	208,156	211,687
Lease liabilities - operating leases	1,372	721
Other liabilities	36,810	23,361
Total liabilities	1,443,001	1,548,521
Commitments and contingencies (Note 21)		
Redeemable noncontrolling interest (Note 18)	95,202	93,553
Equity:		

Common stock (no par value, 40,000,000 shares authorized, 8,594,764 and 8,598,682 shares issued and outstanding at June 30, 2023 and December 31, 2022, respectively)	—	—
Additional paid-in capital	1,062	—
Retained income	194,034	172,482
Accumulated other comprehensive loss, net of taxes	(6,718)	(9,886)
Total stockholders' equity	188,378	162,596
Noncontrolling interests	256	(1,342)
Total equity	188,634	161,254
Total liabilities, redeemable noncontrolling interest and equity	$ 1,726,837	$ 1,803,328

See accompanying Notes to Consolidated Financial Statements (unaudited).

HCI GROUP, INC. AND SUBSIDIARIES
Consolidated Statements of Income
(Unaudited)
(Dollar amounts in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Revenue				
Gross premiums earned	$ 181,946	$ 181,124	$ 362,014	$ 360,049
Premiums ceded	(66,390)	(56,205)	(136,899)	(109,367)
Net premiums earned	115,556	124,919	225,115	250,682
Net investment income	8,794	3,684	26,509	6,552
Net realized investment losses	(230)	(6)	(1,379)	(320)
Net unrealized investment gains (losses)	897	(4,234)	1,426	(7,810)
Policy fee income	1,469	1,052	2,559	2,109
Other	841	511	2,126	1,753
Total revenue	127,327	125,926	256,356	252,966
Expenses				
Losses and loss adjustment expenses	61,890	86,830	122,455	159,534
Policy acquisition and other underwriting expenses	22,618	26,863	45,338	56,271
General and administrative personnel expenses	14,272	15,301	27,774	29,335
Interest expense	2,667	1,515	5,468	2,116
Other operating expenses	5,614	6,977	11,919	13,269
Total expenses	107,061	137,486	212,954	260,525
Income (loss) before income taxes	20,266	(11,560)	43,402	(7,559)

Income tax expense (benefit)	5,384	(3,018)	10,727	(1,808)
Net income (loss)	14,882	(8,542)	32,675	(5,751)
Net income attributable to redeemable noncontrolling interest (Note 18)	(2,337)	(2,268)	(4,661)	(4,516)
Net (income) loss attributable to noncontrolling interests	(102)	829	(233)	1,189
Net income (loss) after noncontrolling interests	$ 12,443	$ (9,981)	$ 27,781	$ (9,078)
Basic earnings (loss) per share	$ 1.45	$ (1.04)	$ 3.23	$ (0.92)
Diluted earnings (loss) per share	$ 1.28	$ (1.04)	$ 2.81	$ (0.92)

See accompanying Notes to Consolidated Financial Statements (unaudited).

HCI GROUP, INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
(Unaudited)
(Amounts in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net income (loss)	$ 14,882	$ (8,542)	$ 32,675	$ (5,751)
Other comprehensive (loss) income:				
Change in unrealized (loss) gain on investments:				
Net unrealized (losses) gains arising during the period	(2,263)	(2,174)	152	(6,325)
Reclassification adjustment for net realized losses (gains)	12	(8)	750	421
Net change in unrealized (losses) gains	(2,251)	(2,182)	902	(5,904)
Deferred income taxes on above change	571	553	2,381	1,491
Total other comprehensive (loss) income, net of income taxes	(1,680)	(1,629)	3,283	(4,413)
Comprehensive income (loss)	13,202	(10,171)	35,958	(10,164)
Comprehensive (income) loss attributable to noncontrolling interests	(42)	883	(348)	1,344
Comprehensive income (loss) after noncontrolling interests	$ 13,160	$ (9,288)	$ 35,610	$ (8,820)

See accompanying Notes to Consolidated Financial Statements (unaudited).

HCI GROUP, INC. AND SUBSIDIARIES
Consolidated Statements of Equity
For the Three Months Ended June 30, 2023
(Unaudited)
(Dollar amounts in thousands, except per share amount)

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Income	Accumulated Other Comprehensive Loss, Net of Tax	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at March 31, 2023	8,596,673	$ —	$ 332	$ 185,028	$ (5,098)	$ 180,262	$ (405)	$ 179,857
Net income	—	—	—	14,613	—	14,613	269	14,882
Net income attributable to redeemable noncontrolling interest	—	—	—	(2,170)	—	(2,170)	(167)	(2,337)
Total other comprehensive loss, net of income taxes	—	—	—	—	(1,620)	(1,620)	(60)	(1,680)
Issuance of restricted stock	7,000	—	—	—	—	—	—	—
Forfeiture of restricted stock	(295)	—	—	—	—	—	—	—
Repurchase and retirement of common stock	(8,614)	—	(479)	—	—	(479)	—	(479)
Dilution from subsidiary stock-based compensation	—	—	—	—	—	—	619	619
Common stock dividends ($ 0.40 per share)	—	—	—	(3,437)	—	(3,437)	—	(3,437)
Stock-based compensation	—	—	1,209	—	—	1,209	—	1,209
Balance at June 30, 2023	8,594,764	$ —	$ 1,062	$ 194,034	$ (6,718)	$ 188,378	$ 256	$ 188,634

See accompanying Notes to Consolidated Financial Statements (unaudited).

HCI GROUP, INC. AND SUBSIDIARIES
Consolidated Statements of Equity – (Continued)
For the Three Months Ended June 30, 2022
(Unaudited)
(Dollar amounts in thousands, except per share amount)

	Common Stock		Additional		Accumulated Other Comprehensive	Total		
	Shares	Amount	Paid-In Capital	Retained Income	Loss, Net of Tax	Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at March 31, 2022	10,125,927	$ —	$ 79,131	$ 243,647	$ (2,185)	$ 320,593	$ 1,435	$ 322,028
Net loss	—	—	—	(7,885)	—	(7,885)	(657)	(8,542)
Net income attributable to redeemable noncontrolling interest	—	—	—	(2,096)	—	(2,096)	(172)	(2,268)
Total other comprehensive loss, net of income taxes	—	—	—	—	(1,575)	(1,575)	(54)	(1,629)
Issuance of restricted stock	3,000	—	—	—	—	—	—	—
Forfeiture of restricted stock	(700)	—	—	—	—	—	—	—
Repurchase and retirement of common stock	(1,050,790)	—	(67,705)	—	—	(67,705)	—	(67,705)
Repurchase and retirement of common stock under share repurchase plan	(29,465)	—	(1,884)	—	—	(1,884)	—	(1,884)
Dilution from subsidiary stock-based compensation	—	—	—	—	—	—	635	635
Common stock dividends ($ 0.40 per share)	—	—	—	(4,045)	—	(4,045)	—	(4,045)
Stock-based compensation	—	—	3,345	—	—	3,345	—	3,345
Balance at June 30, 2022	9,047,972	$ —	$ 12,887	$ 229,621	$ (3,760)	$ 238,748	$ 1,187	$ 239,935

See accompanying Notes to Consolidated Financial Statements (unaudited).

HCI GROUP, INC. AND SUBSIDIARIES
Consolidated Statements of Equity – (Continued)
For the Six Months Ended June 30, 2023
(Unaudited)
(Dollar amounts in thousands, except per share amount)

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Income	Accumulated Other Comprehensive Loss, Net of Tax	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2022	8,598,682	$ —	$ —	$ 172,482	$ (9,886)	$ 162,596	$ (1,342)	$ 161,254
Net income	—	—	—	32,101	—	32,101	574	32,675
Net income attributable to redeemable noncontrolling interest	—	—	—	(4,320)	—	(4,320)	(341)	(4,661)
Total other comprehensive income, net of income taxes	—	—	—	—	3,168	3,168	115	3,283
Issuance of restricted stock	13,000	—	—	—	—	—	—	—
Forfeiture of restricted stock	(2,420)	—	—	—	—	—	—	—
Repurchase and retirement of common stock	(14,498)	—	(784)	—	—	(784)	—	(784)
Dilution from subsidiary stock-based compensation	—	—	—	—	—	—	1,250	1,250
Common stock dividends ($ 0.80 per share)	—	—	—	(6,869)	—	(6,869)	—	(6,869)
Stock-based compensation	—	—	2,486	—	—	2,486	—	2,486
Additional paid-in capital shortfall adjustment allocated to retained income	—	—	(640)	640	—	—	—	—
Balance at June 30, 2023	8,594,764	$ —	$ 1,062	$ 194,034	$ (6,718)	$ 188,378	$ 256	$ 188,634

See accompanying Notes to Consolidated Financial Statements (unaudited).

HCI GROUP, INC. AND SUBSIDIARIES
Consolidated Statements of Equity – (Continued)
For the Six Months Ended June 30, 2022
(Unaudited)
(Dollar amounts in thousands, except per share amount)

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Income	Accumulated Other Comprehensive Income (Loss), Net of Tax	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2021	10,131,399	$ —	$ 76,077	$ 246,790	$ 498	$ 323,365	$ 1,138	$ 324,503
Net loss	—	—	—	(4,907)	—	(4,907)	(844)	(5,751)
Net income attributable to redeemable noncontrolling interest	—	—	—	(4,171)	—	(4,171)	(345)	(4,516)
Total other comprehensive loss, net of income taxes	—	—	—	—	(4,258)	(4,258)	(155)	(4,413)
Issuance of restricted stock	7,000	—	—	—	—	—	—	—
Forfeiture of restricted stock	(3,965)	—	—	—	—	—	—	—
Repurchase and retirement of common stock	(1,056,997)	—	(68,103)	—	—	(68,103)	—	(68,103)
Repurchase and retirement of common stock under share repurchase plan	(29,465)	—	(1,884)	—	—	(1,884)	—	(1,884)
Dilution from subsidiary stock-based compensation	—	—	—	—	—	—	1,393	1,393
Common stock dividends ($ 0.80 per share)	—	—	—	(8,091)	—	(8,091)	—	(8,091)
Stock-based compensation	—	—	6,797	—	—	6,797	—	6,797
Balance at June 30, 2022	9,047,972	$ —	$ 12,887	$ 229,621	$ (3,760)	$ 238,748	$ 1,187	$ 239,935

See accompanying Notes to Consolidated Financial Statements (unaudited).

HCI GROUP, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(Unaudited)
(Amounts in thousands)

	Six Months Ended June 30,	
	2023	**2022**
Cash flows from operating activities:		
Net income (loss) after noncontrolling interests	$ 27,781	$ (9,078)
Net income attributable to noncontrolling interests	4,894	3,327
Net income (loss)	32,675	(5,751)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Stock-based compensation expense	3,973	8,579
Net accretion of discount on investments in fixed-maturity securities	(1,671)	(189)
Depreciation and amortization	4,229	3,495
Deferred income tax expense (benefit)	3,810	(4,080)
Net realized investment losses	1,379	320
Net unrealized investment (gains) losses	(1,426)	7,810
Credit loss expense - reinsurance recoverable	(102)	(28)
Net income from unconsolidated joint venture	—	(495)
Net income from limited partnership interests	(542)	(1,799)
Distributions received from limited partnership interests	421	2,046
Loss on extinguishment of debt	177	—
Gain on sales of real estate investments	(8,936)	—
Foreign currency remeasurement (gain) loss	(1)	50
Other non-cash items	87	(405)
Changes in operating assets and liabilities:		

Accrued interest and dividends receivable	(338)	(1,068)
Income taxes	3,017	2,295
Premiums receivable, net	(5,308)	15,855
Prepaid reinsurance premiums	(48,035)	(54,668)
Reinsurance recoverable	137,770	23,196
Deferred policy acquisition costs	415	9,390
Funds withheld for assumed business	3,005	(8,752)
Other assets	(14,614)	(12,707)
Losses and loss adjustment expenses	(114,810)	1,659
Unearned premiums	17,823	3,396
Advance premiums	8,250	11,657
Reinsurance payable on paid losses and loss adjustment expenses	(1,563)	285
Reinsurance recovered in advance on unpaid losses	(19,863)	—
Ceded reinsurance premiums payable	(12,255)	5,323
Accrued expenses and other liabilities	18,377	16,215
Net cash provided by operating activities	5,944	21,629

(continued)

HCI GROUP, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows – (Continued)
(Unaudited)
(Amounts in thousands)

	Six Months Ended June 30,	
	2023	**2022**
Cash flows from investing activities:		
Investments in limited partnership interests	—	(1,144)
Return of excess investments in limited partnership interests	112	—
Distributions received from limited partnership interests	2,596	2,335
Distribution received from unconsolidated joint venture	18	—
Purchase of property and equipment	(2,762)	(4,229)
Purchase of real estate investments	(744)	(111)
Purchase of intangible assets	—	(3,800)
Purchase of fixed-maturity securities	(227,540)	(377,638)
Purchase of equity securities	(10,271)	(16,383)
Purchase of short-term and other investments	(81)	—
Proceeds from sales of real estate investments	21,746	667
Proceeds from sales of fixed-maturity securities	12,083	11,494
Proceeds from calls, repayments and maturities of fixed-maturity securities	258,207	4,020
Proceeds from sales of equity securities	6,277	24,427
Proceeds from sales, redemptions and maturities of short-term and other investments	34	267
Net cash provided by (used in) investing activities	59,675	(360,095)
Cash flows from financing activities:		
Cash dividends paid	(6,869)	(8,168)

Cash dividends received under share repurchase forward contract	—	77
Net repayment under revolving credit facility	—	(15,000)
Cash dividends paid to redeemable noncontrolling interest	(3,012)	(2,508)
Proceeds from issuance of long-term debt	12,000	172,500
Repayment of long-term debt	(328)	(501)
Redemption of long-term debt	(6,895)	—
Repurchases of common stock	(784)	(68,103)
Repurchases of common stock under share repurchase plan	—	(1,884)
Purchase of noncontrolling interests	(237)	(389)
Debt issuance costs	(277)	(5,757)
Net cash (used in) provided by financing activities	(6,402)	70,267
Effect of exchange rate changes on cash	(2)	(56)
Net increase (decrease) in cash, cash equivalents, and restricted cash	59,215	(268,255)
Cash, cash equivalents, and restricted cash at beginning of period	237,763	631,343
Cash, cash equivalents, and restricted cash at end of period	$ 296,978	$ 363,088

(continued)

HCI GROUP, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows – (Continued)
(Unaudited)
(Amounts in thousands)

	Six Months Ended June 30,	
	2023	**2022**
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	$ 3,958	$ 55
Cash paid for interest	$ 4,370	$ 943
Non-cash investing and financing activities:		
Unrealized gain (loss) on investments in available-for-sale securities, net of tax	$ 3,283	$ (4,413)
Sale of real estate investments:		
Contingent consideration receivable	$ 125	$ —
Long-term debt obligations assumed by the buyer	$ 8,995	$ —
Receivable from sales of equity securities	$ 488	$ 1,051
Payable on purchases of equity securities	$ 757	$ 1,050
Acquisition of intangibles:		
Contingent consideration payable	$ —	$ 1,069

See accompanying Notes to Consolidated Financial Statements (unaudited).

Note 1 -- Nature of Operations

HCI Group, Inc., together with its subsidiaries ("HCI" or the "Company"), is primarily engaged in the property and casualty insurance business through two Florida domiciled insurance companies, Homeowners Choice Property & Casualty Insurance Company, Inc. ("HCPCI") and TypTap Insurance Company ("TypTap"). Both HCPCI and TypTap are authorized to underwrite various homeowners' property and casualty insurance products and allied lines business in the state of Florida and in other states. The operations of each insurance subsidiary are supported by HCI Group, Inc. and certain HCI subsidiaries. The operations of TypTap are also supported by TypTap Insurance Group, Inc. ("TTIG"), the Company's majority-owned subsidiary, and certain TTIG subsidiaries. The Company emphasizes the use of internally developed technologies to collect and analyze claims and other supplemental data to assist in the underwriting process and generate savings as well as efficiency for the operations of the insurance subsidiaries. In addition, Greenleaf Capital, LLC, the Company's real estate subsidiary, is primarily engaged in the business of owning and leasing real estate and operating marina facilities.

On April 19, 2023, the Company incorporated a new property and casualty insurance subsidiary, Tailrow Insurance Company ("Tailrow"), in the State of Florida. Tailrow currently has no operations.

Note 2 -- Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited consolidated financial statements of HCI Group, Inc. and its majority-owned and controlled subsidiaries (collectively, the "Company") have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information, and the Securities and Exchange Commission ("SEC") rules for interim financial reporting. Certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with U.S. GAAP have been omitted pursuant to such rules and regulations. However, in the opinion of management, the accompanying consolidated financial statements reflect all normal recurring adjustments necessary to present fairly the Company's financial position as of June 30, 2023 and the results of operations and cash flows for the interim periods presented. The results of operations for the interim periods presented are not necessarily indicative of the results of operations to be expected for any subsequent interim period or for the fiscal year ending December 31, 2023. The accompanying unaudited consolidated financial statements and notes thereto should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2022 included in the Company's Form 10-K, which was filed with the SEC on March 10, 2023.

In preparing the interim unaudited consolidated financial statements, management was required to make certain judgments, assumptions, and estimates that affect the reported amounts of assets, liabilities, revenues, expenses and related disclosures at the financial reporting date and throughout the periods being reported upon. Certain of the estimates result from judgments that can be subjective and complex, and consequently actual results may differ from these estimates.

Material estimates that are particularly susceptible to significant change in the near term are related to the Company's losses and loss adjustment expenses, which include amounts estimated for claims incurred but not yet reported. The Company uses various assumptions and actuarial data it believes to be reasonable under the circumstances to make these estimates. In addition, accounting policies specific to reinsurance with retrospective provisions, reinsurance recoverable, deferred income taxes, limited partnership investments, allowance for credit

losses, and stock-based compensation expense involve significant judgments and estimates material to the Company's consolidated financial statements.

In the case of assumed business, the Company relies entirely on the ceding insurance company to provide information about premiums, losses, and loss adjustment expenses. When the information is not available at the reporting date, the Company will make estimates based on all recent available data. Accordingly, the actual results could differ significantly from those estimates.

All significant intercompany balances and transactions have been eliminated.

Revenue from Claims Processing Services

Revenue related to claims processing services is included in other revenue in the consolidated statements of income. For the three and six months ended June 30, 2023, revenues from claims processing services were $

177
and $

704
, respectively. For the three and six months ended June 30, 2022, revenues from claims processing services were $

372
and $

1,379
, respectively.

Note 3 -- Recent Accounting Pronouncements

Accounting Standards Update No. 2023-01. In March 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2023-01 ("ASU 2023-01") Leases (Topic 842): Common Control Arrangements. For public entities, this update amends the required amortization period for leasehold improvements associated with common control leases to be over the useful life of the leasehold improvements to the common control group, regardless of the lease term, as long as the lessee controls the use of the asset through a lease. In addition, if the lessor is sub-leasing the asset while simultaneously leasing the asset from an entity not within the same common control group, the amortization period may not exceed the amortization period of the common control group. Once the lessee no longer controls the use of the asset, the asset will be accounted for as a transfer between entities under common control through an adjustment to equity. ASU 2023-01 is effective for the Company beginning with the first quarter of 2024. The Company is evaluating the impact of this update on its financial position.

Note 4 -- Cash, Cash Equivalents, and Restricted Cash

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the Company's consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statements of cash flows.

	June 30, 2023	December 31, 2022
Cash and cash equivalents	$ 293,991	$ 234,863
Restricted cash	2,987	2,900
Total	$ 296,978	$ 237,763

Restricted cash represents funds in the Company's sole ownership primarily held by certain states to meet regulatory requirements in which the Company's insurance subsidiaries conduct business and not available for immediate business use. Funds withheld in an account for which the Company is a co-owner but not the named beneficiary are not considered restricted cash and are included in funds withheld for assumed business on the consolidated balance sheets.

In connection with the sale of the retail shopping center investment property in Melbourne, Florida as described in Note 5 -- “Investments” under *Real Estate Investments*, $

87

of restricted cash was deposited in escrow in March 2023 with its release contingent on certain post-sale conditions being met.

Note 5 -- Investments

a) Available-for-Sale Fixed-Maturity Securities

The Company holds investments in fixed-maturity securities that are classified as available-for-sale. At June 30, 2023 and December 31, 2022, the cost or amortized cost, allowance for credit loss, gross unrealized gains and losses, and estimated fair value of the Company’s available-for-sale securities by security type were as follows:

	Cost or Amortized Cost	Allowance for Credit Loss	Gross Unrealized Gain	Gross Unrealized Loss	Estimated Fair Value
As of June 30, 2023					
U.S. Treasury and U.S. government agencies	$ 423,301	$ —	$ 9	$ (8,115)	$ 415,195
Corporate bonds	27,674	—	6	(1,290)	26,390
States, municipalities, and political subdivisions	899	—	—	(2)	897
Exchange-traded debt	494	—	—	(2)	492
Total	$ 452,368	$ —	$ 15	$ (9,409)	$ 442,974
As of December 31, 2022					
U.S. Treasury and U.S. government agencies	$ 463,648	$ —	$ 59	$ (9,105)	$ 454,602
Corporate bonds	28,378	—	20	(1,205)	27,193
States, municipalities, and political subdivisions	1,389	—	—	(6)	1,383
Exchange-traded debt	683	—	2	(52)	633
Redeemable preferred stock	99	—	—	(9)	90
Total	$ 494,197	$ —	$ 81	$ (10,377)	$ 483,901

Expected maturities may differ from contractual maturities as borrowers may have the right to call or prepay obligations with or without penalties. The scheduled contractual maturities of fixed-maturity securities as of June 30, 2023 and December 31, 2022 are as follows:

	June 30, 2023		December 31, 2022	
	Cost or Amortized Cost	Estimated Fair Value	Cost or Amortized Cost	Estimated Fair Value
Available-for-sale				
Due in one year or less	$ 281,316	$ 279,166	$ 266,170	$ 265,353
Due after one year through five years	167,454	160,590	223,153	214,307
Due after five years through ten years	3,104	2,726	4,380	3,797
Due after ten years	494	492	494	444
	$ 452,368	$ 442,974	$ 494,197	$ 483,901

Securities on Deposit

The fair value of fixed-maturity securities on deposit with various regulatory authorities at June 30, 2023 and December 31, 2022 was $

1,756
and $

1,100
, respectively.

Sales of Available-for-Sale Fixed-Maturity Securities

Proceeds received, and the gross realized gains and losses from sales of available-for-sale fixed-maturity securities, for the three and six months ended June 30, 2023 and 2022 were as follows:

	Proceeds	Gross Realized Gains	Gross Realized Losses
Three months ended June 30, 2023	$ 1,023	$ —	$ (12)
Three months ended June 30, 2022	$ 2,436	$ 11	$ (3)
Six months ended June 30, 2023	$ 12,083	$ —	$ (750)
Six months ended June 30, 2022	$ 11,494	$ 13	$ (434)

Gross Unrealized Losses for Available-for-Sale Fixed-Maturity Securities

Securities with gross unrealized loss positions at June 30, 2023 and December 31, 2022, aggregated by investment category and length of time the individual securities have been in a continuous loss position, are as follows:

	Less Than Twelve Months		Twelve Months or Longer		Total	
As of June 30, 2023	**Gross Unrealized Loss**	**Estimated Fair Value**	**Gross Unrealized Loss**	**Estimated Fair Value**	**Gross Unrealized Loss**	**Estimated Fair Value**
U.S. Treasury and U.S. government agencies	$ (3,466)	$ 294,688	$ (4,649)	$ 116,487	$ (8,115)	$ 411,175
Corporate bonds	(477)	15,101	(813)	10,483	(1,290)	25,584
States, municipalities, and political subdivisions	(2)	897	—	—	(2)	897
Exchange-traded debt	(2)	492	—	—	(2)	492
Total available-for-sale securities	$ (3,947)	$ 311,178	$ (5,462)	$ 126,970	$ (9,409)	$ 438,148

	Less Than Twelve Months	Twelve Months or Longer	Total

As of December 31, 2022	Gross Unrealized Loss	Estimated Fair Value	Gross Unrealized Loss	Estimated Fair Value	Gross Unrealized Loss	Estimated Fair Value
U.S. Treasury and U.S. government agencies	$ (8,701)	$ 269,116	$ (404)	$ 4,644	$ (9,105)	$ 273,760
Corporate bonds	(909)	23,028	(296)	2,541	(1,205)	25,569
States, municipalities, and political subdivisions	(6)	1,383	—	—	(6)	1,383
Exchange-traded debt	(52)	463	—	—	(52)	463
Redeemable preferred stock	(9)	90	—	—	(9)	90
Total available-for-sale securities	$ (9,677)	$ 294,080	$ (700)	$ 7,185	$ (10,377)	$ 301,265

At June 30, 2023 and December 31, 2022, there were

95
and

84
securities, respectively, in an unrealized loss position.

Allowance for Credit Losses of Available-for-Sale Fixed-Maturity Securities

The Company regularly reviews its individual investment securities for credit impairment. The Company considers various factors in determining whether a credit loss exists for each individual security, including-

- the financial condition and near-term prospects of the issuer, including any specific events that may affect its operations or earnings;
- the extent to which the market value of the security has been below its cost or amortized cost;
- general market conditions and industry or sector specific factors and other qualitative factors;
- nonpayment by the issuer of its contractually obligated interest and principal payments; and
- the Company's intent and ability to hold the investment for a period of time sufficient to allow for the recovery of costs.

There was

no

balance or activity in the allowance for credit losses of available-for-sale fixed-maturity securities during the three and six months ended June 30, 2023 and 2022.

b) Equity Securities

The Company holds investments in equity securities measured at fair values which are readily determinable. At June 30, 2023 and December 31, 2022, the cost, gross unrealized gains and losses, and estimated fair value of the Company's equity securities were as follows:

	Cost	Gross Unrealized Gain	Gross Unrealized Loss	Estimated Fair Value
June 30, 2023	$ 39,953	$ 3,177	$ (3,440)	$ 39,690
December 31, 2022	$ 36,272	$ 2,078	$ (3,767)	$ 34,583

The table below presents the portion of unrealized gains and losses in the Company's consolidated statements of income related to equity securities still held.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net gains (losses) recognized	$ 730	$ (4,323)	$ 844	$ (7,865)
Exclude: Net realized gains (losses) recognized for securities sold	(167)	(89)	(582)	(55)

Net unrealized gains (losses) recognized	$ 897	$ (4,234)	$ 1,426	$ (7,810)

Sales of Equity Securities

Proceeds received, and the gross realized gains and losses from sales of equity securities, for the three and six months ended June 30, 2023 and 2022 were as follows:

	Proceeds	Gross Realized Gains	Gross Realized Losses
Three months ended June 30, 2023	$ 2,523	$ 85	$ (252)
Three months ended June 30, 2022	$ 6,058	$ 433	$ (522)
Six months ended June 30, 2023	$ 6,277	$ 102	$ (684)
Six months ended June 30, 2022	$ 24,427	$ 1,853	$ (1,908)

c) Limited Partnership Investments

The Company has interests in limited partnerships that are not registered or readily tradeable on a securities exchange. These partnerships are private equity funds managed by general partners who make decisions with regard to financial policies and operations. As such, the Company is not the primary beneficiary and does not consolidate these partnerships. The following table provides information related to the Company's investments in limited partnerships:

	June 30, 2023			December 31, 2022		
Investment Strategy	**Carrying Value**	**Unfunded Balance**	**(%) (a)**	**Carrying Value**	**Unfunded Balance**	**(%) (a)**
Primarily in senior secured loans and, to a limited extent, in other debt and equity securities of private U.S. lower-middle-market companies. (b)(c)(e)	$ 3,255	$ —	15.37	$ 4,146	$ —	15.37
Value creation through active distressed debt investing primarily in bank loans, public and private corporate bonds, asset-backed securities, and equity securities received in connection with debt restructuring. (b)(d)(e)	2,320	—	1.25	2,528	—	1.66
High returns and long-term capital appreciation through investments in the power, utility and energy industries, and in the infrastructure sector. (b)(f)(g)	4,099	—	0.17	5,319	—	0.18
Value-oriented investments in less liquid and mispriced senior and junior debts of private equity-backed companies. (b)(h)(i)	3,240	—	0.55	3,470	—	0.56
Value-oriented investments in mature real estate private equity funds and portfolios globally. (b)(j)	7,751	2,891	1.32	7,457	3,125	1.32
Risk-adjusted returns on credit and equity investments, primarily in private equity-owned companies. (b)(k)	2,450	2,900	0.60	2,782	2,536	0.98
Total	$ 23,115	$ 5,791		$ 25,702	$ 5,661	

(a) Represents the Company's percentage investment in the fund at each balance sheet date.

(b) Except under certain circumstances, withdrawals from the funds or any assignments are not permitted. Distributions, except income from late admission of a new limited partner, will be received when underlying investments of the funds are liquidated.

(c) The term is expected to be two years following the maturity of the fund's outstanding leverage. Although the capital commitment period has expired, follow-on investments and pending commitments may require additional fundings.

(d) Effective July 1, 2023, this investment is in the process of winding down. Although the capital commitment period has ended, the general partner could still request an additional funding under certain circumstances.

(e) At the fund manager's discretion, the term of the fund may be extended for up to two additional one-year periods.

(f) Expected to have a ten-year term. The capital commitment period has expired but the general partner may request additional funding for follow-on investment.

(g) With the consent of a supermajority of partners, the term of the fund may be extended for up to three additional one-year periods.

(h) Expected to have an eight-year term from the commencement date, which can be extended for up to two additional one-year periods with the consent of either the advisory committee or a majority of limited partners.

(i) The capital commitment period has ended but an additional funding may be requested.

(j) The term is expected to end November 27, 2027 . The term may be extended for up to four additional one-year periods at the general partner's discretion, and up to two additional one-year periods with the consent of the advisory committee.

(k) Expected to have an eight-year term after the final admission date. The term may be extended for an additional one-year period at the general partner's discretion, and up to two additional one-year periods with the consent of either the advisory committee or a majority of limited partners.

The following is the summary of aggregated unaudited financial information of limited partnerships included in the investment strategy table above, which in certain cases is presented on a three-month lag due to the unavailability of information at the Company's respective balance sheet dates. The financial statements of these limited partnerships are audited annually.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	**2022**	**2023**	**2022**
Operating results:				
Total income	$ (144,193)	$ 179,117	$ 38,167	$ 515,945
Total expenses	(24,840)	(23,023)	(27,097)	(72,340)
Net (loss) income	$ (169,033)	$ 156,094	$ 11,070	$ 443,605

	June 30, 2023	**December 31, 2022**
Balance sheet:		
Total assets	$ 4,617,455	$ 5,119,695
Total liabilities	$ 442,233	$ 430,354

For the three months ended June 30, 2023, the Company recognized net investment loss from limited partnerships of $

11

. For the six months ended June 30, 2023, the Company recognized net investment income of $

. During the three and six months ended June 30, 2023, the Company received total cash distributions of $

1,112
and $

3,017
, respectively, including returns on investment of $

118
and $

421
, respectively.

For the three and six months ended June 30, 2022, the Company recognized net investment income of $

19
and $

1,799
, respectively. Included in net investment income for the three and six months ended June 30, 2022

was an estimated unfavorable change in net asset value of $

516

. During the three and six months ended June 30, 2022, the Company received total cash distributions of $

2,785
and $

4,381
, respectively, including returns on investment of $

1,235
and $

2,046
, respectively.

At June 30, 2023 and December 31, 2022, the Company's net cumulative contributed capital to the partnerships at each respective balance sheet date totaled $

22,271
and $

24,978
, respectively, and the Company's maximum exposure to loss aggregated $

23,115
and $

25,702
, respectively.

d) Investment in Unconsolidated Joint Venture

Melbourne FMA, LLC, a wholly owned subsidiary, had an equity investment in FMKT Mel JV, a Florida limited liability company treated as a joint venture under U.S. GAAP. In January 2023, the Company received the final distribution of $

18
from FMKT Mel JV, the unconsolidated joint venture that the Company had a

90
% equity interest in, which was liquidated on December 31, 2022. In June 2022, the joint venture sold its last remaining outparcel and recognized a gain on sale of $

572
.

e) Real Estate Investments

Real estate investments consist of the following as of June 30, 2023 and December 31, 2022:

	June 30, 2023	December 31, 2022
Land	$ 29,471	$ 38,327
Land improvements	4,387	12,138

Buildings and building improvements	12,544	29,410
Tenant and leasehold improvements	1,839	1,742
Other	1,593	1,649
Total, at cost	49,834	83,266
Less: accumulated depreciation and amortization	(5,931)	(11,878)
Real estate investments	$ 43,903	$ 71,388

Since January 1, 2023, a Tampa office building property that was previously leased to an unaffiliated company has been used in operations by the Company and serves as TTIG's corporate headquarters. As a result, in January 2023, $ 8,135 was reclassified out of real estate investments to property and equipment, net on the consolidated balance sheet.

On March 31, 2023, the Company closed on its agreement to sell the retail shopping center investment property in Melbourne, Florida for a price of $ 18,500 , and also closed on its agreement to sell the retail shopping center investment property in Sorrento, Florida for a price of $ 13,418 . In May 2022, the Company sold one outparcel in Sorrento, Florida for net proceeds of $ 667 . See additional information under *f) Net Investment Income* below.

Depreciation and amortization expense related to real estate investments was $ 228 and $ 483 for the three months ended June 30, 2023 and 2022, respectively, and $ 681 and $ 989 for the six months ended June 30, 2023 and 2022, respectively.

f) Net Investment Income

Net investment income (loss), by source, is summarized as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	**2022**	**2023**	**2022**
Available-for-sale fixed-maturity securities	$ 5,120	$ 1,137	$ 9,155	$ 1,585
Equity securities	378	300	674	587
Investment expense	(125)	(116)	(254)	(250)
Limited partnership investments	(11)	19	542	1,799
Real estate investments	270	1,538	9,563	1,885
Net income from unconsolidated joint venture	—	508	—	495
Cash and cash equivalents	3,162	298	6,829	451
Net investment income	$ 8,794	$ 3,684	$ 26,509	$ 6,552

For the six months ended June 30, 2023, income from real estate investments included a net realized gain of $ 6,476 resulting from the sale of the retail shopping center investment property in Melbourne, Florida in March 2023 for a price of $ 18,500 , and also included a net realized gain of $ 2,460 resulting from the sale of the retail shopping center investment property in Sorrento, Florida in March 2023 for a price of $ 13,418 .

For the three and six months ended June 30, 2022, income from real estate investments included a net gain of $ 376 resulting from the sale of the outparcel described under *e) Real Estate Investments* and $

451

of income from selling the liquor license previously owned by the Company’s restaurant business which was discontinued in 2020.

g) Other Investments

From time to time, the Company may invest in financial assets other than stocks, mutual funds, and bonds. For the three and six months ended June 30, 2023, net realized losses related to other investments were $

51
and $

47
, respectively. For the three and six months ended June 30, 2022, net realized gains were $

75
and $

156
, respectively.

Note 6 -- Comprehensive Income (Loss)

Comprehensive income (loss) includes net income and other comprehensive income or loss, which for the Company includes changes in unrealized gains or losses of available-for-sale fixed-maturity securities carried at fair value and changes to any credit losses related to these investments. Reclassification adjustments for realized (gains) losses are reflected in net realized investment gains (losses) on the consolidated statements of income. The components of other comprehensive income or loss and the related tax effects allocated to each component were as follows:

	Three Months Ended June 30, 2023			Three Months Ended June 30, 2022		
	Before Tax	Income Tax Effect	Net of Tax	Before Tax	Income Tax Effect	Net of Tax
Net unrealized losses	$ (2,263)	$ (574)	$ (1,689)	$ (2,174)	$ (551)	$ (1,623)
Reclassification adjustment for net realized losses (gains)	12	3	9	(8)	(2)	(6)
Total other comprehensive loss	$ (2,251)	$ (571)	$ (1,680)	$ (2,182)	$ (553)	$ (1,629)

	Six Months Ended June 30, 2023			Six Months Ended June 30, 2022		
	Before Tax	Income Tax Effect	Net of Tax	Before Tax	Income Tax Effect	Net of Tax
Net unrealized gains (losses)	$ 152	$ (2,571)	$ 2,723	$ (6,325)	$ (1,598)	$ (4,727)
Reclassification adjustment for net realized losses	750	190	560	421	107	314
Total other comprehensive income (loss)	$ 902	$ (2,381)	$ 3,283	$ (5,904)	$ (1,491)	$ (4,413)

Note 7 -- Fair Value Measurements

The Company records and discloses certain financial assets at their estimated fair values. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets.
- Level 2 – Other inputs that are observable for the asset, either directly or indirectly such as quoted prices for identical assets that are not observable throughout the full term of the asset.
- Level 3 – Inputs that are unobservable.

Valuation Methodology

Cash and Cash Equivalents

Cash and cash equivalents primarily consist of money-market funds and certificates of deposit maturing within 90 days. Their carrying value approximates fair value due to the short maturity and high liquidity of these funds.

Restricted Cash

Restricted cash represents cash held by state authorities or deposited in escrow. Its carrying value approximates fair value.

Fixed-Maturity and Equity Securities

Estimated fair values of the Company's fixed-maturity and equity securities are determined in accordance with U.S. GAAP, using valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Fair values are generally measured using quoted prices in active markets for identical securities or other inputs that are observable either directly or indirectly, such as quoted prices for similar securities. In those instances where observable inputs are not available, fair values are measured using unobservable inputs. Unobservable inputs reflect the Company's own assumptions about the assumptions that market participants would use in pricing the security and are developed based on the best information available in the circumstances. Fair value estimates derived from unobservable inputs are significantly affected by the assumptions used, including the discount rates and the estimated amounts and timing of future cash flows. The derived fair value estimates cannot be substantiated by comparison to independent markets and are not necessarily indicative of the amounts that would be realized in a current market exchange.

The estimated fair values for securities that do not trade on a daily basis are determined by management, utilizing prices obtained from an independent pricing service and information provided by brokers, which are level 2 inputs. Management reviews the assumptions and methods utilized by the pricing service and then compares the relevant data and pricing to broker-provided data. The Company gains assurance of the overall reasonableness and consistent application of the assumptions and methodologies, and compliance with accounting standards for fair value determination through ongoing monitoring of the reported fair values.

Revolving Credit Facility

From time to time, the Company has an amount outstanding under a revolving credit facility. The interest rate is variable and is periodically adjusted based on the Secured Overnight Financing Rate ("SOFR") plus a ten basis points adjustment plus a margin based on the debt-to-capital ratio. As a result, carrying value, when outstanding, approximates fair value.

Long-Term Debt

The following table summarizes components of the Company's long-term debt and methods used in estimating their fair values:

	Maturity Date	Valuation Methodology
4.75 % Convertible Senior Notes	2042	Quoted price
4.25 % Convertible Senior Notes	2037	Quoted price
3.90 % Promissory Note	*	Discounted cash flow method/Level 3 inputs
3.75 % Callable Promissory Note	*	Discounted cash flow method/Level 3 inputs
4.55 % Promissory Note	2036	Discounted cash flow method/Level 3 inputs
5.50 % Promissory Note	2033	Discounted cash flow method/Level 3 inputs

* Debt derecognized in March 2023. See Note 11 -- "Long-Term Debt" for additional information.

Assets Measured at Estimated Fair Value on a Recurring Basis

The following tables present information about the Company's financial assets measured at estimated fair value on a recurring basis. The tables indicate the fair value hierarchy of the valuation techniques utilized by the Company to determine such fair value as of June 30, 2023 and December 31, 2022:

	Fair Value Measurements Using			
	(Level 1)	(Level 2)	(Level 3)	Total
As of June 30, 2023				
Financial Assets:				
Cash and cash equivalents	$ 293,991	$ —	$ —	$ 293,991
Restricted cash	$ 2,987	$ —	$ —	$ 2,987
Fixed-maturity securities:				
U.S. Treasury and U.S. government agencies	$ 407,370	$ 7,825	$ —	$ 415,195
Corporate bonds	26,390	—	—	26,390
State, municipalities, and political subdivisions	—	897	—	897
Exchange-traded debt	492	—	—	492
Total available-for-sale securities	$ 434,252	$ 8,722	$ —	$ 442,974
Equity securities	$ 39,690	$ —	$ —	$ 39,690

	Fair Value Measurements Using			
	(Level 1)	(Level 2)	(Level 3)	Total
As of December 31, 2022				
Financial Assets:				
Cash and cash equivalents	$ 234,863	$ —	$ —	$ 234,863
Restricted cash	$ 2,900	$ —	$ —	$ 2,900
Fixed-maturity securities:				
U.S. Treasury and U.S. government agencies	$ 446,233	$ 8,369	$ —	$ 454,602

Corporate bonds	27,193	—	—	27,193
State, municipalities, and political subdivisions	—	1,383	—	1,383
Exchange-traded debt	633	—	—	633
Redeemable preferred stock	90	—	—	90
Total available-for-sale securities	$ 474,149	$ 9,752	$ —	$ 483,901
Equity securities	$ 34,583	$ —	$ —	$ 34,583

Liabilities Carried at Other Than Fair Value

The following tables present fair value information for liabilities that are carried on the consolidated balance sheets at amounts other than fair value as of June 30, 2023 and December 31, 2022:

	Carrying Value	Fair Value Measurements Using (Level 1)	(Level 2)	(Level 3)	Estimated Fair Value
As of June 30, 2023					
Financial Liabilities:					
Long-term debt:					
4.75 % Convertible Senior Notes	$ 167,671	$ —	$ 172,205	$ —	$ 172,205
4.25 % Convertible Senior Notes	23,916	—	25,596	—	25,596
5.50 % Promissory Note	11,792	—	—	11,242	11,242
4.55 % Promissory Note	4,771	—	—	4,354	4,354
Total long-term debt	$ 208,150	$ —	$ 197,801	$ 15,596	$ 213,397

	Carrying Value	Fair Value Measurements Using (Level 1)	(Level 2)	(Level 3)	Estimated Fair Value
As of December 31, 2022					
Financial Liabilities:					
Long-term debt:					
4.75 % Convertible Senior Notes	$ 167,126	$ —	$ 133,167	$ —	$ 133,167
4.25 % Convertible Senior Notes	23,916	—	19,473	—	19,473
3.90 % Promissory Note	8,943	—	—	8,152	8,152
3.75 % Callable Promissory Note	6,789	—	—	6,171	6,171
4.55 % Promissory Note	4,900	—	—	4,642	4,642
Total long-term debt	$ 211,674	$ —	$ 152,640	$ 18,965	$ 171,605

Note 8 -- Intangible Assets, Net

The Company's intangible assets, net consist of the following:

	June 30, 2023	December 31, 2022
Anchor tenant relationships (a)	$ —	$ 1,761
In-place leases	409	3,579
Policy renewal rights	10,100	10,100
Non-compete agreements (b)	314	314
Total, at cost	10,823	15,754
Less: accumulated amortization	(3,750)	(5,176)
Intangible assets, net	$ 7,073	$ 10,578

(a) An anchor tenant is a tenant that attracts more customers than other tenants.

(b) Fully amortized.

The remaining weighted-average amortization periods for the intangible assets as of June 30, 2023 are summarized in the table below:

In-place leases	11.8 years
Policy renewal rights	2.8 years

In connection with the sales of the retail shopping center investment properties in Melbourne, Florida and Sorrento, Florida as described in Note 5 -- “Investments” under *Real Estate Investments*, the Company derecognized $

2,200

of intangible assets, net on March 31, 2023.

At June 30, 2023 and December 31, 2022, contingent liabilities related to renewal rights intangible assets were $

371

and are included in other liabilities on the consolidated balance sheets.

Note 9 -- Other Assets

The following table summarizes the Company's other assets:

	June 30, 2023	December 31, 2022
Benefits receivable related to retrospective reinsurance contracts	$ 30,303	$ 16,317
Reimbursement and fees receivable under TPA service	5,337	7,303
Prepaid expenses	3,529	2,826
Reinsurance premium adjustment receivable	3,457	—
Deposits	466	491
Lease acquisition costs, net	683	832
Other	1,970	3,902
Total other assets	$ 45,745	$ 31,671

Management reviewed the collectability of the reimbursement and fees receivable under third-party administrator ("TPA") service as of June 30, 2023 and, considering the net balance due to the counterparty as well as the balance of funds withheld for assumed business as of June 30, 2023, determined that an allowance for credit losses is not necessary for the reimbursement and fees receivable under TPA service.

Note 10 -- Revolving Credit Facility

At June 30, 2023, the Company had

no

borrowings outstanding under the credit facility. For the three months ended June 30, 2023 and 2022, interest expense was $

23

and $

62

, respectively, including $

22

and $

24

of amortization of issuance costs, respectively. For the six months ended June 30, 2023 and 2022, interest expense was $

48

and $

151

, respectively, including $

47

and $

49

of amortization of issuance costs, respectively. At June 30, 2023, the Company was in compliance with all required covenants and had available borrowing capacity of $

50,000

.

On June 2, 2023, the Company executed the Amended Credit Agreement. Under the terms of this agreement, the expiry date of the revolving commitment was extended to December 31, 2024 and the maximum debt-to-capital ratio as defined in the Amended Credit Agreement is set at

65

% beginning with the first quarter of 2024.

Note 11 -- Long-Term Debt

The following table summarizes the Company's long-term debt:

	June 30, 2023	December 31, 2022
4.75 % Convertible Senior Notes, due June 1, 2042	$ 172,500	$ 172,500
4.25 % Convertible Senior Notes, due March 1, 2037	23,916	23,916
3.90 % Promissory Note, due through April 1, 2032	—	9,072
3.75 % Callable Promissory Note, due through September 1, 2036	—	6,871
4.55 % Promissory Note, due through August 1, 2036	4,836	4,968
5.50 % Promissory Note, due through July 1, 2033	12,000	—
Finance lease liabilities, due through October 15, 2024	6	13
Total principal amount	213,258	217,340
Less: unamortized issuance costs	(5,102)	(5,653)
Total long-term debt	$ 208,156	$ 211,687

The following table summarizes future maturities of long-term debt as of June 30, 2023, which takes into consideration the assumption that the

4.75
% Convertible Senior Notes and

4.25

% Convertible Senior Notes are repurchased at their respective next earliest call dates:

Due in 12 months following June 30,	
2023	$ 490
2024	530
2025	556
2026	197,001
2027	614
Thereafter	14,067
Total	$ 213,258

Information with respect to interest expense related to long-term debt is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	**2022**	**2023**	**2022**
Interest Expense:				
Contractual interest	$ 2,367	$ 1,334	$ 4,864	$ 1,806
Non-cash expense (a)	277	119	556	159
Total	$ 2,644	$ 1,453	$ 5,420	$ 1,965

(a) Includes amortization of debt issuance costs.

4.25% Convertible Senior Notes

The Company’s recent cash dividends on common stock have exceeded $

0.35

per share, resulting in adjustments to the conversion rate of the 4.25% Convertible Senior Notes. Accordingly, as of June 30, 2023, the conversion rate of the Company’s

4.25

% Convertible Senior Notes was

16.5639

shares of common stock for each $1 in principal amount, which was the equivalent of approximately $

60.37

per share.

There were

no
unamortized debt issuance costs for the 4.25% Convertible Senior Notes at June 30, 2023.

4.75% Convertible Senior Notes

The conversion rate of the

4.75
% Convertible Senior Notes issued in May 2022 is currently

12.4166
shares of common stock for each $1 in principal amount, which is the equivalent of approximately $

80.54
per share.

The effective interest rate for the 4.75% Convertible Senior Notes, taking into account both cash and non-cash components, approximates

5.6
%. Had a 20-year term been used for the amortization of the issuance costs of the 4.75% Convertible Senior Notes, the annual effective interest rate charged to earnings would have decreased to approximately

5.0
%. As of June 30, 2023, the remaining amortization period of the debt issuance costs was expected to be 3.9 years for the 4.75% Convertible Senior Notes.

3.90% Promissory Note

On March 31, 2023, in conjunction with the sale of the retail shopping center investment property in Melbourne, Florida for a price of $

18,500
, the buyer assumed the 3.90% Promissory Note from the Company which consisted of the $

8,979
principal balance plus $

16
of accrued interest at March 31, 2023.

3.75% Callable Promissory Note

On March 31, 2023, the Company made an early repayment of the entirety of its 3.75% Callable Promissory Note which included $

6,775
of principal balance plus $

22
of accrued interest. As a result, the Company incurred a $

177
loss on extinguishment of debt. The note was collateralized by the retail shopping center investment property in Sorrento, Florida which was sold as described in Note 5 -- “Investments” under *Real Estate Investments*.

5.50% Promissory Note

On June 26, 2023, Gulf to Bay LM, LLC, a subsidiary of the Company, entered into a ten-year secured loan agreement for proceeds of $

12,000
. The loan is collateralized by the Company’s Clearwater, Florida real estate, which is owned by Gulf to Bay LM, LLC, and the lease agreements associated with this property. The loan bears a fixed annual interest rate of

5.50
%. Approximately $

74
of principal and interest is payable in 120 monthly installments. The promissory note may be repaid in full or in part after August 1, 2025 as long as the Company provides at least 30 days' written notice and pays a prepayment consideration as specified in the loan agreement. The proceeds will be used for real estate development projects or other general business purposes.

Note 12 -- Reinsurance

Reinsurance obtained from other insurance companies

The Company cedes a portion of its homeowners' insurance exposure to other entities under catastrophe excess of loss reinsurance contracts and a portion of its flood insurance exposure under one quota share reinsurance agreement. Ceded premiums under most catastrophe excess of loss reinsurance contracts are subject to revision resulting from subsequent adjustments in total insured value. Under the terms of the quota share reinsurance agreement, the Company is entitled to a

30
% ceding commission on ceded premiums written and a profit commission equal to

10
% of net profit.

On January 12, 2023, HCPCI and TypTap received approval from the Florida Office of Insurance Regulation ("FLOIR") to discontinue flood insurance policies written in Florida. Since the approval, the Company

has cancelled or not renewed the majority of its flood insurance policies. However, the Company is required to continue providing flood insurance coverage to policyholders with open claims until criteria set by the FLOIR for cancellation and non-renewal are met. The reason for discontinuation is primarily attributable to the increased costs and reduced availability of flood reinsurance. The discontinuation does not have a material impact to the Company's results of operations.

The Company remains liable for claims payments in the event that any reinsurer is unable to meet its obligations under the reinsurance agreements. Failure of reinsurers to honor their obligations could result in losses to the Company. The Company evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsurers to minimize its exposure to significant losses from reinsurer insolvencies. The Company contracts with a number of reinsurers to secure its annual reinsurance coverage, which generally becomes effective June 1st of each year. The Company purchases reinsurance each year taking into consideration probable maximum losses and reinsurance market conditions.

The impact of the reinsurance contracts on premiums written and earned is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Premiums Written:				
Direct	$ 179,983	$ 187,792	$ 387,406	$ 359,773
Assumed	—	(1,640)	(7,569)	3,673
Gross written	179,983	186,152	379,837	363,446
Ceded	(66,390)	(56,205)	(136,899)	(109,367)
Net premiums written	$ 113,593	$ 129,947	$ 242,938	$ 254,079
Premiums Earned:				
Direct	$ 181,946	$ 164,887	$ 354,851	$ 313,733
Assumed	—	16,237	7,163	46,316
Gross earned	181,946	181,124	362,014	360,049
Ceded	(66,390)	(56,205)	(136,899)	(109,367)
Net premiums earned	$ 115,556	$ 124,919	$ 225,115	$ 250,682

During the three and six months ended June 30, 2023, the Company recognized ceded losses of $

1,109
and $

3,860
, respectively, as reductions in losses and loss adjustment expenses. During the three and six months ended June 30, 2022, the Company recognized ceded losses of $

2,517
and $

3,387
, respectively, as reductions in losses and loss adjustment expenses. At June 30, 2023 and December 31, 2022, there were

33
and

45
reinsurers, respectively, participating in the Company's reinsurance program. Total net amounts recoverable and receivable from reinsurers at June 30, 2023 and December 31, 2022 were $

550,691
and $

688,359
, respectively. Approximately

53.8
% of the reinsurance recoverable balance at June 30, 2023 was receivable from

five
reinsurers. Based on all available information considered in the rating-based method, the Company recognized decreases in credit loss expense of $

101
and $

102
for the three and six months ended June 30, 2023, respectively. For the three and six months ended June 30, 2022, the Company recognized decreases in credit loss expense of $

17
and $

28
, respectively. Allowances for credit losses related to the reinsurance recoverable balance were $

352
and $

454
at June 30, 2023 and December 31, 2022, respectively.

One of the existing reinsurance contracts includes retrospective provisions that adjust premiums in the event losses are minimal or zero. Prior to June 1, 2022, there were two reinsurance contracts with retrospective provisions. For the three and six months ended June 30, 2023, the Company recognized reductions in premiums

ceded of $

6,993
and $

13,986
, respectively, related to these adjustments in the consolidated statements of income. For the three and six months ended June 30, 2022, the Company recognized reductions in premiums ceded of $

6,390
and $

7,874
, respectively. See Note 21 -- “Commitments and Contingencies” for additional information.

Amounts receivable pursuant to retrospective provisions are reflected in other assets. At June 30, 2023 and December 31, 2022, other assets included $

30,303
and $

16,317
, respectively, of amounts receivable pursuant to retrospective provisions. Management believes the credit risk associated with the collectability of these accrued benefits is minimal as the amount receivable is concentrated with one reinsurer with a good credit rating and the Company monitors the creditworthiness of this reinsurer based on available information about the reinsurer’s financial condition.

Reinsurance provided to other insurance companies

In 2022, the Company provided quota share reinsurance on all policies issued by United Property & Casualty Insurance Company, an insurance subsidiary of United Insurance Holdings Corporation (“United”), in the states of Connecticut, New Jersey, Massachusetts, and Rhode Island (collectively “Northeast Region”) and the states of Georgia, North Carolina, and South Carolina (collectively “Southeast Region”). These policies were renewed and/or replaced by the Company. As of the financial reporting date, there was no reinsurance provided to United by the Company. However, additional losses may be incurred pertaining to the previous coverage periods of the quota share reinsurance agreements.

For the three and six months ended June 30, 2023, assumed premiums written related to the Northeast Region’s insurance policies were $

0

, whereas for the three and six months ended June 30, 2022, $

20,639
and $

27,488
, respectively, of assumed premiums written related to the Northeast Region’s insurance policies were derecognized, which primarily resulted from the return of the unearned portion of assumed written premiums subsequent to the Company’s renewal and/or replacement of insurance policies in Massachusetts. At June 30, 2023, the Company had a net balance of $

1,207
due to United related to the Northeast Region, consisting of payable on paid losses and loss adjustment expenses of $

626
and ceding commission payable of $

581
. At December 31, 2022, the Company had a net balance of $

1,581
due to United related to the Northeast Region, consisting of payable on paid losses and loss adjustment expenses of $

1,000
and ceding commission payable of $

581
. Effective December 30, 2022, the Company's quota share reinsurance agreement to provide 100% reinsurance on United's policies in the Northeast Region was commuted.

For the three and six months ended June 30, 2023, $

0
and $

7,569
, respectively, of assumed premiums written related to the Southeast Region's insurance policies were derecognized, which primarily resulted from the return of the unearned portion of assumed written premiums subsequent to the Company's renewal and/or replacement of insurance policies in the Southeast Region, whereas for the three and six months ended June 30, 2022, assumed premiums written related to the Southeast Region's insurance policies were $

18,999
and $

31,161
, respectively. At June 30, 2023, the Company had a net balance of $

14,402
due to United related to the Southeast Region, consisting of premiums payable of $

9,506
and payable on paid losses and loss adjustment expenses of $

6,417
, offset by ceding commission receivable of $

1,521
. At December 31, 2022, the Company had a net balance of $

7,521
due to United related to the Southeast Region, consisting of payable on paid losses and loss adjustment expenses of $

7,606
and ceding commission payable of $

16
, offset by premiums receivable of $

101
.

On February 27, 2023, United's Florida-domiciled residential insurance subsidiary was placed into receivership by the State of Florida due to its financial insolvency. At June 30, 2023, the Company had a net amount due to United of $

10,272
and funds withheld for assumed business in trust accounts totaling $

45,767
for

the benefit of policies assumed from United. The Company ceased providing TPA services to United in March 2023. The Company cannot predict the actions a receiver might take, which may include restrictions on, or use of, funds held in trust. Any such actions could have a material adverse effect on the Company's financial position and results of operations.

At June 30, 2023 and December 31, 2022, the balance of funds withheld for assumed business related to the Company's quota share reinsurance agreements with United was $

45,767
and $

48,772
, respectively.

Note 13 -- Losses and Loss Adjustment Expenses

The liability for losses and loss adjustment expenses ("LAE") is determined on an individual case basis for all claims reported. The liability also includes amounts for unallocated expenses, anticipated future claims development and losses incurred but not reported.

The Company primarily writes insurance in states which could be exposed to hurricanes or other natural catastrophes. The occurrence of a major catastrophe could have a significant effect on the Company's quarterly results and cause a temporary disruption of the normal operations of the Company. However, the Company is unable to predict the frequency or severity of any such events that may occur in the near term or thereafter.

Activity in the liability for losses and LAE is summarized as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net balance, beginning of period*	$ 246,051	$ 179,837	$ 246,546	$ 172,410
Incurred, net of reinsurance, related to:				
Current period	60,968	78,448	117,666	148,524
Prior periods	922	8,382	4,789	11,010
Total incurred, net of reinsurance	61,890	86,830	122,455	159,534
Paid, net of reinsurance, related to:				
Current period	(27,105)	(37,627)	(38,215)	(56,423)
Prior periods	(37,250)	(32,626)	(87,200)	(79,107)
Total paid, net of reinsurance	(64,355)	(70,253)	(125,415)	(135,530)
Net balance, end of period	243,586	196,414	243,586	196,414

Add: reinsurance recoverable before allowance for credit losses	505,369	42,410	505,369	42,410
Gross balance, end of period	$ 748,955	$ 238,824	$ 748,955	$ 238,824

* Net balance represents beginning-of-period liability for unpaid losses and LAE less beginning-of-period reinsurance recoverable for unpaid losses and LAE.

The establishment of loss and LAE reserves is an inherently uncertain process and changes in loss and LAE reserve estimates are expected as these estimates are subject to the outcome of future events. Changes in estimates, or differences between estimates and amounts ultimately paid, are reflected in the operating results of the period during which such estimates are adjusted. During the three and six months ended June 30, 2023, the Company recognized losses related to prior periods of $

922

and $

4,789

, respectively, primarily to increase reserves in response to litigation. Losses and LAE for the three and six months ended June 30, 2023 included net estimated losses of approximately $

13,700

and $

35,335

, respectively, related to United policies assumed, renewed and/or replaced. Lower losses and LAE for the three and six months ended June 30, 2023 primarily resulted from a decrease in claims and litigation related to Florida policies.

Note 14 -- Segment Information

The Company identifies its operating divisions or segments based on managerial emphasis, organizational structure and revenue source. The Company has

four

reportable segments: HCPCI insurance operations, TypTap Group, real estate operations, and corporate and other. Due to their economic characteristics, the Company's property and casualty insurance division and reinsurance operations, excluding the insurance operations under TypTap Group, are grouped together into one reportable segment under HCPCI insurance operations. The TypTap Group segment includes its property and casualty insurance operations, information technology operations and its management company's activities. The real estate operations segment includes companies engaged in operating commercial properties the Company owns for investment purposes or for use in its own operations. The corporate and other segment represents the activities of the holding companies and any other companies that do not meet the quantitative and qualitative thresholds for a reportable segment. The determination of segments may change over time due to changes in operational emphasis, revenues, and results of operations. The Company's chief executive officer, who serves as the Company's chief operating decision maker, evaluates each division's financial and operating performance based on revenue and operating income.

For the three months ended June 30, 2023 and 2022, revenues from the HCPCI insurance operations segment before intracompany elimination represented

65.1
% and

69.8
%, respectively, and revenues from the TypTap Group segment represented

33.4
% and

27.9
%, respectively, of total revenues of all operating segments. For the six months ended June 30, 2023 and 2022, revenues from the HCPCI insurance operations segment before intracompany elimination represented

63.3
% and

69.8
%, respectively, and revenues from the TypTap Group segment represented

34.9
% and

28.1
%, respectively, of total revenues of all operating segments. At June 30, 2023 and December 31, 2022, HCPCI insurance operations' total assets represented

56.3
% and

53.4
%, respectively, and TypTap Group's total assets represented

35.3
% and

37.9
%, respectively, of the combined assets of all operating segments.

HCI GROUP, INC. AND SUBSIDIARIES
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The following tables present segment information reconciled to the Company's consolidated statements of income. Intersegment transactions are not eliminated from segment results. However, intracompany transactions are eliminated in segment results below.

For Three Months Ended June 30, 2023	HCPCI Insurance Operations	TypTap Group	Real Estate (a)	Corporate/ Other (b)	Reclassification/ Elimination	Consolidated
Revenue:						
Gross premiums earned (c)	$ 101,790	$ 85,071	$ —	$ —	$ (4,915)	$ 181,946
Premiums ceded	(40,453)	(30,848)	—	—	4,911	(66,390)
Net premiums earned	61,337	54,223	—	—	(4)	115,556
Net income from investment portfolio	4,393	3,602	—	1,627	(161)	9,461
Policy fee income	551	918	—	—	—	1,469
Other	3,717	1,190	2,132	677	(6,875)	841
Total revenue	69,998	59,933	2,132	2,304	(7,040)	127,327
Expenses:						
Losses and loss adjustment expenses	27,653	34,937	—	—	(700)	61,890
Amortization of deferred policy acquisition costs	10,000	11,422	—	—	—	21,422
Other policy acquisition expenses	617	597	—	—	(18)	1,196
Stock-based compensation expense	498	658	—	711	—	1,867
Interest expense	—	430	67	2,600	(430)	2,667
Depreciation and amortization	141	1,030	326	204	(236)	1,465
Personnel and other operating expenses	8,916	9,938	1,501	1,855	(5,656)	16,554
Total expenses	47,825	59,012	1,894	5,370	(7,040)	107,061

Income (loss) before income taxes				(		
	$ 22,173	$ 921	$ 238	$ 3,066)	$ —	$ 20,266
Total revenue from non-affiliates (d)						
	$ 62,240	$ 67,411	$ 1,325	$ 1,735		
Gross premiums written						
	$ 140,545	$ 39,438				

(a) Other revenue under real estate primarily consisted of rental income from investment properties.

(b) Other revenue under corporate and other primarily consisted of revenue from marina business.

(c) Gross premiums earned under HCPCI Insurance Operations consist of $

96,875

from HCPCI and $

4,915

from a reinsurance company.

(d) Represents amounts before reclassification of certain revenue and expenses to conform with an insurance company's presentation.

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For Three Months Ended June 30, 2022	HCPCI Insurance Operations	TypTap Group	Real Estate (a)	Corporate/ Other (b)	Reclassification/ Elimination	Consolidated
Revenue:						
Gross premiums earned (c)	$ 115,636	$ 67,443	$ —	$ —	$ (1,955)	$ 181,124
Premiums ceded	(36,979)	(20,629)	—	—	1,403	(56,205)
Net premiums earned	78,657	46,814	—	—	(552)	124,919
Net (loss) income from investment portfolio	(1,446)	283	—	(1,228)	1,835	(556)
Policy fee income	628	424	—	—	—	1,052
Other	414	532	2,765	1,472	(4,672)	511
Total revenue	78,253	48,053	2,765	244	(3,389)	125,926
Expenses:						
Losses and loss adjustment expenses	48,692	38,692	—	—	(554)	86,830
Amortization of deferred policy acquisition costs	15,904	7,167	—	—	—	23,071
Other policy acquisition expenses	657	3,135	—	—	—	3,792
Stock-based compensation expense	1,187	897	—	2,158	—	4,242
Interest expense	—	211	224	1,291	(211)	1,515
Depreciation and amortization	153	774	606	302	(600)	1,235
Personnel and other operating expenses	7,760	8,526	626	1,913	(2,024)	16,801
Total expenses	74,353	59,402	1,456	5,664	(3,389)	137,486
Income (loss) before income taxes	$ 3,900	$ (11,349)	$ 1,309	$ (5,420)	$ —	$ (11,560)

Total revenue from non-affiliates (d)	$ 76,276	$ 49,009	$ 2,427	$ (359)
Gross premiums written	$ 113,139	$ 73,013		

(a) Other revenue under real estate primarily consisted of rental income from investment properties.

(b) Other revenue under corporate and other primarily consisted of revenue from marina business.

(c) Gross premiums earned under HCPCI Insurance Operations consist of $ 113,681 from HCPCI and $ 1,955 from a reinsurance company.

(d) Represents amounts before reclassification of certain revenue and expenses to conform with an insurance company's presentation.

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For Six Months Ended June 30, 2023	HCPCI Insurance Operations	TypTap Group	Real Estate (a)	Corporate/ Other (b)	Reclassification/ Elimination	Consolidated
Revenue:						
Gross premiums earned (c)	$ 198,781	$ 172,683	$ —	$ —	$ (9,450)	$ 362,014
Premiums ceded	(80,648)	(65,671)	—	—	9,420	(136,899)
Net premiums earned	118,133	107,012	—	—	(30)	225,115
Net income from investment portfolio	7,347	6,981	—	3,527	8,701	26,556
Gain from sales of real estate investments	—	—	8,936	—	(8,936)	—
Policy fee income	1,114	1,445	—	—	—	2,559
Other	8,370	2,833	5,055	1,272	(15,404)	2,126
Total revenue	134,964	118,271	13,991	4,799	(15,669)	256,356
Expenses:						
Losses and loss adjustment expenses	56,435	67,993	—	—	(1,973)	122,455
Amortization of deferred policy acquisition costs	19,621	23,285	—	—	—	42,906
Other policy acquisition expenses	1,272	1,208	—	—	(48)	2,432
Stock-based compensation expense	994	1,487	—	1,492	—	3,973
Interest expense	—	861	270	5,198	(861)	5,468
Depreciation and amortization	280	1,986	953	406	(773)	2,852
Loss on extinguishment of debt	—	—	177	—	(177)	—
Personnel and other operating expenses	18,835	19,371	3,055	3,444	(11,837)	32,868

Total expenses	97,437	116,191	4,455	10,540	(15,669)	212,954
Income (loss) before income taxes	$ 37,527	$ 2,080	$ 9,536	$ (5,741)	$ —	$ 43,402
Total revenue from non-affiliates (d)	$ 119,169	$ 128,697	$ 12,376	$ 3,661		
Gross premiums written	$ 225,698	$ 154,139				

(a) Other revenue under real estate primarily consisted of rental income from investment properties.

(b) Other revenue under corporate and other primarily consisted of revenue from marina business.

(c) Gross premiums earned under HCPCI Insurance Operations consist of $

189,331

from HCPCI and $

9,450

from a reinsurance company.

(d) Represents amounts before reclassification of certain revenue and expenses to conform with an insurance company's presentation.

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(Amounts in thousands, except share and per share amounts, unless otherwise stated)

For Six Months Ended June 30, 2022	HCPCI Insurance Operations	TypTap Group	Real Estate (a)	Corporate/ Other (b)	Reclassification/ Elimination	Consolidated
Revenue:						
Gross premiums earned (c)	$ 234,941	$ 128,065	$ —	$ —	$ (2,957)	$ 360,049
Premiums ceded	(73,932)	(37,562)	—	—	2,127	(109,367)
Net premiums earned	161,009	90,503	—	—	(830)	250,682
Net (loss) income from investment portfolio	(2,903)	267	—	(912)	1,970	(1,578)
Policy fee income	1,282	827	—	—	—	2,109
Other	1,661	1,001	5,168	2,308	(8,385)	1,753
Total revenue	161,049	92,598	5,168	1,396	(7,245)	252,966
Expenses:						
Losses and loss adjustment expenses	92,687	67,680	—	—	(833)	159,534
Amortization of deferred policy acquisition costs	35,006	16,589	—	—	—	51,595
Other policy acquisition expenses	1,258	3,418	—	—	—	4,676
Stock-based compensation expense	2,331	1,782	—	4,466	—	8,579
Interest expense	—	411	451	1,665	(411)	2,116
Depreciation and amortization	267	1,335	1,211	474	(1,223)	2,064
Personnel and other operating expenses	15,140	16,019	1,933	3,647	(4,778)	31,961
Total expenses	146,689	107,234	3,595	10,252	(7,245)	260,525
Income (loss) before income taxes	$ 14,360	$ (14,636)	$ 1,573	$ (8,856)	$ —	$ (7,559)

Total revenue from non-affiliates (d)	$ 158,009	$ 93,832	$ 4,491	$ 90
Gross premiums written	$ 204,280	$ 159,166		

(a) Other revenue under real estate primarily consisted of rental income from investment properties.
(b) Other revenue under corporate and other primarily consisted of revenue from marina business.
(c) Gross premiums earned under HCPCI Insurance Operations consist of $ 231,984 from HCPCI and $ 2,957 from a reinsurance company.
(d) Represents amounts before reclassification of certain revenue and expenses to conform with an insurance company's presentation.

The following table presents segment assets reconciled to the Company's total assets on the consolidated balance sheets:

	June 30, 2023	December 31, 2022
Segments:		
HCPCI Insurance Operations	$ 949,461	$ 912,233
TypTap Group	652,306	704,429
Real Estate Operations	105,149	126,001
Corporate and Other	184,839	159,378
Consolidation and Elimination	(164,918)	(98,713)
Total assets	$ 1,726,837	$ 1,803,328

Note 15 -- Leases

The table below summarizes the Company's right-of-use ("ROU") assets and corresponding liabilities for operating and finance leases:

	June 30, 2023	December 31, 2022
Operating leases:		
ROU assets	$ 1,368	$ 777
Liabilities	$ 1,372	$ 721
Finance leases:		
ROU assets	$ 68	$ 80
Liabilities	$ 6	$ 13

The Company entered into a new lease effective March 2023 for its office space in Plantation, Florida which relates to its claims related administration. The lease has an initial term of 5.25 years.

The following table summarizes the Company's operating and finance leases in which the Company is a lessee:

Class of Assets	Initial Term	Renewal Option	Other Terms and Conditions
Operating lease:			
Office space	3 to 9 years	Yes	(a), (b)
Finance lease:			
Office equipment	3 to 5 years	Not applicable	(c)

(a) There are no variable lease payments.
(b) Rent escalation provisions exist.
(c) There is a bargain purchase option.

As of June 30, 2023, maturities of lease liabilities were as follows:

	Leases	
	Operating	Finance
Due in 12 months following June 30,		
2023	$ 251	$ 5
2024	257	1
2025	267	—

2026	277	—
2027	272	—
Thereafter	308	—
Total lease payments	1,632	6
Less: interest	260	—
Total lease obligations	$ 1,372	$ 6

The following table provides quantitative information with regards to the Company's operating and finance leases:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Lease costs:				
Finance lease costs:				
Amortization – ROU assets*	$ 4	$ 5	$ 8	$ 10
Operating lease costs*	77	282	129	656
Short-term lease costs*	74	91	167	201
Total lease costs	$ 155	$ 378	$ 304	$ 867
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows – operating leases			$ 73	$ 648
Financing cash flows – finance leases			$ 7	$ 10

	June 30, 2023
Weighted-average remaining lease term:	
Finance leases (in years)	0.9
Operating leases (in years)	6.2
Weighted-average discount rate:	
Finance leases (%)	3.2 %
Operating leases (%)	5.9 %

* Included in other operating expenses on the consolidated statements of income.

The following table summarizes the Company's operating leases in which the Company is a lessor:

Class of Assets	Initial Term	Renewal Option	Other Terms and Conditions
Operating lease:			
Retail space	3 to 15 years	Yes	(d)
Boat docks/wet slips	1 to 12 months	Yes	(d)

(d) There are no purchase options.

Note 16 -- Income Taxes

A valuation allowance must be established for deferred tax assets when it is more likely than not that the deferred tax assets will not be realized based on available evidence both positive and negative, including recent operating results, available tax planning strategies, and projected future taxable income. As of December 31, 2022, management concluded that it was more likely than not that the deferred tax assets would not be realized and therefore recorded a valuation allowance. The Company evaluates the realizability of its deferred tax assets each quarter, and during the first quarter of 2023, based on all of the available evidence, management concluded that it is more likely than not that the deferred tax assets will be realized and therefore is releasing the entire valuation allowance in 2023, as a part of the effective tax rate. During the three and six months ended June 30, 2023, approximately $

294
and $

1,184
, respectively, of valuation allowance was released through income tax expense.

During the three months ended June 30, 2023, the Company recorded approximately $

5,384
of income tax expense, which resulted in an effective tax rate of

26.6
%. During the three months ended June 30, 2022, the Company recorded approximately $

3,018
of income tax benefit, which resulted in an effective tax rate of

26.1
%. The increase in the effective tax rate as compared with the corresponding period in the prior year was primarily attributable to the increase in non-deductible compensation, partially offset by release of the valuation allowance established in 2022 during the second quarter of 2023 and the recognition of tax benefits attributable to restricted stock that vested in May 2023.

During the six months ended June 30, 2023, the Company recorded approximately $

10,727
of income tax expense, which resulted in an effective tax rate of

24.7
%. During the six months ended June 30, 2022, the Company recorded approximately $

1,808
of income tax benefit, which resulted in an effective tax rate of

23.9
%. The increase in the effective tax rate in 2023 as compared with the corresponding period in the prior year was primarily attributable to the increase in non-deductible compensation, partially offset by release of the valuation allowance established in 2022 during the first half of 2023 and the recognition of tax benefits attributable to restricted stock that vested in February and May 2023. The Company's estimated annual effective tax rate differs from the statutory federal tax rate due to state and foreign income taxes as well as certain non-deductible and tax-exempt items.

Note 17 -- Earnings Per Share

U.S. GAAP requires the Company to use the two-class method in computing basic earnings (loss) per share since holders of the Company's restricted stock have the right to share in dividends, if declared, equally with common stockholders. These participating securities affect the computation of both basic and diluted earnings (loss) per share during periods of net income or loss. For a majority-owned subsidiary, its basic and diluted earnings (loss) per share are first computed separately. Then, the Company's proportionate share in that majority-owned subsidiary's earnings is added to the computation of both basic and diluted earnings (loss) per share at a consolidated level.

A summary of the numerator and denominator of the basic and diluted earnings per common share is presented below:

	Three Months Ended June 30, 2023			Three Months Ended June 30, 2022		
	Income (Numerator)	Shares (a) (Denominator)	Per Share Amount	Loss (Numerator)	Shares (a) (Denominator)	Per Share Amount
Net income (loss)	$ 14,882			$ (8,542)		
Less: Net income attributable to redeemable noncontrolling interest	(2,337)			(2,268)		
Less: TypTap Group's net (income) loss attributable to non-HCI common stockholders and TypTap Group's participating securities	(102)			829		
Net income (loss) attributable to HCI	12,443			(9,981)		
Less: (Income) loss attributable to participating securities	(427)			635		
Basic Earnings (Loss) Per Share:						
Income (loss) allocated to common stockholders	12,016	8,302	$ 1.45	(9,346)	9,022	$ (1.04)
Effect of Dilutive Securities: *						
Stock options	—	74		—	—	
Convertible senior notes	1,924	2,538		—	—	
Warrants	—	7		—	—	
Diluted Earnings (Loss) Per Share:						
Income (loss) available to common stockholders and assumed conversions	$ 13,940	10,921	$ 1.28	$ (9,346)	9,022	$ (1.04)

(a) Shares in thousands.
* For the three months ended June 30, 2022 , convertible senior notes, stock options, and warrants were excluded due to anti-dilutive effect.

	Six Months Ended June 30, 2023			Six Months Ended June 30, 2022		
	Income (Numerator)	Shares (a) (Denominator)	Per Share Amount	Loss (Numerator)	Shares (a) (Denominator)	Per Share Amount
Net income (loss)	$ 32,675			$ (5,751)		
Less: Net income attributable to redeemable noncontrolling interest	(4,661)			(4,516)		
Less: TypTap Group's net (income) loss attributable to non-HCI common stockholders and TypTap Group's participating securities	(233)			1,189		

Net income (loss) attributable to HCI	27,781			(9,078)		
Less: (Income) loss attributable to participating securities	(985)			590		
Basic Earnings (Loss) Per Share:						
Income (loss) allocated to common stockholders	26,796	8,290	$ 3.23	(8,488)	9,249	($ 0.92)
Effect of Dilutive Securities: *						
Stock options	—	58		—	—	
Convertible senior notes	3,844	2,538		—	—	
Diluted Earnings (Loss) Per Share:						
Income (loss) available to common stockholders and assumed conversions	$ 30,640	10,886	$ 2.81	($ 8,488)	9,249	($ 0.92)

(a) Shares in thousands.
* For the six months ended June 30, 2023, warrants were excluded due to anti-dilutive effect. For the six months ended June 30, 2022,

convertible senior notes, stock options, and warrants were excluded due to anti-dilutive effect.

Note 18 -- Redeemable Noncontrolling Interest

The following table summarizes the activity of redeemable noncontrolling interest during the six months ended June 30, 2023 and 2022:

	2023	2022
Balance at January 1	$ 93,553	$ 89,955
Increase (decrease):		
Accrued cash dividends	1,637	1,342
Accretion - increasing dividend rates	687	906
Dividends paid	(3,012)	(2,508)
Balance at March 31	$ 92,865	$ 89,695
Increase (decrease):		
Accrued cash dividends	1,875	1,500
Accretion - increasing dividend rates	462	768
Balance at June 30	$ 95,202	$ 91,963

For the three months ended June 30, 2023 and 2022, net income attributable to redeemable noncontrolling interest was $

2,337

and $

2,268

, respectively, consisting of accrued cash dividends of $

1,875

and $

1,500

, respectively, and accretion related to increasing dividend rates of $

462

and $

768

, respectively. For the six months ended June 30, 2023 and 2022, net income attributable to redeemable noncontrolling interest was $

4,661
and $

4,516
, respectively, consisting of accrued cash dividends of $

3,512
and $

2,842
, respectively, and accretion related to increasing dividend rates of $

1,149
and $

1,674
, respectively.

Note 19 -- Equity

Stockholders' Equity

Common Stock

The Company's 2022 stock repurchase plan was completed and no new stock repurchase plan has been approved by the Board of Directors.

In March 2022, the Company's Board of Directors authorized a plan to repurchase up to $

20,000
of the Company's common shares before commissions and fees during 2022. During the three and six months ended June 30, 2022, the Company repurchased and retired

29,465

shares at a weighted average price per share of $

63.92
under this authorized repurchase plan. The total cost of shares repurchased under this plan, inclusive of fees and commissions, during the three and six months ended June 30, 2022 was $

1,884
or $

63.95
per share.

On April 14, 2023 , the Company's Board of Directors declared a quarterly dividend of $

0.40
per common share. The dividends were paid on June 16, 2023 to stockholders of record on May 19, 2023 .

Warrants

At June 30, 2023, there were warrants outstanding and exercisable to purchase

750,000
shares of HCI common stock at an exercise price of $

54.40
. The warrants expire on February 26, 2025 .

Share Repurchase Agreement

In conjunction with the issuance of the

4.75
% Convertible Senior Notes in May 2022, the Company used $

66,853
of the net proceeds to repurchase and retire an aggregate of

1,037,600
shares of its common stock from institutional investors at a price of $

64.43
per share.

Noncontrolling Interests

At June 30, 2023, there were

80,525,545
shares of TTIG's common stock outstanding, of which

5,525,545
shares were not owned by HCI.

During the three and six months ended June 30, 2023, TTIG repurchased and retired a total of

28,700
and

62,808
shares, respectively, of its common stock surrendered by its employees to satisfy payroll tax liabilities associated with the vesting of restricted shares. The total cost of purchasing noncontrolling interests during the three and six months ended June 30, 2023 was $

39
and $

237
, respectively. During the three and six months ended June 30, 2022, TTIG repurchased and retired a total of

45,239
and

66,983
shares, respectively, of its common stock. The total cost of purchasing noncontrolling interests during the three and six months ended June 30, 2022 was $

262
and $

389
, respectively.

Note 20 -- Stock-Based Compensation

2012 Omnibus Incentive Plan

The Company currently has outstanding stock-based awards granted under the Plan which is currently active and available for future grants. At June 30, 2023, there were

1,105,625
shares available for grant.

Stock Options

Stock options granted and outstanding under the incentive plan vest over a period of four years and are exercisable over the contractual term of ten years .

A summary of the stock option activity for the three and six months ended June 30, 2023 and 2022 is as follows (option amounts not in thousands):

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at January 1, 2023	440,000	$ 45.25	5.6 years	$ —
Outstanding at March 31, 2023	440,000	$ 45.25	5.3 years	$ 3,146
Outstanding at June 30, 2023	440,000	$ 45.25	5.1 years	$ 7,863
Exercisable at June 30, 2023	412,500	$ 45.07	5.0 years	$ 7,447
Outstanding at January 1, 2022	440,000	$ 45.25	6.6 years	$ 18,119
Outstanding at March 31, 2022	440,000	$ 45.25	6.3 years	$ 10,494
Outstanding at June 30, 2022	440,000	$ 45.25	6.1 years	$ 9,354
Exercisable at June 30, 2022	357,500	$ 44.23	5.8 years	$ 7,965

There were

no

options exercised during the three and six months ended June 30, 2023 and 2022. For the three months ended June 30, 2023 and 2022, the Company recognized $

76
and $

161
, respectively, of compensation expense related to stock options which is included in general and administrative personnel expenses. For the six months ended June 30, 2023 and 2022, the Company recognized $

166
and $

345
, respectively, of compensation expense. Deferred tax benefits related to stock options were $

0

for the three and six months ended June 30, 2023 and 2022. At June 30, 2023 and December 31, 2022, there was $

169
and $

336
, respectively, of unrecognized compensation expense related to nonvested stock options. The Company expects to recognize the remaining compensation expense over a weighted-average period of 7 months.

Restricted Stock Awards

From time to time, the Company has granted and may grant restricted stock awards to certain executive officers, other employees, and non-employee directors in connection with their service to the Company. The terms of the Company's outstanding restricted stock grants may include service, performance, and market-based conditions. The determination of fair value with respect to the awards containing only service-based conditions is based on the market value of the Company's common stock on the grant date. For awards with market-based conditions, the fair value is determined using a Monte Carlo simulation method, which calculates many potential outcomes for an award and then establishes fair value based on the most likely outcome.

Information with respect to the activity of unvested restricted stock awards during the three and six months ended June 30, 2023 and 2022 is as follows:

	Number of Restricted Stock Awards	Weighted Average Grant Date Fair Value
Nonvested at January 1, 2023	342,459	$ 39.86

Granted	6,000	$ 51.76
Vested	(40,352)	$ 54.83
Forfeited	(2,125)	$ 40.33
Nonvested at March 31, 2023	305,982	$ 38.11
Granted	7,000	$ 58.52
Vested	(34,689)	$ 45.56
Forfeited	(295)	$ 55.41
Nonvested at June 30, 2023	277,998	$ 37.68
Nonvested at January 1, 2022	679,997	$ 39.72
Granted	4,000	$ 70.58
Vested	(50,667)	$ 50.68
Forfeited	(3,265)	$ 45.85
Nonvested at March 31, 2022	630,065	$ 39.00
Granted	3,000	$ 67.30
Vested	(51,125)	$ 45.04
Forfeited	(700)	$ 45.61

Nonvested at June 30, 2022	581,240	$ 38.61

The Company recognized compensation expense related to restricted stock, which is included in general and administrative personnel expenses, of $

1,133

and $

3,184

for the three months ended June 30, 2023 and 2022, respectively, and $

2,320

and $

6,452

for the six months ended June 30, 2023 and 2022, respectively. At June 30, 2023 and December 31, 2022, there was approximately $

6,346

and $

8,048

, respectively, of total unrecognized

compensation expense related to nonvested restricted stock arrangements. The Company expects to recognize the remaining compensation expense over a weighted-average period of 1.9 years. The following table summarizes information about deferred tax benefits recognized and tax benefits realized related to restricted stock awards and paid dividends, and the fair value of vested restricted stock for the three and six months ended June 30, 2023 and 2022.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Deferred tax benefits recognized	$ 254	$ 639	$ 517	$ 1,291
Tax benefits realized for restricted stock and paid dividends	$ 521	$ 902	$ 820	$ 1,304
Fair value of vested restricted stock	$ 1,580	$ 2,303	$ 3,793	$ 4,871

Subsidiary Equity Plan

For the three months ended June 30, 2023 and 2022, TypTap Group recognized compensation expense related to its stock-based awards of $

658
and $

897
, respectively. For the six months ended June 30, 2023 and 2022, TypTap Group recognized compensation expense related to its stock-based awards of $

1,487
and $

1,782
, respectively. At June 30, 2023 and December 31, 2022, there was $

5,940
and $

7,876
, respectively, of unrecognized compensation expense related to nonvested subsidiary restricted stock and stock options.

Note 21 -- Commitments and Contingencies

Obligations under One Multi-Year Reinsurance Contract

As of June 30, 2023, the Company has a contractual obligation related to one multi-year reinsurance contract entered into effective June 1, 2022. The contract may be cancelled only with the other party's consent or when its experience account is positive at the end of each contract year. The future minimum aggregate premium amount payable to the reinsurer is $

91,350
due in the 12 months following June 30, 2023.

Capital Commitments

As described in Note 5 -- "Investments" under *Limited Partnership Investments*, the Company is contractually committed to capital contributions for limited partnership interests. At June 30, 2023, there was an aggregate unfunded balance of $

5,791
.

FIGA Assessments

During 2022, the FLOIR approved assessments for the Florida Insurance Guaranty Association ("FIGA") in order to secure funds for the payment of covered claims relating to the liquidation of three insurance companies. The FIGA assessments are levied on collected premiums of all covered lines of business except auto insurance. The surcharges, which are collectible from a policyholder, are assessed on new and renewal policies with specified effective dates.

In April 2023, the FLOIR approved an assessment for FIGA in order to secure funds for the payment of covered claims relating to the liquidation of one insurance company. The FIGA assessment will be levied at

1

% on collected premiums of all covered lines of business except auto insurance. The surcharge, which is collectible from a policyholder, will be assessed on new and renewal policies with effective dates beginning October 1, 2023

through September 30, 2024 and continuing until the end of the assessment year in which the Series 2023A Bonds issued by the Florida Insurance Assistance Interlocal Agency have been paid in full.

The Company's insurance subsidiaries, as member insurers, are required to collect and remit the pass-through assessments to FIGA on a quarterly basis. As of June 30, 2023, the FIGA assessments payable by the Company were $

3,071

.

Note 22 -- Related Party Transaction

HCPCI and TypTap have reinstatement premium protection reinsurance contracts ("RPP") with various reinsurers. For one of the RPP contracts, Oxbridge Reinsurance Limited ("Oxbridge") participates as a subscribing reinsurer and agrees to indemnify HCPCI and TypTap for a portion of reinstatement premium which HCPCI or TypTap respectively pays or becomes liable to pay to reinstate reinsurance protection. The $

1,099

premium, a rate which management believes to be competitive with market rates, will be paid over four installments, each of which is to be deposited into a trust account in order to fully collateralize Oxbridge's exposure. Trust assets may be withdrawn by HCPCI and TypTap or the trust beneficiaries in the event amounts are due under the 2023-2024 RPP contracts. One of the Company's non-employee directors, Jay Madhu, serves as Oxbridge's chairman of its board of directors and chief executive officer and is an investor in that company.

Note 23 -- Subsequent Events

On July 3 , 2023 , the Company's Board of Directors declared a quarterly dividend of $

0.40

per common share. The dividends are payable on September 15, 2023 to stockholders of record on August 18, 2023 .

On July 3, 2023,

1,000,000

voting shares of TTIG's Series A-1 Preferred Stock were exchanged for

1,000,000

non-voting shares of TTIG's Series A-2 Preferred Stock. The exchange did not change the number of shares of TTIG capital stock issued and outstanding.

On July 11, 2023, Greenleaf Capital, LLC, the Company's real estate subsidiary, entered into an agreement to purchase vacant land in Haines City, Florida for the purpose of constructing a retail shopping center to be anchored by a well-known grocery store chain. The purchase is expected to be completed in August 2023. The price will be determined in accordance with terms specified in the agreement.

ITEM 2 – *MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS*

You should read the following discussion under this Item 2 in conjunction with our consolidated financial statements and related notes and information included elsewhere in this quarterly report on Form 10-Q and in our Form 10-K filed with the Securities and Exchange Commission ("SEC") on March 10, 2023. Unless the context requires otherwise, as used in this Form 10-Q, the terms "HCI," "we," "us," "our," "the Company," "our company," and similar references refer to HCI Group, Inc., a Florida corporation incorporated in 2006, and its subsidiaries. All dollar amounts in this Management's Discussion and Analysis of Financial Condition and Results of Operations are in whole dollars unless specified otherwise.

Forward-Looking Statements

In addition to historical information, this quarterly report contains forward-looking statements as defined under federal securities laws. Such statements involve risks and uncertainties, such as statements about our plans, objectives, expectations, assumptions or future events. These statements involve estimates, assumptions, known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from any future results, performances or achievements expressed or implied by the forward-looking statements. Typically, forward-looking statements can be identified by terminology such as "anticipate," "estimate," "plan," "project," "continuing," "ongoing," "expect," "believe," "intend," "may," "will," "should," "could," and similar expressions. The important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include but are not limited to the effects of governmental regulation; changes in insurance regulations; the frequency and extent of claims; uncertainties inherent in reserve estimates; catastrophic events; changes in the demand for, pricing of, availability of or collectability of reinsurance; restrictions on our ability to change premium rates; increased rate pressure on premiums; the severity and impact of a pandemic; and other risks and uncertainties detailed herein and from time to time in our SEC reports.

OVERVIEW – *General*

HCI Group, Inc. is a Florida-based InsurTech company with operations in property and casualty insurance, information technology services, insurance management, real estate and reinsurance. We manage our operations in the following organizational segments, based on managerial emphasis and evaluation of financial and operating performances:

a) HCPCI Insurance Operations

- *Property and casualty insurance*
- *Reinsurance and other auxiliary operations*

b) TypTap Group

- *Property and casualty insurance*
- *Information technology*

c) Real Estate Operations

d) Other Operations

- *Holding company operations*

For the three months ended June 30, 2023 and 2022, revenues from HCPCI insurance operations before intracompany elimination represented 65.1% and 69.8%, respectively, and revenues from TypTap Group

represented 33.4% and 27.9%, respectively, of total revenues of all operating segments. For the six months ended June 30, 2023 and 2022, revenues from HCPCI insurance operations before intracompany elimination represented 63.3% and 69.8%, respectively, and revenues from TypTap Group represented 34.9% and 28.1%, respectively, of total revenues of all operating segments. At June 30, 2023 and December 31, 2022, HCPCI insurance operations' total assets represented 56.3% and 53.4%, respectively, and TypTap Group's total assets represented 35.3% and 37.9%, respectively, of the combined assets of all operating segments. See Note 14 -- "Segment Information" to our unaudited consolidated financial statements under Item 1 of this Quarterly Report on Form 10-Q for additional information.

HCPCI Insurance Operations

Property and Casualty Insurance

HCPCI has historically provided various forms of residential insurance products such as homeowners insurance, fire insurance, flood insurance and wind-only insurance. HCPCI is authorized to write residential property and casualty insurance in the states of Arkansas, California, Connecticut, Florida, Maryland, Massachusetts, New Jersey, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina and Texas. Currently, Florida is HCPCI's primary market.

Due to the reduced availability and affordability of flood reinsurance coverage, HCPCI will cease to offer flood insurance policies in 2023. The discontinuation does not have a material impact to HCPCI's results of operations as the gross premiums earned from such policies comprised less than 1% of total HCPCI gross premiums earned during 2022.

Reinsurance and other auxiliary operations

We have a Bermuda domiciled wholly-owned reinsurance subsidiary, Claddaugh Casualty Insurance Company Ltd ("Claddaugh"). We selectively retain risk in Claddaugh, reducing the cost of third-party reinsurance. Claddaugh fully collateralizes its exposure to HCPCI and TypTap by depositing funds into a trust account. Claddaugh may mitigate a portion of its risk through retrocession contracts, however Claddaugh did not enter into any retrocession contracts for the 2023-2024 treaty year. Currently, Claddaugh does not provide reinsurance to non-affiliates. Other auxiliary operations also include claim adjusting and processing services.

TypTap Group

TypTap Insurance Group, Inc. ("TTIG"), our majority-owned subsidiary, currently has four subsidiaries: TypTap Insurance Company ("TypTap"), TypTap Management Company, Exzeo USA, Inc., and Cypress Tech Development Company which also owns Exzeo Software Private Limited, a subsidiary domiciled in India. TTIG is primarily engaged in the property and casualty insurance business and is currently using internally developed technology to collect and analyze claims and other supplemental data to generate savings and efficiency for its insurance operations.

Property and Casualty Insurance

TypTap, TTIG's insurance subsidiary, has been the primary source of our organic growth in gross written premium since 2016. TypTap's policies in force have increased from 6,721 in January 2018 to 91,931 at June 30, 2023. TypTap has been successful in using internally developed proprietary technology to underwrite, select and write policies efficiently. As of July 28, 2023, TypTap has been approved to offer homeowners coverage in 30 states outside of Florida.

TypTap is also phasing out its flood insurance products during 2023 due to the reduced availability and affordability of flood reinsurance coverage. The discontinuation does not have a material impact to TypTap's results of operations as the gross premiums earned from such policies comprised less than 5% of total TypTap gross premiums earned during 2022.

Information Technology

Our information technology operations include a team of experienced software developers with extensive knowledge in designing and creating web-based applications. The operations, which are located in Tampa, Florida and Noida, India, are focused on developing cloud-based, innovative products and services that support in-house operations as well as our third-party relationships with our agency partners and claim vendors. These products include *SAMS™*, *Harmony™, AtlasViewer® and ClaimColony™*.

Real Estate Operations

Our real estate operations consist of multiple properties we own and operate for investment purposes and also properties we own and use for our own operations. Properties used in operations consist of two Tampa office buildings and an insurance operations site in Ocala, Florida. Our investment properties include retail shopping centers, two marinas, and undeveloped land near TTIG's headquarters in Tampa, Florida.

In March 2023, we finalized the sales of two retail shopping center investment properties in Melbourne and Sorrento, Florida. See *Real Estate Investments* under Note 5 -- "Investments" to our unaudited consolidated financial statements under Item 1 of this Quarterly Report on Form 10-Q for additional information.

Other Operations

Holding company operations

Activities of our holding company, HCI Group, Inc., plus other companies that do not meet the quantitative and qualitative thresholds for a reportable segment comprise the operations of this segment.

Recent Events

On July 3, 2023, our Board of Directors declared a quarterly dividend of $0.40 per common share. The dividends are payable on September 15, 2023 to stockholders of record on August 18, 2023.

On July 11, 2023, Greenleaf Capital, LLC, our real estate subsidiary, entered into an agreement to purchase vacant land in Haines City, Florida for the purpose of constructing a retail shopping center to be anchored by a well-known grocery store chain. The purchase is expected to be completed in August 2023. The final price will be determined in accordance with terms specified in the agreement.

RESULTS OF OPERATIONS

The following table summarizes our results of operations for the three and six months ended June 30, 2023 and 2022 (dollar amounts in thousands, except per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Revenue				
Gross premiums earned	$ 181,946	$ 181,124	$ 362,014	$ 360,049
Premiums ceded	(66,390)	(56,205)	(136,899)	(109,367)
Net premiums earned	115,556	124,919	225,115	250,682
Net investment income	8,794	3,684	26,509	6,552
Net realized investment losses	(230)	(6)	(1,379)	(320)
Net unrealized investment gains (losses)	897	(4,234)	1,426	(7,810)
Policy fee income	1,469	1,052	2,559	2,109
Other income	841	511	2,126	1,753
Total revenue	127,327	125,926	256,356	252,966
Expenses				
Losses and loss adjustment expenses	61,890	86,830	122,455	159,534
Policy acquisition and other underwriting expenses	22,618	26,863	45,338	56,271
General and administrative personnel expenses	14,272	15,301	27,774	29,335
Interest expense	2,667	1,515	5,468	2,116
Other operating expenses	5,614	6,977	11,919	13,269
Total expenses	107,061	137,486	212,954	260,525
Income (loss) before income taxes	20,266	(11,560)	43,402	(7,559)
Income tax expense (benefit)	5,384	(3,018)	10,727	(1,808)
Net income (loss)	14,882	(8,542)	32,675	(5,751)
Net income attributable to noncontrolling interests	(2,439)	(1,439)	(4,894)	(3,327)
Net income (loss) after noncontrolling interests	$ 12,443	$ (9,981)	$ 27,781	$ (9,078)
Ratios to Net Premiums Earned:				
Loss Ratio	53.56%	69.51%	54.40%	63.64%
Expense Ratio	38.79%	40.55%	40.05%	40.29%
Combined Ratio	92.35%	110.06%	94.45%	103.93%
Ratios to Gross Premiums Earned:				
Loss Ratio	34.02%	47.94%	33.83%	44.31%
Expense Ratio	24.63%	27.97%	24.90%	28.05%
Combined Ratio	58.65%	75.91%	58.73%	72.36%
Earnings (Loss) Per Share Data:				
Basic	$ 1.45	$ (1.04)	$ 3.23	$ (0.92)
Diluted	$ 1.28	$ (1.04)	$ 2.81	$ (0.92)

Comparison of the Three Months Ended June 30, 2023 to the Three Months Ended June 30, 2022

Our results of operations for the three months ended June 30, 2023 reflect net income of approximately $14,882,000 or $1.28 diluted earnings per share, compared with net loss of approximately $8,542,000 or $1.04 loss per share, for the three months ended June 30, 2022. The quarter-over-quarter increase was primarily due to a $24,940,000 decrease in losses and loss adjustment expenses, a $10,017,000 net increase in income from our investment portfolio (consisting of net investment income and net realized and unrealized gains or losses), a $4,245,000 decrease in policy acquisition and other underwriting expenses, and a $1,029,000 decrease in general and administrative personnel expenses, offset by a $10,185,000 increase in premiums ceded and a $1,152,000 increase in interest expense.

Revenue

Gross Premiums Earned on a consolidated basis for the three months ended June 30, 2023 and 2022 were approximately $181,946,000 and $181,124,000, respectively. The $822,000 increase was primarily attributable to the effect of premium rate increases, offset by a reduction in the number of policies in force. Gross premiums earned from the United insurance policies assumed were $0 for the three months ended June 30, 2023 compared with $16,237,000 for the three months ended June 30, 2022. HCPCI gross premiums earned were $96,875,000 for the three months ended June 30, 2023 compared with $113,681,000 for the three months ended June 30, 2022. TypTap's gross premiums earned were $85,071,000 compared with $67,443,000 for the same comparative period in 2022.

Premiums Ceded for the three months ended June 30, 2023 and 2022 were approximately $66,390,000 and $56,205,000, respectively, representing 36.5% and 31.0%, respectively, of gross premiums earned. The $10,185,000 increase was primarily attributable to higher reinsurance costs for the 2023-2024 contract year and an increased overall reinsurance coverage amount for Florida, offset by a reduction in premiums ceded attributable to retrospective provisions under reinsurance contracts.

Our premiums ceded represent costs of reinsurance to cover losses from catastrophes that exceed the retention levels defined by our catastrophe excess of loss reinsurance contracts or to assume a proportional share of losses as defined in a quota share agreement. The rates we pay for reinsurance are based primarily on policy exposures reflected in gross premiums earned. Reinsurance costs can be decreased by a reduction in premiums ceded attributable to retrospective provisions under reinsurance contracts. For the three months ended June 30, 2023, premiums ceded included a decrease of $6,993,000 related to retrospective provisions compared with a decrease of $6,390,000 for the three months ended June 30, 2022. See "Economic Impact of Reinsurance Contracts with Retrospective Provisions" under "Critical Accounting Policies and Estimates."

Net Premiums Written for the three months ended June 30, 2023 and 2022 totaled approximately $113,593,000 and $129,947,000, respectively. Net premiums written represent the premiums charged on policies issued during a fiscal period less any applicable reinsurance costs. The decrease in 2023 primarily resulted from an increase in premiums ceded to reinsurers and a reduction in the number of policies in force as described above. We had approximately 200,000 policies in force at June 30, 2023 as compared with approximately 261,700 policies in force at June 30, 2022.

Net Premiums Earned for the three months ended June 30, 2023 and 2022 were approximately $115,556,000 and $124,919,000, respectively, and reflect the gross premiums earned less reinsurance costs as described above.

The following is a reconciliation of our total Net Premiums Written to Net Premiums Earned for the three months ended June 30, 2023 and 2022 (amounts in thousands):

	Three Months Ended June 30,	
	2023	2022
Net Premiums Written	$ 113,593	$ 129,947
Decrease (Increase) in Unearned Premiums	1,963	(5,028)
Net Premiums Earned	$ 115,556	$ 124,919

Net Investment Income for the three months ended June 30, 2023 and 2022 was approximately $8,794,000 and $3,684,000, respectively. The $5,110,000 increase was attributable to a $2,864,000 increase in interest income from cash and cash equivalents, and a $3,983,000 increase in income from available-for-sale fixed-maturity securities, offset by a $1,776,000 decrease in income from real estate investments and unconsolidated joint venture. See *Net Investment Income* under Note 5 -- “Investments” to our unaudited consolidated financial statements under Item 1 of this Quarterly Report on Form 10-Q.

Net Unrealized Investment Gains for the three months ended June 30, 2023 were approximately $897,000 compared with approximately $4,234,000 of net unrealized investment losses for the three months ended June 30, 2022. The increase was primarily attributable to an overall improvement in the equity market compared with the three months ended June 30, 2022.

Expenses

Our consolidated *Losses and Loss Adjustment Expenses* amounted to approximately $61,890,000 and $86,830,000 for the three months ended June 30, 2023 and 2022, respectively. The losses and loss adjustment expenses of HCPCI Insurance Operations were $27,653,000 and $48,692,000 for the three months ended June 30, 2023 and 2022, respectively. The decrease was primarily attributable to the lower number of policies in force as well as fewer claims and less litigation related to Florida policies as compared with the second quarter of 2022. Losses and loss adjustment expenses for TypTap were $34,937,000 compared with $38,692,000 for the same comparative period. The decrease was attributable to a reduction in the amount of claims and litigation related to Florida policies when compared with the second quarter of 2022. See “Reserves for Losses and Loss Adjustment Expenses” under “Critical Accounting Policies and Estimates.”

Policy Acquisition and Other Underwriting Expenses for the three months ended June 30, 2023 and 2022 were approximately $22,618,000 and $26,863,000 on a consolidated basis, respectively, and primarily reflect the amortization of deferred acquisition costs such as commissions payable to agents for production and renewal of policies, commission and catastrophe allowance paid to United, and premium taxes. Policy acquisition expenses for HCPCI Insurance Operations were $10,617,000 for the three months ended June 30, 2023 compared with $16,561,000 for the three months ended June 30, 2022. The decrease in amortized costs was primarily due to a reduction of policies in force. TypTap Group policy acquisition expenses were $12,019,000 compared with $10,302,000 for the same comparative period, with the increase due to higher amortized costs attributable to the accelerated transition of United policies, offset by lower policy acquisition costs in Florida resulting from lower commissions.

General and Administrative Personnel Expenses for the three months ended June 30, 2023 and 2022 were approximately $14,272,000 and $15,301,000, respectively. Our general and administrative personnel expenses include salaries, wages, payroll taxes, stock-based compensation expenses, and employee benefit costs. Factors such as merit increases, changes in headcount, and periodic restricted stock grants, among others, cause fluctuations in this expense. In addition, our personnel expenses are decreased by the capitalization of payroll costs related to projects to develop software for internal use and the payroll costs associated with the processing and settlement of certain catastrophe claims which are recoverable from reinsurers under reinsurance contracts. The quarter-over-quarter decrease of $1,029,000 was primarily attributable to a decrease in stock-based compensation expense and an increase in recovered and capitalized payroll costs, offset by an adjustment to increase employee incentive bonuses, an increase in the headcount of temporary and full-time employees and merit increases for non-executive employees effective in late February 2023.

Interest Expense for the three months ended June 30, 2023 and 2022 was approximately $2,667,000 and $1,515,000, respectively. The increase primarily resulted from interest expense related to our 4.75% Convertible Senior Notes issued in May 2022, partially offset by decreased interest expense from a reduction in promissory notes on our real estate investments.

Income Tax Expense for the three months ended June 30, 2023 was approximately $5,384,000 for state, federal, and foreign income taxes compared with $3,018,000 of income tax benefit for the three months ended June 30, 2022, resulting in effective tax rates of 26.6% and 26.1%, respectively. The increase in the effective tax rate was primarily attributable to the increase in non-deductible compensation, partially offset by the release of valuation allowance established in 2022 during the second quarter of 2023 and the recognition of tax benefits attributable to restricted stock that vested in May 2023.

Ratios:

The loss ratio applicable to the three months ended June 30, 2023 (losses and loss adjustment expenses incurred related to net premiums earned) was 53.6% compared with 69.5% for the three months ended June 30, 2022. The decrease was primarily attributable to the decrease in losses and loss adjustment expenses due to fewer claims and less litigation related to Florida policies, and higher average premium per policy as compared with the second quarter of 2022.

The expense ratio applicable to the three months ended June 30, 2023 (defined as total expenses excluding losses and loss adjustment expenses related to net premiums earned) was 38.8% compared with 40.6% for the three months ended June 30, 2022. The decrease in our expense ratio was primarily attributable to the decrease in policy acquisition, underwriting, personnel, and other operating expenses, offset in part by an increase in reinsurance costs and the increase in interest expense.

The combined ratio (total of all expenses in relation to net premiums earned) is the measure of overall underwriting profitability before other income. Our combined ratio for the three months ended June 30, 2023 was 92.4% compared with 110.1% for the three months ended June 30, 2022. The decrease in 2023 was attributable to the factors described above.

Due to the impact our reinsurance costs have on net premiums earned from period to period, our management believes the combined ratio measured to gross premiums earned is more relevant in assessing overall performance. The combined ratio to gross premiums earned for the three months ended June 30, 2023 was 58.7% compared with 75.9% for the three months ended June 30, 2022. The decrease in 2023 was primarily attributable to the decrease in losses and loss adjustment expenses and the decrease in policy acquisition, underwriting, personnel, and other operating expenses, offset in part by the increase in interest expense.

Comparison of the Six Months Ended June 30, 2023 to the Six Months Ended June 30, 2022

Our results of operations for the six months ended June 30, 2023 reflect net income of approximately $32,675,000 or $2.81 diluted earnings per share, compared with net loss of approximately $5,751,000 or $0.92 loss per share, for the six months ended June 30, 2022. The period-over-period increase was primarily due to a $37,079,000 decrease in losses and loss adjustment expenses, a $28,134,000 net increase in income from our investment portfolio (consisting of net investment income and net realized and unrealized gains or losses), a $10,933,000 decrease in policy acquisition and other underwriting expenses, and a $1,561,000 decrease in general and administrative personnel expenses, offset by a $27,532,000 increase in premiums ceded and a $3,352,000 increase in interest expense.

Revenue

Gross Premiums Earned on a consolidated basis for the six months ended June 30, 2023 and 2022 were approximately $362,014,000 and $360,049,000, respectively. The $1,965,000 increase was primarily attributable to the effect of premium rate increases, offset by a reduction in the number of policies in force. Gross premiums earned from the United insurance policies assumed were $7,163,000 for the six months ended June 30, 2023 compared with $46,316,000 for the six months ended June 30, 2022. HCPCI gross premiums earned were $189,331,000 for the six months ended June 30, 2023 compared with $231,984,000 for the six months ended June 30, 2022. TypTap's gross premiums earned were $172,683,000 compared with $128,065,000 for the same comparative period in 2022.

Premiums Ceded for the six months ended June 30, 2023 and 2022 were approximately $136,899,000 and $109,367,000, respectively, representing 37.8% and 30.4%, respectively, of gross premiums earned. The $27,532,000 increase was primarily attributable to higher reinsurance costs for the 2023-2024 contract year and an increased overall reinsurance coverage amount for Florida, offset by a reduction in premiums ceded attributable to retrospective provisions under reinsurance contracts.

For the six months ended June 30, 2023, premiums ceded included a decrease of $13,986,000 related to retrospective provisions compared with a decrease of $7,874,000 for the six months ended June 30, 2022. See "Economic Impact of Reinsurance Contracts with Retrospective Provisions" under "Critical Accounting Policies and Estimates."

Net Premiums Written for the six months ended June 30, 2023 and 2022 totaled approximately $242,938,000 and $254,079,000, respectively. The decrease in 2023 primarily resulted from the factors described earlier.

Net Premiums Earned for the six months ended June 30, 2023 and 2022 were approximately $225,115,000 and $250,682,000, respectively, and reflect the gross premiums earned less reinsurance costs as described above.

The following is a reconciliation of our total Net Premiums Written to Net Premiums Earned for the six months ended June 30, 2023 and 2022 (amounts in thousands):

	Six Months Ended June 30,	
	2023	**2022**
Net Premiums Written	$ 242,938	$ 254,079
Increase in Unearned Premiums	(17,823)	(3,397)
Net Premiums Earned	$ 225,115	$ 250,682

Net Investment Income for the six months ended June 30, 2023 and 2022 was approximately $26,509,000 and $6,552,000, respectively. The $19,957,000 increase was attributable to a $7,678,000 increase in income from real estate investments, a $7,570,000 increase in income from available-for-sale fixed-maturity securities, and a $6,378,000 increase in interest income from cash and cash equivalents. See *Net Investment Income* under Note 5 -- "Investments" to our unaudited consolidated financial statements under Item 1 of this Quarterly Report on Form 10-Q.

Net Realized Investment Losses for the six months ended June 30, 2023 and 2022 were approximately $1,379,000 and $320,000, respectively. The increase was primarily attributable to net realized losses of approximately $1,333,000 from sales of fixed-maturity and equity securities during the six months ended June 30, 2023 compared with net realized losses of approximately $476,000 from sales of these securities during the corresponding period in 2022.

Net Unrealized Investment Gains for the six months ended June 30, 2023 were approximately $1,426,000 compared with approximately $7,810,000 of net unrealized investment losses for the six months ended June 30, 2022. The increase was primarily attributable to an overall improvement in the equity market compared with the six months ended June 30, 2022.

Expenses

Our consolidated *Losses and Loss Adjustment Expenses* amounted to approximately $122,455,000 and $159,534,000 for the six months ended June 30, 2023 and 2022, respectively. The losses and loss adjustment expenses of HCPCI Insurance Operations were $56,435,000 and $92,687,000 for the six months ended June 30, 2023 and 2022, respectively. The decrease was primarily attributable to the lower number of policies in force as well as fewer claims and less litigation related to Florida policies as compared with the first half of 2022. Losses and loss adjustment expenses for TypTap were $67,993,000 compared with $67,680,000 for the same comparative period. See “Reserves for Losses and Loss Adjustment Expenses” under “Critical Accounting Policies and Estimates.”

Policy Acquisition and Other Underwriting Expenses for the six months ended June 30, 2023 and 2022 were approximately $45,338,000 and $56,271,000 on a consolidated basis, respectively. Policy acquisition expenses for HCPCI Insurance Operations were $20,893,000 for the six months ended June 30, 2023 compared with $36,264,000 for the six months ended June 30, 2022. The decrease in amortized costs was primarily due to a reduction of policies in force. TypTap Group policy acquisition expenses were $24,493,000 compared with $20,007,000 for the same comparative period, with the increase due to higher amortized costs attributable to the accelerated transition of United policies, offset by lower policy acquisition costs in Florida resulting from lower commissions.

General and Administrative Personnel Expenses for the six months ended June 30, 2023 and 2022 were approximately $27,774,000 and $29,335,000, respectively. The period-over-period decrease of $1,561,000 was primarily attributable to a decrease in stock-based compensation expense and an increase in recovered and capitalized payroll costs, offset by an adjustment to increase employee incentive bonuses, an increase in the headcount of temporary and full-time employees and merit increases for non-executive employees effective in late February 2023.

Interest Expense for the six months ended June 30, 2023 and 2022 was approximately $5,468,000 and $2,116,000, respectively. The increase primarily resulted from interest expense related to our 4.75% Convertible Senior Notes issued in May 2022, partially offset by decreased interest expense from a reduction in promissory notes on our real estate investments.

Income Tax Expense for the six months ended June 30, 2023 was approximately $10,727,000 for state, federal, and foreign income taxes compared with $1,808,000 of income tax benefit for the six months ended June 30, 2022, resulting in effective tax rates of 24.7% and 23.9%, respectively. The increase in the effective tax rate was primarily attributable to the increase in non-deductible compensation, partially offset by the release of valuation allowance established in 2022 during the first half of 2023 and the recognition of tax benefits attributable to restricted stock that vested in February and May 2023.

Ratios:

The loss ratio applicable to the six months ended June 30, 2023 (losses and loss adjustment expenses incurred related to net premiums earned) was 54.4% compared with 63.6% for the six months ended June 30, 2022. The decrease was primarily attributable to the decrease in losses and loss adjustment expenses due to fewer claims and less litigation related to Florida policies, and higher average premium per policy as compared with the first half of 2022.

The expense ratio applicable to the six months ended June 30, 2023 was 40.1% compared with 40.3% for the six months ended June 30, 2022. The decrease in our expense ratio was primarily attributable to the increase in reinsurance costs and the increase in interest expense, offset by the decrease in policy acquisition, underwriting, personnel, and other operating expenses.

The combined ratio is the measure of overall underwriting profitability before other income. Our combined ratio for the six months ended June 30, 2023 was 94.5% compared with 103.9% for the six months ended June 30, 2022. The decrease in 2023 was attributable to the factors described above.

Due to the impact our reinsurance costs have on net premiums earned from period to period, our management believes the combined ratio measured to gross premiums earned is more relevant in assessing overall performance. The combined ratio to gross premiums earned for the six months ended June 30, 2023 was 58.7% compared with 72.4% for the six months ended June 30, 2022. The decrease in 2023 was primarily attributable to the decrease in losses and loss adjustment expenses and the decrease in policy acquisition, underwriting, personnel, and other operating expenses, offset in part by the increase in interest expense.

Seasonality of Our Business

Our insurance business is seasonal as hurricanes and tropical storms affecting Florida, our primary market, and other southeastern states typically occur during the period from June 1st through November 30th of each year. Winter storms in the northeast usually occur during the period between December 1st and March 31st of each year. Also, with our reinsurance treaty year typically effective on June 1st of each year, any variation in the cost of our reinsurance, whether due to changes in reinsurance rates, coverage levels or changes in the total insured value of our policy base, will occur and be reflected in our financial results beginning on June 1st of each year.

LIQUIDITY AND CAPITAL RESOURCES

Throughout our history, our liquidity requirements have been met through issuances of our common and preferred stock, debt offerings and funds from operations. We expect our future liquidity requirements will be met by funds from operations, primarily the cash received by our insurance subsidiaries from premiums written and investment income. We may consider raising additional capital through debt and/or equity offerings to support our growth and future investment opportunities.

Our insurance subsidiaries require liquidity and adequate capital to meet ongoing obligations to policyholders and claimants and to fund operating expenses. In addition, we attempt to maintain adequate levels of liquidity and surplus to manage any differences between the duration of our liabilities and invested assets. In

the insurance industry, cash collected for premiums from policies written is invested, interest and dividends are earned thereon, and losses and loss adjustment expenses are paid out over a period of years. This period of time varies by the circumstances surrounding each claim. With the exception of litigated claims, substantially all of our losses and loss adjustment expenses are fully settled and paid within approximately 90 days of the claim receipt date. Additional cash outflow occurs through payments of underwriting costs such as commissions, taxes, payroll, and general overhead expenses.

We believe that we maintain sufficient liquidity to pay claims and expenses, as well as to satisfy commitments in the event of unforeseen events such as reinsurer insolvencies, inadequate premium rates, or reserve deficiencies. We maintain a comprehensive reinsurance program at levels management considers adequate to diversify risk and safeguard our financial position.

In the future, we anticipate our primary use of funds will be to pay claims, reinsurance premiums, interest, and dividends and to fund operating expenses and real estate acquisitions.

Revolving Credit Facility, Convertible Senior Notes, Promissory Notes, and Finance Leases

The following table summarizes the principal and interest payment obligations of our indebtedness at June 30, 2023:

	Maturity Date	**Payment Due Date**
4.75% Convertible Senior Notes*	June 2042	June 1 and December 1
4.25% Convertible Senior Notes**	March 2037	March 1 and September 1
4.55% Promissory Note	Through August 2036	1st day of each month
5.50% Promissory Note***	Through July 2033	1st day of each month
Finance leases	Through October 2024	Various
Revolving credit facility	Through December 2024	January 1, April 1, July 1, October 1

* At the option of the noteholders, we may be required to repurchase for cash all or any portion of the notes on June 1, 2027, June 1, 2032 or June 1, 2037.
** At the option of the noteholders, we may be required to repurchase for cash all or any portion of the notes on March 1, 2027 or March 1, 2032.
*** First payment began August 1, 2023.

See Note 11 -- “Long-Term Debt” to our unaudited consolidated financial statements under Item 1 of this Quarterly Report on Form 10-Q.

Limited Partnership Investments

Our limited partnership investments consist of six private equity funds managed by their general partners. Two of these funds have unexpired capital commitments which are callable at the discretion of the fund’s general partner for funding new investments or expenses of the fund. Although capital commitments for the four remaining funds have expired, the general partners may request additional funds under certain circumstances. At June 30, 2023, there was an aggregate unfunded capital balance of $5,791,000. See *Limited Partnership Investments* under Note 5 -- “Investments” to our unaudited consolidated financial statements under Item 1 of this Quarterly Report on Form 10-Q.

Real Estate Investment

Real estate has long been a significant component of our overall investment portfolio. It diversifies our portfolio and helps offset the volatility of other higher-risk assets. Thus, we may consider expanding our real estate investment portfolio should an opportunity arise.

We had a 90% equity interest in FMKT Mel JV, LLC, a Florida limited liability company for which we were not the primary beneficiary. Following the sale of its last remaining outparcel in June 2022, FMKT Mel JV distributed its earnings during the third quarter of 2022 and the subsidiary was liquidated in December 2022. In January 2023, we received the final distribution of $18,000 from FMKT Mel JV.

Sources and Uses of Cash

Cash Flows for the Six Months Ended June 30, 2023

Net cash provided by operating activities for the six months ended June 30, 2023 was approximately $5,944,000, which consisted primarily of cash received from net premiums written, and reinsurance recoveries of approximately $141,630,000 less cash disbursed for operating expenses, losses and loss adjustment expenses and interest payments. Net cash provided by investing activities of $59,675,000 was primarily due to the proceeds from calls, repayments and maturities of fixed-maturity securities of $258,207,000, the proceeds from sales of real estate investments of $21,746,000, the proceeds from sales of fixed-maturity and equity securities of $18,360,000, and distributions received from limited partnership investments of $2,596,000, offset by the purchases of fixed-maturity and equity securities of $237,811,000, purchases of property and equipment of $2,762,000, and purchases of real estate investments of $744,000. Net cash used in financing activities totaled $6,402,000, which was primarily due to the redemption of long-term debt of $6,895,000, $6,869,000 of cash dividend payments, cash dividends paid to redeemable noncontrolling interest of $3,012,000, $784,000 of share repurchases, and repayments of long-term debt of $328,000, offset by the proceeds from issuance of long-term debt of $12,000,000.

Cash Flows for the Six Months Ended June 30, 2022

Net cash provided by operating activities for the six months ended June 30, 2022 was approximately $21,629,000, which consisted primarily of cash received from net premiums written, and reinsurance recoveries of approximately $26,584,000 less cash disbursed for operating expenses, losses and loss adjustment expenses and interest payments. Net cash used in investing activities of $360,095,000 was primarily due to the purchases of fixed-maturity and equity securities of $394,021,000, the purchases of property and equipment of $4,229,000, and the purchase of intangible assets from United of $3,800,000, offset by the proceeds from sales of fixed-maturity and equity securities of $35,921,000, the proceeds from calls, repayments and maturities of fixed-maturity securities of $4,020,000, and distributions received from limited partnership investments of $2,335,000. Net cash provided by financing activities totaled $70,267,000, which was primarily due to the proceeds from issuance of 4.75% Convertible Senior Notes of $172,500,000, offset by $69,987,000 of share repurchases, net repayment of our revolving credit facility of $15,000,000, $8,091,000 of net cash dividend payments, debt issuance costs paid of $5,757,000, cash dividends paid to redeemable noncontrolling interest of $2,508,000, and repayments of long-term debt of $501,000.

Investments

The main objective of our investment policy is to maximize our after-tax investment income with a reasonable level of risk given the current financial market. Our excess cash is invested primarily in money market accounts, certificates of deposit, and fixed-maturity and equity securities.

At June 30, 2023, we had $482,664,000 of fixed-maturity and equity investments, which are carried at fair value. Changes in the general interest rate environment affect the returns available on new fixed-maturity investments. While a rising interest rate environment enhances the returns available on new investments, it reduces the market value of existing fixed-maturity investments and thus the availability of gains on disposition. A decline in interest rates reduces the returns available on new fixed-maturity investments but increases the market value of existing fixed-maturity investments, creating the opportunity for realized investment gains on disposition.

In the future, we may alter our investment policy with regard to investments in federal, state and municipal obligations, preferred and common equity securities and real estate mortgages, as permitted by applicable law, including insurance regulations.

OFF-BALANCE SHEET ARRANGEMENTS

As of June 30, 2023, we had unexpired capital commitments for limited partnerships in which we hold interests. Such commitments are not recognized in the consolidated financial statements but are required to be disclosed in the notes to the consolidated financial statements. See Note 21 -- “Commitments and Contingencies” to our unaudited consolidated financial statements under Item 1 of this Quarterly Report on Form 10-Q for additional information.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We have prepared our consolidated financial statements in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The preparation of these consolidated financial statements requires us to make estimates and judgments to develop amounts reflected and disclosed in our consolidated financial statements. Material estimates that are particularly susceptible to significant change in the near term are related to our losses and loss adjustment expenses, which include amounts estimated for claims incurred but not yet reported. We base our estimates on various assumptions and actuarial data we believe to be reasonable under the circumstances. Actual results may differ materially from these estimates.

We believe our accounting policies specific to losses and loss adjustment expenses, reinsurance recoverable, reinsurance with retrospective provisions, deferred income taxes, stock-based compensation expense, limited partnership investments, acquired intangible assets, warrants, and redeemable noncontrolling interest involve our most significant judgments and estimates material to our consolidated financial statements.

Reserves for Losses and Loss Adjustment Expenses

Our liability for losses and loss adjustment expense (“Reserves”) is specific to property insurance, which is our insurance subsidiaries’ only line of business. The Reserves include both case reserves on reported claims and our reserves for incurred but not reported (“IBNR”) losses. At each period end date, the balance of our Reserves is based on our best estimate of the ultimate cost of each claim for those known cases and the IBNR loss reserves are estimated based primarily on our historical experience. Changes in the estimated liability are charged or credited to operations as the losses and loss adjustment expenses are adjusted.

The IBNR represents our estimate of the ultimate cost of all claims that have occurred but have not been reported to us, and in some cases may not yet be known to the insured, and future development of reported claims. Estimating the IBNR component of our Reserves involves considerable judgment on the part of management. At June 30, 2023, $675,488,000 of the total $748,955,000 we have reserved for losses and loss adjustment expenses is attributable to our estimate of IBNR. The remaining $73,467,000 relates to known cases which have been reported but not yet fully settled in which case we have established a reserve based on currently available

information and our best estimate of the cost to settle each claim. At June 30, 2023, $62,087,000 of the $73,467,000 in reserves for known cases relates to claims incurred during prior years.

Our Reserves decreased from $863,765,000 at December 31, 2022 to $748,955,000 at June 30, 2023. The $114,810,000 decrease is comprised of reductions in our catastrophe Reserves of $112,592,000 primarily specific to Hurricane Ian and Hurricane Irma, and reductions in our non-catastrophe Reserves of $64,612,000 for 2022 and $17,057,000 for 2021 and prior loss years, offset by $79,451,000 in reserves established for the 2023 loss year. The Reserves established for 2023 claims are primarily driven by an allowance for those claims that have been incurred but not reported to the company as of June 30, 2023. The decrease of $194,261,000 specific to our 2022 and prior loss-years reserves is due to settlement of claims related to those loss years.

Based on all information known to us, we consider our Reserves at June 30, 2023 to be adequate to cover our claims for losses that have occurred as of that date including losses yet to be reported to us. However, these estimates are continually reviewed by management as they are subject to significant variability and may be impacted by trends in claim severity and frequency or unusual exposures that have not yet been identified. As part of the process, we review historical data and consider various factors, including known and anticipated regulatory and legal developments, changes in social attitudes, inflation and economic conditions. As experience develops and other data becomes available, these estimates are revised, as required, resulting in increases or decreases to the existing unpaid losses and loss adjustment expenses. Adjustments are reflected in the results of operations in the period in which they are made, and the liabilities may deviate substantially from prior estimates.

Economic Impact of Reinsurance Contracts with Retrospective Provisions

From time to time, our reinsurance contracts may include retrospective provisions that adjust premiums in the event losses are minimal or zero. In accordance with accounting principles generally accepted in the United States of America, we will recognize an asset in the period in which the absence of loss experience obligates the reinsurer to pay cash or other consideration under the contract. In the event that a loss arises, we will derecognize such asset in the period in which a loss arises. Such adjustments to the asset, which accrue throughout the contract term, will negatively impact our operating results when a catastrophic loss event occurs during the contract term.

For the three months ended June 30, 2023 and 2022, we accrued benefits of $6,993,000 and $6,390,000, respectively. For the six months ended June 30, 2023 and 2022, we accrued benefits of $13,986,000 and $7,874,000, respectively. The accrual of benefits was recognized as a reduction in ceded premiums.

As of June 30, 2023, we had $30,303,000 of accrued benefits, the amount that would be charged to earnings in the event we experience a catastrophic loss that exceeds the coverage limit provided under such agreements.

We believe the credit risk associated with the collectability of these accrued benefits is minimal based on available information about the reinsurer’s financial position and the reinsurer’s demonstrated ability to comply with contract terms.

The above and other accounting estimates and their related risks that we consider to be our critical accounting estimates are more fully described in our Annual Report on Form 10-K, which we filed with the SEC on March 10, 2023. For the six months ended June 30, 2023, there have been no other material changes with respect to any of our critical accounting policies.

RECENT ACCOUNTING PRONOUNCEMENTS

For information with respect to recent accounting pronouncements and the impact of these pronouncements on our unaudited consolidated financial statements, see Note 3 -- “Recent Accounting Pronouncements” to our consolidated financial statements under Item 1 of this Quarterly Report on Form 10-Q.

ITEM 3 – *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK*

Our investment portfolio at June 30, 2023 included fixed-maturity and equity securities, the purposes of which are not for speculation. Our main objective is to maximize after-tax investment income and maintain sufficient liquidity to meet our obligations while minimizing market risk, which is the potential economic loss from adverse fluctuations in securities prices. We consider many factors including credit ratings, investment concentrations, regulatory requirements, anticipated fluctuation of interest rates, durations and market conditions in developing investment strategies. Our investment securities are managed primarily by outside investment advisors and are overseen by the investment committee appointed by our Board of Directors. From time to time, our investment committee may decide to invest in low-risk assets such as U.S. government bonds.

Our investment portfolio is exposed to interest rate risk, credit risk and equity price risk. Fiscal and economic uncertainties caused by any government action or inaction may exacerbate these risks and potentially have adverse impacts on the value of our investment portfolio.

We classify our fixed-maturity securities as available-for-sale and report any unrealized gains or losses, net of deferred income taxes, as a component of other comprehensive income within our stockholders' equity. As such, any material temporary changes in their fair value can adversely impact the carrying value of our stockholders' equity. In addition, we recognize any unrealized gains or losses related to our equity securities in our statement of income. As a result, our results of operations can be materially affected by the volatility in the equity market.

Interest Rate Risk

Our fixed-maturity securities are sensitive to potential losses resulting from unfavorable changes in interest rates. We manage the risk by analyzing anticipated movement in interest rates and considering our future capital needs.

The following table illustrates the impact of hypothetical changes in interest rates to the fair value of our fixed-maturity securities at June 30, 2023 (amounts in thousands):

Hypothetical Change in Interest Rates	Estimated Fair Value	Change in Estimated Fair Value	Percentage Increase (Decrease) in Estimated Fair Value
300 basis point increase	$ 428,912	$ (14,062)	-3.17%
200 basis point increase	433,599	(9,375)	-2.12%
100 basis point increase	438,286	(4,688)	-1.06%
100 basis point decrease	447,662	4,688	1.06%
200 basis point decrease	452,350	(9,375)	2.12%
300 basis point decrease	457,039	(14,065)	3.18%

Credit Risk

Credit risk can expose us to potential losses arising principally from adverse changes in the financial condition of the issuers of our fixed-maturity securities. We mitigate the risk by investing in fixed-maturity securities that are generally investment grade, by diversifying our investment portfolio to avoid concentrations in any single issuer or business sector, and by continually monitoring each individual security for declines in credit quality. While we emphasize credit quality in our investment selection process, significant downturns in the markets or general economy may impact the credit quality of our portfolio.

The following table presents the composition of our fixed-maturity securities, by rating, at June 30, 2023 (amounts in thousands):

Comparable Rating	Cost or Amortized Cost	% of Total Amortized Cost	Estimated Fair Value	% of Total Estimated Fair Value
AAA	$ 13,367	3	$ 13,326	3
AA+, AA, AA-	412,410	91	404,268	91
A+, A, A-	13,479	3	12,907	3
BBB+, BBB, BBB-	11,117	2	10,743	2
BB+, BB, BB-	1,995	1	1,730	1
Total	$ 452,368	100	$ 442,974	100

Equity Price Risk

Our equity investment portfolio at June 30, 2023 included common stocks, perpetual preferred stocks, mutual funds and exchange-traded funds. We may incur potential losses due to adverse changes in equity security prices. We manage the risk primarily through industry and issuer diversification and asset mix.

The following table illustrates the composition of our equity securities at June 30, 2023 (amounts in thousands):

	Estimated Fair Value	% of Total Estimated Fair Value
Stocks by sector:		
Consumer	$ 6,346	16
Financial	4,025	10
Technology	2,900	7
Other (1)	2,779	7
	16,050	40
Mutual funds and exchange-traded funds by type:		
Debt	17,429	44
Equity	6,098	16
Alternative	113	—
	23,640	60
Total	$ 39,690	100

(1) Represents an aggregate of less than 5% sectors.

Foreign Currency Exchange Risk

At June 30, 2023, we did not have any material exposure to foreign currency related risk.

ITEM 4 – *CONTROLS AND PROCEDURES*

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our chief executive officer (our principal executive officer) and our chief financial officer (our principal financial and accounting officer), we have evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report, and, based on this evaluation, our chief executive officer and our chief financial officer have concluded that these disclosure controls and procedures are effective.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal controls over financial reporting during the quarter ended June 30, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating the disclosure controls and procedures, we recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, implementation of possible controls and procedures depends on management’s judgment in evaluating their benefits relative to costs.

PART II – OTHER INFORMATION

ITEM 1 – *LEGAL PROCEEDINGS*

We are a party to claims and legal actions arising routinely in the ordinary course of our business. Although we cannot predict with certainty the ultimate resolution of the claims and lawsuits asserted against us, we do not believe that any currently pending legal proceedings to which we are a party will have a material adverse effect on our consolidated financial position, results of operations or cash flows.

ITEM 1A – *RISK FACTORS*

There have been no material changes in the risk factors previously disclosed in the section entitled “Risk Factors” in our Form 10-K, which was filed with the SEC on March 10, 2023.

ITEM 2 – *UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS*

(a) Sales of Unregistered Securities and Use of Proceeds

None.

(b) Repurchases of Securities

The table below summarizes the number of common shares surrendered by employees to satisfy payroll tax liabilities associated with the vesting of restricted shares (dollar amounts in thousands, except share and per share amounts):

For the Month Ended	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Value of Shares That May Yet Be Purchased Under The Plans or Programs
April 30, 2023	—	$ —	—	$ —
May 31, 2023	8,614	$ 55.66	—	$ —
June 30, 2023	—	$ —	—	$ —
	8,614	$ 55.66	—	

Working Capital Restrictions and Other Limitations on the Payment of Dividends

We are not subject to working capital restrictions or other limitations on the payment of dividends. Our insurance subsidiaries, however, are subject to restrictions on the dividends they may pay. Those restrictions could impact HCI’s ability to pay future dividends.

Under Florida law, a domestic insurer may not pay any dividend or distribute cash or other property to its stockholders except out of that part of its available and accumulated capital and surplus funds which is derived from realized net operating profits on its business and net realized capital gains. Additionally, a Florida domestic insurer may not make dividend payments or distributions to its stockholders without prior approval of the Florida Office of Insurance Regulation ("FLOIR") if the dividend or distribution would exceed the larger of (1) the lesser of (a) 10.0% of its capital surplus or (b) net income, not including realized capital gains, plus a two year carry forward, (2) 10.0% of capital surplus with dividends payable constrained to unassigned funds minus 25% of unrealized capital gains or (3) the lesser of (a) 10.0% of capital surplus or (b) net investment income plus a three year carry forward with dividends payable constrained to unassigned funds minus 25% of unrealized capital gains.

Alternatively, a Florida domestic insurer may pay a dividend or distribution without the prior written approval of the FLOIR if (1) the dividend is equal to or less than the greater of (a) 10.0% of the insurer's capital surplus as regards to policyholders derived from realized net operating profits on its business and net realized capital gains or (b) the insurer's entire net operating profits and realized net capital gains derived during the immediately preceding calendar year, (2) the insurer will have policy holder capital surplus equal to or exceeding 115.0% of the minimum required statutory capital surplus after the dividend or distribution, (3) the insurer files a notice of the dividend or distribution with the FLOIR at least ten business days prior to the dividend payment or distribution and (4) the notice includes a certification by an officer of the insurer attesting that, after the payment of the dividend or distribution, the insurer will have at least 115% of required statutory capital surplus as to policyholders. Except as provided above, a Florida domiciled insurer may only pay a dividend or make a distribution (1) subject to prior approval by the FLOIR or (2) 30 days after the FLOIR has received notice of such dividend or distribution and has not disapproved it within such time.

During the six months ended June 30, 2023, our insurance subsidiaries paid dividends of $10,000,000 to HCI.

ITEM 3 – *DEFAULTS UPON SENIOR SECURITIES*

None.

ITEM 4 – *MINE SAFETY DISCLOSURES*

None.

ITEM 5 – *OTHER INFORMATION*

None.

ITEM 6 – *EXHIBITS*

The following documents are filed as part of this report:

EXHIBIT NUMBER	DESCRIPTION
3.1	Articles of Incorporation, with amendments. Incorporated by reference to the correspondingly numbered exhibit to our Form 10-Q filed August 7, 2013.
3.1.1	Articles of Amendment to Articles of Incorporation designating the rights, preferences and limitations of Series B Junior Participating Preferred Stock. Incorporated by reference to Exhibit 3.1 to our Form 8-K filed October 18, 2013.
3.1.2	Articles of Amendment to Articles of Incorporation cancelling the rights, preferences and limitations of Series B Junior Participating Preferred Stock. Incorporated by reference to Exhibit 3.1 to our Form 8-K filed May 15, 2020.
3.2	Bylaws, with amendments. Incorporated by reference to the correspondingly numbered exhibit to our Form 8-K filed September 13, 2019.
4.1	Form of common stock certificate. Incorporated by reference to the correspondingly numbered exhibit to our Form 10-Q filed November 7, 2013.
4.2	Common Stock Purchase Warrant, dated February 26, 2021, issued by HCI Group, Inc. to CB Snowbird Holdings, L.P. Incorporated by reference to Exhibit 4.1 of our Form 8-K filed March 1, 2021.
4.3	Indenture, dated May 23, 2022, by and between HCI Group, Inc. and The Bank of New York Mellon Trust Company, N.A. Incorporated by reference to the corresponding numbered exhibit to our Form 10-Q filed August 9, 2022.
4.6	Description of Securities Registered Under Section 12 of the Securities Exchange Act of 1934, as amended. Incorporated by reference to the corresponding numbered exhibit to our Form 10-K filed March 12, 2021.
4.9	See Exhibits 3.1, 3.1.1, 3.1.2 and 3.2 of this report for provisions of the Articles of Incorporation, as amended, and our Bylaws, as amended, defining certain rights of security holders.
4.10	Indenture, dated March 3, 2017, between HCI Group, Inc. and The Bank of New York Mellon Trust Company, N.A. Incorporated by reference to Exhibit 4.1 of our Form 8-K filed March 3, 2017.
4.11	Form of Global 4.25% Convertible Senior Note due 2037 (included in Exhibit 4.1). Incorporated by reference to Exhibit 4.1 of our Form 8-K filed March 3, 2017.
10.1	Preferred Stock Purchase Agreement, dated February 26, 2021, among TypTap Insurance Group, Inc., HCI Group, Inc., and CB Snowbird Holdings, L.P. Incorporated by reference to the corresponding numbered exhibit to our Form 8-K filed March 1, 2021.
10.2	Amended and Restated Articles of Incorporation of TypTap Insurance Group, Inc. filed February 26, 2021. Incorporated by reference to the corresponding numbered exhibit to our Form 8-K filed March 1, 2021.
10.3	Shareholders Agreement, dated February 26, 2021, among TypTap Insurance Group, Inc., CB Snowbird Holdings, L.P., HCI Group, Inc., and the other shareholders party thereto. Incorporated by reference to the corresponding numbered exhibit to our Form 8-K filed March 1, 2021.

10.4	Parent Guaranty Agreement, dated February 26, 2021, between HCI Group, Inc. and CB Snowbird Holdings, L.P. Incorporated by reference to the corresponding numbered exhibit to our Form 8-K filed March 1, 2021.
10.5**	HCI Group, Inc. 2012 Omnibus Incentive Plan as revised April 26, 2022. Incorporated by reference to the corresponding numbered exhibit to our Form 10-Q filed May 6, 2022.
10.7**	Executive Employment Agreement dated November 23, 2016 between Mark Harmsworth and HCI Group, Inc. Incorporated by reference to the corresponding numbered exhibit to our Form 10-Q filed August 3, 2017.
10.8	Multi-Year Working Layer Catastrophe Excess of Loss Reinsurance Contract effective June 1, 2022 issued to Homeowners Choice Property & Casualty Insurance Company, Inc. by subscribing reinsurers. Portions of this exhibit have been omitted pursuant to Regulation S-K Item 601(b)(10)(iv). Incorporated by reference to Exhibit 10.131 to our Form 10-Q filed August 9, 2022.
10.9	Property Catastrophe Excess of Loss Reinsurance Contract effective June 1, 2022 issued to Homeowners Choice Property & Casualty Insurance Company, Inc. by subscribing reinsurers. Portions of this exhibit have been omitted pursuant to Regulation S-K Item 601(b)(10)(iv). Incorporated by reference to Exhibit 10.132 to our Form 10-Q filed August 9, 2022.
10.10	Reinstatement Premium Protection Reinsurance Contract effective June 1, 2022 issued to Homeowners Choice Property & Casualty Insurance Company, Inc. by subscribing reinsurers. Portions of this exhibit have been omitted pursuant to Regulation S-K Item 601(b)(10)(iv). Incorporated by reference to Exhibit 10.133 to our Form 10-Q filed August 9, 2022.
10.11	Property Catastrophe Excess of Loss Reinsurance Contract effective June 1, 2022 issued to TypTap Insurance Company by subscribing reinsurers. Portions of this exhibit have been omitted pursuant to Regulation S-K Item 601(b)(10)(iv). Incorporated by reference to Exhibit 10.134 to our Form 10-Q filed August 9, 2022.
10.12	Property Catastrophe Excess of Loss Reinsurance Contract effective June 1, 2022 issued to TypTap Insurance Company by subscribing reinsurers. Portions of this exhibit have been omitted pursuant to Regulation S-K Item 601(b)(10)(iv). Incorporated by reference to Exhibit 10.135 to our Form 10-Q filed August 9, 2022.
10.13	Reinstatement Premium Protection Reinsurance Contract effective June 1, 2022 issued to TypTap Insurance Company by subscribing reinsurers. Portions of this exhibit have been omitted pursuant to Regulation S-K Item 601(b)(10)(iv). Incorporated by reference to Exhibit 10.136 to our Form 10-Q filed August 9, 2022.
10.14	Reinstatement Premium Protection Reinsurance Contract effective June 1, 2022 issued to TypTap Insurance Company by subscribing reinsurers. Portions of this exhibit have been omitted pursuant to Regulation S-K Item 601(b)(10)(iv). Incorporated by reference to Exhibit 10.137 to our Form 10-Q filed August 9, 2022.
10.15	Non-Florida Property Catastrophe Excess of Loss Reinsurance Contract effective June 1, 2022 issued to Homeowners Choice Property & Casualty Insurance Company, Inc. and TypTap Insurance Company by subscribing reinsurers. Portions of this exhibit have been omitted pursuant to Regulation S-K Item 601(b)(10)(iv). Incorporated by reference to Exhibit 10.138 to our Form 10-Q filed August 9, 2022.

10.16	Non-Florida Property Catastrophe Excess of Loss Reinsurance Contract effective June 1, 2022 issued to Homeowners Choice Property & Casualty Insurance Company, Inc. and TypTap Insurance Company by subscribing reinsurers. Portions of this exhibit have been omitted pursuant to Regulation S-K Item 601(b)(10)(iv). Incorporated by reference to Exhibit 10.139 to our Form 10-Q filed August 9, 2022.
10.17	Sixth Layer Non-Florida Property Catastrophe Excess of Loss Reinsurance Contract effective June 1, 2022 issued to Homeowners Choice Property & Casualty Insurance Company, Inc. and TypTap Insurance Company by subscribing reinsurers. Portions of this exhibit have been omitted pursuant to Regulation S-K Item 601(b)(10)(iv). Incorporated by reference to Exhibit 10.140 to our Form 10-Q filed August 9, 2022.
10.18	Non-Florida Reinstatement Premium Protection Reinsurance Contract effective June 1, 2022 issued to Homeowners Choice Property & Casualty Insurance Company, Inc. and TypTap Insurance Company by subscribing reinsurers. Portions of this exhibit have been omitted pursuant to Regulation S-K Item 601(b)(10)(iv). Incorporated by reference to Exhibit 10.141 to our Form 10-Q filed August 9, 2022.
10.19	Non-Florida Reinstatement Premium Protection Reinsurance Contract effective June 1, 2022 issued to Homeowners Choice Property & Casualty Insurance Company, Inc. and TypTap Insurance Company by subscribing reinsurers. Portions of this exhibit have been omitted pursuant to Regulation S-K Item 601(b)(10)(iv). Incorporated by reference to Exhibit 10.142 to our Form 10-Q filed August 9, 2022.
10.20	Flood Property Catastrophe Excess of Loss Reinsurance Contract effective June 1, 2022 issued to Homeowners Choice Property & Casualty Insurance Company, Inc. and TypTap Insurance Company by subscribing reinsurers. Portions of this exhibit have been omitted pursuant to Regulation S-K Item 601(b)(10)(iv). Incorporated by reference to Exhibit 10.143 to our Form 10-Q filed August 9, 2022.
10.21	Property Catastrophe Shared Multi-Region Excess of Loss Reinsurance Contract effective June 1, 2022 issued to Homeowners Choice Property & Casualty Insurance Company, Inc. and TypTap Insurance Company by subscribing reinsurers. Portions of this exhibit have been omitted pursuant to Regulation S-K Item 601(b)(10)(iv). Incorporated by reference to Exhibit 10.144 to our Form 10-Q filed August 9, 2022.
10.22	Top Layer Flood/Wind Property Catastrophe Excess of Loss Reinsurance Contract effective June 1, 2022 issued to Homeowners Choice Property & Casualty Insurance Company, Inc. and TypTap Insurance Company by subscribing reinsurers. Portions of this exhibit have been omitted pursuant to Regulation S-K Item 601(b)(10)(iv). Incorporated by reference to Exhibit 10.145 to our Form 10-Q filed August 9, 2022.
10.23	Reimbursement Contract effective June 1, 2022 between TypTap Insurance Company and the State Board of Administration of the State of Florida which administers the Florida Hurricane Catastrophe Fund. Incorporated by reference to Exhibit 10.146 to our Form 10-Q filed August 9, 2022.
10.24	Reimbursement Contract effective June 1, 2022 between Homeowners Choice Property & Casualty Insurance Company, Inc. and the State Board of Administration of the State of Florida which administers the Florida Hurricane Catastrophe Fund. Incorporated by reference to Exhibit 10.147 to our Form 10-Q filed August 9, 2022.
10.25	Property Catastrophe Excess of Loss Reinsurance Contract effective June 1, 2023 issued to Homeowners Choice Property & Casualty Insurance Company by Subscribing Reinsurers. Portions of this exhibit have been omitted pursuant to Regulation S-K Item 601(b)(10)(iv).

10.26	Property Catastrophe Excess of Loss Reinsurance Contract effective June 1, 2023 issued to Homeowners Choice Property & Casualty Insurance Company by Subscribing Reinsurers. Portions of this exhibit have been omitted pursuant to Regulation S-K Item 601(b)(10)(iv).
10.27	Reinstatement Premium Protection Reinsurance Contract effective June 1, 2023 issued to Homeowners Choice Property & Casualty Insurance Company by Subscribing Reinsurers. Portions of this exhibit have been omitted pursuant to Regulation S-K Item 601(b)(10)(iv).
10.28	Reinstatement Premium Protection Reinsurance Contract effective June 1, 2023 issued to Homeowners Choice Property & Casualty Insurance Company by Subscribing Reinsurers. Portions of this exhibit have been omitted pursuant to Regulation S-K Item 601(b)(10)(iv).
10.29	Property Catastrophe Excess of Loss Reinsurance Contract effective June 1, 2023 issued to TypTap Insurance Company by Subscribing Reinsurers. Portions of this exhibit have been omitted pursuant to Regulation S-K Item 601(b)(10)(iv).
10.30	Property Catastrophe Excess of Loss Reinsurance Contract effective June 1, 2023 issued to TypTap Insurance Company by Subscribing Reinsurers. Portions of this exhibit have been omitted pursuant to Regulation S-K Item 601(b)(10)(iv).
10.31	Reinstatement Premium Protection Reinsurance Contract effective June 1, 2023 issued to TypTap Insurance Company by Subscribing Reinsurers. Portions of this exhibit have been omitted pursuant to Regulation S-K Item 601(b)(10)(iv).
10.32	Reinstatement Premium Protection Reinsurance Contract effective June 1, 2023 issued to TypTap Insurance Company by Subscribing Reinsurers. Portions of this exhibit have been omitted pursuant to Regulation S-K Item 601(b)(10)(iv).
10.33	Property Catastrophe Excess of Loss Reinsurance Contract effective June 1, 2023 issued to Homeowners Choice Property & Casualty Insurance Company by Subscribing Reinsurers. Portions of this exhibit have been omitted pursuant to Regulation S-K Item 601(b)(10)(iv).
10.34	Property Catastrophe Excess of Loss Reinsurance Contract effective June 1, 2023 issued to Homeowners Choice Property & Casualty Insurance Company and TypTap Insurance Company by Subscribing Reinsurers. Portions of this exhibit have been omitted pursuant to Regulation S-K Item 601(b)(10)(iv).
10.35	Property Catastrophe Excess of Loss Reinsurance Contract effective June 1, 2023 issued to Homeowners Choice Property & Casualty Insurance Company and TypTap Insurance Company by Subscribing Reinsurers. Portions of this exhibit have been omitted pursuant to Regulation S-K Item 601(b)(10)(iv).
10.36	Reimbursement Contract effective June 1, 2023 between Homeowners Choice Property & Casualty Insurance Company, Inc. and the State Board of Administration of the State of Florida which administers the Florida Hurricane Catastrophe Fund.
10.37	Reimbursement Contract effective June 1, 2023 between TypTap Insurance Company, Inc. and the State Board of Administration of the State of Florida which administers the Florida Hurricane Catastrophe Fund.
10.38	RAP Reimbursement Contract effective June 1, 2023 between Homeowners Choice Property & Casualty Insurance Company, Inc. and the State Board of Administration of the State of Florida which administers the Reinsurance to Assist Policyholders Program (“RAP Program”).

10.39	RAP Reimbursement Contract effective June 1, 2023 between TypTap Insurance Company, Inc. and the State Board of Administration of the State of Florida which administers the Reinsurance to Assist Policyholders Program ("RAP Program").
10.48**	TypTap Insurance Group, Inc. 2021 Equity Incentive Plan. Incorporated by reference to Exhibit 10.5 of our Form 8-K filed March 1, 2021.
10.49**	Form of Restricted Stock Award Agreement of TypTap Insurance Group, Inc. Incorporated by reference to Exhibit 10.6 of our Form 8-K filed March 1, 2021.
10.51**	Stock Option Agreement between Paresh Patel and TypTap Insurance Group, Inc. dated October 1, 2021. Incorporated by reference to Exhibit 99.1 to our Form 8-K filed October 7, 2021.
10.52**	TypTap Insurance Group, Inc. 2021 Omnibus Incentive Plan. Incorporated by reference to Exhibit 99.2 of our Form 8-K filed October 7, 2021.
10.53	Purchase Agreement, dated May 18, 2022, by and among HCI Group, Inc., JMP Securities LLC and Truist Securities, Inc., as representatives of the several purchasers named therein. Incorporated by reference to Exhibit 10.1 of our Form 8-K filed May 23, 2022.
10.57**	Form of executive restricted stock award contract. Incorporated by reference to the corresponding numbered exhibit to our Form 10-Q filed May 1, 2014.
10.58	Purchase Agreement, dated February 28, 2017, by and between HCI Group, Inc. and JMP Securities LLC and SunTrust Robinson Humphrey, Inc., as representatives of the several initial purchasers named therein. Incorporated by reference to Exhibit 10.1 of our Form 8-K filed February 28, 2017.
10.62	Amended and Restated Credit Agreement, dated June 2, 2023, between HCI Group, Inc. and Fifth Third Bank.
10.63	Security and Pledge Agreement and Revolving Credit Promissory Note, dated June 2, 2023, between HCI Group, Inc. and Fifth Third Bank. Incorporated by reference to Exhibits 99.2, and 99.3 to our Form 8-K filed June 8, 2023.
10.105**	Restricted Stock Award Contract between Paresh Patel and HCI Group, Inc. dated January 16, 2020. Incorporated by reference to Exhibit 99.1 to our Form 8-K filed January 23, 2020.
10.106**	Nonqualified Stock Option Agreement between Paresh Patel and HCI Group, Inc. dated January 16, 2020. Incorporated by reference to Exhibit 99.2 to our Form 8-K filed January 23, 2020.
10.124	Property Quota Share Reinsurance Contract effective December 31, 2020 issued to United Property and Casualty Insurance Company by Homeowners Choice Property & Casualty Insurance Company. Incorporated by reference to the corresponding numbered exhibit to our Form 10-K filed March 10, 2022.
10.125	Renewal Rights Agreement effective January 18, 2021 by and among United Property and Casualty Insurance Company, United Insurance Holdings Corp., United Insurance Management, L.C. and Homeowners Choice Property & Casualty Insurance Company. Incorporated by reference to the corresponding numbered exhibit to our Form 10-K filed March 10, 2022.
10.126	Property Quota Share Reinsurance Contract effective June 1, 2021 issued to United Property and Casualty Insurance Company by Homeowners Choice Property & Casualty Insurance Company and TypTap Insurance Company. Incorporated by reference to the corresponding numbered exhibit to our Form 10-K filed March 10, 2022.

10.127	Renewal Rights Agreement effective December 30, 2021 by and among United Property and Casualty Insurance Company, United Insurance Holdings Corp., United Insurance Management, L.C. and Homeowners Choice Property & Casualty Insurance Company. Incorporated by reference to the corresponding numbered exhibit to our Form 10-K filed March 10, 2022.
10.128	Property Quota Share Reinsurance Contract effective December 31, 2021 issued to United Property and Casualty Insurance Company by Homeowners Choice Property & Casualty Insurance Company. Incorporated by reference to the corresponding numbered exhibit to our Form 10-K filed March 10, 2022.
10.129	Property Quota Share Reinsurance Contract effective June 1, 2022 issued to United Property and Casualty Insurance Company by TypTap Insurance Company. Incorporated by reference to the corresponding numbered exhibit to our Form 10-Q filed August 9, 2022.
31.1	Certification of the Chief Executive Officer
31.2	Certification of the Chief Financial Officer
32.1	Written Statement of the Chief Executive Officer Pursuant to 18 U.S.C.ss.1350
32.2	Written Statement of the Chief Financial Officer Pursuant to 18 U.S.C.ss.1350
101.INS	Inline XBRL Instance Document - the instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL documents.
101.SCH	Inline XBRL Taxonomy Extension Schema.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase.
101.DEF	Inline XBRL Definition Linkbase.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

** Management contract or compensatory plan.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized, who have signed this report on behalf of the Company.

HCI GROUP, INC.

August 9, 2023

By: /s/ Paresh Patel
Paresh Patel
Chief Executive Officer
(Principal Executive Officer)

August 9, 2023

By: /s/ James Mark Harmsworth
James Mark Harmsworth
Chief Financial Officer
(Principal Financial and Accounting Officer)

A signed original of this document has been provided to HCI Group, Inc. and will be retained by HCI Group, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 10.25. Certain identified information has been excluded from this exhibit because it is immaterial and would be competitively harmful if publicly disclosed. Information that has been omitted is indicated with brackets.

EXHIBIT 10.25

PROPERTY CATASTROPHE EXCESS OF LOSS REINSURANCE CONTRACT

issued to

HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC.
Tampa, Florida

including any and/or all companies that are or may hereafter become affiliated therewith

EXHIBIT 10.25. Certain identified information has been excluded from this exhibit because it is immaterial and would be competitively harmful if publicly disclosed. Information that has been omitted is indicated with brackets.

PROPERTY CATASTROPHE EXCESS OF LOSS REINSURANCE CONTRACT

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PROPERTY CATASTROPHE EXCESS OF LOSS REINSURANCE CONTRACT

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EXHIBIT 10.25. Certain identified information has been excluded from this exhibit because it is immaterial and would be competitively harmful if publicly disclosed. Information that has been omitted is indicated with brackets.

PROPERTY CATASTROPHE EXCESS OF LOSS REINSURANCE CONTRACT
(the "Contract")

issued to

HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC.
Tampa, Florida

including any and/or all companies that are or may hereafter become affiliated therewith

(collectively, the "Company")

by

THE SUBSCRIBING REINSURER(S) IDENTIFIED IN THE INTERESTS AND LIABILITIES AGREEMENT(S) ATTACHED TO AND FORMING PART OF THIS CONTRACT

(the "Reinsurer")

ARTICLE 1

BUSINESS COVERED

This Contract is to indemnify the Company in respect of its net excess liability as a result of any loss or losses which may occur during the term of this Contract under any Policies in force at the effective date hereof or issued or renewed on or after that date, covering direct and assumed business classified by the Company as the property perils of Business Owners, Homeowners, Condominium Owners, Renters and Dwelling, subject to the terms and conditions herein contained.

ARTICLE 2

RETENTION AND LIMIT

A. For each Layer of reinsurance provided hereunder, the Reinsurer shall be liable in respect of each Loss Occurrence for the Ultimate Net Loss over and above the initial Ultimate Net Loss retention as set forth in the schedule below for the Loss Occurrence, subject to a limit of liability to the Reinsurer for each such Loss Occurrence, and subject further to a limit of liability for all Loss Occurrences commencing during the term of this Contract, as set forth below:

RETENTION AND LIMIT SCHEDULE			
Layer	**Company's Retention**	**Reinsurer's Limit of Liability**	
	Ultimate Net Loss in respect of each Loss Occurrence	**Ultimate Net Loss in respect of each Loss Occurrence**	**Ultimate Net Loss in respect of all Loss Occurrences during the term of this Contract**
Fourth Layer	[ ]	[ ]	[ ]
Fifth Layer	[ ]	[ ]	[ ]
Sixth Layer	[ ]	[ ]	[ ]

B. No Loss Occurrence shall be covered hereunder unless it involves two or more risks subject to this Contract. The Company shall be the sole judge of what constitutes one risk for purposes of this Contract.

ARTICLE 3

FLORIDA HURRICANE CATASTROPHE FUND AND REINSURANCE TO ASSIST POLICYHOLDERS

A. As respects Loss Occurrences subject to this Contract, any loss reimbursement recoverable by the Company under the Florida Hurricane Catastrophe Fund (FHCF) and the Reinsurance to Assist Policyholders (RAP) Program, shall be deducted in determining Ultimate Net Loss under this Contract, subject to the following:

1. The full reimbursement amount due from the FHCF for coverage under the Mandatory Layer and RAP, based on statutory limits of coverage as of June 1, shall be deemed recovered by the Company, whether or not actually received from the FHCF and/or RAP and whether or not reduced because of the FHCF's and/or RAP's inability to pay.

2. For purposes of allocating recoveries from the FHCF with respect to each Loss Occurrence, only amounts recoverable by applying the pay-out and retention multiples for the FHCF prior to any reduction in retention due to multiple Loss Occurrences in the same annual period shall be included in calculating the deduction from Ultimate Net Loss. RAP coverage shall only apply to two eligible Loss Occurrences as determined by statute.

3. If the Company's aggregate limit of FHCF and/or RAP reimbursement coverage is exhausted from Loss Occurrences commencing during the term of this Contract, and the FHCF or RAP, as applicable, does not designate the portion of said limit allocable to each Loss Occurrence, the total FHCF and/or RAP reimbursement received shall be

allocated to each individual Loss Occurrence in the proportion that the Company's losses in that Loss Occurrence bear to the Company's total losses arising out of all Loss Occurrences to which the reimbursement applies.

4. For purposes of loss recoveries under this Contract prior to the final determination of the Company's retention and limit under the FHCF and/or RAP, as applicable; FHCF and/or RAP coverage, as applicable, shall be calculated using the Company's respective "Projected Payout Multiple" under the FHCF and/or RAP. Upon determination of the Company's retention and limit under the FHCF and/or RAP, as applicable, losses will be adjusted, recognizing any adjustment to the "Projected Payout Multiple" caused by a change in the Aggregate Mandatory FHCF Premium or any other adjustments as required by statute to determine the final FHCF and/or RAP layer, but disregarding any change due to a decrease in the statutory limit.

B. Any FHCF reimbursement premiums paid by the Company for FHCF layers that inure to the benefit of this Contract shall be deemed to be premiums paid for inuring reinsurance.

C. The Company has opted for 90% coverage selections from the FHCF and RAP:

ARTICLE 4

TERM

This Contract shall take effect at 12:01 a.m., Standard Time, June 1, 2023, and unless terminated prior to that time and date as provided in the Special Termination Article, shall remain in effect until 12:01 a.m., Standard Time, June 1, 2024, applying to Loss Occurrences commencing during the term of this Contract. For purposes of this Contract, "Standard Time" shall mean the time as described in the original Policy.

ARTICLE 5

SPECIAL TERMINATION

A. The Company may terminate a Subscribing Reinsurer's percentage share in this Contract at any time by giving written notice to the Subscribing Reinsurer in the event of any of the following circumstances:

1. The Subscribing Reinsurer ceases underwriting operations.

2. A state insurance department or other legal authority orders the Subscribing Reinsurer to cease writing business, or the Subscribing Reinsurer is placed under regulatory supervision.

3. The Subscribing Reinsurer has become insolvent or has been placed into liquidation or receivership (whether voluntary or involuntary), or there have been instituted against it proceedings for the appointment of a receiver, liquidator, rehabilitator, conservator, trustee in bankruptcy, or other agent known by whatever name, to take possession of its assets or control of its operations.

4. The Subscribing Reinsurer's policyholders' surplus (or the equivalent under the Subscribing Reinsurer's accounting system) as reported in such financial statements of the Subscribing Reinsurer as designated by the Company, has been reduced by 20% of the amount thereof at any date during the prior 12-month period (including the period prior to the inception of this Contract).

5. The Subscribing Reinsurer has become, or has announced its intention to become, merged with or acquired or controlled by any company, corporation, or individual(s) not controlling the Subscribing Reinsurer's operations at the inception of this Contract.

6. The Subscribing Reinsurer has retroceded its entire liability under this Contract without the Company's prior written consent, except for retrocessions to members of the Subscribing Reinsurer's holding company group.

7. The Subscribing Reinsurer has been assigned an A.M. Best's rating of less than "A-" and/or an S&P rating of less than "BBB+." However, as respects Underwriting Members of Lloyd's, London, a Lloyd's Market Rating of less than "A-" by A.M. Best and/or less than "BBB+" by S&P shall apply.

8. The Subscribing Reinsurer has hired an unaffiliated runoff claims manager that is compensated on a contingent basis or is otherwise provided with financial incentives based on the quantum of claims paid.

9. The Subscribing Reinsurer has in any other way assigned its interests or delegated its obligations under this Contract to an unaffiliated entity.

10. The Subscribing Reinsurer has failed to post or maintain required collateral to secure its obligations as required under this Contract, and has not cured such deficiency within 30 days following written notice thereof from the Company.

Notwithstanding the foregoing, agreement by a Lloyd's syndicate to follow claim settlements procedures under Lloyd's Claims Scheme (Combined) shall not constitute a transfer of its claims-paying authority, for purposes of subparagraphs (8) and (9) of this paragraph.

B. Termination shall be effected on a cut-off basis and the Subscribing Reinsurer shall have no liability for Loss Occurrences commencing after the date of termination. The reinsurance premium due the Subscribing Reinsurer hereunder (including any minimum reinsurance

premium) shall be prorated based on the period of the Subscribing Reinsurer's participation hereon, and the Subscribing Reinsurer shall immediately return any excess reinsurance premium received. Reinstatement premium, if any, shall be calculated based on the Subscribing Reinsurer's reinsurance premium earned during the period of the Subscribing Reinsurer's participation hereon.

C. Additionally, in the event of any of the circumstances listed in paragraph A of this Article, the Company shall have the option to commute the Subscribing Reinsurer's liability for losses on Policies covered by this Contract. In the event the Company and the Subscribing Reinsurer cannot agree on the commutation amount, they shall appoint an actuary and/or appraiser to assess such amount and shall share equally any expense of the actuary and/or appraiser. If the Company and the Subscribing Reinsurer cannot agree on an actuary and/or appraiser, the Company and the Subscribing Reinsurer each shall nominate three individuals, of whom the other shall decline two, and the final appointment shall be made by drawing lots. Payment by the Subscribing Reinsurer of the amount of liability ascertained shall constitute a complete and final release of both parties in respect of liability arising from the Subscribing Reinsurer's participation under this Contract.

D. The Company's option to require commutation under paragraph C above shall survive the termination or expiration of this Contract.

ARTICLE 6

TERRITORY

This Contract shall apply to Policies issued in the State of Florida.

ARTICLE 7

EXCLUSIONS

A. This Contract shall not apply to and specifically excludes:

1. Policies covered by the Company's Flood Tower.
2. Flood when written as such.
3. Earthquake for standalone Policies where earthquake is the only named peril.
4. Hail damage to an insured's growing or standing crops.
5. Reinsurance assumed by the Company under obligatory reinsurance agreements, except intercompany reinsurance between the Company and its affiliates and

reinsurance where the Policies involved are to be re-underwritten in accordance with the underwriting standards of the Company and reissued as Policies of the Company in due course.

6. Pools, Associations & Syndicates, per the attached exclusion.

7. Liability of the Company arising by contract, operation of law, or otherwise, from its participation or membership, whether voluntary or involuntary, in any Insolvency Fund. “Insolvency Fund” includes any guaranty fund, insolvency fund, plan, pool, association, fund or other arrangement, howsoever denominated, established or governed, that provides for any assessment of or payment or assumption by the Company of part or all of any claim, debt, charge, fee, or other obligation of an insurer, or its successors or assigns, that has been declared by any competent authority to be insolvent, or that is otherwise deemed unable to meet any claim, debt, charge, fee or other obligation in whole or in part.

8. Loss or damage occasioned by war, invasion, hostilities, acts of foreign enemies, civil war, rebellion, insurrection, military or usurped power, martial law, or confiscation by order of any government or public authority, but not excluding loss or damage that would be covered under a standard form of Policy containing a standard war exclusion clause.

9. Losses excluded by the attached Nuclear Incident Exclusion Clause – Physical Damage – Reinsurance – U.S.A.

10. Terrorism as defined in the attached Terrorism Exclusion.

11. Mold unless directly resulting from an otherwise covered peril.

12. Loss and/or damage and/or costs and/or expenses arising from seepage and/or pollution and/or contamination, other than contamination from smoke. Nevertheless, this exclusion does not preclude payment of the cost of removing debris of property damaged by a loss otherwise covered hereunder, subject always to a limit of 25.0% of the Company’s property loss under the applicable original Policy.

13. Financial guarantee and insolvency.

14. Loss or damage to overhead transmission and distribution lines, including supporting structures, of electrical companies, telephone companies, and cable companies. This exclusion shall not apply, however, to transmission and distribution lines and their supporting structures located on the property of any original insured or within 1,000 feet thereof.

15. Losses excluded by the attached Limited Communicable Disease Exclusion No. 2 (Property Treaty Reinsurance).

16. Loss Excluded by the attached Cyber Loss Limited Exclusion Clause (Property Treaty Reinsurance).

17. Policies written by TypTap Insurance Company.

B. With the exception of subparagraphs A(7), A(8), A(9), A(10), A(13), A(15) and A(16) above, should any judicial, regulatory or legislative entity having legal jurisdiction invalidate any exclusion on the Company's Policy, any amount of loss for which the Company is liable because of such invalidation will not be excluded hereunder.

C. With the exception of subparagraphs A(7), A(8), A(9), A(10), A(13), A(15) and A(16) above, if the Company inadvertently issues a Policy falling within the scope of one or more of the exclusions, such Policy shall be covered hereunder, provided that the Company issues, or causes to be issued, the required notice of cancellation within 30 days after a member of the executive or managerial staff at the Company's home office having underwriting authority in the class of business involved becomes aware that the Policy applies to excluded classes, unless the Company is prevented from canceling said Policy within such period by applicable statute or regulation, in which case such Policy shall be covered hereunder until the earliest date on which the Company may cancel.

ARTICLE 8

SPECIAL ACCEPTANCE

Business that is not within the scope of this Contract may be submitted to the Reinsurer for special acceptance hereunder, and such business, if accepted by the Reinsurer shall be covered hereunder, subject to the terms and conditions of this Contract, except as modified by the special acceptance. The Reinsurer shall be deemed to have accepted a risk, if it has not responded within five business days after receiving the underwriting information on such risk. Any renewal of a special acceptance agreed to for a predecessor contract to this Contract, shall automatically be covered hereunder.

ARTICLE 9

PREMIUM

A. The Company shall pay the Reinsurer a Deposit Premium in accordance with the schedule set forth below. The reinsurance premium to be paid to the Reinsurer for the reinsurance provided under each Layer shall be calculated at the Final Adjusted Premium Rates set out

below multiplied by the Company's final Total Insured Value, subject to the applicable Minimum Premium stated below:

PREMIUM SCHEDULE			
Layer	**Final Adjusted Premium Rate**	**Deposit Premium**	**Minimum Premium**
Fourth Layer	[ ]	[ ]	[ ]
Fifth Layer	[ ]	[ ]	[ ]
Sixth Layer	[ ]	[ ]	[ ]

B. The Deposit Premiums set forth in paragraph A above shall be payable to the Reinsurer by the Company in installments as follows:

Layer	**June 1, 2023**	**September 1, 2023**	**December 1, 2023**
Fourth Layer	[ ]	[ ]	[ ]
Fifth Layer	[ ]	[ ]	[ ]
Sixth Layer	[ ]	[ ]	[ ]

C. Within 45 days following the expiration of this Contract, the Company shall provide the Reinsurer with a report showing the Company's final Total Insured Value. This final Total Insured Value shall be multiplied by the Final Adjusted Premium Rate for each Layer as stated in paragraph A above. Should the premium so calculated exceed the deposit premium paid in accordance with paragraph A above, the Company shall immediately pay the Reinsurer the difference. Should the premium so calculated be less than the deposit premium paid in accordance with paragraph A above, the Reinsurer shall immediately pay the Company the difference, subject to a minimum premium for the term of this Contract in accordance with paragraph A above.

D. "Total Insured Value" means the Company's aggregate wind exposures on September 30, 2023 for business covered hereunder.

E. The estimated Total Insured Value is [ ].

F. The Company shall furnish the Reinsurer with such reasonably available information as may be reasonably required by the Reinsurer for completion of the Reinsurer's financial statements.

ARTICLE 10

REINSTATEMENT

A. Loss payments under any Layer of this Contract shall reduce the limit of coverage afforded by the amounts paid, but the limit of coverage shall be reinstated from the time of the occurrence of the loss, and for each amount so reinstated, the Company agrees to pay, simultaneously with the Reinsurer's loss payment, an additional premium calculated at pro rata of the Reinsurer's premium for the applicable layer(s) for the term of this Contract, being pro rata only as to the fraction of the Reinsurer's limit of liability hereunder (i.e., the fraction of the Reinsurer's limit of liability for each Loss Occurrence as set forth for the Layer in the Retention and Limit Article) so reinstated. Nevertheless, the Reinsurer's liability under the applicable layer(s) shall not exceed such limit(s) in respect of any one Loss Occurrence, nor the applicable limit(s) in respect of all Loss Occurrences commencing during the term of this Contract, as set forth in the Retention and Limit Article.

B. If at the time of a loss settlement hereon the reinsurance premium, as calculated in accordance with the Premium Article, is unknown, the above calculation of reinstatement premium shall be based upon the Deposit Premium, subject to adjustment when the reinsurance premium is finally established.

ARTICLE 11

DEFINITIONS

A. 1. "Ultimate Net Loss" means the actual loss paid by the Company or which the Company becomes liable to pay, such loss to include Loss Adjustment Expense, 100% of any Extra Contractual Obligation and 100% of any Loss in Excess of Policy Limits as defined in the Extra Contractual Obligations/Excess of Policy Limits Article. In no event, however, shall more than 25% of "Ultimate Net Loss" for any one Loss Occurrence be comprised of Extra Contractual Obligations and Loss in Excess of Policy Limits.

2. Salvages and all recoveries (including amounts due from all reinsurances that inure to the benefit of this Contract, whether recovered or not), shall be first deducted from such loss to arrive at the amount of liability attaching hereunder.

3. All salvages, recoveries or payments recovered or received subsequent to loss settlement hereunder shall be applied as if recovered or received prior to the aforesaid settlement, and all necessary adjustments shall be made by the parties hereto.

4. The Company shall be deemed to be "liable to pay" a loss when a judgment has been rendered that the Company does not plan to appeal, and/or the Company has obtained

a release, and/or the Company has accepted a proof of loss, and/or the Company has made a commitment to pay, and/or the Company has scheduled the payment of a loss.

5. Nothing in this clause shall be construed to mean that losses are not recoverable hereunder until the Company's "Ultimate Net Loss" has been ascertained.

B. "Loss Adjustment Expense" means costs and expenses incurred by the Company in connection with the investigation, appraisal, adjustment, settlement, litigation, defense or appeal of a specific claim or loss, or alleged loss, including but not limited to:

1. court costs;

2. costs of supersedeas and appeal bonds;

3. monitoring counsel expenses;

4. legal expenses and costs incurred in connection with coverage questions and legal actions connected thereto, including but not limited to declaratory judgment actions;

5. post-judgment interest;

6. pre-judgment interest, unless included as part of an award or judgment;

7. a pro rata share of salaries and expenses of Company field employees, calculated in accordance with the time occupied in adjusting such loss, and expenses of other Company employees who have been temporarily diverted from their normal and customary duties and assigned to the field adjustment of losses covered by this Contract; and

8. subrogation, salvage and recovery expenses.

"Loss Adjustment Expense" does not include salaries and expenses of the Company's employees, except as provided in subparagraph (7) above, and office and other overhead expenses.

C. 1. "Loss Occurrence" means the sum of all individual losses directly occasioned by any one disaster, accident or loss or series of disasters, accidents or losses arising out of one event. However, the duration and extent of any one "Loss Occurrence" shall be limited to all individual losses sustained by the Company occurring during any period of 168 consecutive hours arising out of and directly occasioned by the same event except that the term "Loss Occurrence" shall be further defined as follows:

a. As regards any "Named Storm," all individual losses sustained by the Company arising out of and directly occasioned by such "Named Storm," without regard to

the limitations of duration and extent set forth above. “Named Storm” means any storm or storm system declared by the US National Hurricane Center, US Central Pacific Hurricane Center, US Weather Prediction Center, or their successor organizations, all being divisions of the US National Weather Service to be a tropical storm or hurricane, and any successors thereof. A storm or storm system that merges with a “Named Storm” shall be considered part of that “Named Storm,” once it has merged. A “Named Storm” shall be deemed to begin at the effective time and date of the first watch, warning or other official advisory applicable to such tropical storm or hurricane issued by the above referenced governmental meteorological agencies. A “Named Storm” shall be deemed to end 72 hours after the cancellation of the last watch, warning or other official advisory applicable to such tropical storm, hurricane or successor, issued by the above referenced governmental meteorological agencies irrespective of the duration of the timing or spacing between such watches, warnings or other official advisories. If two or more storms are assigned different names by the above referenced governmental meteorological agencies, each of those storms shall constitute a separate event for purposes of this definition.

b. As regards windstorm, hail, tornado, cyclone, including ensuing collapse and water damage other than “Named Storm,” all individual losses sustained by the Company occurring during any period of 96 consecutive hours arising out of and directly occasioned by the same event.

c. As regards riot, riot attending a strike, civil commotion, vandalism and malicious mischief, all individual losses sustained by the Company occurring during any period of 96 consecutive hours arising out of and directly occasioned by the same event. The maximum duration of 96 consecutive hours may be extended in respect of individual losses that occur beyond such 96 consecutive hours during the continued occupation of an assured’s premises by strikers, provided such occupation commenced during the aforesaid period.

d. As regards earthquake and fire following directly occasioned by the earthquake, those earthquake losses and individual fire losses that commence during the period of 168 consecutive hours may be included in the Company’s “Loss Occurrence.”

e. As regards any related weather conditions involving snow, sleet, freezing rain, freeze, ice, winter weather, and wind losses related to such conditions, all individual losses sustained by the Company, that occur during any period of 168 consecutive hours arising out of and directly occasioned by the same event.

f. As regards firestorms, brush fires and other fires or series of fires, irrespective of origin (except for fires covered in subparagraphs (c) and (d) above) which spread

through trees, grassland or other vegetation, all individual losses sustained by the Company occurring during any period of 168 consecutive hours within a 150-mile radius of any fixed point selected by the Company may be included in the Company's "Loss Occurrence." However, an individual loss subject to this subparagraph cannot be included in more than one "Loss Occurrence."

2. Except as provided in subparagraph (1)(a) above:

a. The Company may choose the date and time when any such period of consecutive hours commences provided that it is not earlier than the date and time of the occurrence of the first recorded individual loss sustained by the Company arising out of that disaster, accident or loss.

b. Only one period of consecutive hours shall apply with respect to one event, except that, as respects those "Loss Occurrences" referred to in subparagraph (1)(c) above, if the disaster, accident or loss occasioned by the event is of greater duration than 96 consecutive hours, then the Company may divide that disaster, accident or loss into two or more "Loss Occurrences" provided no two periods overlap and no individual loss is included in more than one such period and provided that no period commences earlier than the date and time of the occurrence of the first recorded individual loss sustained by the Company arising out of that disaster, accident or loss.

3. Losses arising from a combination of two or more perils as a result of the same event shall be considered as having arisen from one "Loss Occurrence." Furthermore, all losses arising from an event involving a combination of losses described in subparagraphs (1)(a) and (1)(b) may be considered as having arisen from one "Loss Occurrence." Notwithstanding the foregoing, the hourly limitations as stated above shall not be exceeded as respects the applicable perils, and, except as respects those "Loss Occurrences" involving a "Named Storm" referred to in subparagraph (1)(a) above, no single "Loss Occurrence" shall encompass a time period greater than 168 consecutive hours.

D. "Policy" means any binder, policy, or contract of insurance or reinsurance issued, accepted or held covered provisionally or otherwise, by or on behalf of the Company.

ARTICLE 12

EXTRA CONTRACTUAL OBLIGATIONS/EXCESS OF POLICY LIMITS

A. This Contract shall cover Extra Contractual Obligations, as provided in the definition of Ultimate Net Loss. "Extra Contractual Obligations" shall be defined as those liabilities not covered under any other provision of this Contract and that arise from the handling of any

claim on business covered hereunder, such liabilities arising because of, but not limited to, the following: failure by the Company to settle within the Policy limit, or by reason of alleged or actual negligence, fraud or bad faith in rejecting an offer of settlement or in the preparation of the defense or in the trial of any action against its insured or reinsured or in the preparation or prosecution of an appeal consequent upon such action.

B. This Contract shall cover Loss in Excess of Policy Limits, as provided in the definition of Ultimate Net Loss. “Loss in Excess of Policy Limits” shall be defined as Loss in excess of the Policy limit, having been incurred because of, but not limited to, failure by the Company to settle within the Policy limit or by reason of alleged or actual negligence, fraud or bad faith in rejecting an offer of settlement or in the preparation of the defense or in the trial of any action against its insured or reinsured or in the preparation or prosecution of an appeal consequent upon such action.

C. An Extra Contractual Obligation and/or Loss in Excess of Policy Limits shall be deemed to have occurred on the same date as the loss covered under the Company’s Policy, and shall constitute part of the original loss.

D. For the purposes of the Loss in Excess of Policy Limits coverage hereunder, the word “Loss” shall mean any amounts for which the Company would have been contractually liable to pay had it not been for the limit of the original Policy.

E. Loss Adjustment Expense in respect of Extra Contractual Obligations and/or Loss in Excess of Policy Limits shall be covered hereunder in the same manner as other Loss Adjustment Expense.

F. However, this Article shall not apply where the loss has been incurred due to final legal adjudication of fraud of a member of the Board of Directors or a corporate officer of the Company acting individually or collectively or in collusion with any individual or corporation or any other organization or party involved in the presentation, defense or settlement of any claim covered hereunder.

G. In no event shall coverage be provided to the extent not permitted under law.

ARTICLE 13

NET RETAINED LIABILITY

A. This Contract applies only to that portion of any loss that the Company retains net for its own account (prior to deduction of any reinsurance that inures solely to the benefit of the Company).

B. The amount of the Reinsurer's liability hereunder in respect of any loss or losses shall not be increased by reason of the inability of the Company to collect from any other reinsurer(s), whether specific or general, any amounts that may have become due from such reinsurer(s), whether such inability arises from the insolvency of such other reinsurer(s) or otherwise.

ARTICLE 14

OTHER REINSURANCE

The Company shall be permitted to carry in force other reinsurance, recoveries under which shall inure to the benefit of this Contract.

ARTICLE 15

ORIGINAL CONDITIONS

All reinsurance under this Contract shall be subject to the same terms, conditions, waivers and interpretations, and to the same modifications and alterations as the respective Policies of the Company. However, in no event shall this be construed in any way to provide coverage outside the terms and conditions set forth in this Contract.

ARTICLE 16

NO THIRD PARTY RIGHTS

This Contract is solely between the Company and the Reinsurer, and in no instance shall any insured, claimant or other third party have any rights under this Contract except as may be expressly provided otherwise herein.

ARTICLE 17

NOTICE OF LOSS AND LOSS SETTLEMENTS

A. The Company shall advise the Reinsurer promptly if paid and estimated Ultimate Net Loss is in excess of 75% of the Company's retention, or if, in the opinion of the Company, such Ultimate Net Loss may result in a claim hereunder. Thereafter, the Company shall advise the Reinsurer, at least monthly, of all subsequent developments thereto that may materially affect the position of the Reinsurer.

B. The Company alone and at its full discretion shall adjust, settle or compromise all claims and losses.

C. As respects losses subject to this Contract, all loss settlements made by the Company, whether under strict Policy terms or by way of compromise, and any Extra Contractual Obligations and/or Loss in Excess of Policy Limits, shall be binding upon the Reinsurer. The Reinsurer agrees to pay or allow, as the case may be, its share of each such settlement immediately upon receipt of reasonable evidence of the amount paid by the Company or that the Company estimates it will pay within the next 14 days. Within 30 days after receipt of the Reinsurer's payment, the Company shall report to the Reinsurer the Reinsurer's payment, minus the Reinsurer's share of losses subject to this Contract that the Company has paid, or become liable to pay, as of the date of the report. Any positive difference shall be remitted to the Reinsurer with the Company's report.

ARTICLE 18

LATE PAYMENTS

A. In the event any payment due either party is not received by the Intermediary by the payment due date, the party to whom payment is due may, by notifying the Intermediary in writing, require the debtor party to pay, and the debtor party agrees to pay, an interest penalty on the amount past due calculated for each such payment on the last business day of each month as follows:

1. The number of full days that have expired since the overdue date or the last monthly calculation, whichever the lesser; times

2. 1/365th of the sum of the six-month United States Treasury Bill rate as quoted in *The Wall Street Journal* on the first business day of the month for which the calculation is made, plus 1%; times

3. The amount past due, including accrued interest.

Interest shall accumulate until payment of the original amount due plus interest penalties have been received by the Intermediary.

B. The due date shall, for purposes of this Article, be determined as follows:

1. Payments from the Reinsurer to the Company shall be due on the date on which the demand for payment (including delivery of bordereaux or quarterly or monthly reports) is received by the Reinsurer, and shall be overdue 30 days thereafter.

2. Payments from the Company to the Reinsurer shall be due on the dates specified within this Contract. Payments shall be overdue 30 days thereafter except for the first installment of premium, if applicable, which shall be overdue 60 days from inception or 30 days from final line-signing, whichever the later. Reinstatement premium, if

applicable, shall have as a due date the date when the Company receives payment for the claim giving rise to such reinstatement premium, and payment shall be overdue 30 days thereafter. In the event a due date is not specifically stated for a given payment, the overdue date shall be 30 days following the date of billing.

C. If the information contained in the Company's demand for payment is insufficient or not in accordance with the conditions of this Contract, then within 30 days the Reinsurer shall request from the Company all additional information necessary to validate its claim and the payment due date as defined in paragraph B shall be deemed to be the date upon which the Reinsurer received the requested additional information. This paragraph is only for the purpose of establishing when a payment is overdue, and shall not alter the provisions of the Notice of Loss and Loss Settlements Article or other pertinent contractual stipulations.

D. In the event arbitration is necessary to settle a dispute, the panel shall have the authority to make a determination awarding interest to the prevailing party. Interest, if any, awarded by the panel shall supersede the interest amounts outlined herein.

E. Any interest owed pursuant to this Article may be waived by the party to which it is owed. Waiver of such interest, however, shall not affect the waiving party's rights to other interest amounts due as a result of this Article.

ARTICLE 19

OFFSET

Each party hereto shall have, and may exercise at any time and from time to time, the right to offset any and all balances due from a party to the other arising under this Contract. In the event of the insolvency of a party hereto, offsets shall only be allowed in accordance with the provisions of any applicable law governing offset entitlement.

ARTICLE 20

CURRENCY

A. Where the word "Dollars" and/or the sign "$" appear in this Contract, they shall mean United States Dollars, and all payments hereunder shall be in United States Dollars.

B. For purposes of this Contract, where the Company receives premiums or pays losses in currencies other than United States Dollars, such premiums or losses shall be converted into United States Dollars at the actual rates of exchange at which these premiums or losses are entered in the Company's books.

ARTICLE 21

UNAUTHORIZED REINSURANCE

A. This Article applies:

1. only to the extent a Subscribing Reinsurer does not qualify for credit with any insurance regulatory authority having jurisdiction over the Company's reserves, or

2. to a Subscribing Reinsurer qualified as a reciprocal jurisdiction reinsurer with any such insurance regulatory authority in the event such Subscribing Reinsurer resists enforcement of a final judgment that is enforceable under the law of the jurisdiction in which it was obtained or a properly enforceable arbitration or arbitral award obtained by the Company or any legal successor, in which case such Subscribing Reinsurer shall fund 100% of its share of the Reinsurer's Obligations as hereinafter provided.

B. The Company agrees, in respect of its Policies or bonds falling within the scope of this Contract, that when it files with its insurance regulatory authority, or sets up on its books liabilities as required by law, it shall forward to the Reinsurer a statement showing the proportion of such liabilities applicable to the Reinsurer. The "Reinsurer's Obligations" shall be defined as follows:

1. unearned premium (if applicable);

2. known outstanding losses that have been reported to the Reinsurer and Loss Adjustment Expense relating thereto;

3. losses and Loss Adjustment Expense paid by the Company but not recovered from the Reinsurer;

4. losses incurred but not reported and Loss Adjustment Expense relating thereto;

5. all other amounts for which the Company cannot take credit on its financial statements unless funding is provided by the Reinsurer.

C. The Reinsurer's Obligations shall be funded by funds withheld, cash advances, Trust Agreement or a Letter of Credit (LOC). The Reinsurer shall have the option of determining the method of funding provided it is acceptable to the insurance regulatory authorities having jurisdiction over the Company's reserves.

D. When funding by Trust Agreement, the Reinsurer shall ensure that the Trust Agreement complies with the provisions of the "Trust Agreement Requirements Clause" attached hereto. When funding by a LOC, the Reinsurer agrees to apply for and secure timely delivery to the Company of a clean, irrevocable and unconditional LOC issued by a bank and containing

provisions acceptable to the insurance regulatory authorities having jurisdiction over the Company's reserves in an amount equal to the Reinsurer's Obligations. Such LOC shall be issued for a period of not less than one year, and shall be automatically extended for one year from its date of expiration or any future expiration date unless 30 days (or such other time period as may be required by insurance regulatory authorities), prior to any expiration date the issuing bank shall notify the Company by certified or registered mail that the issuing bank elects not to consider the LOC extended for any additional period.

E. The Reinsurer and the Company agree that any funding provided by the Reinsurer pursuant to the provisions of this Contract may be drawn upon at any time, notwithstanding any other provision of this Contract, and be utilized by the Company or any successor, by operation of law, of the Company including, without limitation, any liquidator, rehabilitator, receiver or conservator of the Company, for the following purposes, unless otherwise provided for in a separate Trust Agreement:

1. to reimburse the Company for the Reinsurer's Obligations, the payment of which is due under the terms of this Contract and that has not been otherwise paid;

2. to make refund of any sum that is in excess of the actual amount required to pay the Reinsurer's Obligations under this Contract (or in excess of 102% of the Reinsurer's Obligations, if funding is provided by a Trust Agreement);

3. to fund an account with the Company for the Reinsurer's Obligations. Such cash deposit shall be held in an interest bearing account separate from the Company's other assets, and interest thereon not in excess of the prime rate shall accrue to the benefit of the Reinsurer. Any taxes payable on accrued interest shall be paid out of the assets in the account that are in excess of the Reinsurer's Obligations (or in excess of 102% of the Reinsurer's Obligations, if funding is provided by a Trust Agreement). If the assets are inadequate to pay taxes, any taxes due shall be paid or reimbursed by the Reinsurer;

4. to pay the Reinsurer's share of any other amounts the Company claims are due under this Contract.

F. If the amount drawn by the Company is in excess of the actual amount required for subparagraph E(1) or E(3), or in the case of subparagraph E(4), the actual amount determined to be due, the Company shall promptly return to the Reinsurer the excess amount so drawn. All of the foregoing shall be applied without diminution because of insolvency on the part of the Company or the Reinsurer.

G. The issuing bank shall have no responsibility whatsoever in connection with the propriety of withdrawals made by the Company or the disposition of funds withdrawn, except to ensure that withdrawals are made only upon the order of properly authorized representatives of the Company.

H. At annual intervals, or more frequently at the discretion of the Company, but never more frequently than quarterly, the Company shall prepare a specific statement of the Reinsurer's Obligations for the sole purpose of amending the LOC or other method of funding, in the following manner:

1. If the statement shows that the Reinsurer's Obligations exceed the balance of the LOC, as of the statement date, the Reinsurer shall, within 30 days after receipt of the statement, secure delivery to the Company of an amendment to the LOC increasing the amount of credit by the amount of such difference. Should another method of funding be used, the Reinsurer shall, within the time period outlined above, increase such funding by the amount of such difference.

2. If, however, the statement shows that the Reinsurer's Obligations are less than the balance of the LOC (or that 102% of the Reinsurer's Obligations are less than the trust account balance if funding is provided by a Trust Agreement), as of the statement date, the Company shall, within 30 days after receipt of written request from the Reinsurer, release such excess credit by agreeing to secure an amendment to the LOC reducing the amount of credit available by the amount of such excess credit. Should another method of funding be used, the Company shall, within the time period outlined above, decrease such funding by the amount of such excess.

ARTICLE 22

TAXES

A. In consideration of the terms under which this Contract is issued, the Company undertakes not to claim any deduction of the premium hereon when making Canadian tax returns or when making tax returns, other than Income or Profits Tax returns, to any state or territory of the United States of America or to the District of Columbia.

B. 1. Each Subscribing Reinsurer has agreed to allow, for the purpose of paying the Federal Excise Tax, the applicable percentage of the premium payable hereon (as imposed under the Internal Revenue Code) to the extent such premium is subject to Federal Excise Tax.

2. In the event of any return of premium becoming due hereunder, the Subscribing Reinsurer shall deduct the applicable percentage of the premium from the amount of the return, and the Company or its agent should take steps to recover the Tax from the U.S. Government.

ARTICLE 23

ACCESS TO RECORDS

A. The Reinsurer or its duly authorized representatives shall have the right to visit the offices of the Company to inspect, examine, audit, and verify any of the policy, accounting or claim files ("Records") relating to business reinsured under this Contract during regular business hours after giving five working days' prior notice. This right shall be exercisable during the term of this Contract or after the expiration of this Contract. Notwithstanding the above, the Reinsurer shall not have any right of access to the Records of the Company if it is not current in all undisputed payments due the Company.

B. Notwithstanding the above, the Company reserves the right to withhold from the Reinsurer any Privileged Documents. However, the Company shall permit and not object to the Reinsurer's access to Privileged Documents in connection with the underlying claim reinsured hereunder following final settlement or final adjudication of the case or cases involving such claim, with prejudice against all claimants and all parties to such adjudications; the Company may defer release of such Privileged Documents if there are subrogation, contribution, or other third party actions with respect to that claim or case, and the Company's defense might be jeopardized by release of such Privileged Documents. In the event that the Company seeks to defer release of such Privileged Documents, it shall, in consultation with the Reinsurer, take other steps as reasonably necessary to provide the Reinsurer with the information it reasonably requires to indemnify the Company without causing a loss of such privileges or protections. The Reinsurer shall not have access to Privileged Documents relating to any dispute between the Company and the Reinsurer.

C. For purposes of this Article:

1. "Privileged Documents" means any documents that are Attorney-Client Privilege Documents and/or Work Product Privilege Documents.

2. "Attorney-Client Privilege Documents" means communications of a confidential nature between (a) the Company, or anyone retained by or at the direction of the Company, or its in-house or outside legal counsel, or anyone in the control of such legal counsel, and (b) any in-house or outside legal counsel, if such communications relate to legal advice being sought by the Company and/or contain legal advice being provided to the Company.

3. "Work Product Privilege Documents" means communications, written materials and tangible things prepared by or for in-house or outside counsel, or prepared by or for the Company, in anticipation of or in connection with litigation, arbitration, or other dispute resolution proceedings.

ARTICLE 24

CONFIDENTIALITY

A. The Reinsurer hereby acknowledges that the documents, information and data provided to it by the Company, whether directly or through an authorized agent, in connection with the placement and execution of this Contract ("Confidential Information") are proprietary and confidential to the Company. Confidential Information shall not include documents, information or data that the Reinsurer can show:

1. are publicly known or have become publicly known through no unauthorized act of the Reinsurer;

2. have been rightfully received from a third person without obligation of confidentiality; or

3. were known by the Reinsurer prior to the placement of this Contract without an obligation of confidentiality.

B. Absent the written consent of the Company, the Reinsurer shall not disclose any Confidential Information to any third parties, including any affiliated companies (except to the extent necessary to enable affiliated companies or third parties engaged by the Reinsurer to perform services related to this Contract on behalf of the Reinsurer), except:

1. when required by retrocessionaires as respects business ceded to this Contract;

2. when required by regulators performing an audit of the Reinsurer's records and/or financial condition; or

3. when required by external auditors performing an audit of the Reinsurer's records in the normal course of business.

Further, the Reinsurer agrees not to use any Confidential Information for any purpose not related to the performance of its obligations or enforcement of its rights under this Contract.

C. Notwithstanding the above, in the event that the Reinsurer is required by court order, other legal process or any regulatory authority to release or disclose any or all of the Confidential Information, the Reinsurer agrees to provide the Company with written notice of same at least 10 days prior to such release or disclosure and to use its best efforts to assist the Company in maintaining the confidentiality provided for in this Article.

D. The provisions of this Article shall extend to the officers, directors and employees of the Reinsurer and its affiliates, and shall be binding upon their successors and assigns.

ARTICLE 25

INDEMNIFICATION AND ERRORS AND OMISSIONS

A. The Reinsurer is reinsuring, subject to the terms and conditions of this Contract, the obligations of the Company under any Policy. The Company shall be the sole judge as to:

1. what shall constitute a claim or loss covered under any Policy;

2. the Company's liability thereunder; and

3. the amount or amounts that it shall be proper for the Company to pay thereunder.

B. The Reinsurer shall be bound by the judgment of the Company as to the obligation(s) and liability(ies) of the Company under any Policy.

C. Any inadvertent error, omission or delay in complying with the terms and conditions of this Contract shall not be held to relieve either party hereto from any liability that would attach to it hereunder if such error, omission or delay had not been made, provided such error, omission or delay is rectified immediately upon discovery.

D. Nothing in this Article shall be construed to override any of the other terms and conditions of this Contract.

ARTICLE 26

INSOLVENCY

A. If more than one reinsured company is referenced within the definition of "Company" in the Preamble to this Contract, this Article shall apply severally to each such company. Further, this Article and the laws of the domiciliary state shall apply in the event of the insolvency of any company covered hereunder. In the event of a conflict between any provision of this Article and the laws of the domiciliary state of any company covered hereunder, that domiciliary state's laws shall prevail.

B. In the event of the insolvency of the Company, this reinsurance (or the portion of any risk or obligation assumed by the Reinsurer, if required by applicable law) shall be payable directly to the Company, or to its liquidator, receiver, conservator or statutory successor, either: (1) on the basis of the liability of the Company, or (2) on the basis of claims filed and allowed in the liquidation proceeding, whichever may be required by applicable statute, without diminution because of the insolvency of the Company or because the liquidator, receiver, conservator or statutory successor of the Company has failed to pay all or a portion of any claim. It is agreed, however, that the liquidator, receiver, conservator or statutory successor of the Company shall give written notice to the Reinsurer of the pendency of a claim against

the Company indicating the Policy or bond reinsured, which claim would involve a possible liability on the part of the Reinsurer within a reasonable time after such claim is filed in the conservation or liquidation proceeding or in the receivership, and that during the pendency of such claim, the Reinsurer may investigate such claim and interpose, at its own expense, in the proceeding where such claim is to be adjudicated any defense or defenses that it may deem available to the Company or its liquidator, receiver, conservator or statutory successor. The expense thus incurred by the Reinsurer shall be chargeable, subject to the approval of the court, against the Company as part of the expense of conservation or liquidation to the extent of a pro rata share of the benefit that may accrue to the Company solely as a result of the defense undertaken by the Reinsurer.

C. Where two or more reinsurers are involved in the same claim and a majority in interest elect to interpose defense to such claim, the expense shall be apportioned in accordance with the terms of this reinsurance Contract as though such expense had been incurred by the Company.

D. As to all reinsurance made, ceded, renewed or otherwise becoming effective under this Contract, the reinsurance shall be payable as set forth above by the Reinsurer to the Company or to its liquidator, receiver, conservator or statutory successor, (except as provided by Section 4118(a)(1)(A) of the New York Insurance Law, provided the conditions of 1114(c) of such law have been met, if New York law applies) or except (1) where the Contract specifically provides another payee in the event of the insolvency of the Company, or (2) where the Reinsurer, with the consent of the direct insured or insureds, has assumed such Policy obligations of the Company as direct obligations of the Reinsurer to the payees under such Policies and in substitution for the obligations of the Company to such payees. Then, and in that event only, the Company, with the prior approval of the certificate of assumption on New York risks by the Superintendent of Financial Services of the State of New York, or with the prior approval of such other regulatory authority as may be applicable, is entirely released from its obligation and the Reinsurer shall pay any loss directly to payees under such Policy.

ARTICLE 27

RUN-OFF REINSURER

A. “Run-off Reinsurer” means any Subscribing Reinsurer that:

1. has been ordered by a state insurance department or other legal authority to cease writing business, or has been placed under regulatory supervision or in rehabilitation; or

2. has ceased reinsurance underwriting operations; or

3. has transferred its claims-paying authority to an unaffiliated entity; or

4. engages in a process of Scheme of Arrangement or similar procedure related to this Contract, including but not limited to an insurance business transfer scheme pursuant to Part VII of the Financial Services and Markets Act 2000 (U.K.), as may be amended from time to time; or

5. in any other way has assigned its interests or delegated its obligations under this Contract to an unaffiliated entity.

Notwithstanding the foregoing, agreement by a Lloyd's syndicate to follow claim settlements procedures under Lloyd's Claims Scheme (Combined) shall not constitute a transfer of its claims-paying authority, for purposes of subparagraphs (3) and (5) of this paragraph.

B. Notwithstanding any other provision of this Contract, in the event that a Subscribing Reinsurer becomes a Run-off Reinsurer at any time, the Company may elect, by giving written notice to the Run-off Reinsurer at any time thereafter, that all or any of the following shall apply to the Run-off Reinsurer's participation hereunder:

1. Should the Run-off Reinsurer fail to pay amounts due hereunder, the interest penalty specified in the Late Payments Article shall be increased by 0.5% for each 30 days that a payment is past due, subject to a maximum increase of 7.0%.

2. The Run-off Reinsurer's liability for losses for Policies covered by this Contract shall be commuted. In the event the Company and the Run-off Reinsurer cannot agree on the commutation amount of the Run-off Reinsurer's liability under such Policies, they shall appoint an actuary and/or appraiser to assess such liability and shall share equally any expense of the actuary and/or appraiser. If the Company and the Run-off Reinsurer cannot agree on an actuary and/or appraiser, the Company and the Run-off Reinsurer each shall nominate three individuals, of whom the other shall decline two, and the final appointment shall be made by drawing lots. Payment by the Run-off Reinsurer of the amount of liability ascertained shall constitute a complete and final release of both parties under this Contract.

3. The Run-off Reinsurer shall have no right of access to the Records of the Company if the Run-off Reinsurer has denied payment of any claim hereunder or there is a pending arbitration between the Company and the Run-off Reinsurer regarding any claim hereunder. A reservation of rights shall be considered a denial of a claim. Notwithstanding the above, the Run-off Reinsurer shall continue to have access to Records of the Company for any claim for which it has raised a query within 30 days of its receipt of a billing, but any inspection of Records must be completed within 90 days of receipt of billing or access will be deemed waived.

4. The provisions of the Arbitration Article shall not apply.

C. The Company's waiver of any rights provided in this Article is not a waiver of that right or other rights at a later date.

ARTICLE 28

ARBITRATION

A. Any dispute arising out of the interpretation, performance or breach of this Contract, including the formation or validity thereof, shall be submitted for decision to a panel of three arbitrators. Notice requesting arbitration shall be in writing and sent certified or registered mail, return receipt requested.

B. One arbitrator shall be chosen by each party and the two arbitrators shall then choose an impartial third arbitrator who shall preside at the hearing. If either party fails to appoint its arbitrator within 30 days after being requested to do so by the other party, the latter, after 10 days' prior notice by certified or registered mail of its intention to do so, may appoint the second arbitrator.

C. If the two arbitrators do not agree on a third arbitrator within 60 days of their appointment, the third arbitrator shall be chosen in accordance with the procedures for selecting the third arbitrator in force on the date the arbitration is demanded, established by the AIDA Reinsurance and Insurance Arbitration Society – U.S. (ARIAS). The arbitrators shall be persons knowledgeable about insurance and reinsurance who have no personal or financial interest in the result of the arbitration. If a member of the panel dies, becomes disabled or is otherwise unwilling or unable to serve, a substitute shall be selected in the same manner as the departing member was chosen and the arbitration shall continue.

D. Within 30 days after all arbitrators have been appointed, the panel shall meet and determine timely periods for briefs, discovery procedures and schedules of hearings.

E. The panel shall be relieved of all judicial formality and shall not be bound by the strict rules of procedure and evidence. Notwithstanding anything to the contrary in this Contract, the arbitrators may at their discretion, consider underwriting and placement information provided by the Company to the Reinsurer, as well as any correspondence exchanged by the parties that is related to this Contract. The arbitration shall take place in Tampa, Florida, or at such other place as the parties shall agree. The decision of any two arbitrators shall be in writing and shall be final and binding. The panel is empowered to grant interim relief as it may deem appropriate.

F. The panel shall interpret this Contract as an honorable engagement rather than as merely a legal obligation and shall make its decision considering the custom and practice of the

applicable insurance and reinsurance business as promptly as possible after the hearings. Judgment upon an award may be entered in any court having jurisdiction thereof.

G. Each party shall bear the expense of its own arbitrator and shall jointly and equally bear with the other party the cost of the third arbitrator. The remaining costs of the arbitration shall be allocated by the panel. The panel may, at its discretion, award such further costs and expenses as it considers appropriate, including but not limited to attorneys' fees, to the extent permitted by law.

ARTICLE 29

EXPEDITED ARBITRATION

A. Notwithstanding the provisions of the Arbitration Article, in the event an amount in dispute hereunder $1,000,000 or less, the parties will submit to an expedited arbitration process with the use of a single arbitrator. The arbitrator will be chosen in accordance with the procedures for selecting an arbitrator in force on the date the arbitration is demanded, established by the AIDA Reinsurance and Insurance Arbitration Society - U.S. (ARIAS).

B. Each party's case will be submitted to the arbitrator within 100 calendar days of the date of determination of the arbitrator. Discovery will be limited to exchanging only those documents directly relating to the issue in dispute, subject to a limit of two discovery depositions from each party, unless otherwise authorized by the arbitrator upon a showing of good cause.

C. Within 120 calendar days of the date of determination of the arbitrator, the hearing will be completed and a written award will be issued by the arbitrator. As the parties agree that time is of the essence, the sole arbitrator does not have the authority to lengthen the schedule, absent agreement of both parties. The arbitrator will have all the powers conferred on the arbitration panel as provided in the Arbitration Article, and said Article will apply to all matters not specifically addressed above.

ARTICLE 30

SERVICE OF SUIT

A. This Article applies only to those Subscribing Reinsurers not domiciled in the United States of America, and/or not authorized in any state, territory and/or district of the United States of America where authorization is required by insurance regulatory authorities.

B. This Article shall not be read to conflict with or override the obligations of the parties to arbitrate their disputes as provided for in the Arbitration Article. This Article is intended as

an aid to compelling arbitration or enforcing such arbitration or arbitral award, not as an alternative to the Arbitration Article for resolving disputes arising out of this Contract.

C. In the event of the failure of the Reinsurer to perform its obligations hereunder, the Reinsurer, at the request of the Company, shall submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this Article constitutes or should be understood to constitute a waiver of the Reinsurer's rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. The Reinsurer, once the appropriate court is selected, whether such court is the one originally chosen by the Company and accepted by the Reinsurer or is determined by removal, transfer, or otherwise, as provided for above, shall comply with all requirements necessary to give said court jurisdiction and, in any suit instituted against the Reinsurer upon this Contract, shall abide by the final decision of such court or of any appellate court in the event of an appeal.

D. Service of process in such suit may be made upon:

1. as respects Underwriting Members of Lloyd's, London: Lloyd's America, Inc., Attention: Legal Department, 280 Park Avenue, East Tower, 25th Floor, New York, New York 10017;

2. as respects any other Subscribing Reinsurer: Messrs. Mendes and Mount, 750 Seventh Avenue, New York, New York 10019-6829, or another party specifically designated in the Subscribing Reinsurer's Interests and Liabilities Agreement attached hereto.

The above-named are authorized and directed to accept service of process on behalf of the Reinsurer in any such suit.

E. Further, pursuant to any statute of any state, territory or district of the United States that makes provision therefor, the Reinsurer hereby designates the Superintendent, Commissioner or Director of Insurance, or other officer specified for that purpose in the statute, or his successor or successors in office, as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Company or any beneficiary hereunder arising out of this Contract, and hereby designates the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

ARTICLE 31

GOVERNING LAW

This Contract shall be governed as to performance, administration and interpretation by the laws of the State of Florida, exclusive of conflict of law rules. However, with respect to credit for reinsurance, the rules of all applicable states shall apply.

ARTICLE 32

ENTIRE AGREEMENT

This Contract sets forth all of the duties and obligations between the Company and the Reinsurer and supersedes any and all prior or contemporaneous written agreements with respect to matters referred to in this Contract. This Contract may not be modified or changed except by an amendment to this Contract in writing signed by both parties. However, this Article shall not be construed as limiting the admissibility of evidence regarding the formation, interpretation, purpose or intent of this Contract.

ARTICLE 33

NON-WAIVER

The failure of the Company or the Reinsurer to insist on compliance with this Contract or to exercise any right or remedy hereunder shall not constitute a waiver of any rights contained in this Contract nor prevent either party from thereafter demanding full and complete compliance nor prevent either party from exercising such remedy in the future.

ARTICLE 34

SANCTION LIMITATION AND EXCLUSION CLAUSE (LMA 3100)

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

ARTICLE 35

INTERMEDIARY

Guy Carpenter & Company, LLC, is hereby recognized as the Intermediary negotiating this Contract for all business hereunder. All communications (including notices, statements, premiums, return premiums, commissions, taxes, losses, Loss Adjustment Expenses, salvages, and loss settlements) relating thereto shall be transmitted to the Company or the Reinsurer through the Intermediary. Payments by the Company to the Intermediary shall be deemed payment to the Reinsurer. Payments by the Reinsurer to the Intermediary shall be deemed payment to the Company only to the extent that such payments are actually received by the Company.

ARTICLE 36

MODE OF EXECUTION

A. This Contract may be executed by:

1. an original written ink signature of paper documents;

2. an exchange of facsimile copies showing the original written ink signature of paper documents;

3. electronic signature technology employing computer software and a digital signature or digitizer pen pad to capture a person's handwritten signature in such a manner that the signature is unique to the person signing, is under the sole control of the person signing, is capable of verification to authenticate the signature and is linked to the document signed in such a manner that if the data is changed, such signature is invalidated.

B. The use of any one or a combination of these methods of execution shall constitute a legally binding and valid signing of this Contract. This Contract may be executed in one or more counterparts, each of which, when duly executed, shall be deemed an original.

IN WITNESS WHEREOF, the Company has caused this Contract to be executed by its duly authorized representative(s), who also confirms the Company's review of and agreement to be bound by the terms and conditions of the Interests and Liabilities Agreements attached to and forming part of this Contract, this _____ day of _____, in the year of 2023.

HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC.

Signature: _ Title: _

Print Name: _

PROPERTY CATASTROPHE EXCESS OF LOSS REINSURANCE CONTRACT

POOLS, ASSOCIATIONS & SYNDICATES EXCLUSIONS CLAUSE

Section A:

This Contract excludes:

a. All business derived directly or indirectly from any Pool, Association or Syndicate which maintains its own reinsurance facilities.

b. Any Pool or Scheme (whether voluntary or mandatory) formed after March 1, 1968 for the purpose of insuring property, whether on a country-wide basis or in respect of designated areas. This exclusion shall not apply to so-called Automobile Insurance Plans or other Pools formed to provide coverage for Automobile Physical Damage.

Section B:

1. This Contract excludes business written by the Company for the same perils, which is known at the time to be insured by, or in excess of underlying amounts placed in, any Pool, Association or Syndicate, whether by way of insurance or reinsurance, formed for the purpose of writing any of the following:

Oil, Gas or Petro-Chemical Plants

Oil or Gas Drilling Rigs and/or

Aviation Risks

2. The exclusion under paragraph 1 of this Section B does not apply:

a. Where the Total Insured Value over all interests of the risk in question is less than $250,000,000.

b. To interests traditionally underwritten as Inland Marine and/or Stock and/or Contents written on a Blanket basis.

c. To Contingent Business Interruption, except when the Company is aware that the key location is known at the time to be insured in any Pool, Association or Syndicate named above, other than as provided for under subparagraph (a).

Section C:

1. Nevertheless the Reinsurer specifically agrees that liability accruing to the Company from its participation in Residual Market Mechanisms, including but not limited to the following, for all perils otherwise protected hereunder shall not be excluded herefrom:

a. So-called “Beach and Windstorm Plans” and so-called “Coastal Pools”;

b. All “FAIR Plan” and “Rural Risk Plan” business;

c. Louisiana Citizens Property Insurance Corporation;

d. California Earthquake Authority (“CEA”) or any similar entity.

Notwithstanding the above, assessments related to the Florida Hurricane Catastrophe Fund, Reinsurance to Assist Policyholders, and Citizens Property Insurance Corporation (Florida) shall be excluded hereunder.

2. However, this reinsurance does not include any increase in such liability resulting from:

a. The inability of any other participant in such Residual Market Mechanisms to meet its liability;

b. Any claim against a Residual Market Mechanism or any participant therein, including the Company, whether by way of subrogation or otherwise, brought by or on behalf of any insolvency fund (as defined in the Exclusions Article);

c. Any assessment or surcharge levied on the policyholder and therefore not a liability of the Company;

d. The Company’s initial capital contribution to the CEA;

e. Any assessments, other than interim and regular assessments, from a Residual Market Mechanism included in subparagraph 1(c) above;

f. Any expenditure to purchase or retire bonds.

3. The Company may include in Ultimate Net Loss for any Loss Occurrence covered hereunder only the liability attributable to that Loss Occurrence. If the relevant entity does not specify what portion of an assessment is attributable to each Loss Occurrence, the Company may include in Ultimate Net Loss in respect of each Loss Occurrence a percentage of the Company’s assessments from the relevant entity related to the calendar year in which the Loss Occurrence commenced, regardless of when assessed, such percentage to be determined by dividing the relevant entity’s losses arising from the Loss Occurrence by its total losses for the calendar year.

4. The Company will deduct from Ultimate Net Loss amounts received as recoupment of any assessment that has been included in the Ultimate Net Loss, provided the recoupment is directly allocable to the assessment (“itemized recoupment”). The Company shall use commercially reasonable efforts to recoup such assessment. Any amount received as an

itemized recoupment of any assessment (whether under this Contract or any predecessor contract), and therefore deductible from Ultimate Net Loss, shall not be included in the subject premium of this Contract.

However, if a state levies assessments but does not allow itemized recoupment from policyholders, instead allowing the Company to file an overall increased rate, any such premium increased thereby shall not be deemed to be a recoupment that is deductible from Ultimate Net Loss. Any recoupment received as part of a general premium rate increase, not specifically itemized, shall be included as part of the subject premium of this Contract or a successor contract, as applicable.

OTES: Wherever used herein the terms:

"Company" shall be understood to mean "Company", "Reinsured", "Reassured" or whatever other term is used in the attached reinsurance document to designate the reinsured company or companies.

"Contract" shall be understood to mean "Agreement," "Contract," "Policy" or whatever other term is used to designate the attached reinsurance document.

"Reinsurer" shall be understood to mean "Reinsurer," "Reinsurers," "Underwriters" or whatever other term is used in the attached reinsurance document to designate the reinsurer or reinsurers.

NUCLEAR INCIDENT EXCLUSION CLAUSE - PHYSICAL DAMAGE - REINSURANCE - U.S.A.

1. This Reinsurance does not cover any loss or liability accruing to the Reassured, directly or indirectly, and whether as Insurer or Reinsurer, from any Pool of Insurers or Reinsurers formed for the purpose of covering Atomic or Nuclear Energy risks.

2. Without in any way restricting the operation of paragraph (1) of this clause, this Reinsurance does not cover any loss or liability accruing to the Reassured, directly or indirectly and whether as Insurer or Reinsurer, from any insurance against Physical Damage (including business interruption or consequential loss arising out of such Physical Damage) to:

   I. Nuclear reactor power plants including all auxiliary property on the site, or

   II. Any other nuclear reactor installation, including laboratories handling radioactive materials in connection with reactor installations, and “critical facilities” as such, or

   III. Installations for fabricating complete fuel elements or for processing substantial quantities of “special nuclear material”, and for reprocessing, salvaging, chemically separating, storing or disposing of “spent” nuclear fuel or waste materials, or

   IV. Installations other than those listed in paragraph (2) III above using substantial quantities of radioactive isotopes or other products of nuclear fission.

3. Without in any way restricting the operations of paragraphs (1) and (2) hereof, this Reinsurance does not cover any loss or liability by radioactive contamination accruing to the Reassured, directly or indirectly, and whether as Insurer or Reinsurer, from any insurance on property which is on the same site as a nuclear reactor power plant or other nuclear installation and which normally would be insured therewith except that this paragraph (3) shall not operate

   (a) where Reassured does not have knowledge of such nuclear reactor power plant or nuclear installation, or

   (b) where said insurance contains a provision excluding coverage for damage to property caused by or resulting from radioactive contamination, however caused. However on and after 1st January 1960 this sub-paragraph (b) shall only apply provided the said radioactive contamination exclusion provision has been approved by the Governmental Authority having jurisdiction thereof.

4. Without in any way restricting the operations of paragraphs (1), (2) and (3) hereof, this Reinsurance does not cover any loss or liability by radioactive contamination accruing to the Reassured, directly or indirectly, and whether as Insurer or Reinsurer, when such radioactive contamination is a named hazard specifically insured against.

5. It is understood and agreed that this clause shall not extend to risks using radioactive isotopes in any form where the nuclear exposure is not considered by the Reassured to be the primary hazard.

6. The term “special nuclear material” shall have the meaning given it in the Atomic Energy Act of 1954 or by any law amendatory thereof.

7. Reassured to be sole judge of what constitutes:

(a) substantial quantities, and

(b) the extent of installation, plant or site.

Note: Without in any way restricting the operation of paragraph (1) hereof, it is understood and agreed that

(a) all policies issued by the Reassured on or before 31st December 1957 shall be free from the application of the other provisions of this Clause until expiry date or 31st December 1960 whichever first occurs whereupon all the provisions of this Clause shall apply.

(b) with respect to any risk located in Canada policies issued by the Reassured on or before 31st December 1958 shall be free from the application of the other provisions of this Clause until expiry date or 31st December 1960 whichever first occurs whereupon all the provisions of this Clause shall apply.

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NMA 1119

OTES: Wherever used herein the terms:

“Reassured” shall be understood to mean “Company”, “Reinsured”, “Reassured” or whatever other term is used in the attached reinsurance document to designate the reinsured company or companies.

“Agreement” shall be understood to mean “Agreement”, “Contract”, “Policy” or whatever other term is used to designate the attached reinsurance document.

“Reinsurers” shall be understood to mean “Reinsurers”, “Underwriters” or whatever other term is used in the attached reinsurance document to designate the reinsurer or reinsurers.

EXHIBIT 10.25. Certain identified information has been excluded from this exhibit because it is immaterial and would be competitively harmful if publicly disclosed. Information that has been omitted is indicated with brackets.

TERRORISM EXCLUSION

A. Notwithstanding any provision to the contrary within this Contract or any endorsement thereto, it is agreed that this Contract excludes loss, damage, cost, or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any Act of Terrorism, as defined herein, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

B. An “Act of Terrorism” includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organization(s) or government(s) de jure or de facto, and which:

a. involves violence against one or more persons; or

b. involves damage to property; or

c. endangers life other than that of the person committing the action; or

d. creates a risk to health or safety of the public or a section of the public; or

e. is designed to interfere with or to disrupt an electronic system.

C. This Contract also excludes loss, damage, cost, or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any action in controlling, preventing, suppressing, retaliating against, or responding to any Act of Terrorism.

D. Notwithstanding the above and subject otherwise to the terms, conditions, and limitations of this Contract, in respect only of personal lines, this Contract shall pay actual loss or damage (but not related cost or expense) caused by any Act of Terrorism, provided such act is not directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with biological, chemical, radiological or nuclear pollution or contamination.

LIMITED COMMUNICABLE DISEASE EXCLUSION NO. 2 (PROPERTY TREATY REINSURANCE)

1. Notwithstanding any provision to the contrary within this reinsurance agreement, this reinsurance agreement excludes any loss, damage, liability, claim, cost or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease regardless of any other cause or event contributing concurrently or in any other sequence thereto.

2. Subject to the other terms, conditions and exclusions contained in this reinsurance agreement, this reinsurance agreement will cover physical damage to property insured under the original policies and any Time Element Loss directly resulting therefrom where such physical damage is directly caused by or arising from any of the following perils: fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, rainstorm, hail, tornado, cyclone, typhoon, hurricane, earthquake, seaquake, seismic and/or volcanic disturbance/eruption, tsunami, flood, freeze, ice storm, weight of snow or ice, avalanche, meteor/asteroid impact, landslip, landslide, mudslide, bush fire, forest fire, riot, riot attending a strike, civil commotion, vandalism and malicious mischief.

Definitions

3. Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

   3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and

   3.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and

   3.3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

4. Time Element Loss means business interruption, contingent business interruption or any other consequential losses.

LMA5503

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CYBER LOSS LIMITED EXCLUSION CLAUSE (PROPERTY TREATY REINSURANCE)

1. Notwithstanding any provision to the contrary within this reinsurance agreement or any endorsement thereto, this reinsurance agreement excludes all loss, damage, liability, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with:

1.2. any loss of, alteration of, or damage to or a reduction in the functionality, availability or operation of a Computer System, unless subject to the provisions of paragraph 2;

1.3. any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data.

2. Subject to the other terms, conditions and exclusions contained in this reinsurance agreement, this reinsurance agreement will cover physical damage to property insured under the original policies and any Time Element Loss directly resulting therefrom where such physical damage is directly occasioned by any of the following perils:

fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, tsunami, flood, freeze or weight of snow

Definitions

3. Computer System means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility.

4. Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

5. Time Element Loss means business interruption, contingent business interruption or any other consequential losses.

LMA5410

06 March 2020

TRUST AGREEMENT REQUIREMENTS CLAUSE

A. Except as provided in paragraph B of this Clause, if the Reinsurer satisfies its funding obligations under the Unauthorized Reinsurance Article by providing a Trust Agreement, the Reinsurer shall ensure that the Trust Agreement:

1. Requires the Reinsurer to establish a trust account for the benefit of the Company, and specifies what the Trust Agreement is to cover;

2. Stipulates that assets deposited in the trust account shall be valued according to their current fair market value and shall consist only of cash (United States legal tender), and certificates of deposit (issued by a United States bank and payable in United States legal tender), or any combination of the two, provided that the investments are issued by an institution that is not the parent, subsidiary or affiliate of either the Reinsurer or the Company;

3. Requires the Reinsurer, prior to depositing assets with the trustee, to execute assignments or endorsements in blank, or to transfer legal title to the trustee of all shares, obligations or any other assets requiring assignments, in order that the Company, or the trustee upon the direction of the Company, may whenever necessary negotiate these assets without consent or signature from the Reinsurer or any other entity;

4. Requires that all settlements of account between the Company and the Reinsurer be made in cash or its equivalent; and

5. Provides that assets in the trust account shall be withdrawn only as permitted in this Contract, without diminution because of the insolvency of the Company or the Reinsurer.

B. If a ceding insurer is domiciled in California and the Reinsurer satisfies its funding obligations under the Unauthorized Reinsurance Article by providing a Trust Agreement, the Reinsurer shall ensure that the Trust Agreement:

1. Provides that assets deposited in the trust account shall be valued according to their current fair market value and shall consist only of cash in United States dollars, certificates of deposit issued by a United States financial institution as defined in California Insurance Code Section 922.7(a) and payable in United States dollars, and investments permitted by the California Insurance Code, or any combination of the above.

2. Provides that investments in or issued by an entity controlling, controlled by or under common control with either the grantor or the beneficiary of the trust shall not exceed 5% of total investments.

3. Requires the Reinsurer, prior to depositing assets with the trustee, to execute assignments or endorsements in blank, or to transfer legal title to the trustee of all shares, obligations or any other assets requiring assignments, in order that the ceding insurer, or the trustee upon the direction of the ceding insurer, may, whenever necessary, negotiate these assets without consent or signature from the Reinsurer or any other entity.

4. Provides that assets in the trust account shall be withdrawn only as permitted in this Contract, without diminution because of the insolvency of the ceding insurer or the Reinsurer.

C. If there are multiple ceding insurers that collectively comprise the Company, “regulatory authorities” as referenced in subparagraph A(2) above, shall mean the individual ceding insurer’s domestic regulator.

EXHIBIT 10.26. Certain identified information has been excluded from this exhibit because it is immaterial and would be competitively harmful if publicly disclosed. Information that has been omitted is indicated with brackets.

EXHIBIT 10.26

PROPERTY CATASTROPHE EXCESS OF LOSS REINSURANCE CONTRACT

issued to

HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC.
Tampa, Florida

including any and/or all companies that are or may hereafter become affiliated therewith

EXHIBIT 10.26. Certain identified information has been excluded from this exhibit because it is immaterial and would be competitively harmful if publicly disclosed. Information that has been omitted is indicated with brackets.

PROPERTY CATASTROPHE EXCESS OF LOSS REINSURANCE CONTRACT

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PROPERTY CATASTROPHE EXCESS OF LOSS REINSURANCE CONTRACT

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EXHIBIT 10.26. Certain identified information has been excluded from this exhibit because it is immaterial and would be competitively harmful if publicly disclosed. Information that has been omitted is indicated with brackets.

PROPERTY CATASTROPHE EXCESS OF LOSS REINSURANCE CONTRACT

(the "Contract")

issued to

HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC.
Tampa, Florida

including any and/or all companies that are or may hereafter become affiliated therewith

(collectively, the "Company")

by

THE SUBSCRIBING REINSURER(S) IDENTIFIED IN THE INTERESTS AND LIABILITIES AGREEMENT(S) ATTACHED TO AND FORMING PART OF THIS CONTRACT

(the "Reinsurer")

ARTICLE 1

BUSINESS COVERED

This Contract is to indemnify the Company in respect of its net excess liability as a result of any loss or losses which may occur during the term of this Contract under any Policies in force at the effective date hereof or issued or renewed on or after that date, covering direct and assumed business classified by the Company as the property perils of Business Owners, Homeowners, Condominium Owners, Renters and Dwelling, subject to the terms and conditions herein contained.

ARTICLE 2

RETENTION AND LIMIT

A. For each Layer of reinsurance provided hereunder, the Reinsurer shall be liable in respect of each Loss Occurrence for the Ultimate Net Loss over and above the initial Ultimate Net Loss retention as set forth in the schedule below for the Loss Occurrence, subject to a limit of liability to the Reinsurer for each such Loss Occurrence, and subject further to a limit of

liability for all Loss Occurrences commencing during the term of this Contract, as set forth below:

RETENTION AND LIMIT SCHEDULE			
Layer	**Company's Retention**	**Reinsurer's Limit of Liability**	
	Ultimate Net Loss in respect of each Loss Occurrence	**Ultimate Net Loss in respect of each Loss Occurrence**	**Ultimate Net Loss in respect of all Loss Occurrences during the term of this Contract**
Fourth Layer	[ ]	[ ]	[ ]
Fifth Layer	[ ]	[ ]	[ ]
Sixth Layer	[ ]	[ ]	[ ]

B. No Loss Occurrence shall be covered hereunder unless it involves two or more risks subject to this Contract. The Company shall be the sole judge of what constitutes one risk for purposes of this Contract.

ARTICLE 3

FLORIDA HURRICANE CATASTROPHE FUND AND REINSURANCE TO ASSIST POLICYHOLDERS

A. As respects Loss Occurrences subject to this Contract, any loss reimbursement recoverable by the Company under the Florida Hurricane Catastrophe Fund (FHCF) and the Reinsurance to Assist Policyholders (RAP) Program, shall be deducted in determining Ultimate Net Loss under this Contract, subject to the following:

1. The full reimbursement amount due from the FHCF for coverage under the Mandatory Layer and RAP, based on statutory limits of coverage as of June 1, shall be deemed recovered by the Company, whether or not actually received from the FHCF and/or RAP and whether or not reduced because of the FHCF's and/or RAP's inability to pay.

2. For purposes of allocating recoveries from the FHCF with respect to each Loss Occurrence, only amounts recoverable by applying the pay-out and retention multiples for the FHCF prior to any reduction in retention due to multiple Loss Occurrences in the same annual period shall be included in calculating the deduction from Ultimate Net Loss. RAP coverage shall only apply to two eligible Loss Occurrences as determined by statute.

3. If the Company's aggregate limit of FHCF and/or RAP reimbursement coverage is exhausted from Loss Occurrences commencing during the term of this Contract, and the FHCF or RAP, as applicable, does not designate the portion of said limit allocable to each Loss Occurrence, the total FHCF and/or RAP reimbursement received shall be allocated to each individual Loss Occurrence in the proportion that the Company's losses in that Loss Occurrence bear to the Company's total losses arising out of all Loss Occurrences to which the reimbursement applies.

4. For purposes of loss recoveries under this Contract prior to the final determination of the Company's retention and limit under the FHCF and/or RAP, as applicable; FHCF and/or RAP coverage, as applicable, shall be calculated using the Company's respective "Projected Payout Multiple" under the FHCF and/or RAP. Upon determination of the Company's retention and limit under the FHCF and/or RAP, as applicable, losses will be adjusted, recognizing any adjustment to the "Projected Payout Multiple" caused by a change in the Aggregate Mandatory FHCF Premium or any other adjustments as required by statute to determine the final FHCF and/or RAP layer, but disregarding any change due to a decrease in the statutory limit.

B. Any FHCF reimbursement premiums paid by the Company for FHCF layers that inure to the benefit of this Contract shall be deemed to be premiums paid for inuring reinsurance.

C. The Company has opted for 90% coverage selections from the FHCF and RAP:

ARTICLE 4

TERM

This Contract shall take effect at 12:01 a.m., Standard Time, June 1, 2023, and unless terminated prior to that time and date as provided in the Special Termination Article, shall remain in effect until 12:01 a.m., Standard Time, June 1, 2024, applying to Loss Occurrences commencing during the term of this Contract. For purposes of this Contract, "Standard Time" shall mean the time as described in the original Policy.

ARTICLE 5

SPECIAL TERMINATION

A. The Company may terminate a Subscribing Reinsurer's percentage share in this Contract at any time by giving written notice to the Subscribing Reinsurer in the event of any of the following circumstances:

1. The Subscribing Reinsurer ceases underwriting operations.

2. A state insurance department or other legal authority orders the Subscribing Reinsurer to cease writing business, or the Subscribing Reinsurer is placed under regulatory supervision.

3. The Subscribing Reinsurer has become insolvent or has been placed into liquidation or receivership (whether voluntary or involuntary), or there have been instituted against it proceedings for the appointment of a receiver, liquidator, rehabilitator, conservator, trustee in bankruptcy, or other agent known by whatever name, to take possession of its assets or control of its operations.

4. The Subscribing Reinsurer's policyholders' surplus (or the equivalent under the Subscribing Reinsurer's accounting system) as reported in such financial statements of the Subscribing Reinsurer as designated by the Company, has been reduced by 20% of the amount thereof at any date during the prior 12-month period (including the period prior to the inception of this Contract).

5. The Subscribing Reinsurer has become, or has announced its intention to become, merged with or acquired or controlled by any company, corporation, or individual(s) not controlling the Subscribing Reinsurer's operations at the inception of this Contract.

6. The Subscribing Reinsurer has retroceded its entire liability under this Contract without the Company's prior written consent, except for retrocessions to members of the Subscribing Reinsurer's holding company group.

7. The Subscribing Reinsurer has been assigned an A.M. Best's rating of less than "A-" and/or an S&P rating of less than "BBB+." However, as respects Underwriting Members of Lloyd's, London, a Lloyd's Market Rating of less than "A-" by A.M. Best and/or less than "BBB+" by S&P shall apply.

8. The Subscribing Reinsurer has hired an unaffiliated runoff claims manager that is compensated on a contingent basis or is otherwise provided with financial incentives based on the quantum of claims paid.

9. The Subscribing Reinsurer has in any other way assigned its interests or delegated its obligations under this Contract to an unaffiliated entity.

10. The Subscribing Reinsurer has failed to post or maintain required collateral to secure its obligations as required under this Contract, and has not cured such deficiency within 30 days following written notice thereof from the Company.

Notwithstanding the foregoing, agreement by a Lloyd's syndicate to follow claim settlements procedures under Lloyd's Claims Scheme (Combined) shall not constitute a transfer of its claims-paying authority, for purposes of subparagraphs (8) and (9) of this paragraph.

B. Termination shall be effected on a cut-off basis and the Subscribing Reinsurer shall have no liability for Loss Occurrences commencing after the date of termination. The reinsurance premium due the Subscribing Reinsurer hereunder (including any minimum reinsurance premium) shall be prorated based on the period of the Subscribing Reinsurer's participation hereon, and the Subscribing Reinsurer shall immediately return any excess reinsurance premium received. Reinstatement premium, if any, shall be calculated based on the Subscribing Reinsurer's reinsurance premium earned during the period of the Subscribing Reinsurer's participation hereon.

C. Additionally, in the event of any of the circumstances listed in paragraph A of this Article, the Company shall have the option to commute the Subscribing Reinsurer's liability for losses on Policies covered by this Contract. In the event the Company and the Subscribing Reinsurer cannot agree on the commutation amount, they shall appoint an actuary and/or appraiser to assess such amount and shall share equally any expense of the actuary and/or appraiser. If the Company and the Subscribing Reinsurer cannot agree on an actuary and/or appraiser, the Company and the Subscribing Reinsurer each shall nominate three individuals, of whom the other shall decline two, and the final appointment shall be made by drawing lots. Payment by the Subscribing Reinsurer of the amount of liability ascertained shall constitute a complete and final release of both parties in respect of liability arising from the Subscribing Reinsurer's participation under this Contract.

D. The Company's option to require commutation under paragraph C above shall survive the termination or expiration of this Contract.

ARTICLE 6

TERRITORY

This Contract shall apply to Policies issued in the State of Florida.

ARTICLE 7

EXCLUSIONS

A. This Contract shall not apply to and specifically excludes:

1. Policies covered by the Company's Flood Tower.

2. Flood when written as such.

3. Earthquake for standalone Policies where earthquake is the only named peril.

4. Hail damage to an insured's growing or standing crops.

5. Reinsurance assumed by the Company under obligatory reinsurance agreements, except intercompany reinsurance between the Company and its affiliates and reinsurance where the Policies involved are to be re-underwritten in accordance with the underwriting standards of the Company and reissued as Policies of the Company in due course.

6. Pools, Associations & Syndicates, per the attached exclusion.

7. Liability of the Company arising by contract, operation of law, or otherwise, from its participation or membership, whether voluntary or involuntary, in any Insolvency Fund. “Insolvency Fund” includes any guaranty fund, insolvency fund, plan, pool, association, fund or other arrangement, howsoever denominated, established or governed, that provides for any assessment of or payment or assumption by the Company of part or all of any claim, debt, charge, fee, or other obligation of an insurer, or its successors or assigns, that has been declared by any competent authority to be insolvent, or that is otherwise deemed unable to meet any claim, debt, charge, fee or other obligation in whole or in part.

8. Loss or damage occasioned by war, invasion, hostilities, acts of foreign enemies, civil war, rebellion, insurrection, military or usurped power, martial law, or confiscation by order of any government or public authority, but not excluding loss or damage that would be covered under a standard form of Policy containing a standard war exclusion clause.

9. Losses excluded by the attached Nuclear Incident Exclusion Clause – Physical Damage – Reinsurance – U.S.A.

10. Terrorism as defined in the attached Terrorism Exclusion.

11. Mold unless directly resulting from an otherwise covered peril.

12. Loss and/or damage and/or costs and/or expenses arising from seepage and/or pollution and/or contamination, other than contamination from smoke. Nevertheless, this exclusion does not preclude payment of the cost of removing debris of property damaged by a loss otherwise covered hereunder, subject always to a limit of 25.0% of the Company’s property loss under the applicable original Policy.

13. Financial guarantee and insolvency.

14. Loss or damage to overhead transmission and distribution lines, including supporting structures, of electrical companies, telephone companies, and cable companies. This exclusion shall not apply, however, to transmission and distribution lines and their

supporting structures located on the property of any original insured or within 1,000 feet thereof.

15. Losses excluded by the attached Limited Communicable Disease Exclusion No. 2 (Property Treaty Reinsurance).

16. Loss Excluded by the attached Cyber Loss Limited Exclusion Clause (Property Treaty Reinsurance).

17. Policies written by TypTap Insurance Company.

B. With the exception of subparagraphs A(7), A(8), A(9), A(10), A(13), A(15) and A(16) above, should any judicial, regulatory or legislative entity having legal jurisdiction invalidate any exclusion on the Company's Policy, any amount of loss for which the Company is liable because of such invalidation will not be excluded hereunder.

C. With the exception of subparagraphs A(7), A(8), A(9), A(10), A(13), A(15) and A(16) above, if the Company inadvertently issues a Policy falling within the scope of one or more of the exclusions, such Policy shall be covered hereunder, provided that the Company issues, or causes to be issued, the required notice of cancellation within 30 days after a member of the executive or managerial staff at the Company's home office having underwriting authority in the class of business involved becomes aware that the Policy applies to excluded classes, unless the Company is prevented from canceling said Policy within such period by applicable statute or regulation, in which case such Policy shall be covered hereunder until the earliest date on which the Company may cancel.

ARTICLE 8

SPECIAL ACCEPTANCE

Business that is not within the scope of this Contract may be submitted to the Reinsurer for special acceptance hereunder, and such business, if accepted by the Reinsurer shall be covered hereunder, subject to the terms and conditions of this Contract, except as modified by the special acceptance. The Reinsurer shall be deemed to have accepted a risk, if it has not responded within five business days after receiving the underwriting information on such risk. Any renewal of a special acceptance agreed to for a predecessor contract to this Contract, shall automatically be covered hereunder.

ARTICLE 9

PREMIUM

A. The Company shall pay the Reinsurer a Deposit Premium in accordance with the schedule set forth below. The reinsurance premium to be paid to the Reinsurer for the reinsurance provided under each Layer shall be calculated at the Final Adjusted Premium Rates set out below multiplied by the Company's final Total Insured Value, subject to the applicable Minimum Premium stated below:

PREMIUM SCHEDULE			
Layer	**Final Adjusted Premium Rate**	**Deposit Premium**	**Minimum Premium**
Fourth Layer	[ ]	[ ]	[ ]
Fifth Layer	[ ]	[ ]	[ ]
Sixth Layer	[ ]	[ ]	[ ]

B. The Deposit Premiums set forth in paragraph A above shall be payable to the Reinsurer by the Company in installments as follows:

DEPOSIT INSTALLMENT SCHEDULE				
Layer	**June 1, 2023**	**September 1, 2023**	**January 1, 2024**	**April 1, 2024**
Fourth Layer	[ ]	[ ]	[ ]	[ ]
Fifth Layer	[ ]	[ ]	[ ]	[ ]
Sixth Layer	[ ]	[ ]	[ ]	[ ]

C. Within 45 days following the expiration of this Contract, the Company shall provide the Reinsurer with a report showing the Company's final Total Insured Value. This final Total Insured Value shall be multiplied by the Final Adjusted Premium Rate for each Layer as stated in paragraph A above. Should this amount be greater than or equal to [ ]and less than or equal to [ ]of the Deposit Premium as set forth above, there shall be no additional or return premium due. Should the amount so calculated exceed 105% of the Deposit Premium paid in accordance with paragraph A above, the Company shall immediately pay the Reinsurer the difference in excess of [ ] of the Deposit Premium. Should the amount so calculated be less than [ ]of the Deposit Premium paid in accordance with paragraph A of this Article, the Reinsurer shall immediately pay the Company the difference below [ ] of the Deposit Premium, subject to the Minimum Premium as set forth above.

D. "Total Insured Value" means the Company's aggregate wind exposures on September 30, 2023 for business covered hereunder.

E. The estimated Total Insured Value is [ ].

F. The Company shall furnish the Reinsurer with such reasonably available information as may be reasonably required by the Reinsurer for completion of the Reinsurer's financial statements.

ARTICLE 10

REINSTATEMENT

A. Loss payments under any Layer of this Contract shall reduce the limit of coverage afforded by the amounts paid, but the limit of coverage shall be reinstated from the time of the occurrence of the loss, and for each amount so reinstated, the Company agrees to pay, simultaneously with the Reinsurer's loss payment, an additional premium calculated at pro rata of the Reinsurer's premium for the applicable layer(s) for the term of this Contract, being pro rata only as to the fraction of the Reinsurer's limit of liability hereunder (i.e., the fraction of the Reinsurer's limit of liability for each Loss Occurrence as set forth for the Layer in the Retention and Limit Article) so reinstated. Nevertheless, the Reinsurer's liability under the applicable layer(s) shall not exceed such limit(s) in respect of any one Loss Occurrence, nor the applicable limit(s) in respect of all Loss Occurrences commencing during the term of this Contract, as set forth in the Retention and Limit Article.

B. If at the time of a loss settlement hereon the reinsurance premium, as calculated in accordance with the Premium Article, is unknown, the above calculation of reinstatement premium shall be based upon the Deposit Premium, subject to adjustment when the reinsurance premium is finally established.

ARTICLE 11

DEFINITIONS

A. 1. "Ultimate Net Loss" means the actual loss paid by the Company or which the Company becomes liable to pay, such loss to include Loss Adjustment Expense, 100% of any Extra Contractual Obligation and 100% of any Loss in Excess of Policy Limits as defined in the Extra Contractual Obligations/Excess of Policy Limits Article. In no event, however, shall more than 25% of "Ultimate Net Loss" for any one Loss Occurrence be comprised of Extra Contractual Obligations and Loss in Excess of Policy Limits.

2. Salvages and all recoveries (including amounts due from all reinsurances that inure to the benefit of this Contract, whether recovered or not), shall be first deducted from such loss to arrive at the amount of liability attaching hereunder.

3. All salvages, recoveries or payments recovered or received subsequent to loss settlement hereunder shall be applied as if recovered or received prior to the aforesaid settlement, and all necessary adjustments shall be made by the parties hereto.

4. The Company shall be deemed to be "liable to pay" a loss when a judgment has been rendered that the Company does not plan to appeal, and/or the Company has obtained a release, and/or the Company has accepted a proof of loss, and/or the Company has made a commitment to pay, and/or the Company has scheduled the payment of a loss.

5. Nothing in this clause shall be construed to mean that losses are not recoverable hereunder until the Company's "Ultimate Net Loss" has been ascertained.

B. "Loss Adjustment Expense" means costs and expenses incurred by the Company in connection with the investigation, appraisal, adjustment, settlement, litigation, defense or appeal of a specific claim or loss, or alleged loss, including but not limited to:

1. court costs;

2. costs of supersedeas and appeal bonds;

3. monitoring counsel expenses;

4. legal expenses and costs incurred in connection with coverage questions and legal actions connected thereto, including but not limited to declaratory judgment actions;

5. post-judgment interest;

6. pre-judgment interest, unless included as part of an award or judgment;

7. a pro rata share of salaries and expenses of Company field employees, calculated in accordance with the time occupied in adjusting such loss, and expenses of other Company employees who have been temporarily diverted from their normal and customary duties and assigned to the field adjustment of losses covered by this Contract; and

8. subrogation, salvage and recovery expenses.

"Loss Adjustment Expense" does not include salaries and expenses of the Company's employees, except as provided in subparagraph (7) above, and office and other overhead expenses.

C. 1. "Loss Occurrence" means the sum of all individual losses directly occasioned by any one disaster, accident or loss or series of disasters, accidents or losses arising out of one event. However, the duration and extent of any one "Loss Occurrence" shall be

limited to all individual losses sustained by the Company occurring during any period of 168 consecutive hours arising out of and directly occasioned by the same event except that the term “Loss Occurrence” shall be further defined as follows:

a. As regards any “Named Storm,” all individual losses sustained by the Company arising out of and directly occasioned by such “Named Storm,” without regard to the limitations of duration and extent set forth above. “Named Storm” means any storm or storm system declared by the US National Hurricane Center, US Central Pacific Hurricane Center, US Weather Prediction Center, or their successor organizations, all being divisions of the US National Weather Service to be a tropical storm or hurricane, and any successors thereof. A storm or storm system that merges with a “Named Storm” shall be considered part of that “Named Storm,” once it has merged. A “Named Storm” shall be deemed to begin at the effective time and date of the first watch, warning or other official advisory applicable to such tropical storm or hurricane issued by the above referenced governmental meteorological agencies. A “Named Storm” shall be deemed to end 72 hours after the cancellation of the last watch, warning or other official advisory applicable to such tropical storm, hurricane or successor, issued by the above referenced governmental meteorological agencies irrespective of the duration of the timing or spacing between such watches, warnings or other official advisories. If two or more storms are assigned different names by the above referenced governmental meteorological agencies, each of those storms shall constitute a separate event for purposes of this definition.

b. As regards windstorm, hail, tornado, cyclone, including ensuing collapse and water damage other than “Named Storm,” all individual losses sustained by the Company occurring during any period of 96 consecutive hours arising out of and directly occasioned by the same event.

c. As regards riot, riot attending a strike, civil commotion, vandalism and malicious mischief, all individual losses sustained by the Company occurring during any period of 96 consecutive hours arising out of and directly occasioned by the same event. The maximum duration of 96 consecutive hours may be extended in respect of individual losses that occur beyond such 96 consecutive hours during the continued occupation of an assured’s premises by strikers, provided such occupation commenced during the aforesaid period.

d. As regards earthquake and fire following directly occasioned by the earthquake, those earthquake losses and individual fire losses that commence during the period of 168 consecutive hours may be included in the Company’s “Loss Occurrence.”

e. As regards any related weather conditions involving snow, sleet, freezing rain, freeze, ice, winter weather, and wind losses related to such conditions, all individual losses sustained by the Company, that occur during any period of 168 consecutive hours arising out of and directly occasioned by the same event.

f. As regards firestorms, brush fires and other fires or series of fires, irrespective of origin (except for fires covered in subparagraphs (c) and (d) above) which spread through trees, grassland or other vegetation, all individual losses sustained by the Company occurring during any period of 168 consecutive hours within a 150-mile radius of any fixed point selected by the Company may be included in the Company's "Loss Occurrence." However, an individual loss subject to this subparagraph cannot be included in more than one "Loss Occurrence."

2. Except as provided in subparagraph (1)(a) above:

a. The Company may choose the date and time when any such period of consecutive hours commences provided that it is not earlier than the date and time of the occurrence of the first recorded individual loss sustained by the Company arising out of that disaster, accident or loss.

b. Only one period of consecutive hours shall apply with respect to one event, except that, as respects those "Loss Occurrences" referred to in subparagraph (1)(c) above, if the disaster, accident or loss occasioned by the event is of greater duration than 96 consecutive hours, then the Company may divide that disaster, accident or loss into two or more "Loss Occurrences" provided no two periods overlap and no individual loss is included in more than one such period and provided that no period commences earlier than the date and time of the occurrence of the first recorded individual loss sustained by the Company arising out of that disaster, accident or loss.

3. Losses arising from a combination of two or more perils as a result of the same event shall be considered as having arisen from one "Loss Occurrence." Furthermore, all losses arising from an event involving a combination of losses described in subparagraphs (1)(a) and (1)(b) may be considered as having arisen from one "Loss Occurrence." Notwithstanding the foregoing, the hourly limitations as stated above shall not be exceeded as respects the applicable perils, and, except as respects those "Loss Occurrences" involving a "Named Storm" referred to in subparagraph (1)(a) above, no single "Loss Occurrence" shall encompass a time period greater than 168 consecutive hours.

D. "Policy" means any binder, policy, or contract of insurance or reinsurance issued, accepted or held covered provisionally or otherwise, by or on behalf of the Company.

ARTICLE 12

EXTRA CONTRACTUAL OBLIGATIONS/EXCESS OF POLICY LIMITS

A. This Contract shall cover Extra Contractual Obligations, as provided in the definition of Ultimate Net Loss. “Extra Contractual Obligations” shall be defined as those liabilities not covered under any other provision of this Contract and that arise from the handling of any claim on business covered hereunder, such liabilities arising because of, but not limited to, the following: failure by the Company to settle within the Policy limit, or by reason of alleged or actual negligence, fraud or bad faith in rejecting an offer of settlement or in the preparation of the defense or in the trial of any action against its insured or reinsured or in the preparation or prosecution of an appeal consequent upon such action.

B. This Contract shall cover Loss in Excess of Policy Limits, as provided in the definition of Ultimate Net Loss. “Loss in Excess of Policy Limits” shall be defined as Loss in excess of the Policy limit, having been incurred because of, but not limited to, failure by the Company to settle within the Policy limit or by reason of alleged or actual negligence, fraud or bad faith in rejecting an offer of settlement or in the preparation of the defense or in the trial of any action against its insured or reinsured or in the preparation or prosecution of an appeal consequent upon such action.

C. An Extra Contractual Obligation and/or Loss in Excess of Policy Limits shall be deemed to have occurred on the same date as the loss covered under the Company’s Policy, and shall constitute part of the original loss.

D. For the purposes of the Loss in Excess of Policy Limits coverage hereunder, the word “Loss” shall mean any amounts for which the Company would have been contractually liable to pay had it not been for the limit of the original Policy.

E. Loss Adjustment Expense in respect of Extra Contractual Obligations and/or Loss in Excess of Policy Limits shall be covered hereunder in the same manner as other Loss Adjustment Expense.

F. However, this Article shall not apply where the loss has been incurred due to final legal adjudication of fraud of a member of the Board of Directors or a corporate officer of the Company acting individually or collectively or in collusion with any individual or corporation or any other organization or party involved in the presentation, defense or settlement of any claim covered hereunder.

G. In no event shall coverage be provided to the extent not permitted under law.

ARTICLE 13

NET RETAINED LIABILITY

A. This Contract applies only to that portion of any loss that the Company retains net for its own account (prior to deduction of any reinsurance that inures solely to the benefit of the Company).

B. The amount of the Reinsurer's liability hereunder in respect of any loss or losses shall not be increased by reason of the inability of the Company to collect from any other reinsurer(s), whether specific or general, any amounts that may have become due from such reinsurer(s), whether such inability arises from the insolvency of such other reinsurer(s) or otherwise.

ARTICLE 14

OTHER REINSURANCE

The Company shall be permitted to carry in force other reinsurance, recoveries under which shall inure to the benefit of this Contract.

ARTICLE 15

ORIGINAL CONDITIONS

All reinsurance under this Contract shall be subject to the same terms, conditions, waivers and interpretations, and to the same modifications and alterations as the respective Policies of the Company. However, in no event shall this be construed in any way to provide coverage outside the terms and conditions set forth in this Contract.

ARTICLE 16

NO THIRD PARTY RIGHTS

This Contract is solely between the Company and the Reinsurer, and in no instance shall any insured, claimant or other third party have any rights under this Contract except as may be expressly provided otherwise herein.

ARTICLE 17

NOTICE OF LOSS AND LOSS SETTLEMENTS

A. The Company shall advise the Reinsurer promptly if paid and estimated Ultimate Net Loss is in excess of 75% of the Company's retention, or if, in the opinion of the Company, such

Ultimate Net Loss may result in a claim hereunder. Thereafter, the Company shall advise the Reinsurer, at least monthly, of all subsequent developments thereto that may materially affect the position of the Reinsurer.

B. The Company alone and at its full discretion shall adjust, settle or compromise all claims and losses.

C. As respects losses subject to this Contract, all loss settlements made by the Company, whether under strict Policy terms or by way of compromise, and any Extra Contractual Obligations and/or Loss in Excess of Policy Limits, shall be binding upon the Reinsurer. The Reinsurer agrees to pay or allow, as the case may be, its share of each such settlement immediately upon receipt of reasonable evidence of the amount paid by the Company or that the Company estimates it will pay within the next 14 days. Within 30 days after receipt of the Reinsurer's payment, the Company shall report to the Reinsurer the Reinsurer's payment, minus the Reinsurer's share of losses subject to this Contract that the Company has paid, or become liable to pay, as of the date of the report. Any positive difference shall be remitted to the Reinsurer with the Company's report.

ARTICLE 18

LATE PAYMENTS

A. In the event any payment due either party is not received by the Intermediary by the payment due date, the party to whom payment is due may, by notifying the Intermediary in writing, require the debtor party to pay, and the debtor party agrees to pay, an interest penalty on the amount past due calculated for each such payment on the last business day of each month as follows:

1. The number of full days that have expired since the overdue date or the last monthly calculation, whichever the lesser; times

2. 1/365th of the sum of the six-month United States Treasury Bill rate as quoted in *The Wall Street Journal* on the first business day of the month for which the calculation is made, plus 1%; times

3. The amount past due, including accrued interest.

Interest shall accumulate until payment of the original amount due plus interest penalties have been received by the Intermediary.

B. The due date shall, for purposes of this Article, be determined as follows:

1. Payments from the Reinsurer to the Company shall be due on the date on which the demand for payment (including delivery of bordereaux or quarterly or monthly reports) is received by the Reinsurer, and shall be overdue 30 days thereafter.

2. Payments from the Company to the Reinsurer shall be due on the dates specified within this Contract. Payments shall be overdue 30 days thereafter except for the first installment of premium, if applicable, which shall be overdue 60 days from inception or 30 days from final line-signing, whichever the later. Reinstatement premium, if applicable, shall have as a due date the date when the Company receives payment for the claim giving rise to such reinstatement premium, and payment shall be overdue 30 days thereafter. In the event a due date is not specifically stated for a given payment, the overdue date shall be 30 days following the date of billing.

C. If the information contained in the Company's demand for payment is insufficient or not in accordance with the conditions of this Contract, then within 30 days the Reinsurer shall request from the Company all additional information necessary to validate its claim and the payment due date as defined in paragraph B shall be deemed to be the date upon which the Reinsurer received the requested additional information. This paragraph is only for the purpose of establishing when a payment is overdue, and shall not alter the provisions of the Notice of Loss and Loss Settlements Article or other pertinent contractual stipulations.

D. In the event arbitration is necessary to settle a dispute, the panel shall have the authority to make a determination awarding interest to the prevailing party. Interest, if any, awarded by the panel shall supersede the interest amounts outlined herein.

E. Any interest owed pursuant to this Article may be waived by the party to which it is owed. Waiver of such interest, however, shall not affect the waiving party's rights to other interest amounts due as a result of this Article.

ARTICLE 19

OFFSET

Each party hereto shall have, and may exercise at any time and from time to time, the right to offset any and all balances due from a party to the other arising under this Contract. In the event of the insolvency of a party hereto, offsets shall only be allowed in accordance with the provisions of any applicable law governing offset entitlement.

ARTICLE 20

CURRENCY

A. Where the word “Dollars” and/or the sign “$” appear in this Contract, they shall mean United States Dollars, and all payments hereunder shall be in United States Dollars.

B. For purposes of this Contract, where the Company receives premiums or pays losses in currencies other than United States Dollars, such premiums or losses shall be converted into United States Dollars at the actual rates of exchange at which these premiums or losses are entered in the Company’s books.

ARTICLE 21

UNAUTHORIZED REINSURANCE

A. This Article applies:

1. only to the extent a Subscribing Reinsurer does not qualify for credit with any insurance regulatory authority having jurisdiction over the Company’s reserves, or

2. to a Subscribing Reinsurer qualified as a reciprocal jurisdiction reinsurer with any such insurance regulatory authority in the event such Subscribing Reinsurer resists enforcement of a final judgment that is enforceable under the law of the jurisdiction in which it was obtained or a properly enforceable arbitration or arbitral award obtained by the Company or any legal successor, in which case such Subscribing Reinsurer shall fund 100% of its share of the Reinsurer’s Obligations as hereinafter provided.

B. The Company agrees, in respect of its Policies or bonds falling within the scope of this Contract, that when it files with its insurance regulatory authority, or sets up on its books liabilities as required by law, it shall forward to the Reinsurer a statement showing the proportion of such liabilities applicable to the Reinsurer. The “Reinsurer’s Obligations” shall be defined as follows:

1. unearned premium (if applicable);

2. known outstanding losses that have been reported to the Reinsurer and Loss Adjustment Expense relating thereto;

3. losses and Loss Adjustment Expense paid by the Company but not recovered from the Reinsurer;

4. losses incurred but not reported and Loss Adjustment Expense relating thereto;

5. all other amounts for which the Company cannot take credit on its financial statements unless funding is provided by the Reinsurer.

C. The Reinsurer's Obligations shall be funded by funds withheld, cash advances, Trust Agreement or a Letter of Credit (LOC). The Reinsurer shall have the option of determining the method of funding provided it is acceptable to the insurance regulatory authorities having jurisdiction over the Company's reserves.

D. When funding by Trust Agreement, the Reinsurer shall ensure that the Trust Agreement complies with the provisions of the "Trust Agreement Requirements Clause" attached hereto. When funding by a LOC, the Reinsurer agrees to apply for and secure timely delivery to the Company of a clean, irrevocable and unconditional LOC issued by a bank and containing provisions acceptable to the insurance regulatory authorities having jurisdiction over the Company's reserves in an amount equal to the Reinsurer's Obligations. Such LOC shall be issued for a period of not less than one year, and shall be automatically extended for one year from its date of expiration or any future expiration date unless 30 days (or such other time period as may be required by insurance regulatory authorities), prior to any expiration date the issuing bank shall notify the Company by certified or registered mail that the issuing bank elects not to consider the LOC extended for any additional period.

E. The Reinsurer and the Company agree that any funding provided by the Reinsurer pursuant to the provisions of this Contract may be drawn upon at any time, notwithstanding any other provision of this Contract, and be utilized by the Company or any successor, by operation of law, of the Company including, without limitation, any liquidator, rehabilitator, receiver or conservator of the Company, for the following purposes, unless otherwise provided for in a separate Trust Agreement:

1. to reimburse the Company for the Reinsurer's Obligations, the payment of which is due under the terms of this Contract and that has not been otherwise paid;

2. to make refund of any sum that is in excess of the actual amount required to pay the Reinsurer's Obligations under this Contract (or in excess of 102% of the Reinsurer's Obligations, if funding is provided by a Trust Agreement);

3. to fund an account with the Company for the Reinsurer's Obligations. Such cash deposit shall be held in an interest bearing account separate from the Company's other assets, and interest thereon not in excess of the prime rate shall accrue to the benefit of the Reinsurer. Any taxes payable on accrued interest shall be paid out of the assets in the account that are in excess of the Reinsurer's Obligations (or in excess of 102% of the Reinsurer's Obligations, if funding is provided by a Trust Agreement). If the assets are inadequate to pay taxes, any taxes due shall be paid or reimbursed by the Reinsurer;

4. to pay the Reinsurer's share of any other amounts the Company claims are due under this Contract.

F. If the amount drawn by the Company is in excess of the actual amount required for subparagraph E(1) or E(3), or in the case of subparagraph E(4), the actual amount determined to be due, the Company shall promptly return to the Reinsurer the excess amount so drawn. All of the foregoing shall be applied without diminution because of insolvency on the part of the Company or the Reinsurer.

G. The issuing bank shall have no responsibility whatsoever in connection with the propriety of withdrawals made by the Company or the disposition of funds withdrawn, except to ensure that withdrawals are made only upon the order of properly authorized representatives of the Company.

H. At annual intervals, or more frequently at the discretion of the Company, but never more frequently than quarterly, the Company shall prepare a specific statement of the Reinsurer's Obligations for the sole purpose of amending the LOC or other method of funding, in the following manner:

1. If the statement shows that the Reinsurer's Obligations exceed the balance of the LOC, as of the statement date, the Reinsurer shall, within 30 days after receipt of the statement, secure delivery to the Company of an amendment to the LOC increasing the amount of credit by the amount of such difference. Should another method of funding be used, the Reinsurer shall, within the time period outlined above, increase such funding by the amount of such difference.

2. If, however, the statement shows that the Reinsurer's Obligations are less than the balance of the LOC (or that 102% of the Reinsurer's Obligations are less than the trust account balance if funding is provided by a Trust Agreement), as of the statement date, the Company shall, within 30 days after receipt of written request from the Reinsurer, release such excess credit by agreeing to secure an amendment to the LOC reducing the amount of credit available by the amount of such excess credit. Should another method of funding be used, the Company shall, within the time period outlined above, decrease such funding by the amount of such excess.

ARTICLE 22

TAXES

A. In consideration of the terms under which this Contract is issued, the Company undertakes not to claim any deduction of the premium hereon when making Canadian tax returns or when making tax returns, other than Income or Profits Tax returns, to any state or territory of the United States of America or to the District of Columbia.

B. 1. Each Subscribing Reinsurer has agreed to allow, for the purpose of paying the Federal Excise Tax, the applicable percentage of the premium payable hereon (as imposed under the Internal Revenue Code) to the extent such premium is subject to Federal Excise Tax.

2. In the event of any return of premium becoming due hereunder, the Subscribing Reinsurer shall deduct the applicable percentage of the premium from the amount of the return, and the Company or its agent should take steps to recover the Tax from the U.S. Government.

ARTICLE 23

ACCESS TO RECORDS

A. The Reinsurer or its duly authorized representatives shall have the right to visit the offices of the Company to inspect, examine, audit, and verify any of the policy, accounting or claim files ("Records") relating to business reinsured under this Contract during regular business hours after giving five working days' prior notice. This right shall be exercisable during the term of this Contract or after the expiration of this Contract. Notwithstanding the above, the Reinsurer shall not have any right of access to the Records of the Company if it is not current in all undisputed payments due the Company.

B. Notwithstanding the above, the Company reserves the right to withhold from the Reinsurer any Privileged Documents. However, the Company shall permit and not object to the Reinsurer's access to Privileged Documents in connection with the underlying claim reinsured hereunder following final settlement or final adjudication of the case or cases involving such claim, with prejudice against all claimants and all parties to such adjudications; the Company may defer release of such Privileged Documents if there are subrogation, contribution, or other third party actions with respect to that claim or case, and the Company's defense might be jeopardized by release of such Privileged Documents. In the event that the Company seeks to defer release of such Privileged Documents, it shall, in consultation with the Reinsurer, take other steps as reasonably necessary to provide the Reinsurer with the information it reasonably requires to indemnify the Company without causing a loss of such privileges or protections. The Reinsurer shall not have access to Privileged Documents relating to any dispute between the Company and the Reinsurer.

C. For purposes of this Article:

1. "Privileged Documents" means any documents that are Attorney-Client Privilege Documents and/or Work Product Privilege Documents.

2. "Attorney-Client Privilege Documents" means communications of a confidential nature between (a) the Company, or anyone retained by or at the direction of the

Company, or its in-house or outside legal counsel, or anyone in the control of such legal counsel, and (b) any in-house or outside legal counsel, if such communications relate to legal advice being sought by the Company and/or contain legal advice being provided to the Company.

3. “Work Product Privilege Documents” means communications, written materials and tangible things prepared by or for in-house or outside counsel, or prepared by or for the Company, in anticipation of or in connection with litigation, arbitration, or other dispute resolution proceedings.

ARTICLE 24

CONFIDENTIALITY

A. The Reinsurer hereby acknowledges that the documents, information and data provided to it by the Company, whether directly or through an authorized agent, in connection with the placement and execution of this Contract (“Confidential Information”) are proprietary and confidential to the Company. Confidential Information shall not include documents, information or data that the Reinsurer can show:

1. are publicly known or have become publicly known through no unauthorized act of the Reinsurer;

2. have been rightfully received from a third person without obligation of confidentiality; or

3. were known by the Reinsurer prior to the placement of this Contract without an obligation of confidentiality.

B. Absent the written consent of the Company, the Reinsurer shall not disclose any Confidential Information to any third parties, including any affiliated companies (except to the extent necessary to enable affiliated companies or third parties engaged by the Reinsurer to perform services related to this Contract on behalf of the Reinsurer), except:

1. when required by retrocessionaires as respects business ceded to this Contract;

2. when required by regulators performing an audit of the Reinsurer’s records and/or financial condition; or

3. when required by external auditors performing an audit of the Reinsurer’s records in the normal course of business.

Further, the Reinsurer agrees not to use any Confidential Information for any purpose not related to the performance of its obligations or enforcement of its rights under this Contract.

C. Notwithstanding the above, in the event that the Reinsurer is required by court order, other legal process or any regulatory authority to release or disclose any or all of the Confidential Information, the Reinsurer agrees to provide the Company with written notice of same at least 10 days prior to such release or disclosure and to use its best efforts to assist the Company in maintaining the confidentiality provided for in this Article.

D. The provisions of this Article shall extend to the officers, directors and employees of the Reinsurer and its affiliates, and shall be binding upon their successors and assigns.

ARTICLE 25

INDEMNIFICATION AND ERRORS AND OMISSIONS

A. The Reinsurer is reinsuring, subject to the terms and conditions of this Contract, the obligations of the Company under any Policy. The Company shall be the sole judge as to:

1. what shall constitute a claim or loss covered under any Policy;

2. the Company's liability thereunder; and

3. the amount or amounts that it shall be proper for the Company to pay thereunder.

B. The Reinsurer shall be bound by the judgment of the Company as to the obligation(s) and liability(ies) of the Company under any Policy.

C. Any inadvertent error, omission or delay in complying with the terms and conditions of this Contract shall not be held to relieve either party hereto from any liability that would attach to it hereunder if such error, omission or delay had not been made, provided such error, omission or delay is rectified immediately upon discovery.

D. Nothing in this Article shall be construed to override any of the other terms and conditions of this Contract.

ARTICLE 26

INSOLVENCY

A. If more than one reinsured company is referenced within the definition of "Company" in the Preamble to this Contract, this Article shall apply severally to each such company. Further, this Article and the laws of the domiciliary state shall apply in the event of the insolvency of any company covered hereunder. In the event of a conflict between any provision of this Article and the laws of the domiciliary state of any company covered hereunder, that domiciliary state's laws shall prevail.

B. In the event of the insolvency of the Company, this reinsurance (or the portion of any risk or obligation assumed by the Reinsurer, if required by applicable law) shall be payable directly to the Company, or to its liquidator, receiver, conservator or statutory successor, either: (1) on the basis of the liability of the Company, or (2) on the basis of claims filed and allowed in the liquidation proceeding, whichever may be required by applicable statute, without diminution because of the insolvency of the Company or because the liquidator, receiver, conservator or statutory successor of the Company has failed to pay all or a portion of any claim. It is agreed, however, that the liquidator, receiver, conservator or statutory successor of the Company shall give written notice to the Reinsurer of the pendency of a claim against the Company indicating the Policy or bond reinsured, which claim would involve a possible liability on the part of the Reinsurer within a reasonable time after such claim is filed in the conservation or liquidation proceeding or in the receivership, and that during the pendency of such claim, the Reinsurer may investigate such claim and interpose, at its own expense, in the proceeding where such claim is to be adjudicated any defense or defenses that it may deem available to the Company or its liquidator, receiver, conservator or statutory successor. The expense thus incurred by the Reinsurer shall be chargeable, subject to the approval of the court, against the Company as part of the expense of conservation or liquidation to the extent of a pro rata share of the benefit that may accrue to the Company solely as a result of the defense undertaken by the Reinsurer.

C. Where two or more reinsurers are involved in the same claim and a majority in interest elect to interpose defense to such claim, the expense shall be apportioned in accordance with the terms of this reinsurance Contract as though such expense had been incurred by the Company.

D. As to all reinsurance made, ceded, renewed or otherwise becoming effective under this Contract, the reinsurance shall be payable as set forth above by the Reinsurer to the Company or to its liquidator, receiver, conservator or statutory successor, (except as provided by Section 4118(a)(1)(A) of the New York Insurance Law, provided the conditions of 1114(c) of such law have been met, if New York law applies) or except (1) where the Contract specifically provides another payee in the event of the insolvency of the Company, or (2) where the Reinsurer, with the consent of the direct insured or insureds, has assumed such Policy obligations of the Company as direct obligations of the Reinsurer to the payees under such Policies and in substitution for the obligations of the Company to such payees. Then, and in that event only, the Company, with the prior approval of the certificate of assumption on New York risks by the Superintendent of Financial Services of the State of New York, or with the prior approval of such other regulatory authority as may be applicable, is entirely released from its obligation and the Reinsurer shall pay any loss directly to payees under such Policy.

ARTICLE 27

RUN-OFF REINSURER

A. “Run-off Reinsurer” means any Subscribing Reinsurer that:

1. has been ordered by a state insurance department or other legal authority to cease writing business, or has been placed under regulatory supervision or in rehabilitation; or

2. has ceased reinsurance underwriting operations; or

3. has transferred its claims-paying authority to an unaffiliated entity; or

4. engages in a process of Scheme of Arrangement or similar procedure related to this Contract, including but not limited to an insurance business transfer scheme pursuant to Part VII of the Financial Services and Markets Act 2000 (U.K.), as may be amended from time to time; or

5. in any other way has assigned its interests or delegated its obligations under this Contract to an unaffiliated entity.

Notwithstanding the foregoing, agreement by a Lloyd’s syndicate to follow claim settlements procedures under Lloyd’s Claims Scheme (Combined) shall not constitute a transfer of its claims-paying authority, for purposes of subparagraphs (3) and (5) of this paragraph.

B. Notwithstanding any other provision of this Contract, in the event that a Subscribing Reinsurer becomes a Run-off Reinsurer at any time, the Company may elect, by giving written notice to the Run-off Reinsurer at any time thereafter, that all or any of the following shall apply to the Run-off Reinsurer’s participation hereunder:

1. Should the Run-off Reinsurer fail to pay amounts due hereunder, the interest penalty specified in the Late Payments Article shall be increased by 0.5% for each 30 days that a payment is past due, subject to a maximum increase of 7.0%.

2. The Run-off Reinsurer’s liability for losses for Policies covered by this Contract shall be commuted. In the event the Company and the Run-off Reinsurer cannot agree on the commutation amount of the Run-off Reinsurer’s liability under such Policies, they shall appoint an actuary and/or appraiser to assess such liability and shall share equally any expense of the actuary and/or appraiser. If the Company and the Run-off Reinsurer cannot agree on an actuary and/or appraiser, the Company and the Run-off Reinsurer each shall nominate three individuals, of whom the other shall decline two, and the final appointment shall be made by drawing lots. Payment by the Run-off Reinsurer of the

amount of liability ascertained shall constitute a complete and final release of both parties under this Contract.

3. The Run-off Reinsurer shall have no right of access to the Records of the Company if the Run-off Reinsurer has denied payment of any claim hereunder or there is a pending arbitration between the Company and the Run-off Reinsurer regarding any claim hereunder. A reservation of rights shall be considered a denial of a claim. Notwithstanding the above, the Run-off Reinsurer shall continue to have access to Records of the Company for any claim for which it has raised a query within 30 days of its receipt of a billing, but any inspection of Records must be completed within 90 days of receipt of billing or access will be deemed waived.

4. The provisions of the Arbitration Article shall not apply.

C. The Company's waiver of any rights provided in this Article is not a waiver of that right or other rights at a later date.

ARTICLE 28

ARBITRATION

A. Any dispute arising out of the interpretation, performance or breach of this Contract, including the formation or validity thereof, shall be submitted for decision to a panel of three arbitrators. Notice requesting arbitration shall be in writing and sent certified or registered mail, return receipt requested.

B. One arbitrator shall be chosen by each party and the two arbitrators shall then choose an impartial third arbitrator who shall preside at the hearing. If either party fails to appoint its arbitrator within 30 days after being requested to do so by the other party, the latter, after 10 days' prior notice by certified or registered mail of its intention to do so, may appoint the second arbitrator.

C. If the two arbitrators do not agree on a third arbitrator within 60 days of their appointment, the third arbitrator shall be chosen in accordance with the procedures for selecting the third arbitrator in force on the date the arbitration is demanded, established by the AIDA Reinsurance and Insurance Arbitration Society – U.S. (ARIAS). The arbitrators shall be persons knowledgeable about insurance and reinsurance who have no personal or financial interest in the result of the arbitration. If a member of the panel dies, becomes disabled or is otherwise unwilling or unable to serve, a substitute shall be selected in the same manner as the departing member was chosen and the arbitration shall continue.

D. Within 30 days after all arbitrators have been appointed, the panel shall meet and determine timely periods for briefs, discovery procedures and schedules of hearings.

E. The panel shall be relieved of all judicial formality and shall not be bound by the strict rules of procedure and evidence. Notwithstanding anything to the contrary in this Contract, the arbitrators may at their discretion, consider underwriting and placement information provided by the Company to the Reinsurer, as well as any correspondence exchanged by the parties that is related to this Contract. The arbitration shall take place in Tampa, Florida, or at such other place as the parties shall agree. The decision of any two arbitrators shall be in writing and shall be final and binding. The panel is empowered to grant interim relief as it may deem appropriate.

F. The panel shall interpret this Contract as an honorable engagement rather than as merely a legal obligation and shall make its decision considering the custom and practice of the applicable insurance and reinsurance business as promptly as possible after the hearings. Judgment upon an award may be entered in any court having jurisdiction thereof.

G. Each party shall bear the expense of its own arbitrator and shall jointly and equally bear with the other party the cost of the third arbitrator. The remaining costs of the arbitration shall be allocated by the panel. The panel may, at its discretion, award such further costs and expenses as it considers appropriate, including but not limited to attorneys' fees, to the extent permitted by law.

ARTICLE 29

EXPEDITED ARBITRATION

A. Notwithstanding the provisions of the Arbitration Article, in the event an amount in dispute hereunder $1,000,000 or less, the parties will submit to an expedited arbitration process with the use of a single arbitrator. The arbitrator will be chosen in accordance with the procedures for selecting an arbitrator in force on the date the arbitration is demanded, established by the AIDA Reinsurance and Insurance Arbitration Society - U.S. (ARIAS).

B. Each party's case will be submitted to the arbitrator within 100 calendar days of the date of determination of the arbitrator. Discovery will be limited to exchanging only those documents directly relating to the issue in dispute, subject to a limit of two discovery depositions from each party, unless otherwise authorized by the arbitrator upon a showing of good cause.

C. Within 120 calendar days of the date of determination of the arbitrator, the hearing will be completed and a written award will be issued by the arbitrator. As the parties agree that time is of the essence, the sole arbitrator does not have the authority to lengthen the schedule, absent agreement of both parties. The arbitrator will have all the powers conferred on the arbitration panel as provided in the Arbitration Article, and said Article will apply to all matters not specifically addressed above.

ARTICLE 30

SERVICE OF SUIT

A. This Article applies only to those Subscribing Reinsurers not domiciled in the United States of America, and/or not authorized in any state, territory and/or district of the United States of America where authorization is required by insurance regulatory authorities.

B. This Article shall not be read to conflict with or override the obligations of the parties to arbitrate their disputes as provided for in the Arbitration Article. This Article is intended as an aid to compelling arbitration or enforcing such arbitration or arbitral award, not as an alternative to the Arbitration Article for resolving disputes arising out of this Contract.

C. In the event of the failure of the Reinsurer to perform its obligations hereunder, the Reinsurer, at the request of the Company, shall submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this Article constitutes or should be understood to constitute a waiver of the Reinsurer's rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. The Reinsurer, once the appropriate court is selected, whether such court is the one originally chosen by the Company and accepted by the Reinsurer or is determined by removal, transfer, or otherwise, as provided for above, shall comply with all requirements necessary to give said court jurisdiction and, in any suit instituted against the Reinsurer upon this Contract, shall abide by the final decision of such court or of any appellate court in the event of an appeal.

D. Service of process in such suit may be made upon:

1. as respects Underwriting Members of Lloyd's, London: Lloyd's America, Inc., Attention: Legal Department, 280 Park Avenue, East Tower, 25th Floor, New York, New York 10017;

2. as respects any other Subscribing Reinsurer: Messrs. Mendes and Mount, 750 Seventh Avenue, New York, New York 10019-6829, or another party specifically designated in the Subscribing Reinsurer's Interests and Liabilities Agreement attached hereto.

The above-named are authorized and directed to accept service of process on behalf of the Reinsurer in any such suit.

E. Further, pursuant to any statute of any state, territory or district of the United States that makes provision therefor, the Reinsurer hereby designates the Superintendent, Commissioner or Director of Insurance, or other officer specified for that purpose in the statute, or his successor or successors in office, as its true and lawful attorney upon whom

may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Company or any beneficiary hereunder arising out of this Contract, and hereby designates the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

ARTICLE 31

GOVERNING LAW

This Contract shall be governed as to performance, administration and interpretation by the laws of the State of Florida, exclusive of conflict of law rules. However, with respect to credit for reinsurance, the rules of all applicable states shall apply.

ARTICLE 32

ENTIRE AGREEMENT

This Contract sets forth all of the duties and obligations between the Company and the Reinsurer and supersedes any and all prior or contemporaneous written agreements with respect to matters referred to in this Contract. This Contract may not be modified or changed except by an amendment to this Contract in writing signed by both parties. However, this Article shall not be construed as limiting the admissibility of evidence regarding the formation, interpretation, purpose or intent of this Contract.

ARTICLE 33

NON-WAIVER

The failure of the Company or the Reinsurer to insist on compliance with this Contract or to exercise any right or remedy hereunder shall not constitute a waiver of any rights contained in this Contract nor prevent either party from thereafter demanding full and complete compliance nor prevent either party from exercising such remedy in the future.

ARTICLE 34

SANCTION LIMITATION AND EXCLUSION CLAUSE (LMA 3100)

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

ARTICLE 35

INTERMEDIARY

Guy Carpenter & Company, LLC, is hereby recognized as the Intermediary negotiating this Contract for all business hereunder. All communications (including notices, statements, premiums, return premiums, commissions, taxes, losses, Loss Adjustment Expenses, salvages, and loss settlements) relating thereto shall be transmitted to the Company or the Reinsurer through the Intermediary. Payments by the Company to the Intermediary shall be deemed payment to the Reinsurer. Payments by the Reinsurer to the Intermediary shall be deemed payment to the Company only to the extent that such payments are actually received by the Company.

ARTICLE 36

MODE OF EXECUTION

A. This Contract may be executed by:

1. an original written ink signature of paper documents;

2. an exchange of facsimile copies showing the original written ink signature of paper documents;

3. electronic signature technology employing computer software and a digital signature or digitizer pen pad to capture a person's handwritten signature in such a manner that the signature is unique to the person signing, is under the sole control of the person signing, is capable of verification to authenticate the signature and is linked to the document signed in such a manner that if the data is changed, such signature is invalidated.

B. The use of any one or a combination of these methods of execution shall constitute a legally binding and valid signing of this Contract. This Contract may be executed in one or more counterparts, each of which, when duly executed, shall be deemed an original.

IN WITNESS WHEREOF, the Company has caused this Contract to be executed by its duly authorized representative(s), who also confirms the Company's review of and agreement to be bound by the terms and conditions of the Interests and Liabilities Agreements attached to and forming part of this Contract, this _____ day of _____, in the year of 2023.

HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC.

Signature: _ Title: _

Print Name: _

PROPERTY CATASTROPHE EXCESS OF LOSS REINSURANCE CONTRACT

POOLS, ASSOCIATIONS & SYNDICATES EXCLUSIONS CLAUSE

Section A:

This Contract excludes:

a. All business derived directly or indirectly from any Pool, Association or Syndicate which maintains its own reinsurance facilities.

b. Any Pool or Scheme (whether voluntary or mandatory) formed after March 1, 1968 for the purpose of insuring property, whether on a country-wide basis or in respect of designated areas. This exclusion shall not apply to so-called Automobile Insurance Plans or other Pools formed to provide coverage for Automobile Physical Damage.

Section B:

1. This Contract excludes business written by the Company for the same perils, which is known at the time to be insured by, or in excess of underlying amounts placed in, any Pool, Association or Syndicate, whether by way of insurance or reinsurance, formed for the purpose of writing any of the following:

Oil, Gas or Petro-Chemical Plants

Oil or Gas Drilling Rigs and/or

Aviation Risks

2. The exclusion under paragraph 1 of this Section B does not apply:

a. Where the Total Insured Value over all interests of the risk in question is less than $250,000,000.

b. To interests traditionally underwritten as Inland Marine and/or Stock and/or Contents written on a Blanket basis.

c. To Contingent Business Interruption, except when the Company is aware that the key location is known at the time to be insured in any Pool, Association or Syndicate named above, other than as provided for under subparagraph (a).

Section C:

1. Nevertheless the Reinsurer specifically agrees that liability accruing to the Company from its participation in Residual Market Mechanisms, including but not limited to the following, for all perils otherwise protected hereunder shall not be excluded herefrom:

a. So-called “Beach and Windstorm Plans” and so-called “Coastal Pools”;

b. All “FAIR Plan” and “Rural Risk Plan” business;

c. Louisiana Citizens Property Insurance Corporation;

d. California Earthquake Authority (“CEA”) or any similar entity.

Notwithstanding the above, assessments related to the Florida Hurricane Catastrophe Fund, Reinsurance to Assist Policyholders, and Citizens Property Insurance Corporation (Florida) shall be excluded hereunder.

2. However, this reinsurance does not include any increase in such liability resulting from:

a. The inability of any other participant in such Residual Market Mechanisms to meet its liability;

b. Any claim against a Residual Market Mechanism or any participant therein, including the Company, whether by way of subrogation or otherwise, brought by or on behalf of any insolvency fund (as defined in the Exclusions Article);

c. Any assessment or surcharge levied on the policyholder and therefore not a liability of the Company;

d. The Company’s initial capital contribution to the CEA;

e. Any assessments, other than interim and regular assessments, from a Residual Market Mechanism included in subparagraph 1(c) above;

f. Any expenditure to purchase or retire bonds.

3. The Company may include in Ultimate Net Loss for any Loss Occurrence covered hereunder only the liability attributable to that Loss Occurrence. If the relevant entity does not specify what portion of an assessment is attributable to each Loss Occurrence, the Company may include in Ultimate Net Loss in respect of each Loss Occurrence a percentage of the Company’s assessments from the relevant entity related to the calendar year in which the Loss Occurrence commenced, regardless of when assessed, such percentage to be determined by dividing the relevant entity’s losses arising from the Loss Occurrence by its total losses for the calendar year.

4. The Company will deduct from Ultimate Net Loss amounts received as recoupment of any assessment that has been included in the Ultimate Net Loss, provided the recoupment is directly allocable to the assessment (“itemized recoupment”). The Company shall use commercially reasonable efforts to recoup such assessment. Any amount received as an

itemized recoupment of any assessment (whether under this Contract or any predecessor contract), and therefore deductible from Ultimate Net Loss, shall not be included in the subject premium of this Contract.

However, if a state levies assessments but does not allow itemized recoupment from policyholders, instead allowing the Company to file an overall increased rate, any such premium increased thereby shall not be deemed to be a recoupment that is deductible from Ultimate Net Loss. Any recoupment received as part of a general premium rate increase, not specifically itemized, shall be included as part of the subject premium of this Contract or a successor contract, as applicable.

OTES: Wherever used herein the terms:

"Company" shall be understood to mean "Company", "Reinsured", "Reassured" or whatever other term is used in the attached reinsurance document to designate the reinsured company or companies.

"Contract" shall be understood to mean "Agreement," "Contract," "Policy" or whatever other term is used to designate the attached reinsurance document.

"Reinsurer" shall be understood to mean "Reinsurer," "Reinsurers," "Underwriters" or whatever other term is used in the attached reinsurance document to designate the reinsurer or reinsurers.

NUCLEAR INCIDENT EXCLUSION CLAUSE - PHYSICAL DAMAGE - REINSURANCE - U.S.A.

1. This Reinsurance does not cover any loss or liability accruing to the Reassured, directly or indirectly, and whether as Insurer or Reinsurer, from any Pool of Insurers or Reinsurers formed for the purpose of covering Atomic or Nuclear Energy risks.

2. Without in any way restricting the operation of paragraph (1) of this clause, this Reinsurance does not cover any loss or liability accruing to the Reassured, directly or indirectly and whether as Insurer or Reinsurer, from any insurance against Physical Damage (including business interruption or consequential loss arising out of such Physical Damage) to:

   I. Nuclear reactor power plants including all auxiliary property on the site, or

   II. Any other nuclear reactor installation, including laboratories handling radioactive materials in connection with reactor installations, and “critical facilities” as such, or

   III. Installations for fabricating complete fuel elements or for processing substantial quantities of “special nuclear material”, and for reprocessing, salvaging, chemically separating, storing or disposing of “spent” nuclear fuel or waste materials, or

   IV. Installations other than those listed in paragraph (2) III above using substantial quantities of radioactive isotopes or other products of nuclear fission.

3. Without in any way restricting the operations of paragraphs (1) and (2) hereof, this Reinsurance does not cover any loss or liability by radioactive contamination accruing to the Reassured, directly or indirectly, and whether as Insurer or Reinsurer, from any insurance on property which is on the same site as a nuclear reactor power plant or other nuclear installation and which normally would be insured therewith except that this paragraph (3) shall not operate

   (a) where Reassured does not have knowledge of such nuclear reactor power plant or nuclear installation, or

   (b) where said insurance contains a provision excluding coverage for damage to property caused by or resulting from radioactive contamination, however caused. However on and after 1st January 1960 this sub-paragraph (b) shall only apply provided the said radioactive contamination exclusion provision has been approved by the Governmental Authority having jurisdiction thereof.

4. Without in any way restricting the operations of paragraphs (1), (2) and (3) hereof, this Reinsurance does not cover any loss or liability by radioactive contamination accruing to the Reassured, directly or indirectly, and whether as Insurer or Reinsurer, when such radioactive contamination is a named hazard specifically insured against.

5. It is understood and agreed that this clause shall not extend to risks using radioactive isotopes in any form where the nuclear exposure is not considered by the Reassured to be the primary hazard.

6. The term “special nuclear material” shall have the meaning given it in the Atomic Energy Act of 1954 or by any law amendatory thereof.

7. Reassured to be sole judge of what constitutes:

(a) substantial quantities, and

(b) the extent of installation, plant or site.

Note: Without in any way restricting the operation of paragraph (1) hereof, it is understood and agreed that

(a) all policies issued by the Reassured on or before 31st December 1957 shall be free from the application of the other provisions of this Clause until expiry date or 31st December 1960 whichever first occurs whereupon all the provisions of this Clause shall apply.

(b) with respect to any risk located in Canada policies issued by the Reassured on or before 31st December 1958 shall be free from the application of the other provisions of this Clause until expiry date or 31st December 1960 whichever first occurs whereupon all the provisions of this Clause shall apply.

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OTES: Wherever used herein the terms:

“Reassured” shall be understood to mean “Company”, “Reinsured”, “Reassured” or whatever other term is used in the attached reinsurance document to designate the reinsured company or companies.

“Agreement” shall be understood to mean “Agreement”, “Contract”, “Policy” or whatever other term is used to designate the attached reinsurance document.

“Reinsurers” shall be understood to mean “Reinsurers”, “Underwriters” or whatever other term is used in the attached reinsurance document to designate the reinsurer or reinsurers.

EXHIBIT 10.26. Certain identified information has been excluded from this exhibit because it is immaterial and would be competitively harmful if publicly disclosed. Information that has been omitted is indicated with brackets.

TERRORISM EXCLUSION

A. Notwithstanding any provision to the contrary within this Contract or any endorsement thereto, it is agreed that this Contract excludes loss, damage, cost, or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any Act of Terrorism, as defined herein, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

B. An “Act of Terrorism” includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organization(s) or government(s) de jure or de facto, and which:

a. involves violence against one or more persons; or

b. involves damage to property; or

c. endangers life other than that of the person committing the action; or

d. creates a risk to health or safety of the public or a section of the public; or

e. is designed to interfere with or to disrupt an electronic system.

C. This Contract also excludes loss, damage, cost, or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any action in controlling, preventing, suppressing, retaliating against, or responding to any Act of Terrorism.

D. Notwithstanding the above and subject otherwise to the terms, conditions, and limitations of this Contract, in respect only of personal lines, this Contract shall pay actual loss or damage (but not related cost or expense) caused by any Act of Terrorism, provided such act is not directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with biological, chemical, radiological or nuclear pollution or contamination.

LIMITED COMMUNICABLE DISEASE EXCLUSION NO. 2 (PROPERTY TREATY REINSURANCE)

1. Notwithstanding any provision to the contrary within this reinsurance agreement, this reinsurance agreement excludes any loss, damage, liability, claim, cost or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease regardless of any other cause or event contributing concurrently or in any other sequence thereto.

2. Subject to the other terms, conditions and exclusions contained in this reinsurance agreement, this reinsurance agreement will cover physical damage to property insured under the original policies and any Time Element Loss directly resulting therefrom where such physical damage is directly caused by or arising from any of the following perils: fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, rainstorm, hail, tornado, cyclone, typhoon, hurricane, earthquake, seaquake, seismic and/or volcanic disturbance/eruption, tsunami, flood, freeze, ice storm, weight of snow or ice, avalanche, meteor/asteroid impact, landslip, landslide, mudslide, bush fire, forest fire, riot, riot attending a strike, civil commotion, vandalism and malicious mischief.

Definitions

3. Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

   3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and

   3.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and

   3.3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

4. Time Element Loss means business interruption, contingent business interruption or any other consequential losses.

LMA5503

.5 May 2020

CYBER LOSS LIMITED EXCLUSION CLAUSE (PROPERTY TREATY REINSURANCE)

1. Notwithstanding any provision to the contrary within this reinsurance agreement or any endorsement thereto, this reinsurance agreement excludes all loss, damage, liability, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with:

1.2. any loss of, alteration of, or damage to or a reduction in the functionality, availability or operation of a Computer System, unless subject to the provisions of paragraph 2;

1.3. any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data.

2. Subject to the other terms, conditions and exclusions contained in this reinsurance agreement, this reinsurance agreement will cover physical damage to property insured under the original policies and any Time Element Loss directly resulting therefrom where such physical damage is directly occasioned by any of the following perils:

fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, tsunami, flood, freeze or weight of snow

Definitions

3. Computer System means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility.

4. Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

5. Time Element Loss means business interruption, contingent business interruption or any other consequential losses.

LMA5410

06 March 2020

TRUST AGREEMENT REQUIREMENTS CLAUSE

A. Except as provided in paragraph B of this Clause, if the Reinsurer satisfies its funding obligations under the Unauthorized Reinsurance Article by providing a Trust Agreement, the Reinsurer shall ensure that the Trust Agreement:

1. Requires the Reinsurer to establish a trust account for the benefit of the Company, and specifies what the Trust Agreement is to cover;

2. Stipulates that assets deposited in the trust account shall be valued according to their current fair market value and shall consist only of cash (United States legal tender), and certificates of deposit (issued by a United States bank and payable in United States legal tender), or any combination of the two, provided that the investments are issued by an institution that is not the parent, subsidiary or affiliate of either the Reinsurer or the Company;

3. Requires the Reinsurer, prior to depositing assets with the trustee, to execute assignments or endorsements in blank, or to transfer legal title to the trustee of all shares, obligations or any other assets requiring assignments, in order that the Company, or the trustee upon the direction of the Company, may whenever necessary negotiate these assets without consent or signature from the Reinsurer or any other entity;

4. Requires that all settlements of account between the Company and the Reinsurer be made in cash or its equivalent; and

5. Provides that assets in the trust account shall be withdrawn only as permitted in this Contract, without diminution because of the insolvency of the Company or the Reinsurer.

B. If a ceding insurer is domiciled in California and the Reinsurer satisfies its funding obligations under the Unauthorized Reinsurance Article by providing a Trust Agreement, the Reinsurer shall ensure that the Trust Agreement:

1. Provides that assets deposited in the trust account shall be valued according to their current fair market value and shall consist only of cash in United States dollars, certificates of deposit issued by a United States financial institution as defined in California Insurance Code Section 922.7(a) and payable in United States dollars, and investments permitted by the California Insurance Code, or any combination of the above.

2. Provides that investments in or issued by an entity controlling, controlled by or under common control with either the grantor or the beneficiary of the trust shall not exceed 5% of total investments.

3. Requires the Reinsurer, prior to depositing assets with the trustee, to execute assignments or endorsements in blank, or to transfer legal title to the trustee of all shares, obligations or any other assets requiring assignments, in order that the ceding insurer, or the trustee upon the direction of the ceding insurer, may, whenever necessary, negotiate these assets without consent or signature from the Reinsurer or any other entity.

4. Provides that assets in the trust account shall be withdrawn only as permitted in this Contract, without diminution because of the insolvency of the ceding insurer or the Reinsurer.

C. If there are multiple ceding insurers that collectively comprise the Company, “regulatory authorities” as referenced in subparagraph A(2) above, shall mean the individual ceding insurer’s domestic regulator.

EXHIBIT 10.27. Certain identified information has been excluded from this exhibit because it is immaterial and would be competitively harmful if publicly disclosed. Information that has been omitted is indicated with brackets.

EXHIBIT 10.27

REINSTATEMENT PREMIUM PROTECTION REINSURANCE CONTRACT

issued to

HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC.
Tampa, Florida

including any and/or all companies that are or may hereafter become affiliated therewith

EXHIBIT 10.27. Certain identified information has been excluded from this exhibit because it is immaterial and would be competitively harmful if publicly disclosed. Information that has been omitted is indicated with brackets.

REINSTATEMENT PREMIUM PROTECTION REINSURANCE CONTRACT

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REINSTATEMENT PREMIUM PROTECTION REINSURANCE CONTRACT
(the "Contract")

issued to

HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC.
Tampa, Florida

including any and/or all companies that are or may hereafter become affiliated therewith

(collectively, the "Company")

by

THE SUBSCRIBING REINSURER(S) IDENTIFIED
IN THE INTERESTS AND LIABILITIES AGREEMENT(S)
ATTACHED TO AND FORMING PART OF THIS CONTRACT

(the "Reinsurer")

ARTICLE 1

BUSINESS COVERED

This Contract is to indemnify the Company in respect of the liability that may accrue to the Company as a result of Reinstatement Premium the Company may become liable to pay under the reinstatement provisions of the Property Catastrophe Excess of Loss Reinsurance Contract, effective at 12:01 a.m., Standard Time, June 1, 2023 and expiring 12:01 a.m., Standard Time, June 1, 2024, Document Number: U8GR0001/Arch BDA (the "Original Contract"), subject to the terms and conditions herein contained. The Original Contract covers losses under Policies covering direct and assumed business classified by the Company as the property perils of Business Owners, Homeowners, Condominium Owners, Renters and Dwelling, in force at the inception of this Contract, or issued or renewed during the term of this Contract. A copy of the Original Contract is attached to and forms part of this Contract.

ARTICLE 2

COVERAGE

The Reinsurer shall be liable to pay the Reinstatement Premium obligations under the Original Contract.

ARTICLE 3

TERM

This Contract shall take effect at 12:01 a.m., Standard Time, June 1, 2023, and unless terminated prior to that time and date as provided in the Special Termination Article, shall remain in effect until 12:01 a.m., Standard Time, June 1, 2024, applying to Loss Occurrences commencing during the term of this Contract. For purposes of this Contract, “Standard Time” shall mean the time as described in the original Policy.

ARTICLE 4

SPECIAL TERMINATION

A. The Company may terminate a Subscribing Reinsurer’s percentage share in this Contract at any time by giving written notice to the Subscribing Reinsurer in the event of any of the following circumstances:

1. The Subscribing Reinsurer ceases underwriting operations.

2. A state insurance department or other legal authority orders the Subscribing Reinsurer to cease writing business, or the Subscribing Reinsurer is placed under regulatory supervision.

3. The Subscribing Reinsurer has become insolvent or has been placed into liquidation or receivership (whether voluntary or involuntary), or there have been instituted against it proceedings for the appointment of a receiver, liquidator, rehabilitator, conservator, trustee in bankruptcy, or other agent known by whatever name, to take possession of its assets or control of its operations.

4. The Subscribing Reinsurer’s policyholders’ surplus (or the equivalent under the Subscribing Reinsurer’s accounting system) as reported in such financial statements of the Subscribing Reinsurer as designated by the Company, has been reduced by 20% of the amount thereof at any date during the prior 12-month period (including the period prior to the inception of this Contract).

5. The Subscribing Reinsurer has become, or has announced its intention to become, merged with or acquired or controlled by any company, corporation, or individual(s) not controlling the Subscribing Reinsurer’s operations at the inception of this Contract.

6. The Subscribing Reinsurer has retroceded its entire liability under this Contract without the Company’s prior written consent, except for retrocessions to members of the Subscribing Reinsurer’s holding company group.

7. The Subscribing Reinsurer has been assigned an A.M. Best's rating of less than "A-" and/or an S&P rating of less than "BBB+." However, as respects Underwriting Members of Lloyd's, London, a Lloyd's Market Rating of less than "A-" by A.M. Best and/or less than "BBB+" by S&P shall apply.

8. The Subscribing Reinsurer has hired an unaffiliated runoff claims manager that is compensated on a contingent basis or is otherwise provided with financial incentives based on the quantum of claims paid.

9. The Subscribing Reinsurer has in any other way assigned its interests or delegated its obligations under this Contract to an unaffiliated entity.

10. The Subscribing Reinsurer has failed to post or maintain required collateral to secure its obligations as required under this Contract, and has not cured such deficiency within 30 days following written notice thereof from the Company.

Notwithstanding the foregoing, agreement by a Lloyd's syndicate to follow claim settlements procedures under Lloyd's Claims Scheme (Combined) shall not constitute a transfer of its claims-paying authority, for purposes of subparagraphs (8) and (9) of this paragraph.

B. The Subscribing Reinsurer shall have no liability for Reinstatement Premium arising from Loss Occurrences commencing after termination. The premium due the Subscribing Reinsurer hereunder (including any minimum premium) shall be prorated based on the period of the Subscribing Reinsurer's participation hereon, and the Subscribing Reinsurer shall immediately return any excess premium received.

ARTICLE 5

TERRITORY

The territorial limits of this Contract shall be identical with those of the Original Contract.

ARTICLE 6

EXCLUSIONS

This Contract shall follow the exclusions set forth in the Original Contract.

ARTICLE 7

PREMIUM

A. The premium for this Contract shall be based on the Layers of the Original Contract. The Company shall pay the Reinsurer a deposit premium in accordance with the schedule set forth below. The adjusted premium to be paid to the Reinsurer for the reinsurance provided under each Layer shall be calculated as the Rate on Line set out below multiplied by the Final Premium for that Layer:

PREMIUM SCHEDULE		
Layer	**Rate on Line**	**Deposit Premium**
Fourth Layer	[ ]	[ ]
Fifth Layer	[ ]	[ ]
Sixth Layer	[ ]	[ ]

B. The deposit premiums set forth in paragraph A above shall be payable to the Reinsurer by the Company in installments as follows:

Layer	**June 1, 2023**	**September 1, 2023**	**December 1, 2023**
Fourth Layer	[ ]	[ ]	[ ]
Fifth Layer	[ ]	[ ]	[ ]
Sixth Layer	[ ]	[ ]	[ ]

C. Within 45 days following the expiration of this Contract, the Company shall provide the Reinsurer with a report showing the Company's final Total Insured Value. This final Total Insured Value shall be multiplied by the Final Adjusted Premium Rate for each Layer as stated in paragraph A above. Should the premium so calculated exceed the deposit premium paid in accordance with paragraph A above, the Company shall immediately pay the Reinsurer the difference. Should the premium so calculated be less than the deposit premium paid in accordance with paragraph A above, the Reinsurer shall immediately pay the Company the difference, subject to a minimum premium for the term of this Contract in accordance with paragraph A above.

D. The Company shall furnish the Reinsurer with such reasonably available information as may be reasonably required by the Reinsurer for completion of the Reinsurer's financial statements.

ARTICLE 8

DEFINITIONS

A. “Reinstatement Premium” means premium paid by the Company for each Layer under the provisions of the Reinstatement Article of the Original Contract. Reinstatement Premium shall be calculated at pro rata of the original reinsurance premium, being pro rata only for the amount being reinstated. If, at the time of a loss settlement under the Original Contract, the reinsurance premium thereunder is not yet known, Reinstatement Premium shall be based upon the deposit premium, subject to adjustment when said reinsurance premium is finally established. Nothing in this clause shall be construed to mean that amounts are not recoverable hereunder until the Company’s final Reinstatement Premium has been ascertained. All recoveries received subsequent to reimbursement hereunder shall be applied as if received prior to the aforesaid settlement, and all necessary adjustments shall be made by the parties hereto.

B. “Loss Occurrence” shall follow the definition set forth in the Original Contract.

C. “Final Premium” means the total reinsurance premium except for Reinstatement Premium.

D. “Policy” means any binder, policy, or contract of insurance or reinsurance issued, accepted or held covered provisionally or otherwise, by or on behalf of the Company.

ARTICLE 9

ORIGINAL CONDITIONS

All reinsurance under this Contract shall be subject to the same terms, conditions, waivers and interpretations, and to the same modifications and alterations as the Original Contract. However, in no event shall this be construed in any way to provide coverage outside the terms and conditions set forth in this Contract.

ARTICLE 10

NO THIRD PARTY RIGHTS

This Contract is solely between the Company and the Reinsurer, and in no instance shall any insured, claimant or other third party have any rights under this Contract except as may be expressly provided otherwise herein.

ARTICLE 11

NOTICE OF LOSS AND LOSS SETTLEMENTS

A. The Company shall advise the Reinsurer promptly of all losses that, in the opinion of the Company, may result in a claim hereunder and of all subsequent developments thereto that may materially affect the position of the Reinsurer.

B. The Company alone and at its full discretion shall adjust, settle or compromise all claims and losses.

C. As respects losses subject to the Original Contract, all loss settlements made by the Company, whether under strict Policy terms or by way of compromise, shall be binding upon the Reinsurer, and the Reinsurer agrees to pay or allow, as the case may be, its share of each such settlement immediately upon receipt of reasonable evidence of the amount paid by the Company or that the Company estimates it will pay within the next 14 days. Within 30 days after receipt of the Reinsurer's payment, the Company shall report to the Reinsurer the positive difference, if any, of the Reinsurer's payment, minus the Reinsurer's share of losses subject to this Contract that the Company has paid, or becomes liable to pay, as of the date of the report. Any such positive difference shall be remitted to the Reinsurer with the Company's report.

ARTICLE 12

LATE PAYMENTS

A. In the event any payment due either party is not received by the Intermediary by the payment due date, the party to whom payment is due may, by notifying the Intermediary in writing, require the debtor party to pay, and the debtor party agrees to pay, an interest penalty on the amount past due calculated for each such payment on the last business day of each month as follows:

1. The number of full days that have expired since the overdue date or the last monthly calculation, whichever the lesser; times

2. 1/365th of the sum of the six-month United States Treasury Bill rate as quoted in *The Wall Street Journal* on the first business day of the month for which the calculation is made, plus 1%; times

3. The amount past due, including accrued interest.

Interest shall accumulate until payment of the original amount due plus interest penalties have been received by the Intermediary.

B. The due date shall, for purposes of this Article, be determined as follows:

1. Payments from the Reinsurer to the Company shall be due on the date on which the demand for payment (including delivery of bordereaux or quarterly or monthly reports) is received by the Reinsurer, and shall be overdue 30 days thereafter.

2. Payments from the Company to the Reinsurer shall be due on the dates specified within this Contract. Payments shall be overdue 30 days thereafter except for the first installment of premium, if applicable, which shall be overdue 60 days from inception or 30 days from final line-signing, whichever the later. Reinstatement Premium, if applicable, shall have as a due date the date when the Company receives payment for the claim giving rise to such Reinstatement Premium, and payment shall be overdue 30 days thereafter. In the event a due date is not specifically stated for a given payment, the overdue date shall be 30 days following the date of billing.

C. If the information contained in the Company's demand for payment is insufficient or not in accordance with the conditions of this Contract, then within 30 days the Reinsurer shall request from the Company all additional information necessary to validate its claim and the payment due date as defined in paragraph B shall be deemed to be the date upon which the Reinsurer received the requested additional information. This paragraph is only for the purpose of establishing when a payment is overdue, and shall not alter the provisions of the Notice of Loss and Loss Settlements Article or other pertinent contractual stipulations.

D. In the event arbitration is necessary to settle a dispute, the panel shall have the authority to make a determination awarding interest to the prevailing party. Interest, if any, awarded by the panel shall supersede the interest amounts outlined herein.

E. Any interest owed pursuant to this Article may be waived by the party to which it is owed. Waiver of such interest, however, shall not affect the waiving party's rights to other interest amounts due as a result of this Article.

ARTICLE 13

OFFSET

Each party hereto shall have, and may exercise at any time and from time to time, the right to offset any and all balances due from a party to the other arising under this Contract. In the event of the insolvency of a party hereto, offsets shall only be allowed in accordance with the provisions of any applicable law governing offset entitlement.

ARTICLE 14

CURRENCY

A. Where the word “Dollars” and/or the sign “$” appear in this Contract, they shall mean United States Dollars, and all payments hereunder shall be in United States Dollars.

B. For purposes of this Contract, where the Company receives or pays amounts in currencies other than United States Dollars, such amounts shall be converted into United States Dollars at the actual rates of exchange at which these amounts are entered in the Company’s books.

ARTICLE 15

UNAUTHORIZED REINSURANCE

A. This Article applies:

1. only to the extent a Subscribing Reinsurer does not qualify for credit with any insurance regulatory authority having jurisdiction over the Company’s reserves, or

2. to a Subscribing Reinsurer qualified as a reciprocal jurisdiction reinsurer with any such insurance regulatory authority in the event such Subscribing Reinsurer resists enforcement of a final judgment that is enforceable under the law of the jurisdiction in which it was obtained or a properly enforceable arbitration or arbitral award obtained by the Company or any legal successor, in which case such Subscribing Reinsurer shall fund 100% of its share of the Reinsurer’s Obligations as hereinafter provided.

B. The Company agrees, in respect of its Policies or bonds falling within the scope of this Contract, that when it files with its insurance regulatory authority, or sets up on its books liabilities as required by law, it shall forward to the Reinsurer a statement showing the proportion of such liabilities applicable to the Reinsurer. The “Reinsurer’s Obligations” shall be defined as follows:

1. unearned premium (if applicable);

2. known outstanding losses that have been reported to the Reinsurer and Loss Adjustment Expense relating thereto;

3. losses and Loss Adjustment Expense paid by the Company but not recovered from the Reinsurer;

4. losses incurred but not reported and Loss Adjustment Expense relating thereto;

5. all other amounts for which the Company cannot take credit on its financial statements unless funding is provided by the Reinsurer.

C. The Reinsurer's Obligations shall be funded by funds withheld, cash advances, Trust Agreement or a Letter of Credit (LOC). The Reinsurer shall have the option of determining the method of funding provided it is acceptable to the insurance regulatory authorities having jurisdiction over the Company's reserves.

D. When funding by Trust Agreement, the Reinsurer shall ensure that the Trust Agreement complies with the provisions of the "Trust Agreement Requirements Clause" attached hereto. When funding by a LOC, the Reinsurer agrees to apply for and secure timely delivery to the Company of a clean, irrevocable and unconditional LOC issued by a bank and containing provisions acceptable to the insurance regulatory authorities having jurisdiction over the Company's reserves in an amount equal to the Reinsurer's Obligations. Such LOC shall be issued for a period of not less than one year, and shall be automatically extended for one year from its date of expiration or any future expiration date unless 30 days (or such other time period as may be required by insurance regulatory authorities), prior to any expiration date the issuing bank shall notify the Company by certified or registered mail that the issuing bank elects not to consider the LOC extended for any additional period.

E. The Reinsurer and the Company agree that any funding provided by the Reinsurer pursuant to the provisions of this Contract may be drawn upon at any time, notwithstanding any other provision of this Contract, and be utilized by the Company or any successor, by operation of law, of the Company including, without limitation, any liquidator, rehabilitator, receiver or conservator of the Company, for the following purposes, unless otherwise provided for in a separate Trust Agreement:

1. to reimburse the Company for the Reinsurer's Obligations, the payment of which is due under the terms of this Contract and that has not been otherwise paid;

2. to make refund of any sum that is in excess of the actual amount required to pay the Reinsurer's Obligations under this Contract (or in excess of 102% of the Reinsurer's Obligations, if funding is provided by a Trust Agreement);

3. to fund an account with the Company for the Reinsurer's Obligations. Such cash deposit shall be held in an interest bearing account separate from the Company's other assets, and interest thereon not in excess of the prime rate shall accrue to the benefit of the Reinsurer. Any taxes payable on accrued interest shall be paid out of the assets in the account that are in excess of the Reinsurer's Obligations (or in excess of 102% of the Reinsurer's Obligations, if funding is provided by a Trust Agreement). If the assets are inadequate to pay taxes, any taxes due shall be paid or reimbursed by the Reinsurer;

4. to pay the Reinsurer's share of any other amounts the Company claims are due under this Contract.

F. If the amount drawn by the Company is in excess of the actual amount required for subparagraph E(1) or E(3), or in the case of subparagraph E(4), the actual amount determined to be due, the Company shall promptly return to the Reinsurer the excess amount so drawn. All of the foregoing shall be applied without diminution because of insolvency on the part of the Company or the Reinsurer.

G. The issuing bank shall have no responsibility whatsoever in connection with the propriety of withdrawals made by the Company or the disposition of funds withdrawn, except to ensure that withdrawals are made only upon the order of properly authorized representatives of the Company.

H. At annual intervals, or more frequently at the discretion of the Company, but never more frequently than quarterly, the Company shall prepare a specific statement of the Reinsurer's Obligations for the sole purpose of amending the LOC or other method of funding, in the following manner:

1. If the statement shows that the Reinsurer's Obligations exceed the balance of the LOC, as of the statement date, the Reinsurer shall, within 30 days after receipt of the statement, secure delivery to the Company of an amendment to the LOC increasing the amount of credit by the amount of such difference. Should another method of funding be used, the Reinsurer shall, within the time period outlined above, increase such funding by the amount of such difference.

2. If, however, the statement shows that the Reinsurer's Obligations are less than the balance of the LOC (or that 102% of the Reinsurer's Obligations are less than the trust account balance if funding is provided by a Trust Agreement), as of the statement date, the Company shall, within 30 days after receipt of written request from the Reinsurer, release such excess credit by agreeing to secure an amendment to the LOC reducing the amount of credit available by the amount of such excess credit. Should another method of funding be used, the Company shall, within the time period outlined above, decrease such funding by the amount of such excess.

ARTICLE 16

TAXES

A. In consideration of the terms under which this Contract is issued, the Company undertakes not to claim any deduction of the premium hereon when making Canadian tax returns or when making tax returns, other than Income or Profits Tax returns, to any state or territory of the United States of America or to the District of Columbia.

B. 1. Each Subscribing Reinsurer has agreed to allow, for the purpose of paying the Federal Excise Tax, the applicable percentage of the premium payable hereon (as imposed under the Internal Revenue Code) to the extent such premium is subject to Federal Excise Tax.

2. In the event of any return of premium becoming due hereunder, the Subscribing Reinsurer shall deduct the applicable percentage of the premium from the amount of the return, and the Company or its agent should take steps to recover the Tax from the U.S. Government.

ARTICLE 17

ACCESS TO RECORDS

A. The Reinsurer or its duly authorized representatives shall have the right to visit the offices of the Company to inspect, examine, audit, and verify any of the policy, accounting or claim files ("Records") relating to business reinsured under this Contract during regular business hours after giving five working days' prior notice. This right shall be exercisable during the term of this Contract or after the expiration of this Contract. Notwithstanding the above, the Reinsurer shall not have any right of access to the Records of the Company if it is not current in all undisputed payments due the Company.

B. Notwithstanding the above, the Company reserves the right to withhold from the Reinsurer any Privileged Documents. However, the Company shall permit and not object to the Reinsurer's access to Privileged Documents in connection with the underlying claim reinsured hereunder following final settlement or final adjudication of the case or cases involving such claim, with prejudice against all claimants and all parties to such adjudications; the Company may defer release of such Privileged Documents if there are subrogation, contribution, or other third party actions with respect to that claim or case, and the Company's defense might be jeopardized by release of such Privileged Documents. In the event that the Company seeks to defer release of such Privileged Documents, it shall, in consultation with the Reinsurer, take other steps as reasonably necessary to provide the Reinsurer with the information it reasonably requires to indemnify the Company without causing a loss of such privileges or protections. The Reinsurer shall not have access to Privileged Documents relating to any dispute between the Company and the Reinsurer.

C. For purposes of this Article:

1. "Privileged Documents" means any documents that are Attorney-Client Privilege Documents and/or Work Product Privilege Documents.

2. "Attorney-Client Privilege Documents" means communications of a confidential nature between (a) the Company, or anyone retained by or at the direction of the

Company, or its in-house or outside legal counsel, or anyone in the control of such legal counsel, and (b) any in-house or outside legal counsel, if such communications relate to legal advice being sought by the Company and/or contain legal advice being provided to the Company.

3. "Work Product Privilege Documents" means communications, written materials and tangible things prepared by or for in-house or outside counsel, or prepared by or for the Company, in anticipation of or in connection with litigation, arbitration, or other dispute resolution proceedings.

ARTICLE 18

CONFIDENTIALITY

A. The Reinsurer hereby acknowledges that the documents, information and data provided to it by the Company, whether directly or through an authorized agent, in connection with the placement and execution of this Contract ("Confidential Information") are proprietary and confidential to the Company. Confidential Information shall not include documents, information or data that the Reinsurer can show:

1. are publicly known or have become publicly known through no unauthorized act of the Reinsurer;

2. have been rightfully received from a third person without obligation of confidentiality; or

3. were known by the Reinsurer prior to the placement of this Contract without an obligation of confidentiality.

B. Absent the written consent of the Company, the Reinsurer shall not disclose any Confidential Information to any third parties, including any affiliated companies (except to the extent necessary to enable affiliated companies or third parties engaged by the Reinsurer to perform services related to this Contract on behalf of the Reinsurer), except:

1. when required by retrocessionaires as respects business ceded to this Contract;

2. when required by regulators performing an audit of the Reinsurer's records and/or financial condition; or

3. when required by external auditors performing an audit of the Reinsurer's records in the normal course of business.

Further, the Reinsurer agrees not to use any Confidential Information for any purpose not related to the performance of its obligations or enforcement of its rights under this Contract.

C. Notwithstanding the above, in the event that the Reinsurer is required by court order, other legal process or any regulatory authority to release or disclose any or all of the Confidential Information, the Reinsurer agrees to provide the Company with written notice of same at least 10 days prior to such release or disclosure and to use its best efforts to assist the Company in maintaining the confidentiality provided for in this Article.

D. The provisions of this Article shall extend to the officers, directors and employees of the Reinsurer and its affiliates, and shall be binding upon their successors and assigns.

ARTICLE 19

ERRORS AND OMISSIONS

Any inadvertent error, omission or delay in complying with the terms and conditions of this Contract shall not be held to relieve either party hereto from any liability that would attach to it hereunder if such error, omission or delay had not been made, provided such error, omission or delay is rectified immediately upon discovery.

ARTICLE 20

INSOLVENCY

A. If more than one company is referenced within the definition of “Company” in the Preamble to this Contract, this Article shall apply severally to each such company. Further, this Article and the laws of the domiciliary state shall apply in the event of the insolvency of any company covered hereunder. In the event of a conflict between any provision of this Article and the laws of the domiciliary state of any company covered hereunder, that domiciliary state’s laws shall prevail.

B. In the event of the insolvency of the Company, this coverage (or the portion of any risk or obligation assumed by the Reinsurer, if required by applicable law) shall be payable directly to the Company, or to its liquidator, receiver, conservator or statutory successor, either: (1) on the basis of the liability of the Company, or (2) on the basis of claims filed and allowed in the liquidation proceeding, whichever may be required by applicable statute, without diminution because of the insolvency of the Company or because the liquidator, receiver, conservator or statutory successor of the Company has failed to pay all or a portion of any claim. It is agreed, however, that the liquidator, receiver, conservator or statutory successor of the Company shall give written notice to the Reinsurer of the pendency of a claim against the Company indicating the Policy or bond reinsured, which claim would involve a possible liability on the part of the Reinsurer within a reasonable time after such claim is filed in the conservation or liquidation proceeding or in the receivership, and that during the pendency of such claim, the Reinsurer may investigate such claim and interpose, at its own expense, in

the proceeding where such claim is to be adjudicated any defense or defenses that it may deem available to the Company or its liquidator, receiver, conservator or statutory successor. The expense thus incurred by the Reinsurer shall be chargeable, subject to the approval of the court, against the Company as part of the expense of conservation or liquidation to the extent of a pro rata share of the benefit that may accrue to the Company solely as a result of the defense undertaken by the Reinsurer.

C. Where two or more reinsurers are involved in the same claim and a majority in interest elect to interpose defense to such claim, the expense shall be apportioned in accordance with the terms of this reinsurance Contract as though such expense had been incurred by the Company.

ARTICLE 21

RUN-OFF REINSURER

A. “Run-off Reinsurer” means any Subscribing Reinsurer that:

1. has been ordered by a state insurance department or other legal authority to cease writing business, or has been placed under regulatory supervision or in rehabilitation; or

2. has ceased reinsurance underwriting operations; or

3. has transferred its claims-paying authority to an unaffiliated entity; or

4. engages in a process of Scheme of Arrangement or similar procedure related to this Contract, including but not limited to an insurance business transfer scheme pursuant to Part VII of the Financial Services and Markets Act 2000 (U.K.), as may be amended from time to time; or

5. in any other way has assigned its interests or delegated its obligations under this Contract to an unaffiliated entity.

Notwithstanding the foregoing, agreement by a Lloyd’s syndicate to follow claim settlements procedures under Lloyd’s Claims Scheme (Combined) shall not constitute a transfer of its claims-paying authority, for purposes of subparagraphs (3) and (5) of this paragraph.

B. Notwithstanding any other provision of this Contract, in the event that a Subscribing Reinsurer becomes a Run-off Reinsurer at any time, the Company may elect, by giving written notice to the Run-off Reinsurer at any time thereafter, that all or any of the following shall apply to the Run-off Reinsurer’s participation hereunder:

1. Should the Run-off Reinsurer fail to pay amounts due hereunder, the interest penalty specified in the Late Payments Article shall be increased by 0.5% for each 30 days that a payment is past due, subject to a maximum increase of 7.0%.

2. The Run-off Reinsurer's liability for losses for Policies covered by this Contract shall be commuted. In the event the Company and the Run-off Reinsurer cannot agree on the commutation amount of the Run-off Reinsurer's liability under such Policies, they shall appoint an actuary and/or appraiser to assess such liability and shall share equally any expense of the actuary and/or appraiser. If the Company and the Run-off Reinsurer cannot agree on an actuary and/or appraiser, the Company and the Run-off Reinsurer each shall nominate three individuals, of whom the other shall decline two, and the final appointment shall be made by drawing lots. Payment by the Run-off Reinsurer of the amount of liability ascertained shall constitute a complete and final release of both parties under this Contract.

3. The Run-off Reinsurer shall have no right of access to the Records of the Company if the Run-off Reinsurer has denied payment of any claim hereunder or there is a pending arbitration between the Company and the Run-off Reinsurer regarding any claim hereunder. A reservation of rights shall be considered a denial of a claim. Notwithstanding the above, the Run-off Reinsurer shall continue to have access to Records of the Company for any claim for which it has raised a query within 30 days of its receipt of a billing, but any inspection of Records must be completed within 90 days of receipt of billing or access will be deemed waived.

4. The provisions of the Arbitration Article shall not apply.

C. The Company's waiver of any rights provided in this Article is not a waiver of that right or other rights at a later date.

ARTICLE 22

ARBITRATION

A. Any dispute arising out of the interpretation, performance or breach of this Contract, including the formation or validity thereof, shall be submitted for decision to a panel of three arbitrators. Notice requesting arbitration shall be in writing and sent certified or registered mail, return receipt requested.

B. One arbitrator shall be chosen by each party and the two arbitrators shall then choose an impartial third arbitrator who shall preside at the hearing. If either party fails to appoint its arbitrator within 30 days after being requested to do so by the other party, the latter, after 10 days' prior notice by certified or registered mail of its intention to do so, may appoint the second arbitrator.

C. If the two arbitrators do not agree on a third arbitrator within 60 days of their appointment, the third arbitrator shall be chosen in accordance with the procedures for selecting the third arbitrator in force on the date the arbitration is demanded, established by the AIDA Reinsurance and Insurance Arbitration Society – U.S. (ARIAS). The arbitrators shall be persons knowledgeable about insurance and reinsurance who have no personal or financial interest in the result of the arbitration. If a member of the panel dies, becomes disabled or is otherwise unwilling or unable to serve, a substitute shall be selected in the same manner as the departing member was chosen and the arbitration shall continue.

D. Within 30 days after all arbitrators have been appointed, the panel shall meet and determine timely periods for briefs, discovery procedures and schedules of hearings.

E. The panel shall be relieved of all judicial formality and shall not be bound by the strict rules of procedure and evidence. Notwithstanding anything to the contrary in this Contract, the arbitrators may at their discretion, consider underwriting and placement information provided by the Company to the Reinsurer, as well as any correspondence exchanged by the parties that is related to this Contract. The arbitration shall take place in Tampa, Florida, or at such other place as the parties shall agree. The decision of any two arbitrators shall be in writing and shall be final and binding. The panel is empowered to grant interim relief as it may deem appropriate.

F. The panel shall interpret this Contract as an honorable engagement rather than as merely a legal obligation and shall make its decision considering the custom and practice of the applicable insurance and reinsurance business as promptly as possible after the hearings. Judgment upon an award may be entered in any court having jurisdiction thereof.

G. Each party shall bear the expense of its own arbitrator and shall jointly and equally bear with the other party the cost of the third arbitrator. The remaining costs of the arbitration shall be allocated by the panel. The panel may, at its discretion, award such further costs and expenses as it considers appropriate, including but not limited to attorneys' fees, to the extent permitted by law.

ARTICLE 23

EXPEDITED ARBITRATION

A. Notwithstanding the provisions of the Arbitration Article, in the event an amount in dispute hereunder $1,000,000 or less, the parties will submit to an expedited arbitration process with the use of a single arbitrator. The arbitrator will be chosen in accordance with the procedures for selecting an arbitrator in force on the date the arbitration is demanded, established by the AIDA Reinsurance and Insurance Arbitration Society – U.S. (ARIAS).

B. Each party's case will be submitted to the arbitrator within 100 calendar days of the date of determination of the arbitrator. Discovery will be limited to exchanging only those documents directly relating to the issue in dispute, subject to a limit of two discovery depositions from each party, unless otherwise authorized by the arbitrator upon a showing of good cause.

C. Within 120 calendar days of the date of determination of the arbitrator, the hearing will be completed and a written award will be issued by the arbitrator. As the parties agree that time is of the essence, the sole arbitrator does not have the authority to lengthen the schedule, absent agreement of both parties. The arbitrator will have all the powers conferred on the arbitration panel as provided in the Arbitration Article, and said Article will apply to all matters not specifically addressed above.

ARTICLE 24

SERVICE OF SUIT

A. This Article applies only to those Subscribing Reinsurers not domiciled in the United States of America, and/or not authorized in any state, territory and/or district of the United States of America where authorization is required by insurance regulatory authorities.

B. This Article shall not be read to conflict with or override the obligations of the parties to arbitrate their disputes as provided for in the Arbitration Article. This Article is intended as an aid to compelling arbitration or enforcing such arbitration or arbitral award, not as an alternative to the Arbitration Article for resolving disputes arising out of this Contract.

C. In the event of the failure of the Reinsurer to perform its obligations hereunder, the Reinsurer, at the request of the Company, shall submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this Article constitutes or should be understood to constitute a waiver of the Reinsurer's rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. The Reinsurer, once the appropriate court is selected, whether such court is the one originally chosen by the Company and accepted by the Reinsurer or is determined by removal, transfer, or otherwise, as provided for above, shall comply with all requirements necessary to give said court jurisdiction and, in any suit instituted against the Reinsurer upon this Contract, shall abide by the final decision of such court or of any appellate court in the event of an appeal.

D. Service of process in such suit may be made upon:

1. as respects Underwriting Members of Lloyd's, London: Lloyd's America, Inc., Attention: Legal Department, 280 Park Avenue, East Tower, 25th Floor, New York, New York 10017;

2. as respects any other Subscribing Reinsurer: Messrs. Mendes and Mount, 750 Seventh Avenue, New York, New York 10019-6829, or another party specifically designated in the Subscribing Reinsurer's Interests and Liabilities Agreement attached hereto.

The above-named are authorized and directed to accept service of process on behalf of the Reinsurer in any such suit.

E. Further, pursuant to any statute of any state, territory or district of the United States that makes provision therefor, the Reinsurer hereby designates the Superintendent, Commissioner or Director of Insurance, or other officer specified for that purpose in the statute, or his successor or successors in office, as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Company or any beneficiary hereunder arising out of this Contract, and hereby designates the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

ARTICLE 25

GOVERNING LAW

This Contract shall be governed as to performance, administration and interpretation by the laws of the State of Florida, exclusive of conflict of law rules. However, with respect to credit for reinsurance, the rules of all applicable states shall apply.

ARTICLE 26

ENTIRE AGREEMENT

This Contract sets forth all of the duties and obligations between the Company and the Reinsurer and supersedes any and all prior or contemporaneous written agreements with respect to matters referred to in this Contract. This Contract may not be modified or changed except by an amendment to this Contract in writing signed by both parties. However, this Article shall not be construed as limiting the admissibility of evidence regarding the formation, interpretation, purpose or intent of this Contract.

ARTICLE 27

NON-WAIVER

The failure of the Company or the Reinsurer to insist on compliance with this Contract or to exercise any right or remedy hereunder shall not constitute a waiver of any rights contained in this Contract nor prevent either party from thereafter demanding full and complete compliance nor prevent either party from exercising such remedy in the future.

ARTICLE 28

SANCTION LIMITATION AND EXCLUSION CLAUSE (LMA 3100)

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

ARTICLE 29

INTERMEDIARY

Guy Carpenter & Company, LLC, is hereby recognized as the Intermediary negotiating this Contract for all business hereunder. All communications (including notices, statements, premiums, return premiums, commissions, taxes, losses, Loss Adjustment Expenses, salvages, and loss settlements) relating thereto shall be transmitted to the Company or the Reinsurer through the Intermediary. Payments by the Company to the Intermediary shall be deemed payment to the Reinsurer. Payments by the Reinsurer to the Intermediary shall be deemed payment to the Company only to the extent that such payments are actually received by the Company.

ARTICLE 30

MODE OF EXECUTION

A. This Contract may be executed by:

1. an original written ink signature of paper documents;

2. an exchange of facsimile copies showing the original written ink signature of paper documents;

3. electronic signature technology employing computer software and a digital signature or digitizer pen pad to capture a person's handwritten signature in such a manner that the signature is unique to the person signing, is under the sole control of the person signing, is capable of verification to authenticate the signature and is linked to the document signed in such a manner that if the data is changed, such signature is invalidated.

B. The use of any one or a combination of these methods of execution shall constitute a legally binding and valid signing of this Contract. This Contract may be executed in one or more counterparts, each of which, when duly executed, shall be deemed an original.

IN WITNESS WHEREOF, the Company has caused this Contract to be executed by its duly authorized representative(s), who also confirms the Company's review of and agreement to be bound by the terms and conditions of the Interests and Liabilities Agreements attached to and forming part of this Contract;

On this _____ day of _____, in the year of 20___.

HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC.

Signature: _ Title: _

Print Name: _

REINSTATEMENT PREMIUM PROTECTION REINSURANCE CONTRACT

TRUST AGREEMENT REQUIREMENTS CLAUSE

A. Except as provided in paragraph B of this Clause, if the Reinsurer satisfies its funding obligations under the Unauthorized Reinsurance Article by providing a Trust Agreement, the Reinsurer shall ensure that the Trust Agreement:

1. Requires the Reinsurer to establish a trust account for the benefit of the Company, and specifies what the Trust Agreement is to cover;

2. Stipulates that assets deposited in the trust account shall be valued according to their current fair market value and shall consist only of cash (United States legal tender), and certificates of deposit (issued by a United States bank and payable in United States legal tender), or any combination of the two, provided that the investments are issued by an institution that is not the parent, subsidiary or affiliate of either the Reinsurer or the Company;

3. Requires the Reinsurer, prior to depositing assets with the trustee, to execute assignments or endorsements in blank, or to transfer legal title to the trustee of all shares, obligations or any other assets requiring assignments, in order that the Company, or the trustee upon the direction of the Company, may whenever necessary negotiate these assets without consent or signature from the Reinsurer or any other entity;

4. Requires that all settlements of account between the Company and the Reinsurer be made in cash or its equivalent; and

5. Provides that assets in the trust account shall be withdrawn only as permitted in this Contract, without diminution because of the insolvency of the Company or the Reinsurer.

B. If a ceding insurer is domiciled in California and the Reinsurer satisfies its funding obligations under the Unauthorized Reinsurance Article by providing a Trust Agreement, the Reinsurer shall ensure that the Trust Agreement:

1. Provides that assets deposited in the trust account shall be valued according to their current fair market value and shall consist only of cash in United States dollars, certificates of deposit issued by a United States financial institution as defined in California Insurance Code Section 922.7(a) and payable in United States dollars, and investments permitted by the California Insurance Code, or any combination of the above.

2. Provides that investments in or issued by an entity controlling, controlled by or under common control with either the grantor or the beneficiary of the trust shall not exceed 5% of total investments.

3. Requires the Reinsurer, prior to depositing assets with the trustee, to execute assignments or endorsements in blank, or to transfer legal title to the trustee of all shares, obligations or any other assets requiring assignments, in order that the ceding insurer, or the trustee upon the direction of the ceding insurer, may, whenever necessary, negotiate these assets without consent or signature from the Reinsurer or any other entity.

4. Provides that assets in the trust account shall be withdrawn only as permitted in this Contract, without diminution because of the insolvency of the ceding insurer or the Reinsurer.

C. If there are multiple ceding insurers that collectively comprise the Company, “regulatory authorities” as referenced in subparagraph A(2) above, shall mean the individual ceding insurer’s domestic regulator.

EXHIBIT 10.28. Certain identified information has been excluded from this exhibit because it is immaterial and would be competitively harmful if publicly disclosed. Information that has been omitted is indicated with brackets.

EXHIBIT 10.28

REINSTATEMENT PREMIUM PROTECTION REINSURANCE CONTRACT

issued to

HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC.
Tampa, Florida

including any and/or all companies that are or may hereafter become affiliated therewith

EXHIBIT 10.28. Certain identified information has been excluded from this exhibit because it is immaterial and would be competitively harmful if publicly disclosed. Information that has been omitted is indicated with brackets.

REINSTATEMENT PREMIUM PROTECTION REINSURANCE CONTRACT

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REINSTATEMENT PREMIUM PROTECTION REINSURANCE CONTRACT

(the “Contract”)

issued to

HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC.
Tampa, Florida

including any and/or all companies that are or may hereafter become affiliated therewith

(collectively, the “Company”)

by

THE SUBSCRIBING REINSURER(S) IDENTIFIED
IN THE INTERESTS AND LIABILITIES AGREEMENT(S)
ATTACHED TO AND FORMING PART OF THIS CONTRACT

(the “Reinsurer”)

ARTICLE 1

BUSINESS COVERED

This Contract is to indemnify the Company in respect of the liability that may accrue to the Company as a result of Reinstatement Premium the Company may become liable to pay under the reinstatement provisions of the Property Catastrophe Excess of Loss Reinsurance Contract, effective at 12:01 a.m., Standard Time, June 1, 2023 and expiring 12:01 a.m., Standard Time, June 1, 2024, Document Number: U8GR0001 (the “Original Contract”), subject to the terms and conditions herein contained. The Original Contract covers losses under Policies covering direct and assumed business classified by the Company as the property perils of Business Owners, Homeowners, Condominium Owners, Renters and Dwelling, in force at the inception of this Contract, or issued or renewed during the term of this Contract. A copy of the Original Contract is attached to and forms part of this Contract.

ARTICLE 2

COVERAGE

The Reinsurer shall be liable to pay the Reinstatement Premium obligations under the Original Contract.

ARTICLE 3

TERM

This Contract shall take effect at 12:01 a.m., Standard Time, June 1, 2023, and unless terminated prior to that time and date as provided in the Special Termination Article, shall remain in effect until 12:01 a.m., Standard Time, June 1, 2024, applying to Loss Occurrences commencing during the term of this Contract. For purposes of this Contract, “Standard Time” shall mean the time as described in the original Policy.

ARTICLE 4

SPECIAL TERMINATION

A. The Company may terminate a Subscribing Reinsurer’s percentage share in this Contract at any time by giving written notice to the Subscribing Reinsurer in the event of any of the following circumstances:

1. The Subscribing Reinsurer ceases underwriting operations.

2. A state insurance department or other legal authority orders the Subscribing Reinsurer to cease writing business, or the Subscribing Reinsurer is placed under regulatory supervision.

3. The Subscribing Reinsurer has become insolvent or has been placed into liquidation or receivership (whether voluntary or involuntary), or there have been instituted against it proceedings for the appointment of a receiver, liquidator, rehabilitator, conservator, trustee in bankruptcy, or other agent known by whatever name, to take possession of its assets or control of its operations.

4. The Subscribing Reinsurer’s policyholders’ surplus (or the equivalent under the Subscribing Reinsurer’s accounting system) as reported in such financial statements of the Subscribing Reinsurer as designated by the Company, has been reduced by 20% of the amount thereof at any date during the prior 12-month period (including the period prior to the inception of this Contract).

5. The Subscribing Reinsurer has become, or has announced its intention to become, merged with or acquired or controlled by any company, corporation, or individual(s) not controlling the Subscribing Reinsurer’s operations at the inception of this Contract.

6. The Subscribing Reinsurer has retroceded its entire liability under this Contract without the Company’s prior written consent, except for retrocessions to members of the Subscribing Reinsurer’s holding company group.

7. The Subscribing Reinsurer has been assigned an A.M. Best's rating of less than "A-" and/or an S&P rating of less than "BBB+." However, as respects Underwriting Members of Lloyd's, London, a Lloyd's Market Rating of less than "A-" by A.M. Best and/or less than "BBB+" by S&P shall apply.

8. The Subscribing Reinsurer has hired an unaffiliated runoff claims manager that is compensated on a contingent basis or is otherwise provided with financial incentives based on the quantum of claims paid.

9. The Subscribing Reinsurer has in any other way assigned its interests or delegated its obligations under this Contract to an unaffiliated entity.

10. The Subscribing Reinsurer has failed to post or maintain required collateral to secure its obligations as required under this Contract, and has not cured such deficiency within 30 days following written notice thereof from the Company.

Notwithstanding the foregoing, agreement by a Lloyd's syndicate to follow claim settlements procedures under Lloyd's Claims Scheme (Combined) shall not constitute a transfer of its claims-paying authority, for purposes of subparagraphs (8) and (9) of this paragraph.

B. The Subscribing Reinsurer shall have no liability for Reinstatement Premium arising from Loss Occurrences commencing after termination. The premium due the Subscribing Reinsurer hereunder (including any minimum premium) shall be prorated based on the period of the Subscribing Reinsurer's participation hereon, and the Subscribing Reinsurer shall immediately return any excess premium received.

ARTICLE 5

TERRITORY

The territorial limits of this Contract shall be identical with those of the Original Contract.

ARTICLE 6

EXCLUSIONS

This Contract shall follow the exclusions set forth in the Original Contract.

ARTICLE 7

PREMIUM

A. The premium for this Contract shall be based on the Layers of the Original Contract. The Company shall pay the Reinsurer a deposit premium in accordance with the schedule set forth below. The adjusted premium to be paid to the Reinsurer for the reinsurance provided under each Layer shall be calculated as the Rate on Line set out below multiplied by the Final Premium for that Layer:

PREMIUM SCHEDULE		
Layer	**Rate on Line**	**Deposit Premium**
Fourth Layer	[ ]	[ ]
Fifth Layer	[ ]	[ ]
Sixth Layer	[ ]	[ ]

B. The deposit premiums set forth in paragraph A above shall be payable to the Reinsurer by the Company in installments as follows:

DEPOSIT INSTALLMENT SCHEDULE				
Layer	**June 1, 2023**	**September 1, 2023**	**January 1, 2024**	**April 1, 2024**
Fourth Layer	[ ]	[ ]	[ ]	[ ]
Fifth Layer	[ ]	[ ]	[ ]	[ ]
Sixth Layer	[ ]	[ ]	[ ]	[ ]

C. By April 1, 2024, the Company shall calculate and report the Final Premium in accordance with paragraph A above. If the Final Premium for a Layer is less than the deposit premium payable hereunder (including the fourth deposit premium installment), the fourth quarterly deposit premium installment shall be waived, and any amount in excess of the sum of the previously paid three deposit premium installments shall be remitted to the Reinsurer with the Company's report. If the Final Premium is less than the sum of the previously paid three deposit premium installments, the Reinsurer shall remit the difference to the Company. Notwithstanding the foregoing, if the Final Premium for a Layer is greater than the deposit premium payable hereunder (including the fourth deposit premium installment), the Company shall remit to the Reinsurer the difference between the Final Premium and the full deposit premium within 45 days after the expiration of this Contract.

D. The Company shall furnish the Reinsurer with such reasonably available information as may be reasonably required by the Reinsurer for completion of the Reinsurer's financial statements.

ARTICLE 8

DEFINITIONS

A. "Reinstatement Premium" means premium paid by the Company for each Layer under the provisions of the Reinstatement Article of the Original Contract. Reinstatement Premium shall be calculated at pro rata of the original reinsurance premium, being pro rata only for the amount being reinstated. If, at the time of a loss settlement under the Original Contract, the reinsurance premium thereunder is not yet known, Reinstatement Premium shall be based upon the deposit premium, subject to adjustment when said reinsurance premium is finally established. Nothing in this clause shall be construed to mean that amounts are not recoverable hereunder until the Company's final Reinstatement Premium has been ascertained. All recoveries received subsequent to reimbursement hereunder shall be applied as if received prior to the aforesaid settlement, and all necessary adjustments shall be made by the parties hereto.

B. "Loss Occurrence" shall follow the definition set forth in the Original Contract.

C. "Final Premium" means the total reinsurance premium except for Reinstatement Premium.

D. "Policy" means any binder, policy, or contract of insurance or reinsurance issued, accepted or held covered provisionally or otherwise, by or on behalf of the Company.

ARTICLE 9

ORIGINAL CONDITIONS

All reinsurance under this Contract shall be subject to the same terms, conditions, waivers and interpretations, and to the same modifications and alterations as the Original Contract. However, in no event shall this be construed in any way to provide coverage outside the terms and conditions set forth in this Contract.

ARTICLE 10

NO THIRD PARTY RIGHTS

This Contract is solely between the Company and the Reinsurer, and in no instance shall any insured, claimant or other third party have any rights under this Contract except as may be expressly provided otherwise herein.

ARTICLE 11

NOTICE OF LOSS AND LOSS SETTLEMENTS

A. The Company shall advise the Reinsurer promptly of all losses that, in the opinion of the Company, may result in a claim hereunder and of all subsequent developments thereto that may materially affect the position of the Reinsurer.

B. The Company alone and at its full discretion shall adjust, settle or compromise all claims and losses.

C. As respects losses subject to the Original Contract, all loss settlements made by the Company, whether under strict Policy terms or by way of compromise, shall be binding upon the Reinsurer, and the Reinsurer agrees to pay or allow, as the case may be, its share of each such settlement immediately upon receipt of reasonable evidence of the amount paid by the Company or that the Company estimates it will pay within the next 14 days. Within 30 days after receipt of the Reinsurer's payment, the Company shall report to the Reinsurer the positive difference, if any, of the Reinsurer's payment, minus the Reinsurer's share of losses subject to this Contract that the Company has paid, or becomes liable to pay, as of the date of the report. Any such positive difference shall be remitted to the Reinsurer with the Company's report.

ARTICLE 12

LATE PAYMENTS

A. In the event any payment due either party is not received by the Intermediary by the payment due date, the party to whom payment is due may, by notifying the Intermediary in writing, require the debtor party to pay, and the debtor party agrees to pay, an interest penalty on the amount past due calculated for each such payment on the last business day of each month as follows:

1. The number of full days that have expired since the overdue date or the last monthly calculation, whichever the lesser; times

2. 1/365th of the sum of the six-month United States Treasury Bill rate as quoted in *The Wall Street Journal* on the first business day of the month for which the calculation is made, plus 1%; times

3. The amount past due, including accrued interest.

Interest shall accumulate until payment of the original amount due plus interest penalties have been received by the Intermediary.

B. The due date shall, for purposes of this Article, be determined as follows:

1. Payments from the Reinsurer to the Company shall be due on the date on which the demand for payment (including delivery of bordereaux or quarterly or monthly reports) is received by the Reinsurer, and shall be overdue 30 days thereafter.

2. Payments from the Company to the Reinsurer shall be due on the dates specified within this Contract. Payments shall be overdue 30 days thereafter except for the first installment of premium, if applicable, which shall be overdue 60 days from inception or 30 days from final line-signing, whichever the later. Reinstatement Premium, if applicable, shall have as a due date the date when the Company receives payment for the claim giving rise to such Reinstatement Premium, and payment shall be overdue 30 days thereafter. In the event a due date is not specifically stated for a given payment, the overdue date shall be 30 days following the date of billing.

C. If the information contained in the Company's demand for payment is insufficient or not in accordance with the conditions of this Contract, then within 30 days the Reinsurer shall request from the Company all additional information necessary to validate its claim and the payment due date as defined in paragraph B shall be deemed to be the date upon which the Reinsurer received the requested additional information. This paragraph is only for the purpose of establishing when a payment is overdue, and shall not alter the provisions of the Notice of Loss and Loss Settlements Article or other pertinent contractual stipulations.

D. In the event arbitration is necessary to settle a dispute, the panel shall have the authority to make a determination awarding interest to the prevailing party. Interest, if any, awarded by the panel shall supersede the interest amounts outlined herein.

E. Any interest owed pursuant to this Article may be waived by the party to which it is owed. Waiver of such interest, however, shall not affect the waiving party's rights to other interest amounts due as a result of this Article.

ARTICLE 13

OFFSET

Each party hereto shall have, and may exercise at any time and from time to time, the right to offset any and all balances due from a party to the other arising under this Contract. In the event of the insolvency of a party hereto, offsets shall only be allowed in accordance with the provisions of any applicable law governing offset entitlement.

ARTICLE 14

CURRENCY

A. Where the word “Dollars” and/or the sign “$” appear in this Contract, they shall mean United States Dollars, and all payments hereunder shall be in United States Dollars.

B. For purposes of this Contract, where the Company receives or pays amounts in currencies other than United States Dollars, such amounts shall be converted into United States Dollars at the actual rates of exchange at which these amounts are entered in the Company’s books.

ARTICLE 15

UNAUTHORIZED REINSURANCE

A. This Article applies:

1. only to the extent a Subscribing Reinsurer does not qualify for credit with any insurance regulatory authority having jurisdiction over the Company’s reserves, or

2. to a Subscribing Reinsurer qualified as a reciprocal jurisdiction reinsurer with any such insurance regulatory authority in the event such Subscribing Reinsurer resists enforcement of a final judgment that is enforceable under the law of the jurisdiction in which it was obtained or a properly enforceable arbitration or arbitral award obtained by the Company or any legal successor, in which case such Subscribing Reinsurer shall fund 100% of its share of the Reinsurer’s Obligations as hereinafter provided.

B. The Company agrees, in respect of its Policies or bonds falling within the scope of this Contract, that when it files with its insurance regulatory authority, or sets up on its books liabilities as required by law, it shall forward to the Reinsurer a statement showing the proportion of such liabilities applicable to the Reinsurer. The “Reinsurer’s Obligations” shall be defined as follows:

1. unearned premium (if applicable);

2. known outstanding losses that have been reported to the Reinsurer and Loss Adjustment Expense relating thereto;

3. losses and Loss Adjustment Expense paid by the Company but not recovered from the Reinsurer;

4. losses incurred but not reported and Loss Adjustment Expense relating thereto;

5. all other amounts for which the Company cannot take credit on its financial statements unless funding is provided by the Reinsurer.

C. The Reinsurer's Obligations shall be funded by funds withheld, cash advances, Trust Agreement or a Letter of Credit (LOC). The Reinsurer shall have the option of determining the method of funding provided it is acceptable to the insurance regulatory authorities having jurisdiction over the Company's reserves.

D. When funding by Trust Agreement, the Reinsurer shall ensure that the Trust Agreement complies with the provisions of the "Trust Agreement Requirements Clause" attached hereto. When funding by a LOC, the Reinsurer agrees to apply for and secure timely delivery to the Company of a clean, irrevocable and unconditional LOC issued by a bank and containing provisions acceptable to the insurance regulatory authorities having jurisdiction over the Company's reserves in an amount equal to the Reinsurer's Obligations. Such LOC shall be issued for a period of not less than one year, and shall be automatically extended for one year from its date of expiration or any future expiration date unless 30 days (or such other time period as may be required by insurance regulatory authorities), prior to any expiration date the issuing bank shall notify the Company by certified or registered mail that the issuing bank elects not to consider the LOC extended for any additional period.

E. The Reinsurer and the Company agree that any funding provided by the Reinsurer pursuant to the provisions of this Contract may be drawn upon at any time, notwithstanding any other provision of this Contract, and be utilized by the Company or any successor, by operation of law, of the Company including, without limitation, any liquidator, rehabilitator, receiver or conservator of the Company, for the following purposes, unless otherwise provided for in a separate Trust Agreement:

1. to reimburse the Company for the Reinsurer's Obligations, the payment of which is due under the terms of this Contract and that has not been otherwise paid;

2. to make refund of any sum that is in excess of the actual amount required to pay the Reinsurer's Obligations under this Contract (or in excess of 102% of the Reinsurer's Obligations, if funding is provided by a Trust Agreement);

3. to fund an account with the Company for the Reinsurer's Obligations. Such cash deposit shall be held in an interest bearing account separate from the Company's other assets, and interest thereon not in excess of the prime rate shall accrue to the benefit of the Reinsurer. Any taxes payable on accrued interest shall be paid out of the assets in the account that are in excess of the Reinsurer's Obligations (or in excess of 102% of the Reinsurer's Obligations, if funding is provided by a Trust Agreement). If the assets are inadequate to pay taxes, any taxes due shall be paid or reimbursed by the Reinsurer;

4. to pay the Reinsurer's share of any other amounts the Company claims are due under this Contract.

F. If the amount drawn by the Company is in excess of the actual amount required for subparagraph E(1) or E(3), or in the case of subparagraph E(4), the actual amount determined to be due, the Company shall promptly return to the Reinsurer the excess amount so drawn. All of the foregoing shall be applied without diminution because of insolvency on the part of the Company or the Reinsurer.

G. The issuing bank shall have no responsibility whatsoever in connection with the propriety of withdrawals made by the Company or the disposition of funds withdrawn, except to ensure that withdrawals are made only upon the order of properly authorized representatives of the Company.

H. At annual intervals, or more frequently at the discretion of the Company, but never more frequently than quarterly, the Company shall prepare a specific statement of the Reinsurer's Obligations for the sole purpose of amending the LOC or other method of funding, in the following manner:

1. If the statement shows that the Reinsurer's Obligations exceed the balance of the LOC, as of the statement date, the Reinsurer shall, within 30 days after receipt of the statement, secure delivery to the Company of an amendment to the LOC increasing the amount of credit by the amount of such difference. Should another method of funding be used, the Reinsurer shall, within the time period outlined above, increase such funding by the amount of such difference.

2. If, however, the statement shows that the Reinsurer's Obligations are less than the balance of the LOC (or that 102% of the Reinsurer's Obligations are less than the trust account balance if funding is provided by a Trust Agreement), as of the statement date, the Company shall, within 30 days after receipt of written request from the Reinsurer, release such excess credit by agreeing to secure an amendment to the LOC reducing the amount of credit available by the amount of such excess credit. Should another method of funding be used, the Company shall, within the time period outlined above, decrease such funding by the amount of such excess.

ARTICLE 16

TAXES

A. In consideration of the terms under which this Contract is issued, the Company undertakes not to claim any deduction of the premium hereon when making Canadian tax returns or when making tax returns, other than Income or Profits Tax returns, to any state or territory of the United States of America or to the District of Columbia.

B. 1. Each Subscribing Reinsurer has agreed to allow, for the purpose of paying the Federal Excise Tax, the applicable percentage of the premium payable hereon (as imposed under the Internal Revenue Code) to the extent such premium is subject to Federal Excise Tax.

2. In the event of any return of premium becoming due hereunder, the Subscribing Reinsurer shall deduct the applicable percentage of the premium from the amount of the return, and the Company or its agent should take steps to recover the Tax from the U.S. Government.

ARTICLE 17

ACCESS TO RECORDS

A. The Reinsurer or its duly authorized representatives shall have the right to visit the offices of the Company to inspect, examine, audit, and verify any of the policy, accounting or claim files ("Records") relating to business reinsured under this Contract during regular business hours after giving five working days' prior notice. This right shall be exercisable during the term of this Contract or after the expiration of this Contract. Notwithstanding the above, the Reinsurer shall not have any right of access to the Records of the Company if it is not current in all undisputed payments due the Company.

B. Notwithstanding the above, the Company reserves the right to withhold from the Reinsurer any Privileged Documents. However, the Company shall permit and not object to the Reinsurer's access to Privileged Documents in connection with the underlying claim reinsured hereunder following final settlement or final adjudication of the case or cases involving such claim, with prejudice against all claimants and all parties to such adjudications; the Company may defer release of such Privileged Documents if there are subrogation, contribution, or other third party actions with respect to that claim or case, and the Company's defense might be jeopardized by release of such Privileged Documents. In the event that the Company seeks to defer release of such Privileged Documents, it shall, in consultation with the Reinsurer, take other steps as reasonably necessary to provide the Reinsurer with the information it reasonably requires to indemnify the Company without causing a loss of such privileges or protections. The Reinsurer shall not have access to Privileged Documents relating to any dispute between the Company and the Reinsurer.

C. For purposes of this Article:

1. "Privileged Documents" means any documents that are Attorney-Client Privilege Documents and/or Work Product Privilege Documents.

2. "Attorney-Client Privilege Documents" means communications of a confidential nature between (a) the Company, or anyone retained by or at the direction of the

Company, or its in-house or outside legal counsel, or anyone in the control of such legal counsel, and (b) any in-house or outside legal counsel, if such communications relate to legal advice being sought by the Company and/or contain legal advice being provided to the Company.

3. “Work Product Privilege Documents” means communications, written materials and tangible things prepared by or for in-house or outside counsel, or prepared by or for the Company, in anticipation of or in connection with litigation, arbitration, or other dispute resolution proceedings.

ARTICLE 18

CONFIDENTIALITY

A. The Reinsurer hereby acknowledges that the documents, information and data provided to it by the Company, whether directly or through an authorized agent, in connection with the placement and execution of this Contract (“Confidential Information”) are proprietary and confidential to the Company. Confidential Information shall not include documents, information or data that the Reinsurer can show:

1. are publicly known or have become publicly known through no unauthorized act of the Reinsurer;

2. have been rightfully received from a third person without obligation of confidentiality; or

3. were known by the Reinsurer prior to the placement of this Contract without an obligation of confidentiality.

B. Absent the written consent of the Company, the Reinsurer shall not disclose any Confidential Information to any third parties, including any affiliated companies (except to the extent necessary to enable affiliated companies or third parties engaged by the Reinsurer to perform services related to this Contract on behalf of the Reinsurer), except:

1. when required by retrocessionaires as respects business ceded to this Contract;

2. when required by regulators performing an audit of the Reinsurer’s records and/or financial condition; or

3. when required by external auditors performing an audit of the Reinsurer’s records in the normal course of business.

Further, the Reinsurer agrees not to use any Confidential Information for any purpose not related to the performance of its obligations or enforcement of its rights under this Contract.

C. Notwithstanding the above, in the event that the Reinsurer is required by court order, other legal process or any regulatory authority to release or disclose any or all of the Confidential Information, the Reinsurer agrees to provide the Company with written notice of same at least 10 days prior to such release or disclosure and to use its best efforts to assist the Company in maintaining the confidentiality provided for in this Article.

D. The provisions of this Article shall extend to the officers, directors and employees of the Reinsurer and its affiliates, and shall be binding upon their successors and assigns.

ARTICLE 19

ERRORS AND OMISSIONS

Any inadvertent error, omission or delay in complying with the terms and conditions of this Contract shall not be held to relieve either party hereto from any liability that would attach to it hereunder if such error, omission or delay had not been made, provided such error, omission or delay is rectified immediately upon discovery.

ARTICLE 20

INSOLVENCY

A. If more than one company is referenced within the definition of “Company” in the Preamble to this Contract, this Article shall apply severally to each such company. Further, this Article and the laws of the domiciliary state shall apply in the event of the insolvency of any company covered hereunder. In the event of a conflict between any provision of this Article and the laws of the domiciliary state of any company covered hereunder, that domiciliary state’s laws shall prevail.

B. In the event of the insolvency of the Company, this coverage (or the portion of any risk or obligation assumed by the Reinsurer, if required by applicable law) shall be payable directly to the Company, or to its liquidator, receiver, conservator or statutory successor, either: (1) on the basis of the liability of the Company, or (2) on the basis of claims filed and allowed in the liquidation proceeding, whichever may be required by applicable statute, without diminution because of the insolvency of the Company or because the liquidator, receiver, conservator or statutory successor of the Company has failed to pay all or a portion of any claim. It is agreed, however, that the liquidator, receiver, conservator or statutory successor of the Company shall give written notice to the Reinsurer of the pendency of a claim against the Company indicating the Policy or bond reinsured, which claim would involve a possible liability on the part of the Reinsurer within a reasonable time after such claim is filed in the conservation or liquidation proceeding or in the receivership, and that during the pendency of such claim, the Reinsurer may investigate such claim and interpose, at its own expense, in

the proceeding where such claim is to be adjudicated any defense or defenses that it may deem available to the Company or its liquidator, receiver, conservator or statutory successor. The expense thus incurred by the Reinsurer shall be chargeable, subject to the approval of the court, against the Company as part of the expense of conservation or liquidation to the extent of a pro rata share of the benefit that may accrue to the Company solely as a result of the defense undertaken by the Reinsurer.

C. Where two or more reinsurers are involved in the same claim and a majority in interest elect to interpose defense to such claim, the expense shall be apportioned in accordance with the terms of this reinsurance Contract as though such expense had been incurred by the Company.

ARTICLE 21

RUN-OFF REINSURER

A. “Run-off Reinsurer” means any Subscribing Reinsurer that:

1. has been ordered by a state insurance department or other legal authority to cease writing business, or has been placed under regulatory supervision or in rehabilitation; or

2. has ceased reinsurance underwriting operations; or

3. has transferred its claims-paying authority to an unaffiliated entity; or

4. engages in a process of Scheme of Arrangement or similar procedure related to this Contract, including but not limited to an insurance business transfer scheme pursuant to Part VII of the Financial Services and Markets Act 2000 (U.K.), as may be amended from time to time; or

5. in any other way has assigned its interests or delegated its obligations under this Contract to an unaffiliated entity.

Notwithstanding the foregoing, agreement by a Lloyd’s syndicate to follow claim settlements procedures under Lloyd’s Claims Scheme (Combined) shall not constitute a transfer of its claims-paying authority, for purposes of subparagraphs (3) and (5) of this paragraph.

B. Notwithstanding any other provision of this Contract, in the event that a Subscribing Reinsurer becomes a Run-off Reinsurer at any time, the Company may elect, by giving written notice to the Run-off Reinsurer at any time thereafter, that all or any of the following shall apply to the Run-off Reinsurer’s participation hereunder:

1. Should the Run-off Reinsurer fail to pay amounts due hereunder, the interest penalty specified in the Late Payments Article shall be increased by 0.5% for each 30 days that a payment is past due, subject to a maximum increase of 7.0%.

2. The Run-off Reinsurer's liability for losses for Policies covered by this Contract shall be commuted. In the event the Company and the Run-off Reinsurer cannot agree on the commutation amount of the Run-off Reinsurer's liability under such Policies, they shall appoint an actuary and/or appraiser to assess such liability and shall share equally any expense of the actuary and/or appraiser. If the Company and the Run-off Reinsurer cannot agree on an actuary and/or appraiser, the Company and the Run-off Reinsurer each shall nominate three individuals, of whom the other shall decline two, and the final appointment shall be made by drawing lots. Payment by the Run-off Reinsurer of the amount of liability ascertained shall constitute a complete and final release of both parties under this Contract.

3. The Run-off Reinsurer shall have no right of access to the Records of the Company if the Run-off Reinsurer has denied payment of any claim hereunder or there is a pending arbitration between the Company and the Run-off Reinsurer regarding any claim hereunder. A reservation of rights shall be considered a denial of a claim. Notwithstanding the above, the Run-off Reinsurer shall continue to have access to Records of the Company for any claim for which it has raised a query within 30 days of its receipt of a billing, but any inspection of Records must be completed within 90 days of receipt of billing or access will be deemed waived.

4. The provisions of the Arbitration Article shall not apply.

C. The Company's waiver of any rights provided in this Article is not a waiver of that right or other rights at a later date.

ARTICLE 22

ARBITRATION

A. Any dispute arising out of the interpretation, performance or breach of this Contract, including the formation or validity thereof, shall be submitted for decision to a panel of three arbitrators. Notice requesting arbitration shall be in writing and sent certified or registered mail, return receipt requested.

B. One arbitrator shall be chosen by each party and the two arbitrators shall then choose an impartial third arbitrator who shall preside at the hearing. If either party fails to appoint its arbitrator within 30 days after being requested to do so by the other party, the latter, after 10 days' prior notice by certified or registered mail of its intention to do so, may appoint the second arbitrator.

C. If the two arbitrators do not agree on a third arbitrator within 60 days of their appointment, the third arbitrator shall be chosen in accordance with the procedures for selecting the third arbitrator in force on the date the arbitration is demanded, established by the AIDA Reinsurance and Insurance Arbitration Society – U.S. (ARIAS). The arbitrators shall be persons knowledgeable about insurance and reinsurance who have no personal or financial interest in the result of the arbitration. If a member of the panel dies, becomes disabled or is otherwise unwilling or unable to serve, a substitute shall be selected in the same manner as the departing member was chosen and the arbitration shall continue.

D. Within 30 days after all arbitrators have been appointed, the panel shall meet and determine timely periods for briefs, discovery procedures and schedules of hearings.

E. The panel shall be relieved of all judicial formality and shall not be bound by the strict rules of procedure and evidence. Notwithstanding anything to the contrary in this Contract, the arbitrators may at their discretion, consider underwriting and placement information provided by the Company to the Reinsurer, as well as any correspondence exchanged by the parties that is related to this Contract. The arbitration shall take place in Tampa, Florida, or at such other place as the parties shall agree. The decision of any two arbitrators shall be in writing and shall be final and binding. The panel is empowered to grant interim relief as it may deem appropriate.

F. The panel shall interpret this Contract as an honorable engagement rather than as merely a legal obligation and shall make its decision considering the custom and practice of the applicable insurance and reinsurance business as promptly as possible after the hearings. Judgment upon an award may be entered in any court having jurisdiction thereof.

G. Each party shall bear the expense of its own arbitrator and shall jointly and equally bear with the other party the cost of the third arbitrator. The remaining costs of the arbitration shall be allocated by the panel. The panel may, at its discretion, award such further costs and expenses as it considers appropriate, including but not limited to attorneys' fees, to the extent permitted by law.

ARTICLE 23

EXPEDITED ARBITRATION

A. Notwithstanding the provisions of the Arbitration Article, in the event an amount in dispute hereunder $1,000,000 or less, the parties will submit to an expedited arbitration process with the use of a single arbitrator. The arbitrator will be chosen in accordance with the procedures for selecting an arbitrator in force on the date the arbitration is demanded, established by the AIDA Reinsurance and Insurance Arbitration Society – U.S. (ARIAS).

B. Each party's case will be submitted to the arbitrator within 100 calendar days of the date of determination of the arbitrator. Discovery will be limited to exchanging only those documents directly relating to the issue in dispute, subject to a limit of two discovery depositions from each party, unless otherwise authorized by the arbitrator upon a showing of good cause.

C. Within 120 calendar days of the date of determination of the arbitrator, the hearing will be completed and a written award will be issued by the arbitrator. As the parties agree that time is of the essence, the sole arbitrator does not have the authority to lengthen the schedule, absent agreement of both parties. The arbitrator will have all the powers conferred on the arbitration panel as provided in the Arbitration Article, and said Article will apply to all matters not specifically addressed above.

ARTICLE 24

SERVICE OF SUIT

A. This Article applies only to those Subscribing Reinsurers not domiciled in the United States of America, and/or not authorized in any state, territory and/or district of the United States of America where authorization is required by insurance regulatory authorities.

B. This Article shall not be read to conflict with or override the obligations of the parties to arbitrate their disputes as provided for in the Arbitration Article. This Article is intended as an aid to compelling arbitration or enforcing such arbitration or arbitral award, not as an alternative to the Arbitration Article for resolving disputes arising out of this Contract.

C. In the event of the failure of the Reinsurer to perform its obligations hereunder, the Reinsurer, at the request of the Company, shall submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this Article constitutes or should be understood to constitute a waiver of the Reinsurer's rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. The Reinsurer, once the appropriate court is selected, whether such court is the one originally chosen by the Company and accepted by the Reinsurer or is determined by removal, transfer, or otherwise, as provided for above, shall comply with all requirements necessary to give said court jurisdiction and, in any suit instituted against the Reinsurer upon this Contract, shall abide by the final decision of such court or of any appellate court in the event of an appeal.

D. Service of process in such suit may be made upon:

1. as respects Underwriting Members of Lloyd's, London: Lloyd's America, Inc., Attention: Legal Department, 280 Park Avenue, East Tower, 25th Floor, New York, New York 10017;

2. as respects any other Subscribing Reinsurer: Messrs. Mendes and Mount, 750 Seventh Avenue, New York, New York 10019-6829, or another party specifically designated in the Subscribing Reinsurer's Interests and Liabilities Agreement attached hereto.

The above-named are authorized and directed to accept service of process on behalf of the Reinsurer in any such suit.

E. Further, pursuant to any statute of any state, territory or district of the United States that makes provision therefor, the Reinsurer hereby designates the Superintendent, Commissioner or Director of Insurance, or other officer specified for that purpose in the statute, or his successor or successors in office, as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Company or any beneficiary hereunder arising out of this Contract, and hereby designates the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

ARTICLE 25

GOVERNING LAW

This Contract shall be governed as to performance, administration and interpretation by the laws of the State of Florida, exclusive of conflict of law rules. However, with respect to credit for reinsurance, the rules of all applicable states shall apply.

ARTICLE 26

ENTIRE AGREEMENT

This Contract sets forth all of the duties and obligations between the Company and the Reinsurer and supersedes any and all prior or contemporaneous written agreements with respect to matters referred to in this Contract. This Contract may not be modified or changed except by an amendment to this Contract in writing signed by both parties. However, this Article shall not be construed as limiting the admissibility of evidence regarding the formation, interpretation, purpose or intent of this Contract.

ARTICLE 27

NON-WAIVER

The failure of the Company or the Reinsurer to insist on compliance with this Contract or to exercise any right or remedy hereunder shall not constitute a waiver of any rights contained in this Contract nor prevent either party from thereafter demanding full and complete compliance nor prevent either party from exercising such remedy in the future.

ARTICLE 28

SANCTION LIMITATION AND EXCLUSION CLAUSE (LMA 3100)

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

ARTICLE 29

INTERMEDIARY

Guy Carpenter & Company, LLC, is hereby recognized as the Intermediary negotiating this Contract for all business hereunder. All communications (including notices, statements, premiums, return premiums, commissions, taxes, losses, Loss Adjustment Expenses, salvages, and loss settlements) relating thereto shall be transmitted to the Company or the Reinsurer through the Intermediary. Payments by the Company to the Intermediary shall be deemed payment to the Reinsurer. Payments by the Reinsurer to the Intermediary shall be deemed payment to the Company only to the extent that such payments are actually received by the Company.

ARTICLE 30

MODE OF EXECUTION

A. This Contract may be executed by:

1. an original written ink signature of paper documents;

2. an exchange of facsimile copies showing the original written ink signature of paper documents;

3. electronic signature technology employing computer software and a digital signature or digitizer pen pad to capture a person's handwritten signature in such a manner that the signature is unique to the person signing, is under the sole control of the person signing, is capable of verification to authenticate the signature and is linked to the document signed in such a manner that if the data is changed, such signature is invalidated.

B. The use of any one or a combination of these methods of execution shall constitute a legally binding and valid signing of this Contract. This Contract may be executed in one or more counterparts, each of which, when duly executed, shall be deemed an original.

IN WITNESS WHEREOF, the Company has caused this Contract to be executed by its duly authorized representative(s), who also confirms the Company's review of and agreement to be bound by the terms and conditions of the Interests and Liabilities Agreements attached to and forming part of this Contract;

On this _____ day of _____, in the year of 20___.

HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC.

Signature: _ Title: _

Print Name: _

REINSTATEMENT PREMIUM PROTECTION REINSURANCE CONTRACT

TRUST AGREEMENT REQUIREMENTS CLAUSE

A. Except as provided in paragraph B of this Clause, if the Reinsurer satisfies its funding obligations under the Unauthorized Reinsurance Article by providing a Trust Agreement, the Reinsurer shall ensure that the Trust Agreement:

1. Requires the Reinsurer to establish a trust account for the benefit of the Company, and specifies what the Trust Agreement is to cover;

2. Stipulates that assets deposited in the trust account shall be valued according to their current fair market value and shall consist only of cash (United States legal tender), and certificates of deposit (issued by a United States bank and payable in United States legal tender), or any combination of the two, provided that the investments are issued by an institution that is not the parent, subsidiary or affiliate of either the Reinsurer or the Company;

3. Requires the Reinsurer, prior to depositing assets with the trustee, to execute assignments or endorsements in blank, or to transfer legal title to the trustee of all shares, obligations or any other assets requiring assignments, in order that the Company, or the trustee upon the direction of the Company, may whenever necessary negotiate these assets without consent or signature from the Reinsurer or any other entity;

4. Requires that all settlements of account between the Company and the Reinsurer be made in cash or its equivalent; and

5. Provides that assets in the trust account shall be withdrawn only as permitted in this Contract, without diminution because of the insolvency of the Company or the Reinsurer.

B. If a ceding insurer is domiciled in California and the Reinsurer satisfies its funding obligations under the Unauthorized Reinsurance Article by providing a Trust Agreement, the Reinsurer shall ensure that the Trust Agreement:

1. Provides that assets deposited in the trust account shall be valued according to their current fair market value and shall consist only of cash in United States dollars, certificates of deposit issued by a United States financial institution as defined in California Insurance Code Section 922.7(a) and payable in United States dollars, and investments permitted by the California Insurance Code, or any combination of the above.

2. Provides that investments in or issued by an entity controlling, controlled by or under common control with either the grantor or the beneficiary of the trust shall not exceed 5% of total investments.

3. Requires the Reinsurer, prior to depositing assets with the trustee, to execute assignments or endorsements in blank, or to transfer legal title to the trustee of all shares, obligations or any other assets requiring assignments, in order that the ceding insurer, or the trustee upon the direction of the ceding insurer, may, whenever necessary, negotiate these assets without consent or signature from the Reinsurer or any other entity.

4. Provides that assets in the trust account shall be withdrawn only as permitted in this Contract, without diminution because of the insolvency of the ceding insurer or the Reinsurer.

C. If there are multiple ceding insurers that collectively comprise the Company, “regulatory authorities” as referenced in subparagraph A(2) above, shall mean the individual ceding insurer’s domestic regulator.

EXHIBIT 10.29. Certain identified information has been excluded from this exhibit because it is immaterial and would be competitively harmful if publicly disclosed. Information that has been omitted is indicated with brackets.

EXHIBIT 10.29

PROPERTY CATASTROPHE EXCESS OF LOSS REINSURANCE CONTRACT

issued to

TYPTAP INSURANCE COMPANY
Ocala, Florida

and

HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC.
Tampa, Florida

including any and/or all companies that are or may hereafter become affiliated therewith

EXHIBIT 10.29. Certain identified information has been excluded from this exhibit because it is immaterial and would be competitively harmful if publicly disclosed. Information that has been omitted is indicated with brackets.

PROPERTY CATASTROPHE EXCESS OF LOSS REINSURANCE CONTRACT

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PROPERTY CATASTROPHE EXCESS OF LOSS REINSURANCE CONTRACT

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EXHIBIT 10.29. Certain identified information has been excluded from this exhibit because it is immaterial and would be competitively harmful if publicly disclosed. Information that has been omitted is indicated with brackets.

PROPERTY CATASTROPHE EXCESS OF LOSS REINSURANCE CONTRACT
(the "Contract")

issued to

TYPTAP INSURANCE COMPANY
Ocala, Florida

and

HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC.
Tampa, Florida

including any and/or all companies that are or may hereafter become affiliated therewith

(collectively, the "Company")

by

THE SUBSCRIBING REINSURER(S) IDENTIFIED IN THE INTERESTS AND LIABILITIES AGREEMENT(S) ATTACHED TO AND FORMING PART OF THIS CONTRACT

(the "Reinsurer")

ARTICLE 1

BUSINESS COVERED

This Contract is to indemnify the Company in respect of its net excess liability as a result of any loss or losses which may occur during the term of this Contract under any Policies in force at the effective date hereof or issued or renewed on or after that date, covering direct and assumed business classified by the Company as the property perils of Homeowners, Condominium Owners, Renters and Dwelling, subject to the terms and conditions herein contained.

ARTICLE 2

RETENTION AND LIMIT

A. For each Layer of reinsurance provided hereunder, the Reinsurer shall be liable in respect of each Loss Occurrence for the Ultimate Net Loss over and above the initial Ultimate Net Loss retention as set forth in the schedule below for the Loss Occurrence, subject to a limit of

liability to the Reinsurer for each such Loss Occurrence, and subject further to a limit of liability for all Loss Occurrences commencing during the term of this Contract, as set forth below:

RETENTION AND LIMIT SCHEDULE			
Layer	**Company's Retention**	**Reinsurer's Limit of Liability**	
	Ultimate Net Loss in respect of each Loss Occurrence	**Ultimate Net Loss in respect of each Loss Occurrence**	**Ultimate Net Loss in respect of all Loss Occurrences during the term of this Contract**
Third Layer	[ ]	[ ]	[ ]
Fourth Layer	[ ]	[ ]	[ ]
Fifth Layer	[ ]	[ ]	[ ]
Sixth Layer	[ ]	[ ]	[ ]

B. No Loss Occurrence shall be covered hereunder unless it involves two or more risks subject to this Contract. The Company shall be the sole judge of what constitutes one risk for purposes of this Contract.

ARTICLE 3

FLORIDA HURRICANE CATASTROPHE FUND AND REINSURANCE TO ASSIST POLICYHOLDERS

A. As respects Loss Occurrences subject to this Contract, any loss reimbursement recoverable by the Company under the Florida Hurricane Catastrophe Fund (FHCF) and the Reinsurance to Assist Policyholders (RAP) Program, shall be deducted in determining Ultimate Net Loss under this Contract, subject to the following:

1. The full reimbursement amount due from the FHCF for coverage under the Mandatory Layer and RAP, based on statutory limits of coverage as of June 1, shall be deemed recovered by the Company, whether or not actually received from the FHCF and/or RAP and whether or not reduced because of the FHCF's and/or RAP's inability to pay.

2. For purposes of allocating recoveries from the FHCF with respect to each Loss Occurrence, only amounts recoverable by applying the pay-out and retention multiples for the FHCF prior to any reduction in retention due to multiple Loss Occurrences in the same annual period shall be included in calculating the deduction from Ultimate Net Loss. RAP coverage shall only apply to two eligible Loss Occurrences as determined by statute.

3. If the Company's aggregate limit of FHCF and/or RAP reimbursement coverage is exhausted from Loss Occurrences commencing during the term of this Contract, and the FHCF or RAP, as applicable, does not designate the portion of said limit allocable to each Loss Occurrence, the total FHCF and/or RAP reimbursement received shall be allocated to each individual Loss Occurrence in the proportion that the Company's losses in that Loss Occurrence bear to the Company's total losses arising out of all Loss Occurrences to which the reimbursement applies.

4. For purposes of loss recoveries under this Contract prior to the final determination of the Company's retention and limit under the FHCF and/or RAP, as applicable; FHCF and/or RAP coverage, as applicable, shall be calculated using the Company's respective "Projected Payout Multiple" under the FHCF and/or RAP. Upon determination of the Company's retention and limit under the FHCF and/or RAP, as applicable, losses will be adjusted, recognizing any adjustment to the "Projected Payout Multiple" caused by a change in the Aggregate Mandatory FHCF Premium or any other adjustments as required by statute to determine the final FHCF and/or RAP layer, but disregarding any change due to a decrease in the statutory limit.

B. Any FHCF reimbursement premiums paid by the Company for FHCF layers that inure to the benefit of this Contract shall be deemed to be premiums paid for inuring reinsurance.

C. The Company has opted for 90% coverage selections from the FHCF and RAP:

ARTICLE 4

TERM

This Contract shall take effect at 12:01 a.m., Standard Time, June 1, 2023, and unless terminated prior to that time and date as provided in the Special Termination Article, shall remain in effect until 12:01 a.m., Standard Time, June 1, 2024, applying to Loss Occurrences commencing during the term of this Contract. For purposes of this Contract, "Standard Time" shall mean the time as described in the original Policy.

ARTICLE 5

SPECIAL TERMINATION

A. The Company may terminate a Subscribing Reinsurer's percentage share in this Contract at any time by giving written notice to the Subscribing Reinsurer in the event of any of the following circumstances:

1. The Subscribing Reinsurer ceases underwriting operations.

2. A state insurance department or other legal authority orders the Subscribing Reinsurer to cease writing business, or the Subscribing Reinsurer is placed under regulatory supervision.

3. The Subscribing Reinsurer has become insolvent or has been placed into liquidation or receivership (whether voluntary or involuntary), or there have been instituted against it proceedings for the appointment of a receiver, liquidator, rehabilitator, conservator, trustee in bankruptcy, or other agent known by whatever name, to take possession of its assets or control of its operations.

4. The Subscribing Reinsurer's policyholders' surplus (or the equivalent under the Subscribing Reinsurer's accounting system) as reported in such financial statements of the Subscribing Reinsurer as designated by the Company, has been reduced by 20% of the amount thereof at any date during the prior 12-month period (including the period prior to the inception of this Contract).

5. The Subscribing Reinsurer has become, or has announced its intention to become, merged with or acquired or controlled by any company, corporation, or individual(s) not controlling the Subscribing Reinsurer's operations at the inception of this Contract.

6. The Subscribing Reinsurer has retroceded its entire liability under this Contract without the Company's prior written consent, except for retrocessions to members of the Subscribing Reinsurer's holding company group.

7. The Subscribing Reinsurer has been assigned an A.M. Best's rating of less than "A-" and/or an S&P rating of less than "BBB+." However, as respects Underwriting Members of Lloyd's, London, a Lloyd's Market Rating of less than "A-" by A.M. Best and/or less than "BBB+" by S&P shall apply.

8. The Subscribing Reinsurer has hired an unaffiliated runoff claims manager that is compensated on a contingent basis or is otherwise provided with financial incentives based on the quantum of claims paid.

9. The Subscribing Reinsurer has in any other way assigned its interests or delegated its obligations under this Contract to an unaffiliated entity.

10. The Subscribing Reinsurer has failed to post or maintain required collateral to secure its obligations as required under this Contract, and has not cured such deficiency within 30 days following written notice thereof from the Company.

Notwithstanding the foregoing, agreement by a Lloyd's syndicate to follow claim settlements procedures under Lloyd's Claims Scheme (Combined) shall not constitute a transfer of its claims-paying authority, for purposes of subparagraphs (8) and (9) of this paragraph.

B. Termination shall be effected on a cut-off basis and the Subscribing Reinsurer shall have no liability for Loss Occurrences commencing after the date of termination. The reinsurance premium due the Subscribing Reinsurer hereunder (including any minimum reinsurance premium) shall be prorated based on the period of the Subscribing Reinsurer's participation hereon, and the Subscribing Reinsurer shall immediately return any excess reinsurance premium received. Reinstatement premium, if any, shall be calculated based on the Subscribing Reinsurer's reinsurance premium earned during the period of the Subscribing Reinsurer's participation hereon.

C. Additionally, in the event of any of the circumstances listed in paragraph A of this Article, the Company shall have the option to commute the Subscribing Reinsurer's liability for losses on Policies covered by this Contract. In the event the Company and the Subscribing Reinsurer cannot agree on the commutation amount, they shall appoint an actuary and/or appraiser to assess such amount and shall share equally any expense of the actuary and/or appraiser. If the Company and the Subscribing Reinsurer cannot agree on an actuary and/or appraiser, the Company and the Subscribing Reinsurer each shall nominate three individuals, of whom the other shall decline two, and the final appointment shall be made by drawing lots. Payment by the Subscribing Reinsurer of the amount of liability ascertained shall constitute a complete and final release of both parties in respect of liability arising from the Subscribing Reinsurer's participation under this Contract.

D. The Company's option to require commutation under paragraph C above shall survive the termination or expiration of this Contract.

ARTICLE 6

TERRITORY

The territorial limits of this Contract shall be identical with those of the Company's Policies.

ARTICLE 7

EXCLUSIONS

A. This Contract shall not apply to and specifically excludes:

1. Policies covered by the Company's Flood Tower.

2. Flood when written as such.

3. Earthquake for standalone Policies where earthquake is the only named peril.

4. Hail damage to an insured's growing or standing crops.

5. Reinsurance assumed by the Company under obligatory reinsurance agreements, except intercompany reinsurance between the Company and its affiliates and reinsurance where the Policies involved are to be re-underwritten in accordance with the underwriting standards of the Company and reissued as Policies of the Company in due course.

6. Pools, Associations & Syndicates, per the attached exclusion.

7. Liability of the Company arising by contract, operation of law, or otherwise, from its participation or membership, whether voluntary or involuntary, in any Insolvency Fund. “Insolvency Fund” includes any guaranty fund, insolvency fund, plan, pool, association, fund or other arrangement, howsoever denominated, established or governed, that provides for any assessment of or payment or assumption by the Company of part or all of any claim, debt, charge, fee, or other obligation of an insurer, or its successors or assigns, that has been declared by any competent authority to be insolvent, or that is otherwise deemed unable to meet any claim, debt, charge, fee or other obligation in whole or in part.

8. Loss or damage occasioned by war, invasion, hostilities, acts of foreign enemies, civil war, rebellion, insurrection, military or usurped power, martial law, or confiscation by order of any government or public authority, but not excluding loss or damage that would be covered under a standard form of Policy containing a standard war exclusion clause.

9. Losses excluded by the attached Nuclear Incident Exclusion Clause – Physical Damage – Reinsurance – U.S.A.

10. Terrorism as defined in the attached Terrorism Exclusion.

11. Mold unless directly resulting from an otherwise covered peril.

12. Loss and/or damage and/or costs and/or expenses arising from seepage and/or pollution and/or contamination, other than contamination from smoke. Nevertheless, this exclusion does not preclude payment of the cost of removing debris of property damaged by a loss otherwise covered hereunder, subject always to a limit of 25.0% of the Company’s property loss under the applicable original Policy.

13. Financial guarantee and insolvency.

14. Loss or damage to overhead transmission and distribution lines, including supporting structures, of electrical companies, telephone companies, and cable companies. This exclusion shall not apply, however, to transmission and distribution lines and their

supporting structures located on the property of any original insured or within 1,000 feet thereof.

15. Losses excluded by the attached Limited Communicable Disease Exclusion No. 2 (Property Treaty Reinsurance).

16. Loss Excluded by the attached Cyber Loss Limited Exclusion Clause (Property Treaty Reinsurance).

17. Policies written by Homeowners Choice Property & Casualty Insurance Company, Inc. covering risks located in the state of Florida.

B. With the exception of subparagraphs A(7) through A(10), A(13), A(15) and A(16) above, should any judicial, regulatory or legislative entity having legal jurisdiction invalidate any exclusion on the Company's Policy, any amount of loss for which the Company is liable because of such invalidation will not be excluded hereunder.

C. With the exception of subparagraphs A(7) through A(10), A(13), A(15) and A(16) above, if the Company inadvertently issues a Policy falling within the scope of one or more of the exclusions, such Policy shall be covered hereunder, provided that the Company issues, or causes to be issued, the required notice of cancellation within 30 days after a member of the executive or managerial staff at the Company's home office having underwriting authority in the class of business involved becomes aware that the Policy applies to excluded classes, unless the Company is prevented from canceling said Policy within such period by applicable statute or regulation, in which case such Policy shall be covered hereunder until the earliest date on which the Company may cancel.

ARTICLE 8

SPECIAL ACCEPTANCE

Business that is not within the scope of this Contract may be submitted to the Reinsurer for special acceptance hereunder, and such business, if accepted by the Reinsurer shall be covered hereunder, subject to the terms and conditions of this Contract, except as modified by the special acceptance. The Reinsurer shall be deemed to have accepted a risk, if it has not responded within five business days after receiving the underwriting information on such risk. Any renewal of a special acceptance agreed to for a predecessor contract to this Contract, shall automatically be covered hereunder.

ARTICLE 9

PREMIUM

A. The Company shall pay the Reinsurer a Deposit Premium in accordance with the schedule set forth below. The reinsurance premium to be paid to the Reinsurer for the reinsurance provided under each Layer shall be calculated at the Final Adjusted Premium Rates set out below multiplied by the Company's final Total Insured Value, subject to the applicable Minimum Premium stated below:

PREMIUM SCHEDULE			
Layer	**Final Adjusted Premium Rate**	**Deposit Premium**	**Minimum Premium**
Third Layer	[ ]	[ ]	[ ]
Fourth Layer	[ ]	[ ]	[ ]
Fifth Layer	[ ]	[ ]	[ ]
Sixth Layer	[ ]	[ ]	[ ]

B. The Deposit Premiums set forth in paragraph A above shall be payable to the Reinsurer by the Company in installments as follows:

Layer	**June 1, 2023**	**September 1, 2023**	**December 1, 2023**
Third Layer	[ ]	[ ]	[ ]
Fourth Layer	[ ]	[ ]	[ ]
Fifth Layer	[ ]	[ ]	[ ]
Sixth Layer	[ ]	[ ]	[ ]

C. Within 45 days following the expiration of this Contract, the Company shall provide the Reinsurer with a report showing the Company's final Total Insured Value. This final Total Insured Value shall be multiplied by the Final Adjusted Premium Rate for each Layer as stated in paragraph A above. Should the premium so calculated exceed the deposit premium paid in accordance with paragraph A above, the Company shall immediately pay the Reinsurer the difference. Should the premium so calculated be less than the deposit premium paid in accordance with paragraph A above, the Reinsurer shall immediately pay the Company the difference, subject to a minimum premium for the term of this Contract in accordance with paragraph A above.

D. "Total Insured Value" means the Company's aggregate wind exposures on September 30, 2023 for business covered hereunder.

E. The estimated Total Insured Value is [ ].

F. The Company shall furnish the Reinsurer with such reasonably available information as may be reasonably required by the Reinsurer for completion of the Reinsurer's financial statements.

ARTICLE 10

REINSTATEMENT

A. Loss payments under any Layer of this Contract shall reduce the limit of coverage afforded by the amounts paid, but the limit of coverage shall be reinstated from the time of the occurrence of the loss, and for each amount so reinstated, the Company agrees to pay, simultaneously with the Reinsurer's loss payment, an additional premium calculated at pro rata of the Reinsurer's premium for the applicable layer(s) for the term of this Contract, being pro rata only as to the fraction of the Reinsurer's limit of liability hereunder (i.e., the fraction of the Reinsurer's limit of liability for each Loss Occurrence as set forth for the Layer in the Retention and Limit Article) so reinstated. Nevertheless, the Reinsurer's liability under the applicable layer(s) shall not exceed such limit(s) in respect of any one Loss Occurrence, nor the applicable limit(s) in respect of all Loss Occurrences commencing during the term of this Contract, as set forth in the Retention and Limit Article.

B. If at the time of a loss settlement hereon the reinsurance premium, as calculated in accordance with the Premium Article, is unknown, the above calculation of reinstatement premium shall be based upon the Deposit Premium, subject to adjustment when the reinsurance premium is finally established.

ARTICLE 11

DEFINITIONS

A. 1. "Ultimate Net Loss" means the actual loss paid by the Company or which the Company becomes liable to pay, such loss to include Loss Adjustment Expense, 100% of any Extra Contractual Obligation and 100% of any Loss in Excess of Policy Limits as defined in the Extra Contractual Obligations/Excess of Policy Limits Article. In no event, however, shall more than 25% of "Ultimate Net Loss" for any one Loss Occurrence be comprised of Extra Contractual Obligations and Loss in Excess of Policy Limits.

2. Salvages and all recoveries (including amounts due from all reinsurances that inure to the benefit of this Contract, whether recovered or not), shall be first deducted from such loss to arrive at the amount of liability attaching hereunder.

3. All salvages, recoveries or payments recovered or received subsequent to loss settlement hereunder shall be applied as if recovered or received prior to the aforesaid settlement, and all necessary adjustments shall be made by the parties hereto.

4. The Company shall be deemed to be "liable to pay" a loss when a judgment has been rendered that the Company does not plan to appeal, and/or the Company has obtained a release, and/or the Company has accepted a proof of loss, and/or the Company has made a commitment to pay, and/or the Company has scheduled the payment of a loss.

5. Nothing in this clause shall be construed to mean that losses are not recoverable hereunder until the Company's "Ultimate Net Loss" has been ascertained.

B. "Loss Adjustment Expense" means costs and expenses incurred by the Company in connection with the investigation, appraisal, adjustment, settlement, litigation, defense or appeal of a specific claim or loss, or alleged loss, including but not limited to:

1. court costs;

2. costs of supersedeas and appeal bonds;

3. monitoring counsel expenses;

4. legal expenses and costs incurred in connection with coverage questions and legal actions connected thereto, including but not limited to declaratory judgment actions;

5. post-judgment interest;

6. pre-judgment interest, unless included as part of an award or judgment;

7. a pro rata share of salaries and expenses of Company field employees, calculated in accordance with the time occupied in adjusting such loss, and expenses of other Company employees who have been temporarily diverted from their normal and customary duties and assigned to the field adjustment of losses covered by this Contract; and

8. subrogation, salvage and recovery expenses.

"Loss Adjustment Expense" does not include salaries and expenses of the Company's employees, except as provided in subparagraph (7) above, and office and other overhead expenses.

C. 1. "Loss Occurrence" means the sum of all individual losses directly occasioned by any one disaster, accident or loss or series of disasters, accidents or losses arising out of one event. However, the duration and extent of any one "Loss Occurrence" shall be

limited to all individual losses sustained by the Company occurring during any period of 168 consecutive hours arising out of and directly occasioned by the same event except that the term “Loss Occurrence” shall be further defined as follows:

a. As regards any “Named Storm,” all individual losses sustained by the Company arising out of and directly occasioned by such “Named Storm,” without regard to the limitations of duration and extent set forth above. “Named Storm” means any storm or storm system declared by the US National Hurricane Center, US Central Pacific Hurricane Center, US Weather Prediction Center, or their successor organizations, all being divisions of the US National Weather Service to be a tropical storm or hurricane, and any successors thereof. A storm or storm system that merges with a “Named Storm” shall be considered part of that “Named Storm,” once it has merged. A “Named Storm” shall be deemed to begin at the effective time and date of the first watch, warning or other official advisory applicable to such tropical storm or hurricane issued by the above referenced governmental meteorological agencies. A “Named Storm” shall be deemed to end 72 hours after the cancellation of the last watch, warning or other official advisory applicable to such tropical storm, hurricane or successor, issued by the above referenced governmental meteorological agencies irrespective of the duration of the timing or spacing between such watches, warnings or other official advisories. If two or more storms are assigned different names by the above referenced governmental meteorological agencies, each of those storms shall constitute a separate event for purposes of this definition.

b. As regards windstorm, hail, tornado, cyclone, including ensuing collapse and water damage other than “Named Storm,” all individual losses sustained by the Company occurring during any period of 96 consecutive hours arising out of and directly occasioned by the same event.

c. As regards riot, riot attending a strike, civil commotion, vandalism and malicious mischief, all individual losses sustained by the Company occurring during any period of 96 consecutive hours arising out of and directly occasioned by the same event. The maximum duration of 96 consecutive hours may be extended in respect of individual losses that occur beyond such 96 consecutive hours during the continued occupation of an assured’s premises by strikers, provided such occupation commenced during the aforesaid period.

d. As regards earthquake and fire following directly occasioned by the earthquake, those earthquake losses and individual fire losses that commence during the period of 168 consecutive hours may be included in the Company’s “Loss Occurrence.”

e. As regards any related weather conditions involving snow, sleet, freezing rain, freeze, ice, winter weather, and wind losses related to such conditions, all individual losses sustained by the Company, that occur during any period of 168 consecutive hours arising out of and directly occasioned by the same event.

f. As regards firestorms, brush fires and other fires or series of fires, irrespective of origin (except for fires covered in subparagraphs (c) and (d) above) which spread through trees, grassland or other vegetation, all individual losses sustained by the Company occurring during any period of 168 consecutive hours within a 150-mile radius of any fixed point selected by the Company may be included in the Company's "Loss Occurrence." However, an individual loss subject to this subparagraph cannot be included in more than one "Loss Occurrence."

2. Except as provided in subparagraph (1)(a) above:

a. The Company may choose the date and time when any such period of consecutive hours commences provided that it is not earlier than the date and time of the occurrence of the first recorded individual loss sustained by the Company arising out of that disaster, accident or loss.

b. Only one period of consecutive hours shall apply with respect to one event, except that, as respects those "Loss Occurrences" referred to in subparagraph (1)(c) above, if the disaster, accident or loss occasioned by the event is of greater duration than 96 consecutive hours, then the Company may divide that disaster, accident or loss into two or more "Loss Occurrences" provided no two periods overlap and no individual loss is included in more than one such period and provided that no period commences earlier than the date and time of the occurrence of the first recorded individual loss sustained by the Company arising out of that disaster, accident or loss.

3. Losses arising from a combination of two or more perils as a result of the same event shall be considered as having arisen from one "Loss Occurrence." Furthermore, all losses arising from an event involving a combination of losses described in subparagraphs (1)(a) and (1)(b) may be considered as having arisen from one "Loss Occurrence." Notwithstanding the foregoing, the hourly limitations as stated above shall not be exceeded as respects the applicable perils, and, except as respects those "Loss Occurrences" involving a "Named Storm" referred to in subparagraph (1)(a) above, no single "Loss Occurrence" shall encompass a time period greater than 168 consecutive hours.

D. "Policy" means any binder, policy, or contract of insurance or reinsurance issued, accepted or held covered provisionally or otherwise, by or on behalf of the Company.

ARTICLE 12

EXTRA CONTRACTUAL OBLIGATIONS/EXCESS OF POLICY LIMITS

A. This Contract shall cover Extra Contractual Obligations, as provided in the definition of Ultimate Net Loss. “Extra Contractual Obligations” shall be defined as those liabilities not covered under any other provision of this Contract and that arise from the handling of any claim on business covered hereunder, such liabilities arising because of, but not limited to, the following: failure by the Company to settle within the Policy limit, or by reason of alleged or actual negligence, fraud or bad faith in rejecting an offer of settlement or in the preparation of the defense or in the trial of any action against its insured or reinsured or in the preparation or prosecution of an appeal consequent upon such action.

B. This Contract shall cover Loss in Excess of Policy Limits, as provided in the definition of Ultimate Net Loss. “Loss in Excess of Policy Limits” shall be defined as Loss in excess of the Policy limit, having been incurred because of, but not limited to, failure by the Company to settle within the Policy limit or by reason of alleged or actual negligence, fraud or bad faith in rejecting an offer of settlement or in the preparation of the defense or in the trial of any action against its insured or reinsured or in the preparation or prosecution of an appeal consequent upon such action.

C. An Extra Contractual Obligation and/or Loss in Excess of Policy Limits shall be deemed to have occurred on the same date as the loss covered under the Company’s Policy, and shall constitute part of the original loss.

D. For the purposes of the Loss in Excess of Policy Limits coverage hereunder, the word “Loss” shall mean any amounts for which the Company would have been contractually liable to pay had it not been for the limit of the original Policy.

E. Loss Adjustment Expense in respect of Extra Contractual Obligations and/or Loss in Excess of Policy Limits shall be covered hereunder in the same manner as other Loss Adjustment Expense.

F. However, this Article shall not apply where the loss has been incurred due to final legal adjudication of fraud of a member of the Board of Directors or a corporate officer of the Company acting individually or collectively or in collusion with any individual or corporation or any other organization or party involved in the presentation, defense or settlement of any claim covered hereunder.

G. In no event shall coverage be provided to the extent not permitted under law.

ARTICLE 13

NET RETAINED LIABILITY

A. This Contract applies only to that portion of any loss that the Company retains net for its own account (prior to deduction of any reinsurance that inures solely to the benefit of the Company).

B. The amount of the Reinsurer's liability hereunder in respect of any loss or losses shall not be increased by reason of the inability of the Company to collect from any other reinsurer(s), whether specific or general, any amounts that may have become due from such reinsurer(s), whether such inability arises from the insolvency of such other reinsurer(s) or otherwise.

ARTICLE 14

OTHER REINSURANCE

The Company shall be permitted to carry in force other reinsurance, recoveries under which shall inure to the benefit of this Contract.

ARTICLE 15

ORIGINAL CONDITIONS

All reinsurance under this Contract shall be subject to the same terms, conditions, waivers and interpretations, and to the same modifications and alterations as the respective Policies of the Company. However, in no event shall this be construed in any way to provide coverage outside the terms and conditions set forth in this Contract.

ARTICLE 16

NO THIRD PARTY RIGHTS

This Contract is solely between the Company and the Reinsurer, and in no instance shall any insured, claimant or other third party have any rights under this Contract except as may be expressly provided otherwise herein.

ARTICLE 17

NOTICE OF LOSS AND LOSS SETTLEMENTS

A. The Company shall advise the Reinsurer promptly if paid and estimated Ultimate Net Loss is in excess of 75% of the Company's retention, or if, in the opinion of the Company, such

Ultimate Net Loss may result in a claim hereunder. Thereafter, the Company shall advise the Reinsurer, at least monthly, of all subsequent developments thereto that may materially affect the position of the Reinsurer.

B. The Company alone and at its full discretion shall adjust, settle or compromise all claims and losses.

C. As respects losses subject to this Contract, all loss settlements made by the Company, whether under strict Policy terms or by way of compromise, and any Extra Contractual Obligations and/or Loss in Excess of Policy Limits, shall be binding upon the Reinsurer. The Reinsurer agrees to pay or allow, as the case may be, its share of each such settlement immediately upon receipt of reasonable evidence of the amount paid by the Company or that the Company estimates it will pay within the next 14 days. Within 30 days after receipt of the Reinsurer's payment, the Company shall report to the Reinsurer the Reinsurer's payment, minus the Reinsurer's share of losses subject to this Contract that the Company has paid, or become liable to pay, as of the date of the report. Any positive difference shall be remitted to the Reinsurer with the Company's report.

ARTICLE 18

LATE PAYMENTS

A. In the event any payment due either party is not received by the Intermediary by the payment due date, the party to whom payment is due may, by notifying the Intermediary in writing, require the debtor party to pay, and the debtor party agrees to pay, an interest penalty on the amount past due calculated for each such payment on the last business day of each month as follows:

1. The number of full days that have expired since the overdue date or the last monthly calculation, whichever the lesser; times

2. 1/365th of the sum of the six-month United States Treasury Bill rate as quoted in *The Wall Street Journal* on the first business day of the month for which the calculation is made, plus 1%; times

3. The amount past due, including accrued interest.

Interest shall accumulate until payment of the original amount due plus interest penalties have been received by the Intermediary.

B. The due date shall, for purposes of this Article, be determined as follows:

1. Payments from the Reinsurer to the Company shall be due on the date on which the demand for payment (including delivery of bordereaux or quarterly or monthly reports) is received by the Reinsurer, and shall be overdue 30 days thereafter.

2. Payments from the Company to the Reinsurer shall be due on the dates specified within this Contract. Payments shall be overdue 30 days thereafter except for the first installment of premium, if applicable, which shall be overdue 60 days from inception or 30 days from final line-signing, whichever the later. Reinstatement premium, if applicable, shall have as a due date the date when the Company receives payment for the claim giving rise to such reinstatement premium, and payment shall be overdue 30 days thereafter. In the event a due date is not specifically stated for a given payment, the overdue date shall be 30 days following the date of billing.

C. If the information contained in the Company's demand for payment is insufficient or not in accordance with the conditions of this Contract, then within 30 days the Reinsurer shall request from the Company all additional information necessary to validate its claim and the payment due date as defined in paragraph B shall be deemed to be the date upon which the Reinsurer received the requested additional information. This paragraph is only for the purpose of establishing when a payment is overdue, and shall not alter the provisions of the Notice of Loss and Loss Settlements Article or other pertinent contractual stipulations.

D. In the event arbitration is necessary to settle a dispute, the panel shall have the authority to make a determination awarding interest to the prevailing party. Interest, if any, awarded by the panel shall supersede the interest amounts outlined herein.

E. Any interest owed pursuant to this Article may be waived by the party to which it is owed. Waiver of such interest, however, shall not affect the waiving party's rights to other interest amounts due as a result of this Article.

ARTICLE 19

OFFSET

Each party hereto shall have, and may exercise at any time and from time to time, the right to offset any and all balances due from a party to the other arising under this Contract. In the event of the insolvency of a party hereto, offsets shall only be allowed in accordance with the provisions of any applicable law governing offset entitlement.

ARTICLE 20

CURRENCY

A. Where the word “Dollars” and/or the sign “$” appear in this Contract, they shall mean United States Dollars, and all payments hereunder shall be in United States Dollars.

B. For purposes of this Contract, where the Company receives premiums or pays losses in currencies other than United States Dollars, such premiums or losses shall be converted into United States Dollars at the actual rates of exchange at which these premiums or losses are entered in the Company’s books.

ARTICLE 21

UNAUTHORIZED REINSURANCE

A. This Article applies:

1. only to the extent a Subscribing Reinsurer does not qualify for credit with any insurance regulatory authority having jurisdiction over the Company’s reserves, or

2. to a Subscribing Reinsurer qualified as a reciprocal jurisdiction reinsurer with any such insurance regulatory authority in the event such Subscribing Reinsurer resists enforcement of a final judgment that is enforceable under the law of the jurisdiction in which it was obtained or a properly enforceable arbitration or arbitral award obtained by the Company or any legal successor, in which case such Subscribing Reinsurer shall fund 100% of its share of the Reinsurer’s Obligations as hereinafter provided.

B. The Company agrees, in respect of its Policies or bonds falling within the scope of this Contract, that when it files with its insurance regulatory authority, or sets up on its books liabilities as required by law, it shall forward to the Reinsurer a statement showing the proportion of such liabilities applicable to the Reinsurer. The “Reinsurer’s Obligations” shall be defined as follows:

1. unearned premium (if applicable);

2. known outstanding losses that have been reported to the Reinsurer and Loss Adjustment Expense relating thereto;

3. losses and Loss Adjustment Expense paid by the Company but not recovered from the Reinsurer;

4. losses incurred but not reported and Loss Adjustment Expense relating thereto;

5. all other amounts for which the Company cannot take credit on its financial statements unless funding is provided by the Reinsurer.

C. The Reinsurer's Obligations shall be funded by funds withheld, cash advances, Trust Agreement or a Letter of Credit (LOC). The Reinsurer shall have the option of determining the method of funding provided it is acceptable to the insurance regulatory authorities having jurisdiction over the Company's reserves.

D. When funding by Trust Agreement, the Reinsurer shall ensure that the Trust Agreement complies with the provisions of the "Trust Agreement Requirements Clause" attached hereto. When funding by an LOC, the Reinsurer agrees to apply for and secure timely delivery to the Company of a clean, irrevocable and unconditional LOC issued by a bank and containing provisions acceptable to the insurance regulatory authorities having jurisdiction over the Company's reserves in an amount equal to the Reinsurer's Obligations. Such LOC shall be issued for a period of not less than one year, and shall be automatically extended for one year from its date of expiration or any future expiration date unless 30 days (or such other time period as may be required by insurance regulatory authorities), prior to any expiration date the issuing bank shall notify the Company by certified or registered mail that the issuing bank elects not to consider the LOC extended for any additional period.

E. The Reinsurer and the Company agree that any funding provided by the Reinsurer pursuant to the provisions of this Contract may be drawn upon at any time, notwithstanding any other provision of this Contract, and be utilized by the Company or any successor, by operation of law, of the Company including, without limitation, any liquidator, rehabilitator, receiver or conservator of the Company, for the following purposes, unless otherwise provided for in a separate Trust Agreement:

1. to reimburse the Company for the Reinsurer's Obligations, the payment of which is due under the terms of this Contract and that has not been otherwise paid;

2. to make refund of any sum that is in excess of the actual amount required to pay the Reinsurer's Obligations under this Contract (or in excess of 102% of the Reinsurer's Obligations, if funding is provided by a Trust Agreement);

3. to fund an account with the Company for the Reinsurer's Obligations. Such cash deposit shall be held in an interest bearing account separate from the Company's other assets, and interest thereon not in excess of the prime rate shall accrue to the benefit of the Reinsurer. Any taxes payable on accrued interest shall be paid out of the assets in the account that are in excess of the Reinsurer's Obligations (or in excess of 102% of the Reinsurer's Obligations, if funding is provided by a Trust Agreement). If the assets are inadequate to pay taxes, any taxes due shall be paid or reimbursed by the Reinsurer;

4. to pay the Reinsurer's share of any other amounts the Company claims are due under this Contract.

F. If the amount drawn by the Company is in excess of the actual amount required for E(1) or E(3), or in the case of E(4), the actual amount determined to be due, the Company shall promptly return to the Reinsurer the excess amount so drawn. All of the foregoing shall be applied without diminution because of insolvency on the part of the Company or the Reinsurer.

G. The issuing bank shall have no responsibility whatsoever in connection with the propriety of withdrawals made by the Company or the disposition of funds withdrawn, except to ensure that withdrawals are made only upon the order of properly authorized representatives of the Company.

H. At annual intervals, or more frequently at the discretion of the Company, but never more frequently than quarterly, the Company shall prepare a specific statement of the Reinsurer's Obligations for the sole purpose of amending the LOC or other method of funding, in the following manner:

1. If the statement shows that the Reinsurer's Obligations exceed the balance of the LOC as of the statement date, the Reinsurer shall, within 30 days after receipt of the statement, secure delivery to the Company of an amendment to the LOC increasing the amount of credit by the amount of such difference. Should another method of funding be used, the Reinsurer shall, within the time period outlined above, increase such funding by the amount of such difference.

2. If, however, the statement shows that the Reinsurer's Obligations are less than the balance of the LOC (or that 102% of the Reinsurer's Obligations are less than the trust account balance if funding is provided by a Trust Agreement), as of the statement date, the Company shall, within 30 days after receipt of written request from the Reinsurer, release such excess credit by agreeing to secure an amendment to the LOC reducing the amount of credit available by the amount of such excess credit. Should another method of funding be used, the Company shall, within the time period outlined above, decrease such funding by the amount of such excess.

ARTICLE 22

TAXES

A. In consideration of the terms under which this Contract is issued, the Company undertakes not to claim any deduction of the premium hereon when making Canadian tax returns or when making tax returns, other than Income or Profits Tax returns, to any state or territory of the United States of America or to the District of Columbia.

B. 1. Each Subscribing Reinsurer has agreed to allow, for the purpose of paying the Federal Excise Tax, the applicable percentage of the premium payable hereon (as imposed under the Internal Revenue Code) to the extent such premium is subject to Federal Excise Tax.

2. In the event of any return of premium becoming due hereunder, the Subscribing Reinsurer shall deduct the applicable percentage of the premium from the amount of the return, and the Company or its agent should take steps to recover the Tax from the U.S. Government.

ARTICLE 23

ACCESS TO RECORDS

A. The Reinsurer or its duly authorized representatives shall have the right to visit the offices of the Company to inspect, examine, audit, and verify any of the policy, accounting or claim files ("Records") relating to business reinsured under this Contract during regular business hours after giving five working days' prior notice. This right shall be exercisable during the term of this Contract or after the expiration of this Contract. Notwithstanding the above, the Reinsurer shall not have any right of access to the Records of the Company if it is not current in all undisputed payments due the Company.

B. Notwithstanding the above, the Company reserves the right to withhold from the Reinsurer any Privileged Documents. However, the Company shall permit and not object to the Reinsurer's access to Privileged Documents in connection with the underlying claim reinsured hereunder following final settlement or final adjudication of the case or cases involving such claim, with prejudice against all claimants and all parties to such adjudications; the Company may defer release of such Privileged Documents if there are subrogation, contribution, or other third party actions with respect to that claim or case, and the Company's defense might be jeopardized by release of such Privileged Documents. In the event that the Company seeks to defer release of such Privileged Documents, it shall, in consultation with the Reinsurer, take other steps as reasonably necessary to provide the Reinsurer with the information it reasonably requires to indemnify the Company without causing a loss of such privileges or protections. The Reinsurer shall not have access to Privileged Documents relating to any dispute between the Company and the Reinsurer.

C. For purposes of this Article:

1. "Privileged Documents" means any documents that are Attorney-Client Privilege Documents and/or Work Product Privilege Documents.

2. "Attorney-Client Privilege Documents" means communications of a confidential nature between (a) the Company, or anyone retained by or at the direction of the

Company, or its in-house or outside legal counsel, or anyone in the control of such legal counsel, and (b) any in-house or outside legal counsel, if such communications relate to legal advice being sought by the Company and/or contain legal advice being provided to the Company.

3. "Work Product Privilege Documents" means communications, written materials and tangible things prepared by or for in-house or outside counsel, or prepared by or for the Company, in anticipation of or in connection with litigation, arbitration, or other dispute resolution proceedings.

ARTICLE 24

CONFIDENTIALITY

A. The Reinsurer hereby acknowledges that the documents, information and data provided to it by the Company, whether directly or through an authorized agent, in connection with the placement and execution of this Contract ("Confidential Information") are proprietary and confidential to the Company. Confidential Information shall not include documents, information or data that the Reinsurer can show:

1. are publicly known or have become publicly known through no unauthorized act of the Reinsurer;

2. have been rightfully received from a third person without obligation of confidentiality; or

3. were known by the Reinsurer prior to the placement of this Contract without an obligation of confidentiality.

B. Absent the written consent of the Company, the Reinsurer shall not disclose any Confidential Information to any third parties, including any affiliated companies (except to the extent necessary to enable affiliated companies or third parties engaged by the Reinsurer to perform services related to this Contract on behalf of the Reinsurer), except:

1. when required by retrocessionaires as respects business ceded to this Contract;

2. when required by regulators performing an audit of the Reinsurer's records and/or financial condition; or

3. when required by external auditors performing an audit of the Reinsurer's records in the normal course of business.

Further, the Reinsurer agrees not to use any Confidential Information for any purpose not related to the performance of its obligations or enforcement of its rights under this Contract.

C. Notwithstanding the above, in the event that the Reinsurer is required by court order, other legal process or any regulatory authority to release or disclose any or all of the Confidential Information, the Reinsurer agrees to provide the Company with written notice of same at least 10 days prior to such release or disclosure and to use its best efforts to assist the Company in maintaining the confidentiality provided for in this Article.

D. The provisions of this Article shall extend to the officers, directors and employees of the Reinsurer and its affiliates, and shall be binding upon their successors and assigns.

ARTICLE 25

INDEMNIFICATION AND ERRORS AND OMISSIONS

A. The Reinsurer is reinsuring, subject to the terms and conditions of this Contract, the obligations of the Company under any Policy. The Company shall be the sole judge as to:

1. what shall constitute a claim or loss covered under any Policy;

2. the Company's liability thereunder; and

3. the amount or amounts that it shall be proper for the Company to pay thereunder.

B. The Reinsurer shall be bound by the judgment of the Company as to the obligation(s) and liability(ies) of the Company under any Policy.

C. Any inadvertent error, omission or delay in complying with the terms and conditions of this Contract shall not be held to relieve either party hereto from any liability that would attach to it hereunder if such error, omission or delay had not been made, provided such error, omission or delay is rectified immediately upon discovery.

D. Nothing in this Article shall be construed to override any of the other terms and conditions of this Contract.

ARTICLE 26

INSOLVENCY

A. If more than one reinsured company is referenced within the definition of "Company" in the Preamble to this Contract, this Article shall apply severally to each such company. Further, this Article and the laws of the domiciliary state shall apply in the event of the insolvency of any company covered hereunder. In the event of a conflict between any provision of this Article and the laws of the domiciliary state of any company covered hereunder, that domiciliary state's laws shall prevail.

B. In the event of the insolvency of the Company, this reinsurance (or the portion of any risk or obligation assumed by the Reinsurer, if required by applicable law) shall be payable directly to the Company, or to its liquidator, receiver, conservator or statutory successor, either: (1) on the basis of the liability of the Company, or (2) on the basis of claims filed and allowed in the liquidation proceeding, whichever may be required by applicable statute, without diminution because of the insolvency of the Company or because the liquidator, receiver, conservator or statutory successor of the Company has failed to pay all or a portion of any claim. It is agreed, however, that the liquidator, receiver, conservator or statutory successor of the Company shall give written notice to the Reinsurer of the pendency of a claim against the Company indicating the Policy or bond reinsured, which claim would involve a possible liability on the part of the Reinsurer within a reasonable time after such claim is filed in the conservation or liquidation proceeding or in the receivership, and that during the pendency of such claim, the Reinsurer may investigate such claim and interpose, at its own expense, in the proceeding where such claim is to be adjudicated any defense or defenses that it may deem available to the Company or its liquidator, receiver, conservator or statutory successor. The expense thus incurred by the Reinsurer shall be chargeable, subject to the approval of the court, against the Company as part of the expense of conservation or liquidation to the extent of a pro rata share of the benefit that may accrue to the Company solely as a result of the defense undertaken by the Reinsurer.

C. Where two or more reinsurers are involved in the same claim and a majority in interest elect to interpose defense to such claim, the expense shall be apportioned in accordance with the terms of this reinsurance Contract as though such expense had been incurred by the Company.

D. As to all reinsurance made, ceded, renewed or otherwise becoming effective under this Contract, the reinsurance shall be payable as set forth above by the Reinsurer to the Company or to its liquidator, receiver, conservator or statutory successor, (except as provided by Section 4118(a)(1)(A) of the New York Insurance Law, provided the conditions of 1114(c) of such law have been met, if New York law applies) or except (1) where the Contract specifically provides another payee in the event of the insolvency of the Company, or (2) where the Reinsurer, with the consent of the direct insured or insureds, has assumed such Policy obligations of the Company as direct obligations of the Reinsurer to the payees under such Policies and in substitution for the obligations of the Company to such payees. Then, and in that event only, the Company, with the prior approval of the certificate of assumption on New York risks by the Superintendent of Financial Services of the State of New York, or with the prior approval of such other regulatory authority as may be applicable, is entirely released from its obligation and the Reinsurer shall pay any loss directly to payees under such Policy.

ARTICLE 27

RUN-OFF REINSURER

A. “Run-off Reinsurer” means any Subscribing Reinsurer that:

1. has been ordered by a state insurance department or other legal authority to cease writing business, or has been placed under regulatory supervision or in rehabilitation; or

2. has ceased reinsurance underwriting operations; or

3. has transferred its claims-paying authority to an unaffiliated entity; or

4. engages in a process of Scheme of Arrangement or similar procedure related to this Contract, including but not limited to an insurance business transfer scheme pursuant to Part VII of the Financial Services and Markets Act 2000 (U.K.), as may be amended from time to time; or

5. in any other way has assigned its interests or delegated its obligations under this Contract to an unaffiliated entity.

Notwithstanding the foregoing, agreement by a Lloyd’s syndicate to follow claim settlements procedures under Lloyd’s Claims Scheme (Combined) shall not constitute a transfer of its claims-paying authority, for purposes of subparagraphs (3) and (5) of this paragraph.

B. Notwithstanding any other provision of this Contract, in the event that a Subscribing Reinsurer becomes a Run-off Reinsurer at any time, the Company may elect, by giving written notice to the Run-off Reinsurer at any time thereafter, that all or any of the following shall apply to the Run-off Reinsurer’s participation hereunder:

1. Should the Run-off Reinsurer fail to pay amounts due hereunder, the interest penalty specified in the Late Payments Article shall be increased by 0.5% for each 30 days that a payment is past due, subject to a maximum increase of 7.0%.

2. The Run-off Reinsurer’s liability for losses for Policies covered by this Contract shall be commuted. In the event the Company and the Run-off Reinsurer cannot agree on the commutation amount of the Run-off Reinsurer’s liability under such Policies, they shall appoint an actuary and/or appraiser to assess such liability and shall share equally any expense of the actuary and/or appraiser. If the Company and the Run-off Reinsurer cannot agree on an actuary and/or appraiser, the Company and the Run-off Reinsurer each shall nominate three individuals, of whom the other shall decline two, and the final appointment shall be made by drawing lots. Payment by the Run-off Reinsurer of the

amount of liability ascertained shall constitute a complete and final release of both parties under this Contract.

3. The Run-off Reinsurer shall have no right of access to the Records of the Company if the Run-off Reinsurer has denied payment of any claim hereunder or there is a pending arbitration between the Company and the Run-off Reinsurer regarding any claim hereunder. A reservation of rights shall be considered a denial of a claim. Notwithstanding the above, the Run-off Reinsurer shall continue to have access to Records of the Company for any claim for which it has raised a query within 30 days of its receipt of a billing, but any inspection of Records must be completed within 90 days of receipt of billing or access will be deemed waived.

4. The provisions of the Arbitration Article shall not apply.

C. The Company's waiver of any rights provided in this Article is not a waiver of that right or other rights at a later date.

ARTICLE 28

ARBITRATION

A. Any dispute arising out of the interpretation, performance or breach of this Contract, including the formation or validity thereof, shall be submitted for decision to a panel of three arbitrators. Notice requesting arbitration shall be in writing and sent certified or registered mail, return receipt requested.

B. One arbitrator shall be chosen by each party and the two arbitrators shall then choose an impartial third arbitrator who shall preside at the hearing. If either party fails to appoint its arbitrator within 30 days after being requested to do so by the other party, the latter, after 10 days' prior notice by certified or registered mail of its intention to do so, may appoint the second arbitrator.

C. If the two arbitrators do not agree on a third arbitrator within 60 days of their appointment, the third arbitrator shall be chosen in accordance with the procedures for selecting the third arbitrator in force on the date the arbitration is demanded, established by the AIDA Reinsurance and Insurance Arbitration Society – U.S. (ARIAS). The arbitrators shall be persons knowledgeable about insurance and reinsurance who have no personal or financial interest in the result of the arbitration. If a member of the panel dies, becomes disabled or is otherwise unwilling or unable to serve, a substitute shall be selected in the same manner as the departing member was chosen and the arbitration shall continue.

D. Within 30 days after all arbitrators have been appointed, the panel shall meet and determine timely periods for briefs, discovery procedures and schedules of hearings.

E. The panel shall be relieved of all judicial formality and shall not be bound by the strict rules of procedure and evidence. Notwithstanding anything to the contrary in this Contract, the arbitrators may at their discretion, consider underwriting and placement information provided by the Company to the Reinsurer, as well as any correspondence exchanged by the parties that is related to this Contract. The arbitration shall take place in Tampa, Florida, or at such other place as the parties shall agree. The decision of any two arbitrators shall be in writing and shall be final and binding. The panel is empowered to grant interim relief as it may deem appropriate.

F. The panel shall interpret this Contract as an honorable engagement rather than as merely a legal obligation and shall make its decision considering the custom and practice of the applicable insurance and reinsurance business as promptly as possible after the hearings. Judgment upon an award may be entered in any court having jurisdiction thereof.

G. Each party shall bear the expense of its own arbitrator and shall jointly and equally bear with the other party the cost of the third arbitrator. The remaining costs of the arbitration shall be allocated by the panel. The panel may, at its discretion, award such further costs and expenses as it considers appropriate, including but not limited to attorneys' fees, to the extent permitted by law.

ARTICLE 29

EXPEDITED ARBITRATION

A. Notwithstanding the provisions of the Arbitration Article, in the event an amount in dispute hereunder $1,000,000 or less, the parties will submit to an expedited arbitration process with the use of a single arbitrator. The arbitrator will be chosen in accordance with the procedures for selecting an arbitrator in force on the date the arbitration is demanded, established by the AIDA Reinsurance and Insurance Arbitration Society - U.S. (ARIAS).

B. Each party's case will be submitted to the arbitrator within 100 calendar days of the date of determination of the arbitrator. Discovery will be limited to exchanging only those documents directly relating to the issue in dispute, subject to a limit of two discovery depositions from each party, unless otherwise authorized by the arbitrator upon a showing of good cause.

C. Within 120 calendar days of the date of determination of the arbitrator, the hearing will be completed and a written award will be issued by the arbitrator. As the parties agree that time is of the essence, the sole arbitrator does not have the authority to lengthen the schedule, absent agreement of both parties. The arbitrator will have all the powers conferred on the arbitration panel as provided in the Arbitration Article, and said Article will apply to all matters not specifically addressed above.

ARTICLE 30

SERVICE OF SUIT

A. This Article applies only to those Subscribing Reinsurers not domiciled in the United States of America, and/or not authorized in any state, territory and/or district of the United States of America where authorization is required by insurance regulatory authorities.

B. This Article shall not be read to conflict with or override the obligations of the parties to arbitrate their disputes as provided for in the Arbitration Article. This Article is intended as an aid to compelling arbitration or enforcing such arbitration or arbitral award, not as an alternative to the Arbitration Article for resolving disputes arising out of this Contract.

C. In the event of the failure of the Reinsurer to perform its obligations hereunder, the Reinsurer, at the request of the Company, shall submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this Article constitutes or should be understood to constitute a waiver of the Reinsurer's rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. The Reinsurer, once the appropriate court is selected, whether such court is the one originally chosen by the Company and accepted by the Reinsurer or is determined by removal, transfer, or otherwise, as provided for above, shall comply with all requirements necessary to give said court jurisdiction and, in any suit instituted against the Reinsurer upon this Contract, shall abide by the final decision of such court or of any appellate court in the event of an appeal.

D. Service of process in such suit may be made upon:

1. as respects Underwriting Members of Lloyd's, London: Lloyd's America, Inc., Attention: Legal Department, 280 Park Avenue, East Tower, 25th Floor, New York, New York 10017;

2. as respects any other Subscribing Reinsurer: Messrs. Mendes and Mount, 750 Seventh Avenue, New York, New York 10019-6829, or another party specifically designated in the Subscribing Reinsurer's Interests and Liabilities Agreement attached hereto.

The above-named are authorized and directed to accept service of process on behalf of the Reinsurer in any such suit.

E. Further, pursuant to any statute of any state, territory or district of the United States that makes provision therefor, the Reinsurer hereby designates the Superintendent, Commissioner or Director of Insurance, or other officer specified for that purpose in the statute, or his successor or successors in office, as its true and lawful attorney upon whom

may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Company or any beneficiary hereunder arising out of this Contract, and hereby designates the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

ARTICLE 31

GOVERNING LAW

This Contract shall be governed as to performance, administration and interpretation by the laws of the State of Florida, exclusive of conflict of law rules. However, with respect to credit for reinsurance, the rules of all applicable states shall apply.

ARTICLE 32

ENTIRE AGREEMENT

This Contract sets forth all of the duties and obligations between the Company and the Reinsurer and supersedes any and all prior or contemporaneous written agreements with respect to matters referred to in this Contract. This Contract may not be modified or changed except by an amendment to this Contract in writing signed by both parties. However, this Article shall not be construed as limiting the admissibility of evidence regarding the formation, interpretation, purpose or intent of this Contract.

ARTICLE 33

NON-WAIVER

The failure of the Company or the Reinsurer to insist on compliance with this Contract or to exercise any right or remedy hereunder shall not constitute a waiver of any rights contained in this Contract nor prevent either party from thereafter demanding full and complete compliance nor prevent either party from exercising such remedy in the future.

ARTICLE 34

SANCTION LIMITATION AND EXCLUSION CLAUSE (LMA 3100)

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

ARTICLE 35

INTERMEDIARY

Guy Carpenter & Company, LLC, is hereby recognized as the Intermediary negotiating this Contract for all business hereunder. All communications (including notices, statements, premiums, return premiums, commissions, taxes, losses, Loss Adjustment Expenses, salvages, and loss settlements) relating thereto shall be transmitted to the Company or the Reinsurer through the Intermediary. Payments by the Company to the Intermediary shall be deemed payment to the Reinsurer. Payments by the Reinsurer to the Intermediary shall be deemed payment to the Company only to the extent that such payments are actually received by the Company.

ARTICLE 36

MODE OF EXECUTION

A. This Contract may be executed by:

1. an original written ink signature of paper documents;

2. an exchange of facsimile copies showing the original written ink signature of paper documents;

3. electronic signature technology employing computer software and a digital signature or digitizer pen pad to capture a person's handwritten signature in such a manner that the signature is unique to the person signing, is under the sole control of the person signing, is capable of verification to authenticate the signature and is linked to the document signed in such a manner that if the data is changed, such signature is invalidated.

B. The use of any one or a combination of these methods of execution shall constitute a legally binding and valid signing of this Contract. This Contract may be executed in one or more counterparts, each of which, when duly executed, shall be deemed an original.

IN WITNESS WHEREOF, the Company has caused this Contract to be executed by its duly authorized representative(s), who also confirms the Company's review of and agreement to be bound by the terms and conditions of the Interests and Liabilities Agreements attached to and forming part of this Contract;

On this _____ day of _____, in the year of 20___.

TYPTAP INSURANCE COMPANY

Signature: _ Title: _

Print Name: _

And on this _____ day of _____, in the year of 20___.

HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC.

Signature: _ Title: _

Print Name: _

PROPERTY CATASTROPHE EXCESS OF LOSS REINSURANCE CONTRACT

POOLS, ASSOCIATIONS & SYNDICATES EXCLUSIONS CLAUSE

Section A:

This Contract excludes:

a. All business derived directly or indirectly from any Pool, Association or Syndicate which maintains its own reinsurance facilities.

b. Any Pool or Scheme (whether voluntary or mandatory) formed after March 1, 1968 for the purpose of insuring property, whether on a country-wide basis or in respect of designated areas. This exclusion shall not apply to so-called Automobile Insurance Plans or other Pools formed to provide coverage for Automobile Physical Damage.

Section B:

1. This Contract excludes business written by the Company for the same perils, which is known at the time to be insured by, or in excess of underlying amounts placed in, any Pool, Association or Syndicate, whether by way of insurance or reinsurance, formed for the purpose of writing any of the following:

Oil, Gas or Petro-Chemical Plants

Oil or Gas Drilling Rigs and/or

Aviation Risks

2. The exclusion under paragraph 1 of this Section B does not apply:

a. Where the Total Insured Value over all interests of the risk in question is less than $250,000,000.

b. To interests traditionally underwritten as Inland Marine and/or Stock and/or Contents written on a Blanket basis.

c. To Contingent Business Interruption, except when the Company is aware that the key location is known at the time to be insured in any Pool, Association or Syndicate named above, other than as provided for under subparagraph (a).

Section C:

1. Nevertheless the Reinsurer specifically agrees that liability accruing to the Company from its participation in Residual Market Mechanisms, including but not limited to the following, for all perils otherwise protected hereunder shall not be excluded herefrom:

a. So-called “Beach and Windstorm Plans” and so-called “Coastal Pools”;

b. All “FAIR Plan” and “Rural Risk Plan” business;

c. Louisiana Citizens Property Insurance Corporation;

d. California Earthquake Authority (“CEA”) or any similar entity.

Notwithstanding the above, assessments related to the Florida Hurricane Catastrophe Fund, Reinsurance to Assist Policyholders, and Citizens Property Insurance Corporation (Florida) shall be excluded hereunder.

2. However, this reinsurance does not include any increase in such liability resulting from:

a. The inability of any other participant in such Residual Market Mechanisms to meet its liability;

b. Any claim against a Residual Market Mechanism or any participant therein, including the Company, whether by way of subrogation or otherwise, brought by or on behalf of any insolvency fund (as defined in the Exclusions Article);

c. Any assessment or surcharge levied on the policyholder and therefore not a liability of the Company;

d. The Company’s initial capital contribution to the CEA;

e. Any assessments, other than interim and regular assessments, from a Residual Market Mechanism included in subparagraph 1(c) above;

f. Any expenditure to purchase or retire bonds.

3. The Company may include in Ultimate Net Loss for any Loss Occurrence covered hereunder only the liability attributable to that Loss Occurrence. If the relevant entity does not specify what portion of an assessment is attributable to each Loss Occurrence, the Company may include in Ultimate Net Loss in respect of each Loss Occurrence a percentage of the Company’s assessments from the relevant entity related to the calendar year in which the Loss Occurrence commenced, regardless of when assessed, such percentage to be determined by dividing the relevant entity’s losses arising from the Loss Occurrence by its total losses for the calendar year.

4. The Company will deduct from Ultimate Net Loss amounts received as recoupment of any assessment that has been included in the Ultimate Net Loss, provided the recoupment is directly allocable to the assessment (“itemized recoupment”). The Company shall use commercially reasonable efforts to recoup such assessment. Any amount received as an

itemized recoupment of any assessment (whether under this Contract or any predecessor contract), and therefore deductible from Ultimate Net Loss, shall not be included in the subject premium of this Contract.

However, if a state levies assessments but does not allow itemized recoupment from policyholders, instead allowing the Company to file an overall increased rate, any such premium increased thereby shall not be deemed to be a recoupment that is deductible from Ultimate Net Loss. Any recoupment received as part of a general premium rate increase, not specifically itemized, shall be included as part of the subject premium of this Contract or a successor contract, as applicable.

OTES: Wherever used herein the terms:

"Company" shall be understood to mean "Company", "Reinsured", "Reassured" or whatever other term is used in the attached reinsurance document to designate the reinsured company or companies.

"Contract" shall be understood to mean "Agreement," "Contract," "Policy" or whatever other term is used to designate the attached reinsurance document.

"Reinsurer" shall be understood to mean "Reinsurer," "Reinsurers," "Underwriters" or whatever other term is used in the attached reinsurance document to designate the reinsurer or reinsurers.

EXHIBIT 10.29. Certain identified information has been excluded from this exhibit because it is immaterial and would be competitively harmful if publicly disclosed. Information that has been omitted is indicated with brackets.

NUCLEAR INCIDENT EXCLUSION CLAUSE - PHYSICAL DAMAGE - REINSURANCE - U.S.A.

1. This Reinsurance does not cover any loss or liability accruing to the Reassured, directly or indirectly, and whether as Insurer or Reinsurer, from any Pool of Insurers or Reinsurers formed for the purpose of covering Atomic or Nuclear Energy risks.

2. Without in any way restricting the operation of paragraph (1) of this clause, this Reinsurance does not cover any loss or liability accruing to the Reassured, directly or indirectly and whether as Insurer or Reinsurer, from any insurance against Physical Damage (including business interruption or consequential loss arising out of such Physical Damage) to:

   I. Nuclear reactor power plants including all auxiliary property on the site, or

   II. Any other nuclear reactor installation, including laboratories handling radioactive materials in connection with reactor installations, and “critical facilities” as such, or

   III. Installations for fabricating complete fuel elements or for processing substantial quantities of “special nuclear material”, and for reprocessing, salvaging, chemically separating, storing or disposing of “spent” nuclear fuel or waste materials, or

   IV. Installations other than those listed in paragraph (2) III above using substantial quantities of radioactive isotopes or other products of nuclear fission.

3. Without in any way restricting the operations of paragraphs (1) and (2) hereof, this Reinsurance does not cover any loss or liability by radioactive contamination accruing to the Reassured, directly or indirectly, and whether as Insurer or Reinsurer, from any insurance on property which is on the same site as a nuclear reactor power plant or other nuclear installation and which normally would be insured therewith except that this paragraph (3) shall not operate

   (a) where Reassured does not have knowledge of such nuclear reactor power plant or nuclear installation, or

   (b) where said insurance contains a provision excluding coverage for damage to property caused by or resulting from radioactive contamination, however caused. However on and after 1st January 1960 this sub-paragraph (b) shall only apply provided the said radioactive contamination exclusion provision has been approved by the Governmental Authority having jurisdiction thereof.

4. Without in any way restricting the operations of paragraphs (1), (2) and (3) hereof, this Reinsurance does not cover any loss or liability by radioactive contamination accruing to the Reassured, directly or indirectly, and whether as Insurer or Reinsurer, when such radioactive contamination is a named hazard specifically insured against.

5. It is understood and agreed that this clause shall not extend to risks using radioactive isotopes in any form where the nuclear exposure is not considered by the Reassured to be the primary hazard.

6. The term “special nuclear material” shall have the meaning given it in the Atomic Energy Act of 1954 or by any law amendatory thereof.

7. Reassured to be sole judge of what constitutes:

(a) substantial quantities, and

(b) the extent of installation, plant or site.

Note: Without in any way restricting the operation of paragraph (1) hereof, it is understood and agreed that

(a) all policies issued by the Reassured on or before 31st December 1957 shall be free from the application of the other provisions of this Clause until expiry date or 31st December 1960 whichever first occurs whereupon all the provisions of this Clause shall apply.

(b) with respect to any risk located in Canada policies issued by the Reassured on or before 31st December 1958 shall be free from the application of the other provisions of this Clause until expiry date or 31st December 1960 whichever first occurs whereupon all the provisions of this Clause shall apply.

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OTES: Wherever used herein the terms:

“Reassured” shall be understood to mean “Company”, “Reinsured”, “Reassured” or whatever other term is used in the attached reinsurance document to designate the reinsured company or companies.

“Agreement” shall be understood to mean “Agreement”, “Contract”, “Policy” or whatever other term is used to designate the attached reinsurance document.

“Reinsurers” shall be understood to mean “Reinsurers”, “Underwriters” or whatever other term is used in the attached reinsurance document to designate the reinsurer or reinsurers.

EXHIBIT 10.29. Certain identified information has been excluded from this exhibit because it is immaterial and would be competitively harmful if publicly disclosed. Information that has been omitted is indicated with brackets.

TERRORISM EXCLUSION

A. Notwithstanding any provision to the contrary within this Contract or any endorsement thereto, it is agreed that this Contract excludes loss, damage, cost, or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any Act of Terrorism, as defined herein, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

B. An “Act of Terrorism” includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organization(s) or government(s) de jure or de facto, and which:

a. involves violence against one or more persons; or

b. involves damage to property; or

c. endangers life other than that of the person committing the action; or

d. creates a risk to health or safety of the public or a section of the public; or

e. is designed to interfere with or to disrupt an electronic system.

C. This Contract also excludes loss, damage, cost, or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any action in controlling, preventing, suppressing, retaliating against, or responding to any Act of Terrorism.

D. Notwithstanding the above and subject otherwise to the terms, conditions, and limitations of this Contract, in respect only of personal lines, this Contract shall pay actual loss or damage (but not related cost or expense) caused by any Act of Terrorism, provided such act is not directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with biological, chemical, radiological or nuclear pollution or contamination.

LIMITED COMMUNICABLE DISEASE EXCLUSION NO. 2 (PROPERTY TREATY REINSURANCE)

1. Notwithstanding any provision to the contrary within this reinsurance agreement, this reinsurance agreement excludes any loss, damage, liability, claim, cost or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease regardless of any other cause or event contributing concurrently or in any other sequence thereto.

2. Subject to the other terms, conditions and exclusions contained in this reinsurance agreement, this reinsurance agreement will cover physical damage to property insured under the original policies and any Time Element Loss directly resulting therefrom where such physical damage is directly caused by or arising from any of the following perils: fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, rainstorm, hail, tornado, cyclone, typhoon, hurricane, earthquake, seaquake, seismic and/or volcanic disturbance/eruption, tsunami, flood, freeze, ice storm, weight of snow or ice, avalanche, meteor/asteroid impact, landslip, landslide, mudslide, bush fire, forest fire, riot, riot attending a strike, civil commotion, vandalism and malicious mischief.

Definitions

3. Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

   3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and

   3.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and

   3.3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

4. Time Element Loss means business interruption, contingent business interruption or any other consequential losses.

LMA5503

.5 May 2020

CYBER LOSS LIMITED EXCLUSION CLAUSE (PROPERTY TREATY REINSURANCE)

1. Notwithstanding any provision to the contrary within this reinsurance agreement or any endorsement thereto, this reinsurance agreement excludes all loss, damage, liability, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with:

    1.2. any loss of, alteration of, or damage to or a reduction in the functionality, availability or operation of a Computer System, unless subject to the provisions of paragraph 2;

    1.3. any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data.

2. Subject to the other terms, conditions and exclusions contained in this reinsurance agreement, this reinsurance agreement will cover physical damage to property insured under the original policies and any Time Element Loss directly resulting therefrom where such physical damage is directly occasioned by any of the following perils:

fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, tsunami, flood, freeze or weight of snow

Definitions

3. Computer System means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility.

4. Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

5. Time Element Loss means business interruption, contingent business interruption or any other consequential losses.

LMA5410

06 March 2020

TRUST AGREEMENT REQUIREMENTS CLAUSE

A. Except as provided in paragraph B of this Clause, if the Reinsurer satisfies its funding obligations under the Unauthorized Reinsurance Article by providing a Trust Agreement, the Reinsurer shall ensure that the Trust Agreement:

1. Requires the Reinsurer to establish a trust account for the benefit of the Company, and specifies what the Trust Agreement is to cover;

2. Stipulates that assets deposited in the trust account shall be valued according to their current fair market value and shall consist only of cash (United States legal tender), and certificates of deposit (issued by a United States bank and payable in United States legal tender), or any combination of the two, provided that the investments are issued by an institution that is not the parent, subsidiary or affiliate of either the Reinsurer or the Company;

3. Requires the Reinsurer, prior to depositing assets with the trustee, to execute assignments or endorsements in blank, or to transfer legal title to the trustee of all shares, obligations or any other assets requiring assignments, in order that the Company, or the trustee upon the direction of the Company, may whenever necessary negotiate these assets without consent or signature from the Reinsurer or any other entity;

4. Requires that all settlements of account between the Company and the Reinsurer be made in cash or its equivalent; and

5. Provides that assets in the trust account shall be withdrawn only as permitted in this Contract, without diminution because of the insolvency of the Company or the Reinsurer.

B. If a ceding insurer is domiciled in California and the Reinsurer satisfies its funding obligations under the Unauthorized Reinsurance Article by providing a Trust Agreement, the Reinsurer shall ensure that the Trust Agreement:

1. Provides that assets deposited in the trust account shall be valued according to their current fair market value and shall consist only of cash in United States dollars, certificates of deposit issued by a United States financial institution as defined in California Insurance Code Section 922.7(a) and payable in United States dollars, and investments permitted by the California Insurance Code, or any combination of the above.

2. Provides that investments in or issued by an entity controlling, controlled by or under common control with either the grantor or the beneficiary of the trust shall not exceed 5% of total investments.

3. Requires the Reinsurer, prior to depositing assets with the trustee, to execute assignments or endorsements in blank, or to transfer legal title to the trustee of all shares, obligations or any other assets requiring assignments, in order that the ceding insurer, or the trustee upon the direction of the ceding insurer, may, whenever necessary, negotiate these assets without consent or signature from the Reinsurer or any other entity.

4. Provides that assets in the trust account shall be withdrawn only as permitted in this Contract, without diminution because of the insolvency of the ceding insurer or the Reinsurer.

C. If there are multiple ceding insurers that collectively comprise the Company, “regulatory authorities” as referenced in subparagraph A(2) above, shall mean the individual ceding insurer’s domestic regulator.

EXHIBIT 10.30. Certain identified information has been excluded from this exhibit because it is immaterial and would be competitively harmful if publicly disclosed. Information that has been omitted is indicated with brackets.

EXHIBIT 10.30

PROPERTY CATASTROPHE EXCESS OF LOSS REINSURANCE CONTRACT

issued to

TYPTAP INSURANCE COMPANY
Ocala, Florida

and

HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC.
Tampa, Florida

including any and/or all companies that are or may hereafter become affiliated therewith

EXHIBIT 10.30. Certain identified information has been excluded from this exhibit because it is immaterial and would be competitively harmful if publicly disclosed. Information that has been omitted is indicated with brackets.

PROPERTY CATASTROPHE EXCESS OF LOSS REINSURANCE CONTRACT

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PROPERTY CATASTROPHE EXCESS OF LOSS REINSURANCE CONTRACT

(the "Contract")

issued to

TYPTAP INSURANCE COMPANY
Ocala, Florida

and

HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC.
Tampa, Florida

including any and/or all companies that are or may hereafter become affiliated therewith

(collectively, the "Company")

by

THE SUBSCRIBING REINSURER(S) IDENTIFIED IN THE INTERESTS AND LIABILITIES AGREEMENT(S) ATTACHED TO AND FORMING PART OF THIS CONTRACT

(the "Reinsurer")

ARTICLE 1

BUSINESS COVERED

This Contract is to indemnify the Company in respect of its net excess liability as a result of any loss or losses which may occur during the term of this Contract under any Policies in force at the effective date hereof or issued or renewed on or after that date, covering direct and assumed business classified by the Company as the property perils of Homeowners, Condominium Owners, Renters and Dwelling, subject to the terms and conditions herein contained.

ARTICLE 2

RETENTION AND LIMIT

A. For each Layer of reinsurance provided hereunder, the Reinsurer shall be liable in respect of each Loss Occurrence for the Ultimate Net Loss over and above the initial Ultimate Net Loss

retention as set forth in the schedule below for the Loss Occurrence, subject to a limit of liability to the Reinsurer for each such Loss Occurrence, and subject further to a limit of liability for all Loss Occurrences commencing during the term of this Contract, as set forth below:

RETENTION AND LIMIT SCHEDULE			
Layer	**Company's Retention**	**Reinsurer's Limit of Liability**	
	Ultimate Net Loss in respect of each Loss Occurrence	**Ultimate Net Loss in respect of each Loss Occurrence**	**Ultimate Net Loss in respect of all Loss Occurrences during the term of this Contract**
Third Layer	[ ]	[ ]	[ ]
Fourth Layer	[ ]	[ ]	[ ]
Fifth Layer	[ ]	[ ]	[ ]
Sixth Layer	[ ]	[ ]	[ ]

B. No Loss Occurrence shall be covered hereunder unless it involves two or more risks subject to this Contract. The Company shall be the sole judge of what constitutes one risk for purposes of this Contract.

ARTICLE 3

FLORIDA HURRICANE CATASTROPHE FUND AND REINSURANCE TO ASSIST POLICYHOLDERS

A. As respects Loss Occurrences subject to this Contract, any loss reimbursement recoverable by the Company under the Florida Hurricane Catastrophe Fund (FHCF) and the Reinsurance to Assist Policyholders (RAP) Program, shall be deducted in determining Ultimate Net Loss under this Contract, subject to the following:

1. The full reimbursement amount due from the FHCF for coverage under the Mandatory Layer and RAP, based on statutory limits of coverage as of June 1, shall be deemed recovered by the Company, whether or not actually received from the FHCF and/or RAP and whether or not reduced because of the FHCF's and/or RAP's inability to pay.

2. For purposes of allocating recoveries from the FHCF with respect to each Loss Occurrence, only amounts recoverable by applying the pay-out and retention multiples for the FHCF prior to any reduction in retention due to multiple Loss Occurrences in the same annual period shall be included in calculating the deduction from Ultimate Net Loss. RAP coverage shall only apply to two eligible Loss Occurrences as determined by statute.

3. If the Company's aggregate limit of FHCF and/or RAP reimbursement coverage is exhausted from Loss Occurrences commencing during the term of this Contract, and the FHCF or RAP, as applicable, does not designate the portion of said limit allocable to each Loss Occurrence, the total FHCF and/or RAP reimbursement received shall be allocated to each individual Loss Occurrence in the proportion that the Company's losses in that Loss Occurrence bear to the Company's total losses arising out of all Loss Occurrences to which the reimbursement applies.

4. For purposes of loss recoveries under this Contract prior to the final determination of the Company's retention and limit under the FHCF and/or RAP, as applicable; FHCF and/or RAP coverage, as applicable, shall be calculated using the Company's respective "Projected Payout Multiple" under the FHCF and/or RAP. Upon determination of the Company's retention and limit under the FHCF and/or RAP, as applicable, losses will be adjusted, recognizing any adjustment to the "Projected Payout Multiple" caused by a change in the Aggregate Mandatory FHCF Premium or any other adjustments as required by statute to determine the final FHCF and/or RAP layer, but disregarding any change due to a decrease in the statutory limit.

B. Any FHCF reimbursement premiums paid by the Company for FHCF layers that inure to the benefit of this Contract shall be deemed to be premiums paid for inuring reinsurance.

C. The Company has opted for 90% coverage selections from the FHCF and RAP:

ARTICLE 4

TERM

This Contract shall take effect at 12:01 a.m., Standard Time, June 1, 2023, and unless terminated prior to that time and date as provided in the Special Termination Article, shall remain in effect until 12:01 a.m., Standard Time, June 1, 2024, applying to Loss Occurrences commencing during the term of this Contract. For purposes of this Contract, "Standard Time" shall mean the time as described in the original Policy.

ARTICLE 5

SPECIAL TERMINATION

A. The Company may terminate a Subscribing Reinsurer's percentage share in this Contract at any time by giving written notice to the Subscribing Reinsurer in the event of any of the following circumstances:

1. The Subscribing Reinsurer ceases underwriting operations.

2. A state insurance department or other legal authority orders the Subscribing Reinsurer to cease writing business, or the Subscribing Reinsurer is placed under regulatory supervision.

3. The Subscribing Reinsurer has become insolvent or has been placed into liquidation or receivership (whether voluntary or involuntary), or there have been instituted against it proceedings for the appointment of a receiver, liquidator, rehabilitator, conservator, trustee in bankruptcy, or other agent known by whatever name, to take possession of its assets or control of its operations.

4. The Subscribing Reinsurer's policyholders' surplus (or the equivalent under the Subscribing Reinsurer's accounting system) as reported in such financial statements of the Subscribing Reinsurer as designated by the Company, has been reduced by 20% of the amount thereof at any date during the prior 12-month period (including the period prior to the inception of this Contract).

5. The Subscribing Reinsurer has become, or has announced its intention to become, merged with or acquired or controlled by any company, corporation, or individual(s) not controlling the Subscribing Reinsurer's operations at the inception of this Contract.

6. The Subscribing Reinsurer has retroceded its entire liability under this Contract without the Company's prior written consent, except for retrocessions to members of the Subscribing Reinsurer's holding company group.

7. The Subscribing Reinsurer has been assigned an A.M. Best's rating of less than "A-" and/or an S&P rating of less than "BBB+." However, as respects Underwriting Members of Lloyd's, London, a Lloyd's Market Rating of less than "A-" by A.M. Best and/or less than "BBB+" by S&P shall apply.

8. The Subscribing Reinsurer has hired an unaffiliated runoff claims manager that is compensated on a contingent basis or is otherwise provided with financial incentives based on the quantum of claims paid.

9. The Subscribing Reinsurer has in any other way assigned its interests or delegated its obligations under this Contract to an unaffiliated entity.

10. The Subscribing Reinsurer has failed to post or maintain required collateral to secure its obligations as required under this Contract, and has not cured such deficiency within 30 days following written notice thereof from the Company.

Notwithstanding the foregoing, agreement by a Lloyd's syndicate to follow claim settlements procedures under Lloyd's Claims Scheme (Combined) shall not constitute a transfer of its claims-paying authority, for purposes of subparagraphs (8) and (9) of this paragraph.

B. Termination shall be effected on a cut-off basis and the Subscribing Reinsurer shall have no liability for Loss Occurrences commencing after the date of termination. The reinsurance premium due the Subscribing Reinsurer hereunder (including any minimum reinsurance premium) shall be prorated based on the period of the Subscribing Reinsurer's participation hereon, and the Subscribing Reinsurer shall immediately return any excess reinsurance premium received. Reinstatement premium, if any, shall be calculated based on the Subscribing Reinsurer's reinsurance premium earned during the period of the Subscribing Reinsurer's participation hereon.

C. Additionally, in the event of any of the circumstances listed in paragraph A of this Article, the Company shall have the option to commute the Subscribing Reinsurer's liability for losses on Policies covered by this Contract. In the event the Company and the Subscribing Reinsurer cannot agree on the commutation amount, they shall appoint an actuary and/or appraiser to assess such amount and shall share equally any expense of the actuary and/or appraiser. If the Company and the Subscribing Reinsurer cannot agree on an actuary and/or appraiser, the Company and the Subscribing Reinsurer each shall nominate three individuals, of whom the other shall decline two, and the final appointment shall be made by drawing lots. Payment by the Subscribing Reinsurer of the amount of liability ascertained shall constitute a complete and final release of both parties in respect of liability arising from the Subscribing Reinsurer's participation under this Contract.

D. The Company's option to require commutation under paragraph C above shall survive the termination or expiration of this Contract.

ARTICLE 6

TERRITORY

The territorial limits of this Contract shall be identical with those of the Company's Policies.

ARTICLE 7

EXCLUSIONS

A. This Contract shall not apply to and specifically excludes:

1. Policies covered by the Company's Flood Tower.

2. Flood when written as such.

3. Earthquake for standalone Policies where earthquake is the only named peril.

4. Hail damage to an insured's growing or standing crops.

5. Reinsurance assumed by the Company under obligatory reinsurance agreements, except intercompany reinsurance between the Company and its affiliates and reinsurance where the Policies involved are to be re-underwritten in accordance with the underwriting standards of the Company and reissued as Policies of the Company in due course.

6. Pools, Associations & Syndicates, per the attached exclusion.

7. Liability of the Company arising by contract, operation of law, or otherwise, from its participation or membership, whether voluntary or involuntary, in any Insolvency Fund. “Insolvency Fund” includes any guaranty fund, insolvency fund, plan, pool, association, fund or other arrangement, howsoever denominated, established or governed, that provides for any assessment of or payment or assumption by the Company of part or all of any claim, debt, charge, fee, or other obligation of an insurer, or its successors or assigns, that has been declared by any competent authority to be insolvent, or that is otherwise deemed unable to meet any claim, debt, charge, fee or other obligation in whole or in part.

8. Loss or damage occasioned by war, invasion, hostilities, acts of foreign enemies, civil war, rebellion, insurrection, military or usurped power, martial law, or confiscation by order of any government or public authority, but not excluding loss or damage that would be covered under a standard form of Policy containing a standard war exclusion clause.

9. Losses excluded by the attached Nuclear Incident Exclusion Clause – Physical Damage – Reinsurance – U.S.A.

10. Terrorism as defined in the attached Terrorism Exclusion.

11. Mold unless directly resulting from an otherwise covered peril.

12. Loss and/or damage and/or costs and/or expenses arising from seepage and/or pollution and/or contamination, other than contamination from smoke. Nevertheless, this exclusion does not preclude payment of the cost of removing debris of property damaged by a loss otherwise covered hereunder, subject always to a limit of 25.0% of the Company’s property loss under the applicable original Policy.

13. Financial guarantee and insolvency.

14. Loss or damage to overhead transmission and distribution lines, including supporting structures, of electrical companies, telephone companies, and cable companies. This exclusion shall not apply, however, to transmission and distribution lines and their

supporting structures located on the property of any original insured or within 1,000 feet thereof.

15. Losses excluded by the attached Limited Communicable Disease Exclusion No. 2 (Property Treaty Reinsurance).

16. Loss Excluded by the attached Cyber Loss Limited Exclusion Clause (Property Treaty Reinsurance).

17. Policies written by Homeowners Choice Property & Casualty Insurance Company, Inc. covering risks located in the state of Florida.

B. With the exception of subparagraphs A(7) through A(10), A(13), A(15) and A(16) above, should any judicial, regulatory or legislative entity having legal jurisdiction invalidate any exclusion on the Company's Policy, any amount of loss for which the Company is liable because of such invalidation will not be excluded hereunder.

C. With the exception of subparagraphs A(7) through A(10), A(13), A(15) and A(16) above, if the Company inadvertently issues a Policy falling within the scope of one or more of the exclusions, such Policy shall be covered hereunder, provided that the Company issues, or causes to be issued, the required notice of cancellation within 30 days after a member of the executive or managerial staff at the Company's home office having underwriting authority in the class of business involved becomes aware that the Policy applies to excluded classes, unless the Company is prevented from canceling said Policy within such period by applicable statute or regulation, in which case such Policy shall be covered hereunder until the earliest date on which the Company may cancel.

ARTICLE 8

SPECIAL ACCEPTANCE

Business that is not within the scope of this Contract may be submitted to the Reinsurer for special acceptance hereunder, and such business, if accepted by the Reinsurer shall be covered hereunder, subject to the terms and conditions of this Contract, except as modified by the special acceptance. The Reinsurer shall be deemed to have accepted a risk, if it has not responded within five business days after receiving the underwriting information on such risk. Any renewal of a special acceptance agreed to for a predecessor contract to this Contract, shall automatically be covered hereunder.

ARTICLE 9

PREMIUM

A. The Company shall pay the Reinsurer a Deposit Premium in accordance with the schedule set forth below. The reinsurance premium to be paid to the Reinsurer for the reinsurance provided under each Layer shall be calculated at the Final Adjusted Premium Rates set out below multiplied by the Company's final Total Insured Value, subject to the applicable Minimum Premium stated below:

PREMIUM SCHEDULE			
Layer	**Final Adjusted Premium Rate**	**Deposit Premium**	**Minimum Premium**
Third Layer	[ ]	[ ]	[ ]
Fourth Layer	[ ]	[ ]	[ ]
Fifth Layer	[ ]	[ ]	[ ]
Sixth Layer	[ ]	[ ]	[ ]

B. The Deposit Premiums set forth in paragraph A above shall be payable to the Reinsurer by the Company in installments as follows:

DEPOSIT INSTALLMENT SCHEDULE				
Layer	**June 1, 2023**	**September 1, 2023**	**January 1, 2024**	**April 1, 2024**
Third Layer	[ ]	[ ]	[ ]	[ ]
Fourth Layer	[ ]	[ ]	[ ]	[ ]
Fifth Layer	[ ]	[ ]	[ ]	[ ]
Sixth Layer	[ ]	[ ]	[ ]	[ ]

C. Within 45 days following the expiration of this Contract, the Company shall provide the Reinsurer with a report showing the Company's final Total Insured Value. This final Total Insured Value shall be multiplied by the Final Adjusted Premium Rate for each Layer as stated in paragraph A above. Should this amount be greater than or equal to [ ] and less than or equal to [ ] of the Deposit Premium as set forth above, there shall be no additional or return premium due. Should the amount so calculated exceed [ ] of the Deposit Premium paid in accordance with paragraph A above, the Company shall immediately pay the Reinsurer the difference in excess of [ ] of the Deposit Premium. Should the amount so calculated be less than [ ] of the Deposit Premium paid in accordance with paragraph A of this Article, the Reinsurer shall immediately pay the Company the difference below [ ] of the Deposit Premium, subject to the Minimum Premium as set forth above.

D. “Total Insured Value” means the Company’s aggregate wind exposures on September 30, 2023 for business covered hereunder.

E. The estimated Total Insured Value is [ ].

F. The Company shall furnish the Reinsurer with such reasonably available information as may be reasonably required by the Reinsurer for completion of the Reinsurer’s financial statements.

ARTICLE 10

REINSTATEMENT

A. Loss payments under any Layer of this Contract shall reduce the limit of coverage afforded by the amounts paid, but the limit of coverage shall be reinstated from the time of the occurrence of the loss, and for each amount so reinstated, the Company agrees to pay, simultaneously with the Reinsurer’s loss payment, an additional premium calculated at pro rata of the Reinsurer’s premium for the applicable layer(s) for the term of this Contract, being pro rata only as to the fraction of the Reinsurer’s limit of liability hereunder (i.e., the fraction of the Reinsurer’s limit of liability for each Loss Occurrence as set forth for the Layer in the Retention and Limit Article) so reinstated. Nevertheless, the Reinsurer’s liability under the applicable layer(s) shall not exceed such limit(s) in respect of any one Loss Occurrence, nor the applicable limit(s) in respect of all Loss Occurrences commencing during the term of this Contract, as set forth in the Retention and Limit Article.

B. If at the time of a loss settlement hereon the reinsurance premium, as calculated in accordance with the Premium Article, is unknown, the above calculation of reinstatement premium shall be based upon the Deposit Premium, subject to adjustment when the reinsurance premium is finally established.

ARTICLE 11

DEFINITIONS

A. 1. “Ultimate Net Loss” means the actual loss paid by the Company or which the Company becomes liable to pay, such loss to include Loss Adjustment Expense, 100% of any Extra Contractual Obligation and 100% of any Loss in Excess of Policy Limits as defined in the Extra Contractual Obligations/Excess of Policy Limits Article. In no event, however, shall more than 25% of “Ultimate Net Loss” for any one Loss Occurrence be comprised of Extra Contractual Obligations and Loss in Excess of Policy Limits.

2. Salvages and all recoveries (including amounts due from all reinsurances that inure to the benefit of this Contract, whether recovered or not), shall be first deducted from such loss to arrive at the amount of liability attaching hereunder.

3. All salvages, recoveries or payments recovered or received subsequent to loss settlement hereunder shall be applied as if recovered or received prior to the aforesaid settlement, and all necessary adjustments shall be made by the parties hereto.

4. The Company shall be deemed to be "liable to pay" a loss when a judgment has been rendered that the Company does not plan to appeal, and/or the Company has obtained a release, and/or the Company has accepted a proof of loss, and/or the Company has made a commitment to pay, and/or the Company has scheduled the payment of a loss.

5. Nothing in this clause shall be construed to mean that losses are not recoverable hereunder until the Company's "Ultimate Net Loss" has been ascertained.

B. "Loss Adjustment Expense" means costs and expenses incurred by the Company in connection with the investigation, appraisal, adjustment, settlement, litigation, defense or appeal of a specific claim or loss, or alleged loss, including but not limited to:

1. court costs;

2. costs of supersedeas and appeal bonds;

3. monitoring counsel expenses;

4. legal expenses and costs incurred in connection with coverage questions and legal actions connected thereto, including but not limited to declaratory judgment actions;

5. post-judgment interest;

6. pre-judgment interest, unless included as part of an award or judgment;

7. a pro rata share of salaries and expenses of Company field employees, calculated in accordance with the time occupied in adjusting such loss, and expenses of other Company employees who have been temporarily diverted from their normal and customary duties and assigned to the field adjustment of losses covered by this Contract; and

8. subrogation, salvage and recovery expenses.

"Loss Adjustment Expense" does not include salaries and expenses of the Company's employees, except as provided in subparagraph (7) above, and office and other overhead expenses.

C. 1. “Loss Occurrence” means the sum of all individual losses directly occasioned by any one disaster, accident or loss or series of disasters, accidents or losses arising out of one event. However, the duration and extent of any one “Loss Occurrence” shall be limited to all individual losses sustained by the Company occurring during any period of 168 consecutive hours arising out of and directly occasioned by the same event except that the term “Loss Occurrence” shall be further defined as follows:

a. As regards any “Named Storm,” all individual losses sustained by the Company arising out of and directly occasioned by such “Named Storm,” without regard to the limitations of duration and extent set forth above. “Named Storm” means any storm or storm system declared by the US National Hurricane Center, US Central Pacific Hurricane Center, US Weather Prediction Center, or their successor organizations, all being divisions of the US National Weather Service to be a tropical storm or hurricane, and any successors thereof. A storm or storm system that merges with a “Named Storm” shall be considered part of that “Named Storm,” once it has merged. A “Named Storm” shall be deemed to begin at the effective time and date of the first watch, warning or other official advisory applicable to such tropical storm or hurricane issued by the above referenced governmental meteorological agencies. A “Named Storm” shall be deemed to end 72 hours after the cancellation of the last watch, warning or other official advisory applicable to such tropical storm, hurricane or successor, issued by the above referenced governmental meteorological agencies irrespective of the duration of the timing or spacing between such watches, warnings or other official advisories. If two or more storms are assigned different names by the above referenced governmental meteorological agencies, each of those storms shall constitute a separate event for purposes of this definition.

b. As regards windstorm, hail, tornado, cyclone, including ensuing collapse and water damage other than “Named Storm,” all individual losses sustained by the Company occurring during any period of 96 consecutive hours arising out of and directly occasioned by the same event.

c. As regards riot, riot attending a strike, civil commotion, vandalism and malicious mischief, all individual losses sustained by the Company occurring during any period of 96 consecutive hours arising out of and directly occasioned by the same event. The maximum duration of 96 consecutive hours may be extended in respect of individual losses that occur beyond such 96 consecutive hours during the continued occupation of an assured’s premises by strikers, provided such occupation commenced during the aforesaid period.

d. As regards earthquake and fire following directly occasioned by the earthquake, those earthquake losses and individual fire losses that commence during the

period of 168 consecutive hours may be included in the Company's "Loss Occurrence."

e. As regards any related weather conditions involving snow, sleet, freezing rain, freeze, ice, winter weather, and wind losses related to such conditions, all individual losses sustained by the Company, that occur during any period of 168 consecutive hours arising out of and directly occasioned by the same event.

f. As regards firestorms, brush fires and other fires or series of fires, irrespective of origin (except for fires covered in subparagraphs (c) and (d) above) which spread through trees, grassland or other vegetation, all individual losses sustained by the Company occurring during any period of 168 consecutive hours within a 150-mile radius of any fixed point selected by the Company may be included in the Company's "Loss Occurrence." However, an individual loss subject to this subparagraph cannot be included in more than one "Loss Occurrence."

2. Except as provided in subparagraph (1)(a) above:

a. The Company may choose the date and time when any such period of consecutive hours commences provided that it is not earlier than the date and time of the occurrence of the first recorded individual loss sustained by the Company arising out of that disaster, accident or loss.

b. Only one period of consecutive hours shall apply with respect to one event, except that, as respects those "Loss Occurrences" referred to in subparagraph (1)(c) above, if the disaster, accident or loss occasioned by the event is of greater duration than 96 consecutive hours, then the Company may divide that disaster, accident or loss into two or more "Loss Occurrences" provided no two periods overlap and no individual loss is included in more than one such period and provided that no period commences earlier than the date and time of the occurrence of the first recorded individual loss sustained by the Company arising out of that disaster, accident or loss.

3. Losses arising from a combination of two or more perils as a result of the same event shall be considered as having arisen from one "Loss Occurrence." Furthermore, all losses arising from an event involving a combination of losses described in subparagraphs (1)(a) and (1)(b) may be considered as having arisen from one "Loss Occurrence." Notwithstanding the foregoing, the hourly limitations as stated above shall not be exceeded as respects the applicable perils, and, except as respects those "Loss Occurrences" involving a "Named Storm" referred to in subparagraph (1)(a) above, no single "Loss Occurrence" shall encompass a time period greater than 168 consecutive hours.

D. “Policy” means any binder, policy, or contract of insurance or reinsurance issued, accepted or held covered provisionally or otherwise, by or on behalf of the Company.

ARTICLE 12

EXTRA CONTRACTUAL OBLIGATIONS/EXCESS OF POLICY LIMITS

A. This Contract shall cover Extra Contractual Obligations, as provided in the definition of Ultimate Net Loss. “Extra Contractual Obligations” shall be defined as those liabilities not covered under any other provision of this Contract and that arise from the handling of any claim on business covered hereunder, such liabilities arising because of, but not limited to, the following: failure by the Company to settle within the Policy limit, or by reason of alleged or actual negligence, fraud or bad faith in rejecting an offer of settlement or in the preparation of the defense or in the trial of any action against its insured or reinsured or in the preparation or prosecution of an appeal consequent upon such action.

B. This Contract shall cover Loss in Excess of Policy Limits, as provided in the definition of Ultimate Net Loss. “Loss in Excess of Policy Limits” shall be defined as Loss in excess of the Policy limit, having been incurred because of, but not limited to, failure by the Company to settle within the Policy limit or by reason of alleged or actual negligence, fraud or bad faith in rejecting an offer of settlement or in the preparation of the defense or in the trial of any action against its insured or reinsured or in the preparation or prosecution of an appeal consequent upon such action.

C. An Extra Contractual Obligation and/or Loss in Excess of Policy Limits shall be deemed to have occurred on the same date as the loss covered under the Company’s Policy, and shall constitute part of the original loss.

D. For the purposes of the Loss in Excess of Policy Limits coverage hereunder, the word “Loss” shall mean any amounts for which the Company would have been contractually liable to pay had it not been for the limit of the original Policy.

E. Loss Adjustment Expense in respect of Extra Contractual Obligations and/or Loss in Excess of Policy Limits shall be covered hereunder in the same manner as other Loss Adjustment Expense.

F. However, this Article shall not apply where the loss has been incurred due to final legal adjudication of fraud of a member of the Board of Directors or a corporate officer of the Company acting individually or collectively or in collusion with any individual or corporation or any other organization or party involved in the presentation, defense or settlement of any claim covered hereunder.

G. In no event shall coverage be provided to the extent not permitted under law.

ARTICLE 13

NET RETAINED LIABILITY

A. This Contract applies only to that portion of any loss that the Company retains net for its own account (prior to deduction of any reinsurance that inures solely to the benefit of the Company).

B. The amount of the Reinsurer's liability hereunder in respect of any loss or losses shall not be increased by reason of the inability of the Company to collect from any other reinsurer(s), whether specific or general, any amounts that may have become due from such reinsurer(s), whether such inability arises from the insolvency of such other reinsurer(s) or otherwise.

ARTICLE 14

OTHER REINSURANCE

The Company shall be permitted to carry in force other reinsurance, recoveries under which shall inure to the benefit of this Contract.

ARTICLE 15

ORIGINAL CONDITIONS

All reinsurance under this Contract shall be subject to the same terms, conditions, waivers and interpretations, and to the same modifications and alterations as the respective Policies of the Company. However, in no event shall this be construed in any way to provide coverage outside the terms and conditions set forth in this Contract.

ARTICLE 16

NO THIRD PARTY RIGHTS

This Contract is solely between the Company and the Reinsurer, and in no instance shall any insured, claimant or other third party have any rights under this Contract except as may be expressly provided otherwise herein.

ARTICLE 17

NOTICE OF LOSS AND LOSS SETTLEMENTS

A. The Company shall advise the Reinsurer promptly if paid and estimated Ultimate Net Loss is in excess of 75% of the Company's retention, or if, in the opinion of the Company, such

Ultimate Net Loss may result in a claim hereunder. Thereafter, the Company shall advise the Reinsurer, at least monthly, of all subsequent developments thereto that may materially affect the position of the Reinsurer.

B. The Company alone and at its full discretion shall adjust, settle or compromise all claims and losses.

C. As respects losses subject to this Contract, all loss settlements made by the Company, whether under strict Policy terms or by way of compromise, and any Extra Contractual Obligations and/or Loss in Excess of Policy Limits, shall be binding upon the Reinsurer. The Reinsurer agrees to pay or allow, as the case may be, its share of each such settlement immediately upon receipt of reasonable evidence of the amount paid by the Company or that the Company estimates it will pay within the next 14 days. Within 30 days after receipt of the Reinsurer's payment, the Company shall report to the Reinsurer the Reinsurer's payment, minus the Reinsurer's share of losses subject to this Contract that the Company has paid, or become liable to pay, as of the date of the report. Any positive difference shall be remitted to the Reinsurer with the Company's report.

ARTICLE 18

LATE PAYMENTS

A. In the event any payment due either party is not received by the Intermediary by the payment due date, the party to whom payment is due may, by notifying the Intermediary in writing, require the debtor party to pay, and the debtor party agrees to pay, an interest penalty on the amount past due calculated for each such payment on the last business day of each month as follows:

1. The number of full days that have expired since the overdue date or the last monthly calculation, whichever the lesser; times

2. 1/365th of the sum of the six-month United States Treasury Bill rate as quoted in *The Wall Street Journal* on the first business day of the month for which the calculation is made, plus 1%; times

3. The amount past due, including accrued interest.

Interest shall accumulate until payment of the original amount due plus interest penalties have been received by the Intermediary.

B. The due date shall, for purposes of this Article, be determined as follows:

1. Payments from the Reinsurer to the Company shall be due on the date on which the demand for payment (including delivery of bordereaux or quarterly or monthly reports) is received by the Reinsurer, and shall be overdue 30 days thereafter.

2. Payments from the Company to the Reinsurer shall be due on the dates specified within this Contract. Payments shall be overdue 30 days thereafter except for the first installment of premium, if applicable, which shall be overdue 60 days from inception or 30 days from final line-signing, whichever the later. Reinstatement premium, if applicable, shall have as a due date the date when the Company receives payment for the claim giving rise to such reinstatement premium, and payment shall be overdue 30 days thereafter. In the event a due date is not specifically stated for a given payment, the overdue date shall be 30 days following the date of billing.

C. If the information contained in the Company's demand for payment is insufficient or not in accordance with the conditions of this Contract, then within 30 days the Reinsurer shall request from the Company all additional information necessary to validate its claim and the payment due date as defined in paragraph B shall be deemed to be the date upon which the Reinsurer received the requested additional information. This paragraph is only for the purpose of establishing when a payment is overdue, and shall not alter the provisions of the Notice of Loss and Loss Settlements Article or other pertinent contractual stipulations.

D. In the event arbitration is necessary to settle a dispute, the panel shall have the authority to make a determination awarding interest to the prevailing party. Interest, if any, awarded by the panel shall supersede the interest amounts outlined herein.

E. Any interest owed pursuant to this Article may be waived by the party to which it is owed. Waiver of such interest, however, shall not affect the waiving party's rights to other interest amounts due as a result of this Article.

ARTICLE 19

OFFSET

Each party hereto shall have, and may exercise at any time and from time to time, the right to offset any and all balances due from a party to the other arising under this Contract. In the event of the insolvency of a party hereto, offsets shall only be allowed in accordance with the provisions of any applicable law governing offset entitlement.

ARTICLE 20

CURRENCY

A. Where the word “Dollars” and/or the sign “$” appear in this Contract, they shall mean United States Dollars, and all payments hereunder shall be in United States Dollars.

B. For purposes of this Contract, where the Company receives premiums or pays losses in currencies other than United States Dollars, such premiums or losses shall be converted into United States Dollars at the actual rates of exchange at which these premiums or losses are entered in the Company’s books.

ARTICLE 21

UNAUTHORIZED REINSURANCE

A. This Article applies:

1. only to the extent a Subscribing Reinsurer does not qualify for credit with any insurance regulatory authority having jurisdiction over the Company’s reserves, or

2. to a Subscribing Reinsurer qualified as a reciprocal jurisdiction reinsurer with any such insurance regulatory authority in the event such Subscribing Reinsurer resists enforcement of a final judgment that is enforceable under the law of the jurisdiction in which it was obtained or a properly enforceable arbitration or arbitral award obtained by the Company or any legal successor, in which case such Subscribing Reinsurer shall fund 100% of its share of the Reinsurer’s Obligations as hereinafter provided.

B. The Company agrees, in respect of its Policies or bonds falling within the scope of this Contract, that when it files with its insurance regulatory authority, or sets up on its books liabilities as required by law, it shall forward to the Reinsurer a statement showing the proportion of such liabilities applicable to the Reinsurer. The “Reinsurer’s Obligations” shall be defined as follows:

1. unearned premium (if applicable);

2. known outstanding losses that have been reported to the Reinsurer and Loss Adjustment Expense relating thereto;

3. losses and Loss Adjustment Expense paid by the Company but not recovered from the Reinsurer;

4. losses incurred but not reported and Loss Adjustment Expense relating thereto;

5. all other amounts for which the Company cannot take credit on its financial statements unless funding is provided by the Reinsurer.

C. The Reinsurer's Obligations shall be funded by funds withheld, cash advances, Trust Agreement or a Letter of Credit (LOC). The Reinsurer shall have the option of determining the method of funding provided it is acceptable to the insurance regulatory authorities having jurisdiction over the Company's reserves.

D. When funding by Trust Agreement, the Reinsurer shall ensure that the Trust Agreement complies with the provisions of the "Trust Agreement Requirements Clause" attached hereto. When funding by an LOC, the Reinsurer agrees to apply for and secure timely delivery to the Company of a clean, irrevocable and unconditional LOC issued by a bank and containing provisions acceptable to the insurance regulatory authorities having jurisdiction over the Company's reserves in an amount equal to the Reinsurer's Obligations. Such LOC shall be issued for a period of not less than one year, and shall be automatically extended for one year from its date of expiration or any future expiration date unless 30 days (or such other time period as may be required by insurance regulatory authorities), prior to any expiration date the issuing bank shall notify the Company by certified or registered mail that the issuing bank elects not to consider the LOC extended for any additional period.

E. The Reinsurer and the Company agree that any funding provided by the Reinsurer pursuant to the provisions of this Contract may be drawn upon at any time, notwithstanding any other provision of this Contract, and be utilized by the Company or any successor, by operation of law, of the Company including, without limitation, any liquidator, rehabilitator, receiver or conservator of the Company, for the following purposes, unless otherwise provided for in a separate Trust Agreement:

1. to reimburse the Company for the Reinsurer's Obligations, the payment of which is due under the terms of this Contract and that has not been otherwise paid;

2. to make refund of any sum that is in excess of the actual amount required to pay the Reinsurer's Obligations under this Contract (or in excess of 102% of the Reinsurer's Obligations, if funding is provided by a Trust Agreement);

3. to fund an account with the Company for the Reinsurer's Obligations. Such cash deposit shall be held in an interest bearing account separate from the Company's other assets, and interest thereon not in excess of the prime rate shall accrue to the benefit of the Reinsurer. Any taxes payable on accrued interest shall be paid out of the assets in the account that are in excess of the Reinsurer's Obligations (or in excess of 102% of the Reinsurer's Obligations, if funding is provided by a Trust Agreement). If the assets are inadequate to pay taxes, any taxes due shall be paid or reimbursed by the Reinsurer;

4. to pay the Reinsurer's share of any other amounts the Company claims are due under this Contract.

F. If the amount drawn by the Company is in excess of the actual amount required for E(1) or E(3), or in the case of E(4), the actual amount determined to be due, the Company shall promptly return to the Reinsurer the excess amount so drawn. All of the foregoing shall be applied without diminution because of insolvency on the part of the Company or the Reinsurer.

G. The issuing bank shall have no responsibility whatsoever in connection with the propriety of withdrawals made by the Company or the disposition of funds withdrawn, except to ensure that withdrawals are made only upon the order of properly authorized representatives of the Company.

H. At annual intervals, or more frequently at the discretion of the Company, but never more frequently than quarterly, the Company shall prepare a specific statement of the Reinsurer's Obligations for the sole purpose of amending the LOC or other method of funding, in the following manner:

1. If the statement shows that the Reinsurer's Obligations exceed the balance of the LOC as of the statement date, the Reinsurer shall, within 30 days after receipt of the statement, secure delivery to the Company of an amendment to the LOC increasing the amount of credit by the amount of such difference. Should another method of funding be used, the Reinsurer shall, within the time period outlined above, increase such funding by the amount of such difference.

2. If, however, the statement shows that the Reinsurer's Obligations are less than the balance of the LOC (or that 102% of the Reinsurer's Obligations are less than the trust account balance if funding is provided by a Trust Agreement), as of the statement date, the Company shall, within 30 days after receipt of written request from the Reinsurer, release such excess credit by agreeing to secure an amendment to the LOC reducing the amount of credit available by the amount of such excess credit. Should another method of funding be used, the Company shall, within the time period outlined above, decrease such funding by the amount of such excess.

ARTICLE 22

TAXES

A. In consideration of the terms under which this Contract is issued, the Company undertakes not to claim any deduction of the premium hereon when making Canadian tax returns or when making tax returns, other than Income or Profits Tax returns, to any state or territory of the United States of America or to the District of Columbia.

B. 1. Each Subscribing Reinsurer has agreed to allow, for the purpose of paying the Federal Excise Tax, the applicable percentage of the premium payable hereon (as imposed under the Internal Revenue Code) to the extent such premium is subject to Federal Excise Tax.

2. In the event of any return of premium becoming due hereunder, the Subscribing Reinsurer shall deduct the applicable percentage of the premium from the amount of the return, and the Company or its agent should take steps to recover the Tax from the U.S. Government.

ARTICLE 23

ACCESS TO RECORDS

A. The Reinsurer or its duly authorized representatives shall have the right to visit the offices of the Company to inspect, examine, audit, and verify any of the policy, accounting or claim files ("Records") relating to business reinsured under this Contract during regular business hours after giving five working days' prior notice. This right shall be exercisable during the term of this Contract or after the expiration of this Contract. Notwithstanding the above, the Reinsurer shall not have any right of access to the Records of the Company if it is not current in all undisputed payments due the Company.

B. Notwithstanding the above, the Company reserves the right to withhold from the Reinsurer any Privileged Documents. However, the Company shall permit and not object to the Reinsurer's access to Privileged Documents in connection with the underlying claim reinsured hereunder following final settlement or final adjudication of the case or cases involving such claim, with prejudice against all claimants and all parties to such adjudications; the Company may defer release of such Privileged Documents if there are subrogation, contribution, or other third party actions with respect to that claim or case, and the Company's defense might be jeopardized by release of such Privileged Documents. In the event that the Company seeks to defer release of such Privileged Documents, it shall, in consultation with the Reinsurer, take other steps as reasonably necessary to provide the Reinsurer with the information it reasonably requires to indemnify the Company without causing a loss of such privileges or protections. The Reinsurer shall not have access to Privileged Documents relating to any dispute between the Company and the Reinsurer.

C. For purposes of this Article:

1. "Privileged Documents" means any documents that are Attorney-Client Privilege Documents and/or Work Product Privilege Documents.

2. "Attorney-Client Privilege Documents" means communications of a confidential nature between (a) the Company, or anyone retained by or at the direction of the

Company, or its in-house or outside legal counsel, or anyone in the control of such legal counsel, and (b) any in-house or outside legal counsel, if such communications relate to legal advice being sought by the Company and/or contain legal advice being provided to the Company.

3. “Work Product Privilege Documents” means communications, written materials and tangible things prepared by or for in-house or outside counsel, or prepared by or for the Company, in anticipation of or in connection with litigation, arbitration, or other dispute resolution proceedings.

ARTICLE 24

CONFIDENTIALITY

A. The Reinsurer hereby acknowledges that the documents, information and data provided to it by the Company, whether directly or through an authorized agent, in connection with the placement and execution of this Contract (“Confidential Information”) are proprietary and confidential to the Company. Confidential Information shall not include documents, information or data that the Reinsurer can show:

1. are publicly known or have become publicly known through no unauthorized act of the Reinsurer;

2. have been rightfully received from a third person without obligation of confidentiality; or

3. were known by the Reinsurer prior to the placement of this Contract without an obligation of confidentiality.

B. Absent the written consent of the Company, the Reinsurer shall not disclose any Confidential Information to any third parties, including any affiliated companies (except to the extent necessary to enable affiliated companies or third parties engaged by the Reinsurer to perform services related to this Contract on behalf of the Reinsurer), except:

1. when required by retrocessionaires as respects business ceded to this Contract;

2. when required by regulators performing an audit of the Reinsurer’s records and/or financial condition; or

3. when required by external auditors performing an audit of the Reinsurer’s records in the normal course of business.

Further, the Reinsurer agrees not to use any Confidential Information for any purpose not related to the performance of its obligations or enforcement of its rights under this Contract.

C. Notwithstanding the above, in the event that the Reinsurer is required by court order, other legal process or any regulatory authority to release or disclose any or all of the Confidential Information, the Reinsurer agrees to provide the Company with written notice of same at least 10 days prior to such release or disclosure and to use its best efforts to assist the Company in maintaining the confidentiality provided for in this Article.

D. The provisions of this Article shall extend to the officers, directors and employees of the Reinsurer and its affiliates, and shall be binding upon their successors and assigns.

ARTICLE 25

INDEMNIFICATION AND ERRORS AND OMISSIONS

A. The Reinsurer is reinsuring, subject to the terms and conditions of this Contract, the obligations of the Company under any Policy. The Company shall be the sole judge as to:

1. what shall constitute a claim or loss covered under any Policy;

2. the Company's liability thereunder; and

3. the amount or amounts that it shall be proper for the Company to pay thereunder.

B. The Reinsurer shall be bound by the judgment of the Company as to the obligation(s) and liability(ies) of the Company under any Policy.

C. Any inadvertent error, omission or delay in complying with the terms and conditions of this Contract shall not be held to relieve either party hereto from any liability that would attach to it hereunder if such error, omission or delay had not been made, provided such error, omission or delay is rectified immediately upon discovery.

D. Nothing in this Article shall be construed to override any of the other terms and conditions of this Contract.

ARTICLE 26

INSOLVENCY

A. If more than one reinsured company is referenced within the definition of "Company" in the Preamble to this Contract, this Article shall apply severally to each such company. Further, this Article and the laws of the domiciliary state shall apply in the event of the insolvency of any company covered hereunder. In the event of a conflict between any provision of this Article and the laws of the domiciliary state of any company covered hereunder, that domiciliary state's laws shall prevail.

B. In the event of the insolvency of the Company, this reinsurance (or the portion of any risk or obligation assumed by the Reinsurer, if required by applicable law) shall be payable directly to the Company, or to its liquidator, receiver, conservator or statutory successor, either: (1) on the basis of the liability of the Company, or (2) on the basis of claims filed and allowed in the liquidation proceeding, whichever may be required by applicable statute, without diminution because of the insolvency of the Company or because the liquidator, receiver, conservator or statutory successor of the Company has failed to pay all or a portion of any claim. It is agreed, however, that the liquidator, receiver, conservator or statutory successor of the Company shall give written notice to the Reinsurer of the pendency of a claim against the Company indicating the Policy or bond reinsured, which claim would involve a possible liability on the part of the Reinsurer within a reasonable time after such claim is filed in the conservation or liquidation proceeding or in the receivership, and that during the pendency of such claim, the Reinsurer may investigate such claim and interpose, at its own expense, in the proceeding where such claim is to be adjudicated any defense or defenses that it may deem available to the Company or its liquidator, receiver, conservator or statutory successor. The expense thus incurred by the Reinsurer shall be chargeable, subject to the approval of the court, against the Company as part of the expense of conservation or liquidation to the extent of a pro rata share of the benefit that may accrue to the Company solely as a result of the defense undertaken by the Reinsurer.

C. Where two or more reinsurers are involved in the same claim and a majority in interest elect to interpose defense to such claim, the expense shall be apportioned in accordance with the terms of this reinsurance Contract as though such expense had been incurred by the Company.

D. As to all reinsurance made, ceded, renewed or otherwise becoming effective under this Contract, the reinsurance shall be payable as set forth above by the Reinsurer to the Company or to its liquidator, receiver, conservator or statutory successor, (except as provided by Section 4118(a)(1)(A) of the New York Insurance Law, provided the conditions of 1114(c) of such law have been met, if New York law applies) or except (1) where the Contract specifically provides another payee in the event of the insolvency of the Company, or (2) where the Reinsurer, with the consent of the direct insured or insureds, has assumed such Policy obligations of the Company as direct obligations of the Reinsurer to the payees under such Policies and in substitution for the obligations of the Company to such payees. Then, and in that event only, the Company, with the prior approval of the certificate of assumption on New York risks by the Superintendent of Financial Services of the State of New York, or with the prior approval of such other regulatory authority as may be applicable, is entirely released from its obligation and the Reinsurer shall pay any loss directly to payees under such Policy.

ARTICLE 27

RUN-OFF REINSURER

A. “Run-off Reinsurer” means any Subscribing Reinsurer that:

1. has been ordered by a state insurance department or other legal authority to cease writing business, or has been placed under regulatory supervision or in rehabilitation; or

2. has ceased reinsurance underwriting operations; or

3. has transferred its claims-paying authority to an unaffiliated entity; or

4. engages in a process of Scheme of Arrangement or similar procedure related to this Contract, including but not limited to an insurance business transfer scheme pursuant to Part VII of the Financial Services and Markets Act 2000 (U.K.), as may be amended from time to time; or

5. in any other way has assigned its interests or delegated its obligations under this Contract to an unaffiliated entity.

Notwithstanding the foregoing, agreement by a Lloyd’s syndicate to follow claim settlements procedures under Lloyd’s Claims Scheme (Combined) shall not constitute a transfer of its claims-paying authority, for purposes of subparagraphs (3) and (5) of this paragraph.

B. Notwithstanding any other provision of this Contract, in the event that a Subscribing Reinsurer becomes a Run-off Reinsurer at any time, the Company may elect, by giving written notice to the Run-off Reinsurer at any time thereafter, that all or any of the following shall apply to the Run-off Reinsurer’s participation hereunder:

1. Should the Run-off Reinsurer fail to pay amounts due hereunder, the interest penalty specified in the Late Payments Article shall be increased by 0.5% for each 30 days that a payment is past due, subject to a maximum increase of 7.0%.

2. The Run-off Reinsurer’s liability for losses for Policies covered by this Contract shall be commuted. In the event the Company and the Run-off Reinsurer cannot agree on the commutation amount of the Run-off Reinsurer’s liability under such Policies, they shall appoint an actuary and/or appraiser to assess such liability and shall share equally any expense of the actuary and/or appraiser. If the Company and the Run-off Reinsurer cannot agree on an actuary and/or appraiser, the Company and the Run-off Reinsurer each shall nominate three individuals, of whom the other shall decline two, and the final appointment shall be made by drawing lots. Payment by the Run-off Reinsurer of the

amount of liability ascertained shall constitute a complete and final release of both parties under this Contract.

3. The Run-off Reinsurer shall have no right of access to the Records of the Company if the Run-off Reinsurer has denied payment of any claim hereunder or there is a pending arbitration between the Company and the Run-off Reinsurer regarding any claim hereunder. A reservation of rights shall be considered a denial of a claim. Notwithstanding the above, the Run-off Reinsurer shall continue to have access to Records of the Company for any claim for which it has raised a query within 30 days of its receipt of a billing, but any inspection of Records must be completed within 90 days of receipt of billing or access will be deemed waived.

4. The provisions of the Arbitration Article shall not apply.

C. The Company's waiver of any rights provided in this Article is not a waiver of that right or other rights at a later date.

ARTICLE 28

ARBITRATION

A. Any dispute arising out of the interpretation, performance or breach of this Contract, including the formation or validity thereof, shall be submitted for decision to a panel of three arbitrators. Notice requesting arbitration shall be in writing and sent certified or registered mail, return receipt requested.

B. One arbitrator shall be chosen by each party and the two arbitrators shall then choose an impartial third arbitrator who shall preside at the hearing. If either party fails to appoint its arbitrator within 30 days after being requested to do so by the other party, the latter, after 10 days' prior notice by certified or registered mail of its intention to do so, may appoint the second arbitrator.

C. If the two arbitrators do not agree on a third arbitrator within 60 days of their appointment, the third arbitrator shall be chosen in accordance with the procedures for selecting the third arbitrator in force on the date the arbitration is demanded, established by the AIDA Reinsurance and Insurance Arbitration Society – U.S. (ARIAS). The arbitrators shall be persons knowledgeable about insurance and reinsurance who have no personal or financial interest in the result of the arbitration. If a member of the panel dies, becomes disabled or is otherwise unwilling or unable to serve, a substitute shall be selected in the same manner as the departing member was chosen and the arbitration shall continue.

D. Within 30 days after all arbitrators have been appointed, the panel shall meet and determine timely periods for briefs, discovery procedures and schedules of hearings.

E. The panel shall be relieved of all judicial formality and shall not be bound by the strict rules of procedure and evidence. Notwithstanding anything to the contrary in this Contract, the arbitrators may at their discretion, consider underwriting and placement information provided by the Company to the Reinsurer, as well as any correspondence exchanged by the parties that is related to this Contract. The arbitration shall take place in Tampa, Florida, or at such other place as the parties shall agree. The decision of any two arbitrators shall be in writing and shall be final and binding. The panel is empowered to grant interim relief as it may deem appropriate.

F. The panel shall interpret this Contract as an honorable engagement rather than as merely a legal obligation and shall make its decision considering the custom and practice of the applicable insurance and reinsurance business as promptly as possible after the hearings. Judgment upon an award may be entered in any court having jurisdiction thereof.

G. Each party shall bear the expense of its own arbitrator and shall jointly and equally bear with the other party the cost of the third arbitrator. The remaining costs of the arbitration shall be allocated by the panel. The panel may, at its discretion, award such further costs and expenses as it considers appropriate, including but not limited to attorneys' fees, to the extent permitted by law.

ARTICLE 29

EXPEDITED ARBITRATION

A. Notwithstanding the provisions of the Arbitration Article, in the event an amount in dispute hereunder $1,000,000 or less, the parties will submit to an expedited arbitration process with the use of a single arbitrator. The arbitrator will be chosen in accordance with the procedures for selecting an arbitrator in force on the date the arbitration is demanded, established by the AIDA Reinsurance and Insurance Arbitration Society - U.S. (ARIAS).

B. Each party's case will be submitted to the arbitrator within 100 calendar days of the date of determination of the arbitrator. Discovery will be limited to exchanging only those documents directly relating to the issue in dispute, subject to a limit of two discovery depositions from each party, unless otherwise authorized by the arbitrator upon a showing of good cause.

C. Within 120 calendar days of the date of determination of the arbitrator, the hearing will be completed and a written award will be issued by the arbitrator. As the parties agree that time is of the essence, the sole arbitrator does not have the authority to lengthen the schedule, absent agreement of both parties. The arbitrator will have all the powers conferred on the arbitration panel as provided in the Arbitration Article, and said Article will apply to all matters not specifically addressed above.

ARTICLE 30

SERVICE OF SUIT

A. This Article applies only to those Subscribing Reinsurers not domiciled in the United States of America, and/or not authorized in any state, territory and/or district of the United States of America where authorization is required by insurance regulatory authorities.

B. This Article shall not be read to conflict with or override the obligations of the parties to arbitrate their disputes as provided for in the Arbitration Article. This Article is intended as an aid to compelling arbitration or enforcing such arbitration or arbitral award, not as an alternative to the Arbitration Article for resolving disputes arising out of this Contract.

C. In the event of the failure of the Reinsurer to perform its obligations hereunder, the Reinsurer, at the request of the Company, shall submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this Article constitutes or should be understood to constitute a waiver of the Reinsurer's rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. The Reinsurer, once the appropriate court is selected, whether such court is the one originally chosen by the Company and accepted by the Reinsurer or is determined by removal, transfer, or otherwise, as provided for above, shall comply with all requirements necessary to give said court jurisdiction and, in any suit instituted against the Reinsurer upon this Contract, shall abide by the final decision of such court or of any appellate court in the event of an appeal.

D. Service of process in such suit may be made upon:

1. as respects Underwriting Members of Lloyd's, London: Lloyd's America, Inc., Attention: Legal Department, 280 Park Avenue, East Tower, 25th Floor, New York, New York 10017;

2. as respects any other Subscribing Reinsurer: Messrs. Mendes and Mount, 750 Seventh Avenue, New York, New York 10019-6829, or another party specifically designated in the Subscribing Reinsurer's Interests and Liabilities Agreement attached hereto.

The above-named are authorized and directed to accept service of process on behalf of the Reinsurer in any such suit.

E. Further, pursuant to any statute of any state, territory or district of the United States that makes provision therefor, the Reinsurer hereby designates the Superintendent, Commissioner or Director of Insurance, or other officer specified for that purpose in the statute, or his successor or successors in office, as its true and lawful attorney upon whom

may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Company or any beneficiary hereunder arising out of this Contract, and hereby designates the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

ARTICLE 31

GOVERNING LAW

This Contract shall be governed as to performance, administration and interpretation by the laws of the State of Florida, exclusive of conflict of law rules. However, with respect to credit for reinsurance, the rules of all applicable states shall apply.

ARTICLE 32

ENTIRE AGREEMENT

This Contract sets forth all of the duties and obligations between the Company and the Reinsurer and supersedes any and all prior or contemporaneous written agreements with respect to matters referred to in this Contract. This Contract may not be modified or changed except by an amendment to this Contract in writing signed by both parties. However, this Article shall not be construed as limiting the admissibility of evidence regarding the formation, interpretation, purpose or intent of this Contract.

ARTICLE 33

NON-WAIVER

The failure of the Company or the Reinsurer to insist on compliance with this Contract or to exercise any right or remedy hereunder shall not constitute a waiver of any rights contained in this Contract nor prevent either party from thereafter demanding full and complete compliance nor prevent either party from exercising such remedy in the future.

ARTICLE 34

SANCTION LIMITATION AND EXCLUSION CLAUSE (LMA 3100)

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

ARTICLE 35

INTERMEDIARY

Guy Carpenter & Company, LLC, is hereby recognized as the Intermediary negotiating this Contract for all business hereunder. All communications (including notices, statements, premiums, return premiums, commissions, taxes, losses, Loss Adjustment Expenses, salvages, and loss settlements) relating thereto shall be transmitted to the Company or the Reinsurer through the Intermediary. Payments by the Company to the Intermediary shall be deemed payment to the Reinsurer. Payments by the Reinsurer to the Intermediary shall be deemed payment to the Company only to the extent that such payments are actually received by the Company.

ARTICLE 36

MODE OF EXECUTION

A. This Contract may be executed by:

1. an original written ink signature of paper documents;

2. an exchange of facsimile copies showing the original written ink signature of paper documents;

3. electronic signature technology employing computer software and a digital signature or digitizer pen pad to capture a person's handwritten signature in such a manner that the signature is unique to the person signing, is under the sole control of the person signing, is capable of verification to authenticate the signature and is linked to the document signed in such a manner that if the data is changed, such signature is invalidated.

B. The use of any one or a combination of these methods of execution shall constitute a legally binding and valid signing of this Contract. This Contract may be executed in one or more counterparts, each of which, when duly executed, shall be deemed an original.

IN WITNESS WHEREOF, the Company has caused this Contract to be executed by its duly authorized representative(s), who also confirms the Company's review of and agreement to be bound by the terms and conditions of the Interests and Liabilities Agreements attached to and forming part of this Contract;

On this _____ day of _____, in the year of 20___.

TYPTAP INSURANCE COMPANY

Signature: _ Title: _

Print Name: _

And on this _____ day of _____, in the year of 20___.

HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC.

Signature: _ Title: _

Print Name: _

PROPERTY CATASTROPHE EXCESS OF LOSS REINSURANCE CONTRACT

POOLS, ASSOCIATIONS & SYNDICATES EXCLUSIONS CLAUSE

Section A:

This Contract excludes:

a. All business derived directly or indirectly from any Pool, Association or Syndicate which maintains its own reinsurance facilities.

b. Any Pool or Scheme (whether voluntary or mandatory) formed after March 1, 1968 for the purpose of insuring property, whether on a country-wide basis or in respect of designated areas. This exclusion shall not apply to so-called Automobile Insurance Plans or other Pools formed to provide coverage for Automobile Physical Damage.

Section B:

1. This Contract excludes business written by the Company for the same perils, which is known at the time to be insured by, or in excess of underlying amounts placed in, any Pool, Association or Syndicate, whether by way of insurance or reinsurance, formed for the purpose of writing any of the following:

Oil, Gas or Petro-Chemical Plants

Oil or Gas Drilling Rigs and/or

Aviation Risks

2. The exclusion under paragraph 1 of this Section B does not apply:

a. Where the Total Insured Value over all interests of the risk in question is less than $250,000,000.

b. To interests traditionally underwritten as Inland Marine and/or Stock and/or Contents written on a Blanket basis.

c. To Contingent Business Interruption, except when the Company is aware that the key location is known at the time to be insured in any Pool, Association or Syndicate named above, other than as provided for under subparagraph (a).

Section C:

1. Nevertheless the Reinsurer specifically agrees that liability accruing to the Company from its participation in Residual Market Mechanisms, including but not limited to the following, for all perils otherwise protected hereunder shall not be excluded herefrom:

a. So-called “Beach and Windstorm Plans” and so-called “Coastal Pools”;

b. All “FAIR Plan” and “Rural Risk Plan” business;

c. Louisiana Citizens Property Insurance Corporation;

d. California Earthquake Authority (“CEA”) or any similar entity.

Notwithstanding the above, assessments related to the Florida Hurricane Catastrophe Fund, Reinsurance to Assist Policyholders, and Citizens Property Insurance Corporation (Florida) shall be excluded hereunder.

2. However, this reinsurance does not include any increase in such liability resulting from:

a. The inability of any other participant in such Residual Market Mechanisms to meet its liability;

b. Any claim against a Residual Market Mechanism or any participant therein, including the Company, whether by way of subrogation or otherwise, brought by or on behalf of any insolvency fund (as defined in the Exclusions Article);

c. Any assessment or surcharge levied on the policyholder and therefore not a liability of the Company;

d. The Company’s initial capital contribution to the CEA;

e. Any assessments, other than interim and regular assessments, from a Residual Market Mechanism included in subparagraph 1(c) above;

f. Any expenditure to purchase or retire bonds.

3. The Company may include in Ultimate Net Loss for any Loss Occurrence covered hereunder only the liability attributable to that Loss Occurrence. If the relevant entity does not specify what portion of an assessment is attributable to each Loss Occurrence, the Company may include in Ultimate Net Loss in respect of each Loss Occurrence a percentage of the Company’s assessments from the relevant entity related to the calendar year in which the Loss Occurrence commenced, regardless of when assessed, such percentage to be determined by dividing the relevant entity’s losses arising from the Loss Occurrence by its total losses for the calendar year.

4. The Company will deduct from Ultimate Net Loss amounts received as recoupment of any assessment that has been included in the Ultimate Net Loss, provided the recoupment is directly allocable to the assessment (“itemized recoupment”). The Company shall use commercially reasonable efforts to recoup such assessment. Any amount received as an

itemized recoupment of any assessment (whether under this Contract or any predecessor contract), and therefore deductible from Ultimate Net Loss, shall not be included in the subject premium of this Contract.

However, if a state levies assessments but does not allow itemized recoupment from policyholders, instead allowing the Company to file an overall increased rate, any such premium increased thereby shall not be deemed to be a recoupment that is deductible from Ultimate Net Loss. Any recoupment received as part of a general premium rate increase, not specifically itemized, shall be included as part of the subject premium of this Contract or a successor contract, as applicable.

OTES: Wherever used herein the terms:

"Company" shall be understood to mean "Company", "Reinsured", "Reassured" or whatever other term is used in the attached reinsurance document to designate the reinsured company or companies.

"Contract" shall be understood to mean "Agreement," "Contract," "Policy" or whatever other term is used to designate the attached reinsurance document.

"Reinsurer" shall be understood to mean "Reinsurer," "Reinsurers," "Underwriters" or whatever other term is used in the attached reinsurance document to designate the reinsurer or reinsurers.

NUCLEAR INCIDENT EXCLUSION CLAUSE - PHYSICAL DAMAGE - REINSURANCE - U.S.A.

1. This Reinsurance does not cover any loss or liability accruing to the Reassured, directly or indirectly, and whether as Insurer or Reinsurer, from any Pool of Insurers or Reinsurers formed for the purpose of covering Atomic or Nuclear Energy risks.

2. Without in any way restricting the operation of paragraph (1) of this clause, this Reinsurance does not cover any loss or liability accruing to the Reassured, directly or indirectly and whether as Insurer or Reinsurer, from any insurance against Physical Damage (including business interruption or consequential loss arising out of such Physical Damage) to:

   I. Nuclear reactor power plants including all auxiliary property on the site, or

   II. Any other nuclear reactor installation, including laboratories handling radioactive materials in connection with reactor installations, and “critical facilities” as such, or

   III. Installations for fabricating complete fuel elements or for processing substantial quantities of “special nuclear material”, and for reprocessing, salvaging, chemically separating, storing or disposing of “spent” nuclear fuel or waste materials, or

   IV. Installations other than those listed in paragraph (2) III above using substantial quantities of radioactive isotopes or other products of nuclear fission.

3. Without in any way restricting the operations of paragraphs (1) and (2) hereof, this Reinsurance does not cover any loss or liability by radioactive contamination accruing to the Reassured, directly or indirectly, and whether as Insurer or Reinsurer, from any insurance on property which is on the same site as a nuclear reactor power plant or other nuclear installation and which normally would be insured therewith except that this paragraph (3) shall not operate

   (a) where Reassured does not have knowledge of such nuclear reactor power plant or nuclear installation, or

   (b) where said insurance contains a provision excluding coverage for damage to property caused by or resulting from radioactive contamination, however caused. However on and after 1st January 1960 this sub-paragraph (b) shall only apply provided the said radioactive contamination exclusion provision has been approved by the Governmental Authority having jurisdiction thereof.

4. Without in any way restricting the operations of paragraphs (1), (2) and (3) hereof, this Reinsurance does not cover any loss or liability by radioactive contamination accruing to the Reassured, directly or indirectly, and whether as Insurer or Reinsurer, when such radioactive contamination is a named hazard specifically insured against.

5. It is understood and agreed that this clause shall not extend to risks using radioactive isotopes in any form where the nuclear exposure is not considered by the Reassured to be the primary hazard.

6. The term “special nuclear material” shall have the meaning given it in the Atomic Energy Act of 1954 or by any law amendatory thereof.

7. Reassured to be sole judge of what constitutes:

(a) substantial quantities, and

(b) the extent of installation, plant or site.

Note: Without in any way restricting the operation of paragraph (1) hereof, it is understood and agreed that

(a) all policies issued by the Reassured on or before 31st December 1957 shall be free from the application of the other provisions of this Clause until expiry date or 31st December 1960 whichever first occurs whereupon all the provisions of this Clause shall apply.

(b) with respect to any risk located in Canada policies issued by the Reassured on or before 31st December 1958 shall be free from the application of the other provisions of this Clause until expiry date or 31st December 1960 whichever first occurs whereupon all the provisions of this Clause shall apply.

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OTES: Wherever used herein the terms:

“Reassured” shall be understood to mean “Company”, “Reinsured”, “Reassured” or whatever other term is used in the attached reinsurance document to designate the reinsured company or companies.

“Agreement” shall be understood to mean “Agreement”, “Contract”, “Policy” or whatever other term is used to designate the attached reinsurance document.

“Reinsurers” shall be understood to mean “Reinsurers”, “Underwriters” or whatever other term is used in the attached reinsurance document to designate the reinsurer or reinsurers.

EXHIBIT 10.30. Certain identified information has been excluded from this exhibit because it is immaterial and would be competitively harmful if publicly disclosed. Information that has been omitted is indicated with brackets.

TERRORISM EXCLUSION

A. Notwithstanding any provision to the contrary within this Contract or any endorsement thereto, it is agreed that this Contract excludes loss, damage, cost, or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any Act of Terrorism, as defined herein, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

B. An “Act of Terrorism” includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organization(s) or government(s) de jure or de facto, and which:

a. involves violence against one or more persons; or

b. involves damage to property; or

c. endangers life other than that of the person committing the action; or

d. creates a risk to health or safety of the public or a section of the public; or

e. is designed to interfere with or to disrupt an electronic system.

C. This Contract also excludes loss, damage, cost, or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any action in controlling, preventing, suppressing, retaliating against, or responding to any Act of Terrorism.

D. Notwithstanding the above and subject otherwise to the terms, conditions, and limitations of this Contract, in respect only of personal lines, this Contract shall pay actual loss or damage (but not related cost or expense) caused by any Act of Terrorism, provided such act is not directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with biological, chemical, radiological or nuclear pollution or contamination.

LIMITED COMMUNICABLE DISEASE EXCLUSION NO. 2 (PROPERTY TREATY REINSURANCE)

1. Notwithstanding any provision to the contrary within this reinsurance agreement, this reinsurance agreement excludes any loss, damage, liability, claim, cost or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease regardless of any other cause or event contributing concurrently or in any other sequence thereto.

2. Subject to the other terms, conditions and exclusions contained in this reinsurance agreement, this reinsurance agreement will cover physical damage to property insured under the original policies and any Time Element Loss directly resulting therefrom where such physical damage is directly caused by or arising from any of the following perils: fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, rainstorm, hail, tornado, cyclone, typhoon, hurricane, earthquake, seaquake, seismic and/or volcanic disturbance/eruption, tsunami, flood, freeze, ice storm, weight of snow or ice, avalanche, meteor/asteroid impact, landslip, landslide, mudslide, bush fire, forest fire, riot, riot attending a strike, civil commotion, vandalism and malicious mischief.

Definitions

3. Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

   3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and

   3.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and

   3.3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

4. Time Element Loss means business interruption, contingent business interruption or any other consequential losses.

LMA5503

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CYBER LOSS LIMITED EXCLUSION CLAUSE (PROPERTY TREATY REINSURANCE)

1. Notwithstanding any provision to the contrary within this reinsurance agreement or any endorsement thereto, this reinsurance agreement excludes all loss, damage, liability, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with:

1.2. any loss of, alteration of, or damage to or a reduction in the functionality, availability or operation of a Computer System, unless subject to the provisions of paragraph 2;

1.3. any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data.

2. Subject to the other terms, conditions and exclusions contained in this reinsurance agreement, this reinsurance agreement will cover physical damage to property insured under the original policies and any Time Element Loss directly resulting therefrom where such physical damage is directly occasioned by any of the following perils:

fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, tsunami, flood, freeze or weight of snow

Definitions

3. Computer System means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility.

4. Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

5. Time Element Loss means business interruption, contingent business interruption or any other consequential losses.

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06 March 2020

TRUST AGREEMENT REQUIREMENTS CLAUSE

A. Except as provided in paragraph B of this Clause, if the Reinsurer satisfies its funding obligations under the Unauthorized Reinsurance Article by providing a Trust Agreement, the Reinsurer shall ensure that the Trust Agreement:

1. Requires the Reinsurer to establish a trust account for the benefit of the Company, and specifies what the Trust Agreement is to cover;

2. Stipulates that assets deposited in the trust account shall be valued according to their current fair market value and shall consist only of cash (United States legal tender), and certificates of deposit (issued by a United States bank and payable in United States legal tender), or any combination of the two, provided that the investments are issued by an institution that is not the parent, subsidiary or affiliate of either the Reinsurer or the Company;

3. Requires the Reinsurer, prior to depositing assets with the trustee, to execute assignments or endorsements in blank, or to transfer legal title to the trustee of all shares, obligations or any other assets requiring assignments, in order that the Company, or the trustee upon the direction of the Company, may whenever necessary negotiate these assets without consent or signature from the Reinsurer or any other entity;

4. Requires that all settlements of account between the Company and the Reinsurer be made in cash or its equivalent; and

5. Provides that assets in the trust account shall be withdrawn only as permitted in this Contract, without diminution because of the insolvency of the Company or the Reinsurer.

B. If a ceding insurer is domiciled in California and the Reinsurer satisfies its funding obligations under the Unauthorized Reinsurance Article by providing a Trust Agreement, the Reinsurer shall ensure that the Trust Agreement:

1. Provides that assets deposited in the trust account shall be valued according to their current fair market value and shall consist only of cash in United States dollars, certificates of deposit issued by a United States financial institution as defined in California Insurance Code Section 922.7(a) and payable in United States dollars, and investments permitted by the California Insurance Code, or any combination of the above.

2. Provides that investments in or issued by an entity controlling, controlled by or under common control with either the grantor or the beneficiary of the trust shall not exceed 5% of total investments.

3. Requires the Reinsurer, prior to depositing assets with the trustee, to execute assignments or endorsements in blank, or to transfer legal title to the trustee of all shares, obligations or any other assets requiring assignments, in order that the ceding insurer, or the trustee upon the direction of the ceding insurer, may, whenever necessary, negotiate these assets without consent or signature from the Reinsurer or any other entity.

4. Provides that assets in the trust account shall be withdrawn only as permitted in this Contract, without diminution because of the insolvency of the ceding insurer or the Reinsurer.

C. If there are multiple ceding insurers that collectively comprise the Company, “regulatory authorities” as referenced in subparagraph A(2) above, shall mean the individual ceding insurer’s domestic regulator.

EXHIBIT 10.31. Certain identified information has been excluded from this exhibit because it is immaterial and would be competitively harmful if publicly disclosed. Information that has been omitted is indicated with brackets.

EXHIBIT 10.31

REINSTATEMENT PREMIUM PROTECTION REINSURANCE CONTRACT

issued to

TYPTAP INSURANCE COMPANY
Ocala, Florida

and

HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC.
Tampa, Florida

including any and/or all companies that are or may hereafter become affiliated therewith

EXHIBIT 10.31. Certain identified information has been excluded from this exhibit because it is immaterial and would be competitively harmful if publicly disclosed. Information that has been omitted is indicated with brackets.

REINSTATEMENT PREMIUM PROTECTION REINSURANCE CONTRACT

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EXHIBIT 10.31. Certain identified information has been excluded from this exhibit because it is immaterial and would be competitively harmful if publicly disclosed. Information that has been omitted is indicated with brackets.

REINSTATEMENT PREMIUM PROTECTION REINSURANCE CONTRACT

(the “Contract”)

issued to

TYPTAP INSURANCE COMPANY
Ocala, Florida

and

HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC.
Tampa, Florida

including any and/or all companies that are or may hereafter become affiliated therewith

(collectively, the “Company”)

by

THE SUBSCRIBING REINSURER(S) IDENTIFIED
IN THE INTERESTS AND LIABILITIES AGREEMENT(S)
ATTACHED TO AND FORMING PART OF THIS CONTRACT

(the “Reinsurer”)

ARTICLE 1

BUSINESS COVERED

This Contract is to indemnify the Company in respect of the liability that may accrue to the Company as a result of Reinstatement Premium the Company may become liable to pay under the reinstatement provisions of the Property Catastrophe Excess of Loss Reinsurance Contract, effective at 12:01 a.m., Standard Time, June 1, 2023 and expiring 12:01 a.m., Standard Time, June 1, 2024, Document Number: UBWP0001 (the “Original Contract”), subject to the terms and conditions herein contained. The Original Contract covers losses under Policies covering direct and assumed business classified by the Company as the property perils of Homeowners, Condominium Owners, Renters and Dwelling, in force at the inception of this Contract, or issued or renewed during the term of this Contract. A copy of the Original Contract is attached to and forms part of this Contract.

ARTICLE 2

COVERAGE

The Reinsurer shall be liable to pay the Reinstatement Premium obligations under the Original Contract.

ARTICLE 3

TERM

This Contract shall take effect at 12:01 a.m., Standard Time, June 1, 2023, and unless terminated prior to that time and date as provided in the Special Termination Article, shall remain in effect until 12:01 a.m., Standard Time, June 1, 2024, applying to Loss Occurrences commencing during the term of this Contract. For purposes of this Contract, “Standard Time” shall mean the time as described in the original Policy.

ARTICLE 4

SPECIAL TERMINATION

A. The Company may terminate a Subscribing Reinsurer’s percentage share in this Contract at any time by giving written notice to the Subscribing Reinsurer in the event of any of the following circumstances:

1. The Subscribing Reinsurer ceases underwriting operations.

2. A state insurance department or other legal authority orders the Subscribing Reinsurer to cease writing business, or the Subscribing Reinsurer is placed under regulatory supervision.

3. The Subscribing Reinsurer has become insolvent or has been placed into liquidation or receivership (whether voluntary or involuntary), or there have been instituted against it proceedings for the appointment of a receiver, liquidator, rehabilitator, conservator, trustee in bankruptcy, or other agent known by whatever name, to take possession of its assets or control of its operations.

4. The Subscribing Reinsurer’s policyholders’ surplus (or the equivalent under the Subscribing Reinsurer’s accounting system) as reported in such financial statements of the Subscribing Reinsurer as designated by the Company, has been reduced by 20% of the amount thereof at any date during the prior 12-month period (including the period prior to the inception of this Contract).

5. The Subscribing Reinsurer has become, or has announced its intention to become, merged with or acquired or controlled by any company, corporation, or individual(s) not controlling the Subscribing Reinsurer's operations at the inception of this Contract.

6. The Subscribing Reinsurer has retroceded its entire liability under this Contract without the Company's prior written consent, except for retrocessions to members of the Subscribing Reinsurer's holding company group.

7. The Subscribing Reinsurer has been assigned an A.M. Best's rating of less than "A-" and/or an S&P rating of less than "BBB+." However, as respects Underwriting Members of Lloyd's, London, a Lloyd's Market Rating of less than "A-" by A.M. Best and/or less than "BBB+" by S&P shall apply.

8. The Subscribing Reinsurer has hired an unaffiliated runoff claims manager that is compensated on a contingent basis or is otherwise provided with financial incentives based on the quantum of claims paid.

9. The Subscribing Reinsurer has in any other way assigned its interests or delegated its obligations under this Contract to an unaffiliated entity.

10. The Subscribing Reinsurer has failed to post or maintain required collateral to secure its obligations as required under this Contract, and has not cured such deficiency within 30 days following written notice thereof from the Company.

Notwithstanding the foregoing, agreement by a Lloyd's syndicate to follow claim settlements procedures under Lloyd's Claims Scheme (Combined) shall not constitute a transfer of its claims-paying authority, for purposes of subparagraphs (8) and (9) of this paragraph.

B. The Subscribing Reinsurer shall have no liability for Reinstatement Premium arising from Loss Occurrences commencing after termination. The premium due the Subscribing Reinsurer hereunder (including any minimum premium) shall be prorated based on the period of the Subscribing Reinsurer's participation hereon, and the Subscribing Reinsurer shall immediately return any excess premium received.

ARTICLE 5

TERRITORY

The territorial limits of this Contract shall be identical with those of the Original Contract.

ARTICLE 6

EXCLUSIONS

This Contract shall follow the exclusions set forth in the Original Contract.

ARTICLE 7

PREMIUM

A. The premiums shall be based on the Layers of the Original Contract, and the Company shall pay the Reinsurer a deposit premium in accordance with the schedule set forth below. The adjusted premium to be paid to the Reinsurer for the reinsurance provided under each Layer shall be calculated as the Rate on Line set out below multiplied by the Final Premium for that Layer:

PREMIUM SCHEDULE		
Layer	**Rate on Line**	**Deposit Premium**
Third Layer	[ ]	[ ]
Fourth Layer	[ ]	[ ]
Fifth Layer	[ ]	[ ]

B. The deposit premiums set forth in paragraph A above shall be payable to the Reinsurer by the Company in installments as follows:

DEPOSIT INSTALLMENT SCHEDULE				
Layer	**June 1, 2023**	**September 1, 2023**	**January 1, 2024**	**April 1, 2024**
Third Layer	[ ]	[ ]	[ ]	[ ]
Fourth Layer	[ ]	[ ]	[ ]	[ ]
Fifth Layer	[ ]	[ ]	[ ]	[ ]

C. By April 1, 2024, the Company shall calculate and report the Final Premium in accordance with paragraph A above. If the Final Premium for a Layer is less than the deposit premium payable hereunder (including the fourth deposit premium installment), the fourth quarterly deposit premium installment shall be waived, and any amount in excess of the sum of the previously paid three deposit premium installments shall be remitted to the Reinsurer with the Company's report. If the Final Premium is less than the sum of the previously paid three deposit premium installments, the Reinsurer shall remit the difference to the Company. Notwithstanding the foregoing, if the Final Premium for a Layer is greater than the deposit

premium payable hereunder (including the fourth deposit premium installment), the Company shall remit to the Reinsurer the difference between the Final Premium and the full deposit premium within 45 days after the expiration of this Contract.

D. The Company shall furnish the Reinsurer with such reasonably available information as may be reasonably required by the Reinsurer for completion of the Reinsurer's financial statements.

ARTICLE 8

DEFINITIONS

A. "Reinstatement Premium" means premium paid by the Company for each Layer under the provisions of the Reinstatement Article of the Original Contract. Reinstatement Premium shall be calculated at pro rata of the original reinsurance premium, being pro rata only for the amount being reinstated. If, at the time of a loss settlement under the Original Contract, the reinsurance premium thereunder is not yet known, Reinstatement Premium shall be based upon the deposit premium, subject to adjustment when said reinsurance premium is finally established. Nothing in this clause shall be construed to mean that amounts are not recoverable hereunder until the Company's final Reinstatement Premium has been ascertained. All recoveries received subsequent to reimbursement hereunder shall be applied as if received prior to the aforesaid settlement, and all necessary adjustments shall be made by the parties hereto.

B. "Loss Occurrence" shall follow the definition set forth in the Original Contract.

C. "Final Premium" means the total reinsurance premium except for Reinstatement Premium.

D. "Policy" means any binder, policy, or contract of insurance or reinsurance issued, accepted or held covered provisionally or otherwise, by or on behalf of the Company.

ARTICLE 9

ORIGINAL CONDITIONS

All reinsurance under this Contract shall be subject to the same terms, conditions, waivers and interpretations, and to the same modifications and alterations as the Original Contract. However, in no event shall this be construed in any way to provide coverage outside the terms and conditions set forth in this Contract.

ARTICLE 10

NO THIRD PARTY RIGHTS

This Contract is solely between the Company and the Reinsurer, and in no instance shall any insured, claimant or other third party have any rights under this Contract except as may be expressly provided otherwise herein.

ARTICLE 11

NOTICE OF LOSS AND LOSS SETTLEMENTS

A. The Company shall advise the Reinsurer promptly of all losses that, in the opinion of the Company, may result in a claim hereunder and of all subsequent developments thereto that may materially affect the position of the Reinsurer.

B. The Company alone and at its full discretion shall adjust, settle or compromise all claims and losses.

C. As respects losses subject to the Original Contract, all loss settlements made by the Company, whether under strict Policy terms or by way of compromise, shall be binding upon the Reinsurer, and the Reinsurer agrees to pay or allow, as the case may be, its share of each such settlement immediately upon receipt of reasonable evidence of the amount paid by the Company or that the Company estimates it will pay within the next 14 days. Within 30 days after receipt of the Reinsurer's payment, the Company shall report to the Reinsurer the positive difference, if any, of the Reinsurer's payment, minus the Reinsurer's share of losses subject to this Contract that the Company has paid, or becomes liable to pay, as of the date of the report. Any such positive difference shall be remitted to the Reinsurer with the Company's report.

ARTICLE 12

LATE PAYMENTS

A. In the event any payment due either party is not received by the Intermediary by the payment due date, the party to whom payment is due may, by notifying the Intermediary in writing, require the debtor party to pay, and the debtor party agrees to pay, an interest penalty on the amount past due calculated for each such payment on the last business day of each month as follows:

1. The number of full days that have expired since the overdue date or the last monthly calculation, whichever the lesser; times

2. 1/365th of the sum of the six-month United States Treasury Bill rate as quoted in *The Wall Street Journal* on the first business day of the month for which the calculation is made, plus 1%; times

3. The amount past due, including accrued interest.

Interest shall accumulate until payment of the original amount due plus interest penalties have been received by the Intermediary.

B. The due date shall, for purposes of this Article, be determined as follows:

1. Payments from the Reinsurer to the Company shall be due on the date on which the demand for payment (including delivery of bordereaux or quarterly or monthly reports) is received by the Reinsurer, and shall be overdue 30 days thereafter.

2. Payments from the Company to the Reinsurer shall be due on the dates specified within this Contract. Payments shall be overdue 30 days thereafter except for the first installment of premium, if applicable, which shall be overdue 60 days from inception or 30 days from final line-signing, whichever the later. Reinstatement Premium, if applicable, shall have as a due date the date when the Company receives payment for the claim giving rise to such Reinstatement Premium, and payment shall be overdue 30 days thereafter. In the event a due date is not specifically stated for a given payment, the overdue date shall be 30 days following the date of billing.

C. If the information contained in the Company's demand for payment is insufficient or not in accordance with the conditions of this Contract, then within 30 days the Reinsurer shall request from the Company all additional information necessary to validate its claim and the payment due date as defined in paragraph B shall be deemed to be the date upon which the Reinsurer received the requested additional information. This paragraph is only for the purpose of establishing when a payment is overdue, and shall not alter the provisions of the Notice of Loss and Loss Settlements Article or other pertinent contractual stipulations.

D. In the event arbitration is necessary to settle a dispute, the panel shall have the authority to make a determination awarding interest to the prevailing party. Interest, if any, awarded by the panel shall supersede the interest amounts outlined herein.

E. Any interest owed pursuant to this Article may be waived by the party to which it is owed. Waiver of such interest, however, shall not affect the waiving party's rights to other interest amounts due as a result of this Article.

ARTICLE 13

OFFSET

Each party hereto shall have, and may exercise at any time and from time to time, the right to offset any and all balances due from a party to the other arising under this Contract. In the event of the insolvency of a party hereto, offsets shall only be allowed in accordance with the provisions of any applicable law governing offset entitlement.

ARTICLE 14

CURRENCY

A. Where the word “Dollars” and/or the sign “$” appear in this Contract, they shall mean United States Dollars, and all payments hereunder shall be in United States Dollars.

B. For purposes of this Contract, where the Company receives or pays amounts in currencies other than United States Dollars, such amounts shall be converted into United States Dollars at the actual rates of exchange at which these amounts are entered in the Company’s books.

ARTICLE 15

UNAUTHORIZED REINSURANCE

A. This Article applies:

1. only to the extent a Subscribing Reinsurer does not qualify for credit with any insurance regulatory authority having jurisdiction over the Company’s reserves, or

2. to a Subscribing Reinsurer qualified as a reciprocal jurisdiction reinsurer with any such insurance regulatory authority in the event such Subscribing Reinsurer resists enforcement of a final judgment that is enforceable under the law of the jurisdiction in which it was obtained or a properly enforceable arbitration or arbitral award obtained by the Company or any legal successor, in which case such Subscribing Reinsurer shall fund 100% of its share of the Reinsurer’s Obligations as hereinafter provided.

B. The Company agrees, in respect of its Policies or bonds falling within the scope of this Contract, that when it files with its insurance regulatory authority, or sets up on its books liabilities as required by law, it shall forward to the Reinsurer a statement showing the proportion of such liabilities applicable to the Reinsurer. The “Reinsurer’s Obligations” shall be defined as follows:

1. unearned premium (if applicable);

2. known outstanding losses that have been reported to the Reinsurer and Loss Adjustment Expense relating thereto;

3. losses and Loss Adjustment Expense paid by the Company but not recovered from the Reinsurer;

4. losses incurred but not reported and Loss Adjustment Expense relating thereto;

5. all other amounts for which the Company cannot take credit on its financial statements unless funding is provided by the Reinsurer.

C. The Reinsurer's Obligations shall be funded by funds withheld, cash advances, Trust Agreement or a Letter of Credit (LOC). The Reinsurer shall have the option of determining the method of funding provided it is acceptable to the insurance regulatory authorities having jurisdiction over the Company's reserves.

D. When funding by Trust Agreement, the Reinsurer shall ensure that the Trust Agreement complies with the provisions of the "Trust Agreement Requirements Clause" attached hereto. When funding by a LOC, the Reinsurer agrees to apply for and secure timely delivery to the Company of a clean, irrevocable and unconditional LOC issued by a bank and containing provisions acceptable to the insurance regulatory authorities having jurisdiction over the Company's reserves in an amount equal to the Reinsurer's Obligations. Such LOC shall be issued for a period of not less than one year, and shall be automatically extended for one year from its date of expiration or any future expiration date unless 30 days (or such other time period as may be required by insurance regulatory authorities), prior to any expiration date the issuing bank shall notify the Company by certified or registered mail that the issuing bank elects not to consider the LOC extended for any additional period.

E. The Reinsurer and the Company agree that any funding provided by the Reinsurer pursuant to the provisions of this Contract may be drawn upon at any time, notwithstanding any other provision of this Contract, and be utilized by the Company or any successor, by operation of law, of the Company including, without limitation, any liquidator, rehabilitator, receiver or conservator of the Company, for the following purposes, unless otherwise provided for in a separate Trust Agreement:

1. to reimburse the Company for the Reinsurer's Obligations, the payment of which is due under the terms of this Contract and that has not been otherwise paid;

2. to make refund of any sum that is in excess of the actual amount required to pay the Reinsurer's Obligations under this Contract (or in excess of 102% of the Reinsurer's Obligations, if funding is provided by a Trust Agreement);

3. to fund an account with the Company for the Reinsurer's Obligations. Such cash deposit shall be held in an interest bearing account separate from the Company's other assets, and interest thereon not in excess of the prime rate shall accrue to the benefit of the Reinsurer. Any taxes payable on accrued interest shall be paid out of the assets in the account that are in excess of the Reinsurer's Obligations (or in excess of 102% of the Reinsurer's Obligations, if funding is provided by a Trust Agreement). If the assets are inadequate to pay taxes, any taxes due shall be paid or reimbursed by the Reinsurer;

4. to pay the Reinsurer's share of any other amounts the Company claims are due under this Contract.

F. If the amount drawn by the Company is in excess of the actual amount required for subparagraph E(1) or E(3), or in the case of subparagraph E(4), the actual amount determined to be due, the Company shall promptly return to the Reinsurer the excess amount so drawn. All of the foregoing shall be applied without diminution because of insolvency on the part of the Company or the Reinsurer.

G. The issuing bank shall have no responsibility whatsoever in connection with the propriety of withdrawals made by the Company or the disposition of funds withdrawn, except to ensure that withdrawals are made only upon the order of properly authorized representatives of the Company.

H. At annual intervals, or more frequently at the discretion of the Company, but never more frequently than quarterly, the Company shall prepare a specific statement of the Reinsurer's Obligations for the sole purpose of amending the LOC or other method of funding, in the following manner:

1. If the statement shows that the Reinsurer's Obligations exceed the balance of the LOC, as of the statement date, the Reinsurer shall, within 30 days after receipt of the statement, secure delivery to the Company of an amendment to the LOC increasing the amount of credit by the amount of such difference. Should another method of funding be used, the Reinsurer shall, within the time period outlined above, increase such funding by the amount of such difference.

2. If, however, the statement shows that the Reinsurer's Obligations are less than the balance of the LOC (or that 102% of the Reinsurer's Obligations are less than the trust account balance if funding is provided by a Trust Agreement), as of the statement date, the Company shall, within 30 days after receipt of written request from the Reinsurer, release such excess credit by agreeing to secure an amendment to the LOC reducing the amount of credit available by the amount of such excess credit. Should another method of funding be used, the Company shall, within the time period outlined above, decrease such funding by the amount of such excess.

ARTICLE 16

TAXES

A. In consideration of the terms under which this Contract is issued, the Company undertakes not to claim any deduction of the premium hereon when making Canadian tax returns or when making tax returns, other than Income or Profits Tax returns, to any state or territory of the United States of America or to the District of Columbia.

B. 1. Each Subscribing Reinsurer has agreed to allow, for the purpose of paying the Federal Excise Tax, the applicable percentage of the premium payable hereon (as imposed under the Internal Revenue Code) to the extent such premium is subject to Federal Excise Tax.

2. In the event of any return of premium becoming due hereunder, the Subscribing Reinsurer shall deduct the applicable percentage of the premium from the amount of the return, and the Company or its agent should take steps to recover the Tax from the U.S. Government.

ARTICLE 17

ACCESS TO RECORDS

A. The Reinsurer or its duly authorized representatives shall have the right to visit the offices of the Company to inspect, examine, audit, and verify any of the policy, accounting or claim files (“Records”) relating to business reinsured under this Contract during regular business hours after giving five working days’ prior notice. This right shall be exercisable during the term of this Contract or after the expiration of this Contract. Notwithstanding the above, the Reinsurer shall not have any right of access to the Records of the Company if it is not current in all undisputed payments due the Company.

B. Notwithstanding the above, the Company reserves the right to withhold from the Reinsurer any Privileged Documents. However, the Company shall permit and not object to the Reinsurer’s access to Privileged Documents in connection with the underlying claim reinsured hereunder following final settlement or final adjudication of the case or cases involving such claim, with prejudice against all claimants and all parties to such adjudications; the Company may defer release of such Privileged Documents if there are subrogation, contribution, or other third party actions with respect to that claim or case, and the Company’s defense might be jeopardized by release of such Privileged Documents. In the event that the Company seeks to defer release of such Privileged Documents, it shall, in consultation with the Reinsurer, take other steps as reasonably necessary to provide the Reinsurer with the information it reasonably requires to indemnify the Company without

causing a loss of such privileges or protections. The Reinsurer shall not have access to Privileged Documents relating to any dispute between the Company and the Reinsurer.

C. For purposes of this Article:

1. “Privileged Documents” means any documents that are Attorney-Client Privilege Documents and/or Work Product Privilege Documents.

2. “Attorney-Client Privilege Documents” means communications of a confidential nature between (a) the Company, or anyone retained by or at the direction of the Company, or its in-house or outside legal counsel, or anyone in the control of such legal counsel, and (b) any in-house or outside legal counsel, if such communications relate to legal advice being sought by the Company and/or contain legal advice being provided to the Company.

3. “Work Product Privilege Documents” means communications, written materials and tangible things prepared by or for in-house or outside counsel, or prepared by or for the Company, in anticipation of or in connection with litigation, arbitration, or other dispute resolution proceedings.

ARTICLE 18

CONFIDENTIALITY

A. The Reinsurer hereby acknowledges that the documents, information and data provided to it by the Company, whether directly or through an authorized agent, in connection with the placement and execution of this Contract (“Confidential Information”) are proprietary and confidential to the Company. Confidential Information shall not include documents, information or data that the Reinsurer can show:

1. are publicly known or have become publicly known through no unauthorized act of the Reinsurer;

2. have been rightfully received from a third person without obligation of confidentiality; or

3. were known by the Reinsurer prior to the placement of this Contract without an obligation of confidentiality.

B. Absent the written consent of the Company, the Reinsurer shall not disclose any Confidential Information to any third parties, including any affiliated companies (except to the extent necessary to enable affiliated companies or third parties engaged by the Reinsurer to perform services related to this Contract on behalf of the Reinsurer), except:

1. when required by retrocessionaires as respects business ceded to this Contract;

2. when required by regulators performing an audit of the Reinsurer's records and/or financial condition; or

3. when required by external auditors performing an audit of the Reinsurer's records in the normal course of business.

Further, the Reinsurer agrees not to use any Confidential Information for any purpose not related to the performance of its obligations or enforcement of its rights under this Contract.

C. Notwithstanding the above, in the event that the Reinsurer is required by court order, other legal process or any regulatory authority to release or disclose any or all of the Confidential Information, the Reinsurer agrees to provide the Company with written notice of same at least 10 days prior to such release or disclosure and to use its best efforts to assist the Company in maintaining the confidentiality provided for in this Article.

D. The provisions of this Article shall extend to the officers, directors and employees of the Reinsurer and its affiliates, and shall be binding upon their successors and assigns.

ARTICLE 19

ERRORS AND OMISSIONS

Any inadvertent error, omission or delay in complying with the terms and conditions of this Contract shall not be held to relieve either party hereto from any liability that would attach to it hereunder if such error, omission or delay had not been made, provided such error, omission or delay is rectified immediately upon discovery.

ARTICLE 20

INSOLVENCY

A. If more than one company is referenced within the definition of "Company" in the Preamble to this Contract, this Article shall apply severally to each such company. Further, this Article and the laws of the domiciliary state shall apply in the event of the insolvency of any company covered hereunder. In the event of a conflict between any provision of this Article and the laws of the domiciliary state of any company covered hereunder, that domiciliary state's laws shall prevail.

B. In the event of the insolvency of the Company, this coverage (or the portion of any risk or obligation assumed by the Reinsurer, if required by applicable law) shall be payable directly to the Company, or to its liquidator, receiver, conservator or statutory successor, either: (1)

on the basis of the liability of the Company, or (2) on the basis of claims filed and allowed in the liquidation proceeding, whichever may be required by applicable statute, without diminution because of the insolvency of the Company or because the liquidator, receiver, conservator or statutory successor of the Company has failed to pay all or a portion of any claim. It is agreed, however, that the liquidator, receiver, conservator or statutory successor of the Company shall give written notice to the Reinsurer of the pendency of a claim against the Company indicating the Policy or bond reinsured, which claim would involve a possible liability on the part of the Reinsurer within a reasonable time after such claim is filed in the conservation or liquidation proceeding or in the receivership, and that during the pendency of such claim, the Reinsurer may investigate such claim and interpose, at its own expense, in the proceeding where such claim is to be adjudicated any defense or defenses that it may deem available to the Company or its liquidator, receiver, conservator or statutory successor. The expense thus incurred by the Reinsurer shall be chargeable, subject to the approval of the court, against the Company as part of the expense of conservation or liquidation to the extent of a pro rata share of the benefit that may accrue to the Company solely as a result of the defense undertaken by the Reinsurer.

C. Where two or more reinsurers are involved in the same claim and a majority in interest elect to interpose defense to such claim, the expense shall be apportioned in accordance with the terms of this reinsurance Contract as though such expense had been incurred by the Company.

ARTICLE 21

RUN-OFF REINSURER

A. “Run-off Reinsurer” means any Subscribing Reinsurer that:

1. has been ordered by a state insurance department or other legal authority to cease writing business, or has been placed under regulatory supervision or in rehabilitation; or

2. has ceased reinsurance underwriting operations; or

3. has transferred its claims-paying authority to an unaffiliated entity; or

4. engages in a process of Scheme of Arrangement or similar procedure related to this Contract, including but not limited to an insurance business transfer scheme pursuant to Part VII of the Financial Services and Markets Act 2000 (U.K.), as may be amended from time to time; or

5. in any other way has assigned its interests or delegated its obligations under this Contract to an unaffiliated entity.

Notwithstanding the foregoing, agreement by a Lloyd's syndicate to follow claim settlements procedures under Lloyd's Claims Scheme (Combined) shall not constitute a transfer of its claims-paying authority, for purposes of subparagraphs (3) and (5) of this paragraph.

B. Notwithstanding any other provision of this Contract, in the event that a Subscribing Reinsurer becomes a Run-off Reinsurer at any time, the Company may elect, by giving written notice to the Run-off Reinsurer at any time thereafter, that all or any of the following shall apply to the Run-off Reinsurer's participation hereunder:

1. Should the Run-off Reinsurer fail to pay amounts due hereunder, the interest penalty specified in the Late Payments Article shall be increased by 0.5% for each 30 days that a payment is past due, subject to a maximum increase of 7.0%.

2. The Run-off Reinsurer's liability for losses for Policies covered by this Contract shall be commuted. In the event the Company and the Run-off Reinsurer cannot agree on the commutation amount of the Run-off Reinsurer's liability under such Policies, they shall appoint an actuary and/or appraiser to assess such liability and shall share equally any expense of the actuary and/or appraiser. If the Company and the Run-off Reinsurer cannot agree on an actuary and/or appraiser, the Company and the Run-off Reinsurer each shall nominate three individuals, of whom the other shall decline two, and the final appointment shall be made by drawing lots. Payment by the Run-off Reinsurer of the amount of liability ascertained shall constitute a complete and final release of both parties under this Contract.

3. The Run-off Reinsurer shall have no right of access to the Records of the Company if the Run-off Reinsurer has denied payment of any claim hereunder or there is a pending arbitration between the Company and the Run-off Reinsurer regarding any claim hereunder. A reservation of rights shall be considered a denial of a claim. Notwithstanding the above, the Run-off Reinsurer shall continue to have access to Records of the Company for any claim for which it has raised a query within 30 days of its receipt of a billing, but any inspection of Records must be completed within 90 days of receipt of billing or access will be deemed waived.

4. The provisions of the Arbitration Article shall not apply.

C. The Company's waiver of any rights provided in this Article is not a waiver of that right or other rights at a later date.

ARTICLE 22

ARBITRATION

A. Any dispute arising out of the interpretation, performance or breach of this Contract, including the formation or validity thereof, shall be submitted for decision to a panel of three arbitrators. Notice requesting arbitration shall be in writing and sent certified or registered mail, return receipt requested.

B. One arbitrator shall be chosen by each party and the two arbitrators shall then choose an impartial third arbitrator who shall preside at the hearing. If either party fails to appoint its arbitrator within 30 days after being requested to do so by the other party, the latter, after 10 days' prior notice by certified or registered mail of its intention to do so, may appoint the second arbitrator.

C. If the two arbitrators do not agree on a third arbitrator within 60 days of their appointment, the third arbitrator shall be chosen in accordance with the procedures for selecting the third arbitrator in force on the date the arbitration is demanded, established by the AIDA Reinsurance and Insurance Arbitration Society – U.S. (ARIAS). The arbitrators shall be persons knowledgeable about insurance and reinsurance who have no personal or financial interest in the result of the arbitration. If a member of the panel dies, becomes disabled or is otherwise unwilling or unable to serve, a substitute shall be selected in the same manner as the departing member was chosen and the arbitration shall continue.

D. Within 30 days after all arbitrators have been appointed, the panel shall meet and determine timely periods for briefs, discovery procedures and schedules of hearings.

E. The panel shall be relieved of all judicial formality and shall not be bound by the strict rules of procedure and evidence. Notwithstanding anything to the contrary in this Contract, the arbitrators may at their discretion, consider underwriting and placement information provided by the Company to the Reinsurer, as well as any correspondence exchanged by the parties that is related to this Contract. The arbitration shall take place in Tampa, Florida, or at such other place as the parties shall agree. The decision of any two arbitrators shall be in writing and shall be final and binding. The panel is empowered to grant interim relief as it may deem appropriate.

F. The panel shall interpret this Contract as an honorable engagement rather than as merely a legal obligation and shall make its decision considering the custom and practice of the applicable insurance and reinsurance business as promptly as possible after the hearings. Judgment upon an award may be entered in any court having jurisdiction thereof.

G. Each party shall bear the expense of its own arbitrator and shall jointly and equally bear with the other party the cost of the third arbitrator. The remaining costs of the arbitration shall be

allocated by the panel. The panel may, at its discretion, award such further costs and expenses as it considers appropriate, including but not limited to attorneys' fees, to the extent permitted by law.

ARTICLE 23

EXPEDITED ARBITRATION

A. Notwithstanding the provisions of the Arbitration Article, in the event an amount in dispute hereunder $1,000,000 or less, the parties will submit to an expedited arbitration process with the use of a single arbitrator. The arbitrator will be chosen in accordance with the procedures for selecting an arbitrator in force on the date the arbitration is demanded, established by the AIDA Reinsurance and Insurance Arbitration Society – U.S. (ARIAS).

B. Each party's case will be submitted to the arbitrator within 100 calendar days of the date of determination of the arbitrator. Discovery will be limited to exchanging only those documents directly relating to the issue in dispute, subject to a limit of two discovery depositions from each party, unless otherwise authorized by the arbitrator upon a showing of good cause.

C. Within 120 calendar days of the date of determination of the arbitrator, the hearing will be completed and a written award will be issued by the arbitrator. As the parties agree that time is of the essence, the sole arbitrator does not have the authority to lengthen the schedule, absent agreement of both parties. The arbitrator will have all the powers conferred on the arbitration panel as provided in the Arbitration Article, and said Article will apply to all matters not specifically addressed above.

ARTICLE 24

SERVICE OF SUIT

A. This Article applies only to those Subscribing Reinsurers not domiciled in the United States of America, and/or not authorized in any state, territory and/or district of the United States of America where authorization is required by insurance regulatory authorities.

B. This Article shall not be read to conflict with or override the obligations of the parties to arbitrate their disputes as provided for in the Arbitration Article. This Article is intended as an aid to compelling arbitration or enforcing such arbitration or arbitral award, not as an alternative to the Arbitration Article for resolving disputes arising out of this Contract.

C. In the event of the failure of the Reinsurer to perform its obligations hereunder, the Reinsurer, at the request of the Company, shall submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this Article constitutes or should be

understood to constitute a waiver of the Reinsurer's rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. The Reinsurer, once the appropriate court is selected, whether such court is the one originally chosen by the Company and accepted by the Reinsurer or is determined by removal, transfer, or otherwise, as provided for above, shall comply with all requirements necessary to give said court jurisdiction and, in any suit instituted against the Reinsurer upon this Contract, shall abide by the final decision of such court or of any appellate court in the event of an appeal.

D. Service of process in such suit may be made upon:

1. as respects Underwriting Members of Lloyd's, London: Lloyd's America, Inc., Attention: Legal Department, 280 Park Avenue, East Tower, 25th Floor, New York, New York 10017;

2. as respects any other Subscribing Reinsurer: Messrs. Mendes and Mount, 750 Seventh Avenue, New York, New York 10019-6829, or another party specifically designated in the Subscribing Reinsurer's Interests and Liabilities Agreement attached hereto.

The above-named are authorized and directed to accept service of process on behalf of the Reinsurer in any such suit.

E. Further, pursuant to any statute of any state, territory or district of the United States that makes provision therefor, the Reinsurer hereby designates the Superintendent, Commissioner or Director of Insurance, or other officer specified for that purpose in the statute, or his successor or successors in office, as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Company or any beneficiary hereunder arising out of this Contract, and hereby designates the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

ARTICLE 25

GOVERNING LAW

This Contract shall be governed as to performance, administration and interpretation by the laws of the State of Florida, exclusive of conflict of law rules. However, with respect to credit for reinsurance, the rules of all applicable states shall apply.

ARTICLE 26

ENTIRE AGREEMENT

This Contract sets forth all of the duties and obligations between the Company and the Reinsurer and supersedes any and all prior or contemporaneous written agreements with respect to matters referred to in this Contract. This Contract may not be modified or changed except by an amendment to this Contract in writing signed by both parties. However, this Article shall not be construed as limiting the admissibility of evidence regarding the formation, interpretation, purpose or intent of this Contract.

ARTICLE 27

NON-WAIVER

The failure of the Company or the Reinsurer to insist on compliance with this Contract or to exercise any right or remedy hereunder shall not constitute a waiver of any rights contained in this Contract nor prevent either party from thereafter demanding full and complete compliance nor prevent either party from exercising such remedy in the future.

ARTICLE 28

SANCTION LIMITATION AND EXCLUSION CLAUSE (LMA 3100)

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

ARTICLE 29

INTERMEDIARY

Guy Carpenter & Company, LLC, is hereby recognized as the Intermediary negotiating this Contract for all business hereunder. All communications (including notices, statements, premiums, return premiums, commissions, taxes, losses, Loss Adjustment Expenses, salvages, and loss settlements) relating thereto shall be transmitted to the Company or the Reinsurer through the Intermediary. Payments by the Company to the Intermediary shall be deemed payment to the Reinsurer. Payments by the Reinsurer to the Intermediary shall be deemed payment to the Company only to the extent that such payments are actually received by the Company.

ARTICLE 30

MODE OF EXECUTION

A. This Contract may be executed by:

1. an original written ink signature of paper documents;

2. an exchange of facsimile copies showing the original written ink signature of paper documents;

3. electronic signature technology employing computer software and a digital signature or digitizer pen pad to capture a person's handwritten signature in such a manner that the signature is unique to the person signing, is under the sole control of the person signing, is capable of verification to authenticate the signature and is linked to the document signed in such a manner that if the data is changed, such signature is invalidated.

B. The use of any one or a combination of these methods of execution shall constitute a legally binding and valid signing of this Contract. This Contract may be executed in one or more counterparts, each of which, when duly executed, shall be deemed an original.

IN WITNESS WHEREOF, the Company has caused this Contract to be executed by its duly authorized representative(s), who also confirms the Company's review of and agreement to be bound by the terms and conditions of the Interests and Liabilities Agreements attached to and forming part of this Contract;

On this _____ day of _____, in the year of 20___.

TYPTAP INSURANCE COMPANY

Signature: _ Title: _

Print Name: _

And on this _____ day of _____, in the year of 20___.

HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC.

Signature: _ Title: _

Print Name: _

REINSTATEMENT PREMIUM PROTECTION REINSURANCE CONTRACT

TRUST AGREEMENT REQUIREMENTS CLAUSE

A. Except as provided in paragraph B of this Clause, if the Reinsurer satisfies its funding obligations under the Unauthorized Reinsurance Article by providing a Trust Agreement, the Reinsurer shall ensure that the Trust Agreement:

1. Requires the Reinsurer to establish a trust account for the benefit of the Company, and specifies what the Trust Agreement is to cover;

2. Stipulates that assets deposited in the trust account shall be valued according to their current fair market value and shall consist only of cash (United States legal tender), and certificates of deposit (issued by a United States bank and payable in United States legal tender), or any combination of the two, provided that the investments are issued by an institution that is not the parent, subsidiary or affiliate of either the Reinsurer or the Company;

3. Requires the Reinsurer, prior to depositing assets with the trustee, to execute assignments or endorsements in blank, or to transfer legal title to the trustee of all shares, obligations or any other assets requiring assignments, in order that the Company, or the trustee upon the direction of the Company, may whenever necessary negotiate these assets without consent or signature from the Reinsurer or any other entity;

4. Requires that all settlements of account between the Company and the Reinsurer be made in cash or its equivalent; and

5. Provides that assets in the trust account shall be withdrawn only as permitted in this Contract, without diminution because of the insolvency of the Company or the Reinsurer.

B. If a ceding insurer is domiciled in California and the Reinsurer satisfies its funding obligations under the Unauthorized Reinsurance Article by providing a Trust Agreement, the Reinsurer shall ensure that the Trust Agreement:

1. Provides that assets deposited in the trust account shall be valued according to their current fair market value and shall consist only of cash in United States dollars, certificates of deposit issued by a United States financial institution as defined in California Insurance Code Section 922.7(a) and payable in United States dollars, and investments permitted by the California Insurance Code, or any combination of the above.

2. Provides that investments in or issued by an entity controlling, controlled by or under common control with either the grantor or the beneficiary of the trust shall not exceed 5% of total investments.

3. Requires the Reinsurer, prior to depositing assets with the trustee, to execute assignments or endorsements in blank, or to transfer legal title to the trustee of all shares, obligations or any other assets requiring assignments, in order that the ceding insurer, or the trustee upon the direction of the ceding insurer, may, whenever necessary, negotiate these assets without consent or signature from the Reinsurer or any other entity.

4. Provides that assets in the trust account shall be withdrawn only as permitted in this Contract, without diminution because of the insolvency of the ceding insurer or the Reinsurer.

C. If there are multiple ceding insurers that collectively comprise the Company, “regulatory authorities” as referenced in subparagraph A(2) above, shall mean the individual ceding insurer’s domestic regulator.

EXHIBIT 10.32. Certain identified information has been excluded from this exhibit because it is immaterial and would be competitively harmful if publicly disclosed. Information that has been omitted is indicated with brackets.

EXHIBIT 10.32

REINSTATEMENT PREMIUM PROTECTION REINSURANCE CONTRACT

issued to

TYPTAP INSURANCE COMPANY
Ocala, Florida

and

HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC.
Tampa, Florida

including any and/or all companies that are or may hereafter become affiliated therewith

EXHIBIT 10.32. Certain identified information has been excluded from this exhibit because it is immaterial and would be competitively harmful if publicly disclosed. Information that has been omitted is indicated with brackets.

REINSTATEMENT PREMIUM PROTECTION REINSURANCE CONTRACT

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REINSTATEMENT PREMIUM PROTECTION REINSURANCE CONTRACT
(the "Contract")

issued to

TYPTAP INSURANCE COMPANY
Ocala, Florida

and

HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC.
Tampa, Florida

including any and/or all companies that are or may hereafter become affiliated therewith

(collectively, the "Company")

by

THE SUBSCRIBING REINSURER(S) IDENTIFIED
IN THE INTERESTS AND LIABILITIES AGREEMENT(S)
ATTACHED TO AND FORMING PART OF THIS CONTRACT

(the "Reinsurer")

ARTICLE 1

BUSINESS COVERED

This Contract is to indemnify the Company in respect of the liability that may accrue to the Company as a result of Reinstatement Premium the Company may become liable to pay under the reinstatement provisions of the Property Catastrophe Excess of Loss Reinsurance Contract, effective at 12:01 a.m., Standard Time, June 1, 2023 and expiring 12:01 a.m., Standard Time, June 1, 2024, Document Number: UBWP0001/Arch BDA (the "Original Contract"), subject to the terms and conditions herein contained. The Original Contract covers losses under Policies covering direct and assumed business classified by the Company as the property perils of Homeowners, Condominium Owners, Renters and Dwelling, in force at the inception of this Contract, or issued or renewed during the term of this Contract. A copy of the Original Contract is attached to and forms part of this Contract.

ARTICLE 2

COVERAGE

The Reinsurer shall be liable to pay the Reinstatement Premium obligations under the Original Contract.

ARTICLE 3

TERM

This Contract shall take effect at 12:01 a.m., Standard Time, June 1, 2023, and unless terminated prior to that time and date as provided in the Special Termination Article, shall remain in effect until 12:01 a.m., Standard Time, June 1, 2024, applying to Loss Occurrences commencing during the term of this Contract. For purposes of this Contract, “Standard Time” shall mean the time as described in the original Policy.

ARTICLE 4

SPECIAL TERMINATION

A. The Company may terminate a Subscribing Reinsurer’s percentage share in this Contract at any time by giving written notice to the Subscribing Reinsurer in the event of any of the following circumstances:

1. The Subscribing Reinsurer ceases underwriting operations.

2. A state insurance department or other legal authority orders the Subscribing Reinsurer to cease writing business, or the Subscribing Reinsurer is placed under regulatory supervision.

3. The Subscribing Reinsurer has become insolvent or has been placed into liquidation or receivership (whether voluntary or involuntary), or there have been instituted against it proceedings for the appointment of a receiver, liquidator, rehabilitator, conservator, trustee in bankruptcy, or other agent known by whatever name, to take possession of its assets or control of its operations.

4. The Subscribing Reinsurer’s policyholders’ surplus (or the equivalent under the Subscribing Reinsurer’s accounting system) as reported in such financial statements of the Subscribing Reinsurer as designated by the Company, has been reduced by 20% of the amount thereof at any date during the prior 12-month period (including the period prior to the inception of this Contract).

5. The Subscribing Reinsurer has become, or has announced its intention to become, merged with or acquired or controlled by any company, corporation, or individual(s) not controlling the Subscribing Reinsurer's operations at the inception of this Contract.

6. The Subscribing Reinsurer has retroceded its entire liability under this Contract without the Company's prior written consent, except for retrocessions to members of the Subscribing Reinsurer's holding company group.

7. The Subscribing Reinsurer has been assigned an A.M. Best's rating of less than "A-" and/or an S&P rating of less than "BBB+." However, as respects Underwriting Members of Lloyd's, London, a Lloyd's Market Rating of less than "A-" by A.M. Best and/or less than "BBB+" by S&P shall apply.

8. The Subscribing Reinsurer has hired an unaffiliated runoff claims manager that is compensated on a contingent basis or is otherwise provided with financial incentives based on the quantum of claims paid.

9. The Subscribing Reinsurer has in any other way assigned its interests or delegated its obligations under this Contract to an unaffiliated entity.

10. The Subscribing Reinsurer has failed to post or maintain required collateral to secure its obligations as required under this Contract, and has not cured such deficiency within 30 days following written notice thereof from the Company.

Notwithstanding the foregoing, agreement by a Lloyd's syndicate to follow claim settlements procedures under Lloyd's Claims Scheme (Combined) shall not constitute a transfer of its claims-paying authority, for purposes of subparagraphs (8) and (9) of this paragraph.

B. The Subscribing Reinsurer shall have no liability for Reinstatement Premium arising from Loss Occurrences commencing after termination. The premium due the Subscribing Reinsurer hereunder (including any minimum premium) shall be prorated based on the period of the Subscribing Reinsurer's participation hereon, and the Subscribing Reinsurer shall immediately return any excess premium received.

ARTICLE 5

TERRITORY

The territorial limits of this Contract shall be identical with those of the Original Contract.

ARTICLE 6

EXCLUSIONS

This Contract shall follow the exclusions set forth in the Original Contract.

ARTICLE 7

PREMIUM

A. The premium for this Contract shall be based on the Layers of the Original Contract. The Company shall pay the Reinsurer a deposit premium in accordance with the schedule set forth below. The adjusted premium to be paid to the Reinsurer for the reinsurance provided under each Layer shall be calculated as the Rate on Line set out below multiplied by the Final Premium for that Layer:

PREMIUM SCHEDULE		
Layer	**Rate on Line**	**Deposit Premium**
Third Layer	[ ]	[ ]
Fourth Layer	[ ]	[ ]
Fifth Layer	[ ]	[ ]
Sixth Layer	[ ]	[ ]

B. The deposit premiums set forth in paragraph A above shall be payable to the Reinsurer by the Company in installments as follows:

Layer	**June 1, 2023**	**September 1, 2023**	**December 1, 2023**
Third Layer	[ ]	[ ]	[ ]
Fourth Layer	[ ]	[ ]	[ ]
Fifth Layer	[ ]	[ ]	[ ]
Sixth Layer	[ ]	[ ]	[ ]

C. Within 45 days following the expiration of this Contract, the Company shall provide the Reinsurer with a report showing the Company's final Total Insured Value. This final Total Insured Value shall be multiplied by the Final Adjusted Premium Rate for each Layer as stated in paragraph A above. Should the premium so calculated exceed the deposit premium paid in accordance with paragraph A above, the Company shall immediately pay the Reinsurer the difference. Should the premium so calculated be less than the deposit premium paid in accordance with paragraph A above, the Reinsurer shall immediately pay the

Company the difference, subject to a minimum premium for the term of this Contract in accordance with paragraph A above.

D. The Company shall furnish the Reinsurer with such reasonably available information as may be reasonably required by the Reinsurer for completion of the Reinsurer's financial statements.

ARTICLE 8

DEFINITIONS

A. "Reinstatement Premium" means premium paid by the Company for each Layer under the provisions of the Reinstatement Article of the Original Contract. Reinstatement Premium shall be calculated at pro rata of the original reinsurance premium, being pro rata only for the amount being reinstated. If, at the time of a loss settlement under the Original Contract, the reinsurance premium thereunder is not yet known, Reinstatement Premium shall be based upon the deposit premium, subject to adjustment when said reinsurance premium is finally established. Nothing in this clause shall be construed to mean that amounts are not recoverable hereunder until the Company's final Reinstatement Premium has been ascertained. All recoveries received subsequent to reimbursement hereunder shall be applied as if received prior to the aforesaid settlement, and all necessary adjustments shall be made by the parties hereto.

B. "Loss Occurrence" shall follow the definition set forth in the Original Contract.

C. "Final Premium" means the total reinsurance premium except for Reinstatement Premium.

D. "Policy" means any binder, policy, or contract of insurance or reinsurance issued, accepted or held covered provisionally or otherwise, by or on behalf of the Company.

ARTICLE 9

ORIGINAL CONDITIONS

All reinsurance under this Contract shall be subject to the same terms, conditions, waivers and interpretations, and to the same modifications and alterations as the Original Contract. However, in no event shall this be construed in any way to provide coverage outside the terms and conditions set forth in this Contract.

ARTICLE 10

NO THIRD PARTY RIGHTS

This Contract is solely between the Company and the Reinsurer, and in no instance shall any insured, claimant or other third party have any rights under this Contract except as may be expressly provided otherwise herein.

ARTICLE 11

NOTICE OF LOSS AND LOSS SETTLEMENTS

A. The Company shall advise the Reinsurer promptly of all losses that, in the opinion of the Company, may result in a claim hereunder and of all subsequent developments thereto that may materially affect the position of the Reinsurer.

B. The Company alone and at its full discretion shall adjust, settle or compromise all claims and losses.

C. As respects losses subject to the Original Contract, all loss settlements made by the Company, whether under strict Policy terms or by way of compromise, shall be binding upon the Reinsurer, and the Reinsurer agrees to pay or allow, as the case may be, its share of each such settlement immediately upon receipt of reasonable evidence of the amount paid by the Company or that the Company estimates it will pay within the next 14 days. Within 30 days after receipt of the Reinsurer's payment, the Company shall report to the Reinsurer the positive difference, if any, of the Reinsurer's payment, minus the Reinsurer's share of losses subject to this Contract that the Company has paid, or becomes liable to pay, as of the date of the report. Any such positive difference shall be remitted to the Reinsurer with the Company's report.

ARTICLE 12

LATE PAYMENTS

A. In the event any payment due either party is not received by the Intermediary by the payment due date, the party to whom payment is due may, by notifying the Intermediary in writing, require the debtor party to pay, and the debtor party agrees to pay, an interest penalty on the amount past due calculated for each such payment on the last business day of each month as follows:

1. The number of full days that have expired since the overdue date or the last monthly calculation, whichever the lesser; times

2. 1/365th of the sum of the six-month United States Treasury Bill rate as quoted in *The Wall Street Journal* on the first business day of the month for which the calculation is made, plus 1%; times

3. The amount past due, including accrued interest.

Interest shall accumulate until payment of the original amount due plus interest penalties have been received by the Intermediary.

B. The due date shall, for purposes of this Article, be determined as follows:

1. Payments from the Reinsurer to the Company shall be due on the date on which the demand for payment (including delivery of bordereaux or quarterly or monthly reports) is received by the Reinsurer, and shall be overdue 30 days thereafter.

2. Payments from the Company to the Reinsurer shall be due on the dates specified within this Contract. Payments shall be overdue 30 days thereafter except for the first installment of premium, if applicable, which shall be overdue 60 days from inception or 30 days from final line-signing, whichever the later. Reinstatement Premium, if applicable, shall have as a due date the date when the Company receives payment for the claim giving rise to such Reinstatement Premium, and payment shall be overdue 30 days thereafter. In the event a due date is not specifically stated for a given payment, the overdue date shall be 30 days following the date of billing.

C. If the information contained in the Company's demand for payment is insufficient or not in accordance with the conditions of this Contract, then within 30 days the Reinsurer shall request from the Company all additional information necessary to validate its claim and the payment due date as defined in paragraph B shall be deemed to be the date upon which the Reinsurer received the requested additional information. This paragraph is only for the purpose of establishing when a payment is overdue, and shall not alter the provisions of the Notice of Loss and Loss Settlements Article or other pertinent contractual stipulations.

D. In the event arbitration is necessary to settle a dispute, the panel shall have the authority to make a determination awarding interest to the prevailing party. Interest, if any, awarded by the panel shall supersede the interest amounts outlined herein.

E. Any interest owed pursuant to this Article may be waived by the party to which it is owed. Waiver of such interest, however, shall not affect the waiving party's rights to other interest amounts due as a result of this Article.

ARTICLE 13

OFFSET

Each party hereto shall have, and may exercise at any time and from time to time, the right to offset any and all balances due from a party to the other arising under this Contract. In the event of the insolvency of a party hereto, offsets shall only be allowed in accordance with the provisions of any applicable law governing offset entitlement.

ARTICLE 14

CURRENCY

A. Where the word “Dollars” and/or the sign “$” appear in this Contract, they shall mean United States Dollars, and all payments hereunder shall be in United States Dollars.

B. For purposes of this Contract, where the Company receives or pays amounts in currencies other than United States Dollars, such amounts shall be converted into United States Dollars at the actual rates of exchange at which these amounts are entered in the Company’s books.

ARTICLE 15

UNAUTHORIZED REINSURANCE

A. This Article applies:

1. only to the extent a Subscribing Reinsurer does not qualify for credit with any insurance regulatory authority having jurisdiction over the Company’s reserves, or

2. to a Subscribing Reinsurer qualified as a reciprocal jurisdiction reinsurer with any such insurance regulatory authority in the event such Subscribing Reinsurer resists enforcement of a final judgment that is enforceable under the law of the jurisdiction in which it was obtained or a properly enforceable arbitration or arbitral award obtained by the Company or any legal successor, in which case such Subscribing Reinsurer shall fund 100% of its share of the Reinsurer’s Obligations as hereinafter provided.

B. The Company agrees, in respect of its Policies or bonds falling within the scope of this Contract, that when it files with its insurance regulatory authority, or sets up on its books liabilities as required by law, it shall forward to the Reinsurer a statement showing the proportion of such liabilities applicable to the Reinsurer. The “Reinsurer’s Obligations” shall be defined as follows:

1. unearned premium (if applicable);

2. known outstanding losses that have been reported to the Reinsurer and Loss Adjustment Expense relating thereto;

3. losses and Loss Adjustment Expense paid by the Company but not recovered from the Reinsurer;

4. losses incurred but not reported and Loss Adjustment Expense relating thereto;

5. all other amounts for which the Company cannot take credit on its financial statements unless funding is provided by the Reinsurer.

C. The Reinsurer's Obligations shall be funded by funds withheld, cash advances, Trust Agreement or a Letter of Credit (LOC). The Reinsurer shall have the option of determining the method of funding provided it is acceptable to the insurance regulatory authorities having jurisdiction over the Company's reserves.

D. When funding by Trust Agreement, the Reinsurer shall ensure that the Trust Agreement complies with the provisions of the "Trust Agreement Requirements Clause" attached hereto. When funding by a LOC, the Reinsurer agrees to apply for and secure timely delivery to the Company of a clean, irrevocable and unconditional LOC issued by a bank and containing provisions acceptable to the insurance regulatory authorities having jurisdiction over the Company's reserves in an amount equal to the Reinsurer's Obligations. Such LOC shall be issued for a period of not less than one year, and shall be automatically extended for one year from its date of expiration or any future expiration date unless 30 days (or such other time period as may be required by insurance regulatory authorities), prior to any expiration date the issuing bank shall notify the Company by certified or registered mail that the issuing bank elects not to consider the LOC extended for any additional period.

E. The Reinsurer and the Company agree that any funding provided by the Reinsurer pursuant to the provisions of this Contract may be drawn upon at any time, notwithstanding any other provision of this Contract, and be utilized by the Company or any successor, by operation of law, of the Company including, without limitation, any liquidator, rehabilitator, receiver or conservator of the Company, for the following purposes, unless otherwise provided for in a separate Trust Agreement:

1. to reimburse the Company for the Reinsurer's Obligations, the payment of which is due under the terms of this Contract and that has not been otherwise paid;

2. to make refund of any sum that is in excess of the actual amount required to pay the Reinsurer's Obligations under this Contract (or in excess of 102% of the Reinsurer's Obligations, if funding is provided by a Trust Agreement);

3. to fund an account with the Company for the Reinsurer's Obligations. Such cash deposit shall be held in an interest bearing account separate from the Company's other assets, and interest thereon not in excess of the prime rate shall accrue to the benefit of the Reinsurer. Any taxes payable on accrued interest shall be paid out of the assets in the account that are in excess of the Reinsurer's Obligations (or in excess of 102% of the Reinsurer's Obligations, if funding is provided by a Trust Agreement). If the assets are inadequate to pay taxes, any taxes due shall be paid or reimbursed by the Reinsurer;

4. to pay the Reinsurer's share of any other amounts the Company claims are due under this Contract.

F. If the amount drawn by the Company is in excess of the actual amount required for subparagraph E(1) or E(3), or in the case of subparagraph E(4), the actual amount determined to be due, the Company shall promptly return to the Reinsurer the excess amount so drawn. All of the foregoing shall be applied without diminution because of insolvency on the part of the Company or the Reinsurer.

G. The issuing bank shall have no responsibility whatsoever in connection with the propriety of withdrawals made by the Company or the disposition of funds withdrawn, except to ensure that withdrawals are made only upon the order of properly authorized representatives of the Company.

H. At annual intervals, or more frequently at the discretion of the Company, but never more frequently than quarterly, the Company shall prepare a specific statement of the Reinsurer's Obligations for the sole purpose of amending the LOC or other method of funding, in the following manner:

1. If the statement shows that the Reinsurer's Obligations exceed the balance of the LOC, as of the statement date, the Reinsurer shall, within 30 days after receipt of the statement, secure delivery to the Company of an amendment to the LOC increasing the amount of credit by the amount of such difference. Should another method of funding be used, the Reinsurer shall, within the time period outlined above, increase such funding by the amount of such difference.

2. If, however, the statement shows that the Reinsurer's Obligations are less than the balance of the LOC (or that 102% of the Reinsurer's Obligations are less than the trust account balance if funding is provided by a Trust Agreement), as of the statement date, the Company shall, within 30 days after receipt of written request from the Reinsurer, release such excess credit by agreeing to secure an amendment to the LOC reducing the amount of credit available by the amount of such excess credit. Should another method of funding be used, the Company shall, within the time period outlined above, decrease such funding by the amount of such excess.

ARTICLE 16

TAXES

A. In consideration of the terms under which this Contract is issued, the Company undertakes not to claim any deduction of the premium hereon when making Canadian tax returns or when making tax returns, other than Income or Profits Tax returns, to any state or territory of the United States of America or to the District of Columbia.

B. 1. Each Subscribing Reinsurer has agreed to allow, for the purpose of paying the Federal Excise Tax, the applicable percentage of the premium payable hereon (as imposed under the Internal Revenue Code) to the extent such premium is subject to Federal Excise Tax.

2. In the event of any return of premium becoming due hereunder, the Subscribing Reinsurer shall deduct the applicable percentage of the premium from the amount of the return, and the Company or its agent should take steps to recover the Tax from the U.S. Government.

ARTICLE 17

ACCESS TO RECORDS

A. The Reinsurer or its duly authorized representatives shall have the right to visit the offices of the Company to inspect, examine, audit, and verify any of the policy, accounting or claim files (“Records”) relating to business reinsured under this Contract during regular business hours after giving five working days’ prior notice. This right shall be exercisable during the term of this Contract or after the expiration of this Contract. Notwithstanding the above, the Reinsurer shall not have any right of access to the Records of the Company if it is not current in all undisputed payments due the Company.

B. Notwithstanding the above, the Company reserves the right to withhold from the Reinsurer any Privileged Documents. However, the Company shall permit and not object to the Reinsurer’s access to Privileged Documents in connection with the underlying claim reinsured hereunder following final settlement or final adjudication of the case or cases involving such claim, with prejudice against all claimants and all parties to such adjudications; the Company may defer release of such Privileged Documents if there are subrogation, contribution, or other third party actions with respect to that claim or case, and the Company’s defense might be jeopardized by release of such Privileged Documents. In the event that the Company seeks to defer release of such Privileged Documents, it shall, in consultation with the Reinsurer, take other steps as reasonably necessary to provide the Reinsurer with the information it reasonably requires to indemnify the Company without

causing a loss of such privileges or protections. The Reinsurer shall not have access to Privileged Documents relating to any dispute between the Company and the Reinsurer.

C. For purposes of this Article:

1. “Privileged Documents” means any documents that are Attorney-Client Privilege Documents and/or Work Product Privilege Documents.

2. “Attorney-Client Privilege Documents” means communications of a confidential nature between (a) the Company, or anyone retained by or at the direction of the Company, or its in-house or outside legal counsel, or anyone in the control of such legal counsel, and (b) any in-house or outside legal counsel, if such communications relate to legal advice being sought by the Company and/or contain legal advice being provided to the Company.

3. “Work Product Privilege Documents” means communications, written materials and tangible things prepared by or for in-house or outside counsel, or prepared by or for the Company, in anticipation of or in connection with litigation, arbitration, or other dispute resolution proceedings.

ARTICLE 18

CONFIDENTIALITY

A. The Reinsurer hereby acknowledges that the documents, information and data provided to it by the Company, whether directly or through an authorized agent, in connection with the placement and execution of this Contract (“Confidential Information”) are proprietary and confidential to the Company. Confidential Information shall not include documents, information or data that the Reinsurer can show:

1. are publicly known or have become publicly known through no unauthorized act of the Reinsurer;

2. have been rightfully received from a third person without obligation of confidentiality; or

3. were known by the Reinsurer prior to the placement of this Contract without an obligation of confidentiality.

B. Absent the written consent of the Company, the Reinsurer shall not disclose any Confidential Information to any third parties, including any affiliated companies (except to the extent necessary to enable affiliated companies or third parties engaged by the Reinsurer to perform services related to this Contract on behalf of the Reinsurer), except:

1. when required by retrocessionaires as respects business ceded to this Contract;

2. when required by regulators performing an audit of the Reinsurer's records and/or financial condition; or

3. when required by external auditors performing an audit of the Reinsurer's records in the normal course of business.

Further, the Reinsurer agrees not to use any Confidential Information for any purpose not related to the performance of its obligations or enforcement of its rights under this Contract.

C. Notwithstanding the above, in the event that the Reinsurer is required by court order, other legal process or any regulatory authority to release or disclose any or all of the Confidential Information, the Reinsurer agrees to provide the Company with written notice of same at least 10 days prior to such release or disclosure and to use its best efforts to assist the Company in maintaining the confidentiality provided for in this Article.

D. The provisions of this Article shall extend to the officers, directors and employees of the Reinsurer and its affiliates, and shall be binding upon their successors and assigns.

ARTICLE 19

ERRORS AND OMISSIONS

Any inadvertent error, omission or delay in complying with the terms and conditions of this Contract shall not be held to relieve either party hereto from any liability that would attach to it hereunder if such error, omission or delay had not been made, provided such error, omission or delay is rectified immediately upon discovery.

ARTICLE 20

INSOLVENCY

A. If more than one company is referenced within the definition of "Company" in the Preamble to this Contract, this Article shall apply severally to each such company. Further, this Article and the laws of the domiciliary state shall apply in the event of the insolvency of any company covered hereunder. In the event of a conflict between any provision of this Article and the laws of the domiciliary state of any company covered hereunder, that domiciliary state's laws shall prevail.

B. In the event of the insolvency of the Company, this coverage (or the portion of any risk or obligation assumed by the Reinsurer, if required by applicable law) shall be payable directly to the Company, or to its liquidator, receiver, conservator or statutory successor, either: (1)

on the basis of the liability of the Company, or (2) on the basis of claims filed and allowed in the liquidation proceeding, whichever may be required by applicable statute, without diminution because of the insolvency of the Company or because the liquidator, receiver, conservator or statutory successor of the Company has failed to pay all or a portion of any claim. It is agreed, however, that the liquidator, receiver, conservator or statutory successor of the Company shall give written notice to the Reinsurer of the pendency of a claim against the Company indicating the Policy or bond reinsured, which claim would involve a possible liability on the part of the Reinsurer within a reasonable time after such claim is filed in the conservation or liquidation proceeding or in the receivership, and that during the pendency of such claim, the Reinsurer may investigate such claim and interpose, at its own expense, in the proceeding where such claim is to be adjudicated any defense or defenses that it may deem available to the Company or its liquidator, receiver, conservator or statutory successor. The expense thus incurred by the Reinsurer shall be chargeable, subject to the approval of the court, against the Company as part of the expense of conservation or liquidation to the extent of a pro rata share of the benefit that may accrue to the Company solely as a result of the defense undertaken by the Reinsurer.

C. Where two or more reinsurers are involved in the same claim and a majority in interest elect to interpose defense to such claim, the expense shall be apportioned in accordance with the terms of this reinsurance Contract as though such expense had been incurred by the Company.

ARTICLE 21

RUN-OFF REINSURER

A. “Run-off Reinsurer” means any Subscribing Reinsurer that:

1. has been ordered by a state insurance department or other legal authority to cease writing business, or has been placed under regulatory supervision or in rehabilitation; or

2. has ceased reinsurance underwriting operations; or

3. has transferred its claims-paying authority to an unaffiliated entity; or

4. engages in a process of Scheme of Arrangement or similar procedure related to this Contract, including but not limited to an insurance business transfer scheme pursuant to Part VII of the Financial Services and Markets Act 2000 (U.K.), as may be amended from time to time; or

5. in any other way has assigned its interests or delegated its obligations under this Contract to an unaffiliated entity.

Notwithstanding the foregoing, agreement by a Lloyd's syndicate to follow claim settlements procedures under Lloyd's Claims Scheme (Combined) shall not constitute a transfer of its claims-paying authority, for purposes of subparagraphs (3) and (5) of this paragraph.

B. Notwithstanding any other provision of this Contract, in the event that a Subscribing Reinsurer becomes a Run-off Reinsurer at any time, the Company may elect, by giving written notice to the Run-off Reinsurer at any time thereafter, that all or any of the following shall apply to the Run-off Reinsurer's participation hereunder:

1. Should the Run-off Reinsurer fail to pay amounts due hereunder, the interest penalty specified in the Late Payments Article shall be increased by 0.5% for each 30 days that a payment is past due, subject to a maximum increase of 7.0%.

2. The Run-off Reinsurer's liability for losses for Policies covered by this Contract shall be commuted. In the event the Company and the Run-off Reinsurer cannot agree on the commutation amount of the Run-off Reinsurer's liability under such Policies, they shall appoint an actuary and/or appraiser to assess such liability and shall share equally any expense of the actuary and/or appraiser. If the Company and the Run-off Reinsurer cannot agree on an actuary and/or appraiser, the Company and the Run-off Reinsurer each shall nominate three individuals, of whom the other shall decline two, and the final appointment shall be made by drawing lots. Payment by the Run-off Reinsurer of the amount of liability ascertained shall constitute a complete and final release of both parties under this Contract.

3. The Run-off Reinsurer shall have no right of access to the Records of the Company if the Run-off Reinsurer has denied payment of any claim hereunder or there is a pending arbitration between the Company and the Run-off Reinsurer regarding any claim hereunder. A reservation of rights shall be considered a denial of a claim. Notwithstanding the above, the Run-off Reinsurer shall continue to have access to Records of the Company for any claim for which it has raised a query within 30 days of its receipt of a billing, but any inspection of Records must be completed within 90 days of receipt of billing or access will be deemed waived.

4. The provisions of the Arbitration Article shall not apply.

C. The Company's waiver of any rights provided in this Article is not a waiver of that right or other rights at a later date.

ARTICLE 22

ARBITRATION

A. Any dispute arising out of the interpretation, performance or breach of this Contract, including the formation or validity thereof, shall be submitted for decision to a panel of three arbitrators. Notice requesting arbitration shall be in writing and sent certified or registered mail, return receipt requested.

B. One arbitrator shall be chosen by each party and the two arbitrators shall then choose an impartial third arbitrator who shall preside at the hearing. If either party fails to appoint its arbitrator within 30 days after being requested to do so by the other party, the latter, after 10 days' prior notice by certified or registered mail of its intention to do so, may appoint the second arbitrator.

C. If the two arbitrators do not agree on a third arbitrator within 60 days of their appointment, the third arbitrator shall be chosen in accordance with the procedures for selecting the third arbitrator in force on the date the arbitration is demanded, established by the AIDA Reinsurance and Insurance Arbitration Society – U.S. (ARIAS). The arbitrators shall be persons knowledgeable about insurance and reinsurance who have no personal or financial interest in the result of the arbitration. If a member of the panel dies, becomes disabled or is otherwise unwilling or unable to serve, a substitute shall be selected in the same manner as the departing member was chosen and the arbitration shall continue.

D. Within 30 days after all arbitrators have been appointed, the panel shall meet and determine timely periods for briefs, discovery procedures and schedules of hearings.

E. The panel shall be relieved of all judicial formality and shall not be bound by the strict rules of procedure and evidence. Notwithstanding anything to the contrary in this Contract, the arbitrators may at their discretion, consider underwriting and placement information provided by the Company to the Reinsurer, as well as any correspondence exchanged by the parties that is related to this Contract. The arbitration shall take place in Tampa, Florida, or at such other place as the parties shall agree. The decision of any two arbitrators shall be in writing and shall be final and binding. The panel is empowered to grant interim relief as it may deem appropriate.

F. The panel shall interpret this Contract as an honorable engagement rather than as merely a legal obligation and shall make its decision considering the custom and practice of the applicable insurance and reinsurance business as promptly as possible after the hearings. Judgment upon an award may be entered in any court having jurisdiction thereof.

G. Each party shall bear the expense of its own arbitrator and shall jointly and equally bear with the other party the cost of the third arbitrator. The remaining costs of the arbitration shall be

allocated by the panel. The panel may, at its discretion, award such further costs and expenses as it considers appropriate, including but not limited to attorneys' fees, to the extent permitted by law.

ARTICLE 23

EXPEDITED ARBITRATION

A. Notwithstanding the provisions of the Arbitration Article, in the event an amount in dispute hereunder $1,000,000 or less, the parties will submit to an expedited arbitration process with the use of a single arbitrator. The arbitrator will be chosen in accordance with the procedures for selecting an arbitrator in force on the date the arbitration is demanded, established by the AIDA Reinsurance and Insurance Arbitration Society – U.S. (ARIAS).

B. Each party's case will be submitted to the arbitrator within 100 calendar days of the date of determination of the arbitrator. Discovery will be limited to exchanging only those documents directly relating to the issue in dispute, subject to a limit of two discovery depositions from each party, unless otherwise authorized by the arbitrator upon a showing of good cause.

C. Within 120 calendar days of the date of determination of the arbitrator, the hearing will be completed and a written award will be issued by the arbitrator. As the parties agree that time is of the essence, the sole arbitrator does not have the authority to lengthen the schedule, absent agreement of both parties. The arbitrator will have all the powers conferred on the arbitration panel as provided in the Arbitration Article, and said Article will apply to all matters not specifically addressed above.

ARTICLE 24

SERVICE OF SUIT

A. This Article applies only to those Subscribing Reinsurers not domiciled in the United States of America, and/or not authorized in any state, territory and/or district of the United States of America where authorization is required by insurance regulatory authorities.

B. This Article shall not be read to conflict with or override the obligations of the parties to arbitrate their disputes as provided for in the Arbitration Article. This Article is intended as an aid to compelling arbitration or enforcing such arbitration or arbitral award, not as an alternative to the Arbitration Article for resolving disputes arising out of this Contract.

C. In the event of the failure of the Reinsurer to perform its obligations hereunder, the Reinsurer, at the request of the Company, shall submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this Article constitutes or should be

understood to constitute a waiver of the Reinsurer's rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. The Reinsurer, once the appropriate court is selected, whether such court is the one originally chosen by the Company and accepted by the Reinsurer or is determined by removal, transfer, or otherwise, as provided for above, shall comply with all requirements necessary to give said court jurisdiction and, in any suit instituted against the Reinsurer upon this Contract, shall abide by the final decision of such court or of any appellate court in the event of an appeal.

D. Service of process in such suit may be made upon:

1. as respects Underwriting Members of Lloyd's, London: Lloyd's America, Inc., Attention: Legal Department, 280 Park Avenue, East Tower, 25th Floor, New York, New York 10017;

2. as respects any other Subscribing Reinsurer: Messrs. Mendes and Mount, 750 Seventh Avenue, New York, New York 10019-6829, or another party specifically designated in the Subscribing Reinsurer's Interests and Liabilities Agreement attached hereto.

The above-named are authorized and directed to accept service of process on behalf of the Reinsurer in any such suit.

E. Further, pursuant to any statute of any state, territory or district of the United States that makes provision therefor, the Reinsurer hereby designates the Superintendent, Commissioner or Director of Insurance, or other officer specified for that purpose in the statute, or his successor or successors in office, as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Company or any beneficiary hereunder arising out of this Contract, and hereby designates the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

ARTICLE 25

GOVERNING LAW

This Contract shall be governed as to performance, administration and interpretation by the laws of the State of Florida, exclusive of conflict of law rules. However, with respect to credit for reinsurance, the rules of all applicable states shall apply.

ARTICLE 26

ENTIRE AGREEMENT

This Contract sets forth all of the duties and obligations between the Company and the Reinsurer and supersedes any and all prior or contemporaneous written agreements with respect to matters referred to in this Contract. This Contract may not be modified or changed except by an amendment to this Contract in writing signed by both parties. However, this Article shall not be construed as limiting the admissibility of evidence regarding the formation, interpretation, purpose or intent of this Contract.

ARTICLE 27

NON-WAIVER

The failure of the Company or the Reinsurer to insist on compliance with this Contract or to exercise any right or remedy hereunder shall not constitute a waiver of any rights contained in this Contract nor prevent either party from thereafter demanding full and complete compliance nor prevent either party from exercising such remedy in the future.

ARTICLE 28

SANCTION LIMITATION AND EXCLUSION CLAUSE (LMA 3100)

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

ARTICLE 29

INTERMEDIARY

Guy Carpenter & Company, LLC, is hereby recognized as the Intermediary negotiating this Contract for all business hereunder. All communications (including notices, statements, premiums, return premiums, commissions, taxes, losses, Loss Adjustment Expenses, salvages, and loss settlements) relating thereto shall be transmitted to the Company or the Reinsurer through the Intermediary. Payments by the Company to the Intermediary shall be deemed payment to the Reinsurer. Payments by the Reinsurer to the Intermediary shall be deemed payment to the Company only to the extent that such payments are actually received by the Company.

ARTICLE 30

MODE OF EXECUTION

A. This Contract may be executed by:

1. an original written ink signature of paper documents;

2. an exchange of facsimile copies showing the original written ink signature of paper documents;

3. electronic signature technology employing computer software and a digital signature or digitizer pen pad to capture a person's handwritten signature in such a manner that the signature is unique to the person signing, is under the sole control of the person signing, is capable of verification to authenticate the signature and is linked to the document signed in such a manner that if the data is changed, such signature is invalidated.

B. The use of any one or a combination of these methods of execution shall constitute a legally binding and valid signing of this Contract. This Contract may be executed in one or more counterparts, each of which, when duly executed, shall be deemed an original.

IN WITNESS WHEREOF, the Company has caused this Contract to be executed by its duly authorized representative(s), who also confirms the Company's review of and agreement to be bound by the terms and conditions of the Interests and Liabilities Agreements attached to and forming part of this Contract;

On this _____ day of _____, in the year of 20___.

TYPTAP INSURANCE COMPANY

Signature: _ Title: _

Print Name: _

And on this _____ day of _____, in the year of 20___.

HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC.

Signature: _ Title: _

Print Name: _

REINSTATEMENT PREMIUM PROTECTION REINSURANCE CONTRACT

TRUST AGREEMENT REQUIREMENTS CLAUSE

A. Except as provided in paragraph B of this Clause, if the Reinsurer satisfies its funding obligations under the Unauthorized Reinsurance Article by providing a Trust Agreement, the Reinsurer shall ensure that the Trust Agreement:

1. Requires the Reinsurer to establish a trust account for the benefit of the Company, and specifies what the Trust Agreement is to cover;

2. Stipulates that assets deposited in the trust account shall be valued according to their current fair market value and shall consist only of cash (United States legal tender), and certificates of deposit (issued by a United States bank and payable in United States legal tender), or any combination of the two, provided that the investments are issued by an institution that is not the parent, subsidiary or affiliate of either the Reinsurer or the Company;

3. Requires the Reinsurer, prior to depositing assets with the trustee, to execute assignments or endorsements in blank, or to transfer legal title to the trustee of all shares, obligations or any other assets requiring assignments, in order that the Company, or the trustee upon the direction of the Company, may whenever necessary negotiate these assets without consent or signature from the Reinsurer or any other entity;

4. Requires that all settlements of account between the Company and the Reinsurer be made in cash or its equivalent; and

5. Provides that assets in the trust account shall be withdrawn only as permitted in this Contract, without diminution because of the insolvency of the Company or the Reinsurer.

B. If a ceding insurer is domiciled in California and the Reinsurer satisfies its funding obligations under the Unauthorized Reinsurance Article by providing a Trust Agreement, the Reinsurer shall ensure that the Trust Agreement:

1. Provides that assets deposited in the trust account shall be valued according to their current fair market value and shall consist only of cash in United States dollars, certificates of deposit issued by a United States financial institution as defined in California Insurance Code Section 922.7(a) and payable in United States dollars, and investments permitted by the California Insurance Code, or any combination of the above.

2. Provides that investments in or issued by an entity controlling, controlled by or under common control with either the grantor or the beneficiary of the trust shall not exceed 5% of total investments.

3. Requires the Reinsurer, prior to depositing assets with the trustee, to execute assignments or endorsements in blank, or to transfer legal title to the trustee of all shares, obligations or any other assets requiring assignments, in order that the ceding insurer, or the trustee upon the direction of the ceding insurer, may, whenever necessary, negotiate these assets without consent or signature from the Reinsurer or any other entity.

4. Provides that assets in the trust account shall be withdrawn only as permitted in this Contract, without diminution because of the insolvency of the ceding insurer or the Reinsurer.

C. If there are multiple ceding insurers that collectively comprise the Company, “regulatory authorities” as referenced in subparagraph A(2) above, shall mean the individual ceding insurer’s domestic regulator.

EXHIBIT 10.33. Certain identified information has been excluded from this exhibit because it is immaterial and would be competitively harmful if publicly disclosed. Information that has been omitted is indicated with brackets.

EXHIBIT 10.33

PROPERTY CATASTROPHE EXCESS OF LOSS REINSURANCE CONTRACT

issued to

HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC.
Tampa, Florida

including any and/or all companies that are or may hereafter become affiliated therewith

EXHIBIT 10.33. Certain identified information has been excluded from this exhibit because it is immaterial and would be competitively harmful if publicly disclosed. Information that has been omitted is indicated with brackets.

PROPERTY CATASTROPHE EXCESS OF LOSS REINSURANCE CONTRACT

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PROPERTY CATASTROPHE EXCESS OF LOSS REINSURANCE CONTRACT

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PROPERTY CATASTROPHE EXCESS OF LOSS REINSURANCE CONTRACT

the "Contract")

issued to

HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC.
Tampa, Florida

including any and/or all companies that are or may hereafter become affiliated therewith

(collectively, the "Company")

by

THE SUBSCRIBING REINSURER(S) IDENTIFIED IN THE INTERESTS AND LIABILITIES AGREEMENT(S) ATTACHED TO AND FORMING PART OF THIS CONTRACT

(the "Reinsurer")

ARTICLE 1

BUSINESS COVERED

This Contract is to indemnify the Company in respect of its net excess liability as a result of any loss or losses which may occur during the term of this Contract under any Policies in force at the effective date hereof or issued or renewed on or after that date, covering direct and assumed business classified by the Company as the property perils of Business Owners, Homeowners, Condominium Owners, Renters and Dwelling, subject to the terms and conditions herein contained.

ARTICLE 2

RETENTION AND LIMIT

A. The Reinsurer shall be liable in respect of each Loss Occurrence for the Ultimate Net Loss over and above the initial Ultimate Net Loss of [ ] each Loss Occurrence, subject to a limit of liability to the Reinsurer of [ ], each Loss Occurrence and further subject to a limit of liability to the Reinsurer of [ ] for all Loss Occurrences commencing during the term of the Contract.

B. No Loss Occurrence shall be covered hereunder unless it involves two or more risks subject to this Contract. The Company shall be the sole judge of what constitutes one risk for purposes of this Contract.

ARTICLE 3

FLORIDA HURRICANE CATASTROPHE FUND AND REINSURANCE TO ASSIST POLICYHOLDERS

A. As respects Loss Occurrences subject to this Contract, any loss reimbursement recoverable by the Company under the Florida Hurricane Catastrophe Fund (FHCF) and the Reinsurance to Assist Policyholders (RAP) Program, shall be deducted in determining Ultimate Net Loss under this Contract, subject to the following:

1. The full reimbursement amount due from the FHCF for coverage under the Mandatory Layer and RAP, based on statutory limits of coverage as of June 1, shall be deemed recovered by the Company, whether or not actually received from the FHCF and/or RAP and whether or not reduced because of the FHCF's and/or RAP's inability to pay.

2. For purposes of allocating recoveries from the FHCF with respect to each Loss Occurrence, only amounts recoverable by applying the pay-out and retention multiples for the FHCF prior to any reduction in retention due to multiple Loss Occurrences in the same annual period shall be included in calculating the deduction from Ultimate Net Loss. RAP coverage shall only apply to two eligible Loss Occurrences as determined by statute.

3. If the Company's aggregate limit of FHCF and/or RAP reimbursement coverage is exhausted from Loss Occurrences commencing during the term of this Contract, and the FHCF or RAP, as applicable, does not designate the portion of said limit allocable to each Loss Occurrence, the total FHCF and/or RAP reimbursement received shall be allocated to each individual Loss Occurrence in the proportion that the Company's losses in that Loss Occurrence bear to the Company's total losses arising out of all Loss Occurrences to which the reimbursement applies.

4. For purposes of loss recoveries under this Contract prior to the final determination of the Company's retention and limit under the FHCF and/or RAP, as applicable; FHCF and/or RAP coverage, as applicable, shall be calculated using the Company's respective "Projected Payout Multiple" under the FHCF and/or RAP. Upon determination of the Company's retention and limit under the FHCF and/or RAP, as applicable, losses will be adjusted, recognizing any adjustment to the "Projected Payout

Multiple" caused by a change in the Aggregate Mandatory FHCF Premium or any other adjustments as required by statute to determine the final FHCF and/or RAP layer, but disregarding any change due to a decrease in the statutory limit.

B. Any FHCF reimbursement premiums paid by the Company for FHCF layers that inure to the benefit of this Contract shall be deemed to be premiums paid for inuring reinsurance.

C. The Company has opted for 90% coverage selections from the FHCF and RAP:

ARTICLE 4

TERM

This Contract shall take effect at 12:01 a.m., Standard Time, June 1, 2023, and unless terminated prior to that time and date as provided in the Special Termination Article, shall remain in effect until 12:01 a.m., Standard Time, June 1, 2024, applying to Loss Occurrences commencing during the term of this Contract. For purposes of this Contract, "Standard Time" shall mean the time as described in the original Policy.

ARTICLE 5

SPECIAL TERMINATION

A. The Company may terminate a Subscribing Reinsurer's percentage share in this Contract at any time by giving written notice to the Subscribing Reinsurer in the event of any of the following circumstances:

1. The Subscribing Reinsurer ceases underwriting operations.

2. A state insurance department or other legal authority orders the Subscribing Reinsurer to cease writing business, or the Subscribing Reinsurer is placed under regulatory supervision.

3. The Subscribing Reinsurer has become insolvent or has been placed into liquidation or receivership (whether voluntary or involuntary), or there have been instituted against it proceedings for the appointment of a receiver, liquidator, rehabilitator, conservator, trustee in bankruptcy, or other agent known by whatever name, to take possession of its assets or control of its operations.

4. The Subscribing Reinsurer's policyholders' surplus (or the equivalent under the Subscribing Reinsurer's accounting system) as reported in such financial statements of the Subscribing Reinsurer as designated by the Company, has been reduced by 20% of

the amount thereof at any date during the prior 12-month period (including the period prior to the inception of this Contract).

5. The Subscribing Reinsurer has become, or has announced its intention to become, merged with or acquired or controlled by any company, corporation, or individual(s) not controlling the Subscribing Reinsurer's operations at the inception of this Contract.

6. The Subscribing Reinsurer has retroceded its entire liability under this Contract without the Company's prior written consent, except for retrocessions to members of the Subscribing Reinsurer's holding company group.

7. The Subscribing Reinsurer has been assigned an A.M. Best's rating of less than "A-" and/or an S&P rating of less than "BBB+." However, as respects Underwriting Members of Lloyd's, London, a Lloyd's Market Rating of less than "A-" by A.M. Best and/or less than "BBB+" by S&P shall apply.

8. The Subscribing Reinsurer has hired an unaffiliated runoff claims manager that is compensated on a contingent basis or is otherwise provided with financial incentives based on the quantum of claims paid.

9. The Subscribing Reinsurer has in any other way assigned its interests or delegated its obligations under this Contract to an unaffiliated entity.

10. The Subscribing Reinsurer has failed to post or maintain required collateral to secure its obligations as required under this Contract, and has not cured such deficiency within 30 days following written notice thereof from the Company.

Notwithstanding the foregoing, agreement by a Lloyd's syndicate to follow claim settlements procedures under Lloyd's Claims Scheme (Combined) shall not constitute a transfer of its claims-paying authority, for purposes of subparagraphs (8) and (9) of this paragraph.

B. Termination shall be effected on a cut-off basis and the Subscribing Reinsurer shall have no liability for Loss Occurrences commencing after the date of termination. The reinsurance premium due the Subscribing Reinsurer hereunder (including any minimum reinsurance premium) shall be prorated based on the period of the Subscribing Reinsurer's participation hereon, and the Subscribing Reinsurer shall immediately return any excess reinsurance premium received. Reinstatement premium, if any, shall be calculated based on the Subscribing Reinsurer's reinsurance premium earned during the period of the Subscribing Reinsurer's participation hereon.

C. Additionally, in the event of any of the circumstances listed in paragraph A of this Article, the Company shall have the option to commute the Subscribing Reinsurer's liability for losses on Policies covered by this Contract. In the event the Company and the Subscribing

Reinsurer cannot agree on the commutation amount, they shall appoint an actuary and/or appraiser to assess such amount and shall share equally any expense of the actuary and/or appraiser. If the Company and the Subscribing Reinsurer cannot agree on an actuary and/or appraiser, the Company and the Subscribing Reinsurer each shall nominate three individuals, of whom the other shall decline two, and the final appointment shall be made by drawing lots. Payment by the Subscribing Reinsurer of the amount of liability ascertained shall constitute a complete and final release of both parties in respect of liability arising from the Subscribing Reinsurer's participation under this Contract.

D. The Company's option to require commutation under paragraph C above shall survive the termination or expiration of this Contract.

ARTICLE 6

TERRITORY

This Contract shall apply to Policies issued in the State of Florida.

ARTICLE 7

EXCLUSIONS

A. This Contract shall not apply to and specifically excludes:

1. Policies covered by the Company's Flood Tower.

2. Flood when written as such.

3. Earthquake for standalone Policies where earthquake is the only named peril.

4. Hail damage to an insured's growing or standing crops.

5. Reinsurance assumed by the Company under obligatory reinsurance agreements, except intercompany reinsurance between the Company and its affiliates and reinsurance where the Policies involved are to be re-underwritten in accordance with the underwriting standards of the Company and reissued as Policies of the Company in due course.

6. Pools, Associations & Syndicates, per the attached exclusion.

7. Liability of the Company arising by contract, operation of law, or otherwise, from its participation or membership, whether voluntary or involuntary, in any Insolvency Fund. "Insolvency Fund" includes any guaranty fund, insolvency fund, plan, pool, association, fund or other arrangement, howsoever denominated, established or

governed, that provides for any assessment of or payment or assumption by the Company of part or all of any claim, debt, charge, fee, or other obligation of an insurer, or its successors or assigns, that has been declared by any competent authority to be insolvent, or that is otherwise deemed unable to meet any claim, debt, charge, fee or other obligation in whole or in part.

8. Loss or damage occasioned by war, invasion, hostilities, acts of foreign enemies, civil war, rebellion, insurrection, military or usurped power, martial law, or confiscation by order of any government or public authority, but not excluding loss or damage that would be covered under a standard form of Policy containing a standard war exclusion clause.

9. Losses excluded by the attached Nuclear Incident Exclusion Clause – Physical Damage – Reinsurance – U.S.A.

10. Terrorism as defined in the attached Terrorism Exclusion.

11. Mold unless directly resulting from an otherwise covered peril.

12. Loss and/or damage and/or costs and/or expenses arising from seepage and/or pollution and/or contamination, other than contamination from smoke. Nevertheless, this exclusion does not preclude payment of the cost of removing debris of property damaged by a loss otherwise covered hereunder, subject always to a limit of 25.0% of the Company's property loss under the applicable original Policy.

13. Financial guarantee and insolvency.

14. Loss or damage to overhead transmission and distribution lines, including supporting structures, of electrical companies, telephone companies, and cable companies. This exclusion shall not apply, however, to transmission and distribution lines and their supporting structures located on the property of any original insured or within 1,000 feet thereof.

15. Losses excluded by the attached Limited Communicable Disease Exclusion No. 2 (Property Treaty Reinsurance).

16. Loss Excluded by the attached Cyber Loss Limited Exclusion Clause (Property Treaty Reinsurance).

17. Policies written by TypTap Insurance Company.

B. With the exception of subparagraphs A(7), A(8), A(9), A(10), A(13), A(15) and A(16) above, should any judicial, regulatory or legislative entity having legal jurisdiction invalidate

any exclusion on the Company's Policy, any amount of loss for which the Company is liable because of such invalidation will not be excluded hereunder.

C. With the exception of subparagraphs A(7), A(8), A(9), A(10), A(13), A(15) and A(16) above, if the Company inadvertently issues a Policy falling within the scope of one or more of the exclusions, such Policy shall be covered hereunder, provided that the Company issues, or causes to be issued, the required notice of cancellation within 30 days after a member of the executive or managerial staff at the Company's home office having underwriting authority in the class of business involved becomes aware that the Policy applies to excluded classes, unless the Company is prevented from canceling said Policy within such period by applicable statute or regulation, in which case such Policy shall be covered hereunder until the earliest date on which the Company may cancel.

ARTICLE 8

SPECIAL ACCEPTANCE

Business that is not within the scope of this Contract may be submitted to the Reinsurer for special acceptance hereunder, and such business, if accepted by the Reinsurer shall be covered hereunder, subject to the terms and conditions of this Contract, except as modified by the special acceptance. The Reinsurer shall be deemed to have accepted a risk, if it has not responded within five business days after receiving the underwriting information on such risk. Any renewal of a special acceptance agreed to for a predecessor contract to this Contract, shall automatically be covered hereunder.

ARTICLE 9

PREMIUM

A. The Company shall pay the Reinsurer a reinsurance premium of [ ] for the term of this Contract, to be paid on June 1, 2023

B. The Company shall furnish the Reinsurer with such reasonably available information as may be reasonably required by the Reinsurer for completion of the Reinsurer's financial statements.

ARTICLE 10

DEFINITIONS

A. 1. “Ultimate Net Loss” means the actual loss paid by the Company or which the Company becomes liable to pay, such loss to include Loss Adjustment Expense, 100% of any Extra Contractual Obligation and 100% of any Loss in Excess of Policy Limits as defined in the Extra Contractual Obligations/Excess of Policy Limits Article. In no event, however, shall more than 25% of “Ultimate Net Loss” for any one Loss Occurrence be comprised of Extra Contractual Obligations and Loss in Excess of Policy Limits.

2. Salvages and all recoveries (including amounts due from all reinsurances that inure to the benefit of this Contract, whether recovered or not), shall be first deducted from such loss to arrive at the amount of liability attaching hereunder.

3. All salvages, recoveries or payments recovered or received subsequent to loss settlement hereunder shall be applied as if recovered or received prior to the aforesaid settlement, and all necessary adjustments shall be made by the parties hereto.

4. The Company shall be deemed to be “liable to pay” a loss when a judgment has been rendered that the Company does not plan to appeal, and/or the Company has obtained a release, and/or the Company has accepted a proof of loss, and/or the Company has made a commitment to pay, and/or the Company has scheduled the payment of a loss.

5. Nothing in this clause shall be construed to mean that losses are not recoverable hereunder until the Company’s “Ultimate Net Loss” has been ascertained.

B. “Loss Adjustment Expense” means costs and expenses incurred by the Company in connection with the investigation, appraisal, adjustment, settlement, litigation, defense or appeal of a specific claim or loss, or alleged loss, including but not limited to:

1. court costs;

2. costs of supersedeas and appeal bonds;

3. monitoring counsel expenses;

4. legal expenses and costs incurred in connection with coverage questions and legal actions connected thereto, including but not limited to declaratory judgment actions;

5. post-judgment interest;

6. pre-judgment interest, unless included as part of an award or judgment;

7. a pro rata share of salaries and expenses of Company field employees, calculated in accordance with the time occupied in adjusting such loss, and expenses of other Company employees who have been temporarily diverted from their normal and customary duties and assigned to the field adjustment of losses covered by this Contract; and

8. subrogation, salvage and recovery expenses.

"Loss Adjustment Expense" does not include salaries and expenses of the Company's employees, except as provided in subparagraph (7) above, and office and other overhead expenses.

C. 1. "Loss Occurrence" means the sum of all individual losses directly occasioned by any one disaster, accident or loss or series of disasters, accidents or losses arising out of one event. However, the duration and extent of any one "Loss Occurrence" shall be limited to all individual losses sustained by the Company occurring during any period of 168 consecutive hours arising out of and directly occasioned by the same event except that the term "Loss Occurrence" shall be further defined as follows:

a. As regards any "Named Storm," all individual losses sustained by the Company arising out of and directly occasioned by such "Named Storm," without regard to the limitations of duration and extent set forth above. "Named Storm" means any storm or storm system declared by the US National Hurricane Center, US Central Pacific Hurricane Center, US Weather Prediction Center, or their successor organizations, all being divisions of the US National Weather Service to be a tropical storm or hurricane, and any successors thereof. A storm or storm system that merges with a "Named Storm" shall be considered part of that "Named Storm," once it has merged. A "Named Storm" shall be deemed to begin at the effective time and date of the first watch, warning or other official advisory applicable to such tropical storm or hurricane issued by the above referenced governmental meteorological agencies. A "Named Storm" shall be deemed to end 72 hours after the cancellation of the last watch, warning or other official advisory applicable to such tropical storm, hurricane or successor, issued by the above referenced governmental meteorological agencies irrespective of the duration of the timing or spacing between such watches, warnings or other official advisories. If two or more storms are assigned different names by the above referenced governmental meteorological agencies, each of those storms shall constitute a separate event for purposes of this definition.

b. As regards windstorm, hail, tornado, cyclone, including ensuing collapse and water damage other than "Named Storm," all individual losses sustained by the Company occurring during any period of 96 consecutive hours arising out of and directly occasioned by the same event.

c. As regards riot, riot attending a strike, civil commotion, vandalism and malicious mischief, all individual losses sustained by the Company occurring during any period of 96 consecutive hours arising out of and directly occasioned by the same event. The maximum duration of 96 consecutive hours may be extended in respect of individual losses that occur beyond such 96 consecutive hours during the continued occupation of an assured's premises by strikers, provided such occupation commenced during the aforesaid period.

d. As regards earthquake and fire following directly occasioned by the earthquake, those earthquake losses and individual fire losses that commence during the period of 168 consecutive hours may be included in the Company's "Loss Occurrence."

e. As regards any related weather conditions involving snow, sleet, freezing rain, freeze, ice, winter weather, and wind losses related to such conditions, all individual losses sustained by the Company, that occur during any period of 168 consecutive hours arising out of and directly occasioned by the same event.

f. As regards firestorms, brush fires and other fires or series of fires, irrespective of origin (except for fires covered in subparagraphs (c) and (d) above) which spread through trees, grassland or other vegetation, all individual losses sustained by the Company occurring during any period of 168 consecutive hours within a 150-mile radius of any fixed point selected by the Company may be included in the Company's "Loss Occurrence." However, an individual loss subject to this subparagraph cannot be included in more than one "Loss Occurrence."

2. Except as provided in subparagraph (1)(a) above:

a. The Company may choose the date and time when any such period of consecutive hours commences provided that it is not earlier than the date and time of the occurrence of the first recorded individual loss sustained by the Company arising out of that disaster, accident or loss.

b. Only one period of consecutive hours shall apply with respect to one event, except that, as respects those "Loss Occurrences" referred to in subparagraph (1)(c) above, if the disaster, accident or loss occasioned by the event is of greater duration than 96 consecutive hours, then the Company may divide that disaster, accident or loss into two or more "Loss Occurrences" provided no two periods overlap and no individual loss is included in more than one such period and provided that no period commences earlier than the date and time of the occurrence of the first recorded individual loss sustained by the Company arising out of that disaster, accident or loss.

3. Losses arising from a combination of two or more perils as a result of the same event shall be considered as having arisen from one “Loss Occurrence.” Furthermore, all losses arising from an event involving a combination of losses described in subparagraphs (1)(a) and (1)(b) may be considered as having arisen from one “Loss Occurrence.” Notwithstanding the foregoing, the hourly limitations as stated above shall not be exceeded as respects the applicable perils, and, except as respects those “Loss Occurrences” involving a “Named Storm” referred to in subparagraph (1)(a) above, no single “Loss Occurrence” shall encompass a time period greater than 168 consecutive hours.

D. “Policy” means any binder, policy, or contract of insurance or reinsurance issued, accepted or held covered provisionally or otherwise, by or on behalf of the Company.

ARTICLE 11

EXTRA CONTRACTUAL OBLIGATIONS/EXCESS OF POLICY LIMITS

A. This Contract shall cover Extra Contractual Obligations, as provided in the definition of Ultimate Net Loss. “Extra Contractual Obligations” shall be defined as those liabilities not covered under any other provision of this Contract and that arise from the handling of any claim on business covered hereunder, such liabilities arising because of, but not limited to, the following: failure by the Company to settle within the Policy limit, or by reason of alleged or actual negligence, fraud or bad faith in rejecting an offer of settlement or in the preparation of the defense or in the trial of any action against its insured or reinsured or in the preparation or prosecution of an appeal consequent upon such action.

B. This Contract shall cover Loss in Excess of Policy Limits, as provided in the definition of Ultimate Net Loss. “Loss in Excess of Policy Limits” shall be defined as Loss in excess of the Policy limit, having been incurred because of, but not limited to, failure by the Company to settle within the Policy limit or by reason of alleged or actual negligence, fraud or bad faith in rejecting an offer of settlement or in the preparation of the defense or in the trial of any action against its insured or reinsured or in the preparation or prosecution of an appeal consequent upon such action.

C. An Extra Contractual Obligation and/or Loss in Excess of Policy Limits shall be deemed to have occurred on the same date as the loss covered under the Company’s Policy, and shall constitute part of the original loss.

D. For the purposes of the Loss in Excess of Policy Limits coverage hereunder, the word “Loss” shall mean any amounts for which the Company would have been contractually liable to pay had it not been for the limit of the original Policy.

E. Loss Adjustment Expense in respect of Extra Contractual Obligations and/or Loss in Excess of Policy Limits shall be covered hereunder in the same manner as other Loss Adjustment Expense.

F. However, this Article shall not apply where the loss has been incurred due to final legal adjudication of fraud of a member of the Board of Directors or a corporate officer of the Company acting individually or collectively or in collusion with any individual or corporation or any other organization or party involved in the presentation, defense or settlement of any claim covered hereunder.

G. In no event shall coverage be provided to the extent not permitted under law.

ARTICLE 12

NET RETAINED LIABILITY

A. This Contract applies only to that portion of any loss that the Company retains net for its own account (prior to deduction of any reinsurance that inures solely to the benefit of the Company).

B. The amount of the Reinsurer's liability hereunder in respect of any loss or losses shall not be increased by reason of the inability of the Company to collect from any other reinsurer(s), whether specific or general, any amounts that may have become due from such reinsurer(s), whether such inability arises from the insolvency of such other reinsurer(s) or otherwise.

ARTICLE 13

OTHER REINSURANCE

The Company shall be permitted to carry in force other reinsurance, recoveries under which shall inure to the benefit of this Contract.

ARTICLE 14

ORIGINAL CONDITIONS

All reinsurance under this Contract shall be subject to the same terms, conditions, waivers and interpretations, and to the same modifications and alterations as the respective Policies of the Company. However, in no event shall this be construed in any way to provide coverage outside the terms and conditions set forth in this Contract.

ARTICLE 15

NO THIRD PARTY RIGHTS

This Contract is solely between the Company and the Reinsurer, and in no instance shall any insured, claimant or other third party have any rights under this Contract except as may be expressly provided otherwise herein.

ARTICLE 16

NOTICE OF LOSS AND LOSS SETTLEMENTS

A. The Company shall advise the Reinsurer promptly if paid and estimated Ultimate Net Loss is in excess of 75% of the Company's retention, or if, in the opinion of the Company, such Ultimate Net Loss may result in a claim hereunder. Thereafter, the Company shall advise the Reinsurer, at least monthly, of all subsequent developments thereto that may materially affect the position of the Reinsurer.

B. The Company alone and at its full discretion shall adjust, settle or compromise all claims and losses.

C. As respects losses subject to this Contract, all loss settlements made by the Company, whether under strict Policy terms or by way of compromise, and any Extra Contractual Obligations and/or Loss in Excess of Policy Limits, shall be binding upon the Reinsurer. The Reinsurer agrees to pay or allow, as the case may be, its share of each such settlement immediately upon receipt of reasonable evidence of the amount paid by the Company or that the Company estimates it will pay within the next 14 days. Within 30 days after receipt of the Reinsurer's payment, the Company shall report to the Reinsurer the Reinsurer's payment, minus the Reinsurer's share of losses subject to this Contract that the Company has paid, or become liable to pay, as of the date of the report. Any positive difference shall be remitted to the Reinsurer with the Company's report.

ARTICLE 17

LATE PAYMENTS

A. In the event any payment due either party is not received by the payment due date, the party to whom payment is due may, by written notification, require the debtor party to pay, and the debtor party agrees to pay, an interest penalty on the amount past due calculated for each such payment on the last business day of each month as follows:

1. The number of full days that have expired since the overdue date or the last monthly calculation, whichever the lesser; times

2. 1/365th of the sum of the six-month United States Treasury Bill rate as quoted in *The Wall Street Journal* on the first business day of the month for which the calculation is made, plus 1%; times

3. The amount past due, including accrued interest.

B. The due date shall, for purposes of this Article, be determined as follows:

1. Payments from the Reinsurer to the Company shall be due on the date on which the demand for payment (including delivery of bordereaux or quarterly or monthly reports) is received by the Reinsurer, and shall be overdue 30 days thereafter.

2. Payments from the Company to the Reinsurer shall be due on the dates specified within this Contract. Payments shall be overdue 30 days thereafter except for the first installment of premium, if applicable, which shall be overdue 60 days from inception or 30 days from final line-signing, whichever the later. Reinstatement premium, if applicable, shall have as a due date the date when the Company receives payment for the claim giving rise to such reinstatement premium, and payment shall be overdue 30 days thereafter. In the event a due date is not specifically stated for a given payment, the overdue date shall be 30 days following the date of billing.

C. If the information contained in the Company's demand for payment is insufficient or not in accordance with the conditions of this Contract, then within 30 days the Reinsurer shall request from the Company all additional information necessary to validate its claim and the payment due date as defined in paragraph B shall be deemed to be the date upon which the Reinsurer received the requested additional information. This paragraph is only for the purpose of establishing when a payment is overdue, and shall not alter the provisions of the Notice of Loss and Loss Settlements Article or other pertinent contractual stipulations.

D. In the event arbitration is necessary to settle a dispute, the panel shall have the authority to make a determination awarding interest to the prevailing party. Interest, if any, awarded by the panel shall supersede the interest amounts outlined herein.

E. Any interest owed pursuant to this Article may be waived by the party to which it is owed. Waiver of such interest, however, shall not affect the waiving party's rights to other interest amounts due as a result of this Article.

ARTICLE 18

OFFSET

Each party hereto shall have, and may exercise at any time and from time to time, the right to offset any and all balances due from a party to the other arising under this Contract. In the event of the

insolvency of a party hereto, offsets shall only be allowed in accordance with the provisions of any applicable law governing offset entitlement.

ARTICLE 19

CURRENCY

A. Where the word “Dollars” and/or the sign “$” appear in this Contract, they shall mean United States Dollars, and all payments hereunder shall be in United States Dollars.

B. For purposes of this Contract, where the Company receives premiums or pays losses in currencies other than United States Dollars, such premiums or losses shall be converted into United States Dollars at the actual rates of exchange at which these premiums or losses are entered in the Company’s books.

ARTICLE 20

OBLIGATIONS AND COLLATERAL RELEASE

A. The Reinsurer will establish a trust fund (“Trust Fund”) for its Obligations (as defined herein) hereunder, pursuant to that certain Trust Agreement by and between the Reinsurer, the Company, and Truist Bank (the “Trust Agreement”). The Trust Fund shall be funded pursuant to the provisions hereof. Collateral deposited in the Trust Fund may be withdrawn on the terms set forth herein and in the Trust Agreement. The Trust Agreement shall be at all times in compliance with the relevant provisions of the Insurance Code of the Company’s state of domicile and the administrative regulations adopted by that state’s insurance department, in order for the Company to receive, full statutory financial statement credit for reinsurance provided under this Contract. Collateral deposited in the Trust Fund may be withdrawn at any time, notwithstanding the other provisions of this Contract, and utilized and applied by the Company or any successor, by operation of law, of the Company, including, without limitation, any liquidator, rehabilitator, receiver or conservator of the Company, without diminution because of insolvency on the part of the Company or the Reinsurer, for the following purposes:

1. to reimburse the Company for the Reinsurer’s Obligations, the payment of which is due under the terms of this Contract and that has not been otherwise paid;

2. to make refund of any sum that is in excess of 102% of the amount required to pay the Reinsurer’s Obligations under this Contract;

3. to fund an account with the Company for the Reinsurer’s Obligations. Such cash deposit shall be held in an interest-bearing account separate from the Company’s other

assets, and interest thereon not in excess of the prime rate shall accrue to the benefit of the Reinsurer;

4. to pay the Reinsurer's share of any other amounts the Company claims are due under this Contract.

B. The term "Obligations" shall mean during the term of the Contract, 100% of the limit of the Reinsurer's liability hereunder less any unpaid minimum premium (net of brokerage and Federal Excise Tax as applicable) and aggregate amounts previously paid by the Reinsurer in respect of claims under this Contract. Upon expiration of the Contract, the term "Obligations" shall mean the amount as determined in accordance with paragraph D below.

C. If, at expiration of this Contract, the Company, in its commercially reasonable judgment, believes that no claims will impact this Contract, the Company will so notify the Reinsurer and shall fully and finally release from the Trust Fund all collateral contained therein.

D. If, at the expiration of this Contract, the Company, in its commercially reasonable judgment, believes that the Company may have a claim hereunder, the Company shall estimate the amount of reinstatement premium due under this Contract based on the reinstatement premium payable under the contract identified in the Business Covered article (the Underlying Contract") as follows, unless otherwise mutually agreed:

1. The Company shall determine the sum of the following for the Underlying Contract, as of this Contract expiration date:

   a. losses and loss adjustment expense paid by the Company;

   b. reserves for losses reported and outstanding; and

   c. reserves for losses incurred but not reported;

2. The Company shall then calculate the estimated reinstatement premium due on the Underlying Contract and such amount shall constitute the Reinsurer's Obligations

3. The amount of the estimated reinstatement premium due on the Underlying Contract, measured as of the applicable determination date (as specified in paragraph E below), shall be multiplied by a factor, based upon the number of months, which have elapsed on such determination date since expiration of this Contract, as follows:

   a. From 0 to 12 months from expiration of this Contract, 150%, else;

   b. From 13 to 24 months from expiration of this Contract, 125%, else;

   c. From 25 to 36 months from expiration of this Contract, 110%; and

d. From 37 to 67 months from expiration of this Contract, 100%.

As of 67 months after expiration of this Contract (the “Reporting Period”), the amount determined in subparagraphs 1, 2 and 3 above for such date shall be considered the definitive Final Limit for each such Loss Occurrence for which the Company and the Reinsurer agree to commute this Contract with final settlement on that basis.

E. The procedure for determining the amount of collateral required to fund the Reinsurer’s Obligations as set forth in paragraph D above, shall be followed each and every time, if in the opinion of the Company, there are materially new estimates regarding its losses, and each quarter-end, until all the Reinsurer’s Obligations have been extinguished or the Reporting Period is over, whichever is earlier. The information to be used for the determinations of the Reinsurer’s Obligations shall be as reflected on the Company’s official books and records.

F. The Company agrees to release from the Trust Fund all collateral in excess of 102% of the amount required to pay the Reinsurer’s Obligations for its share of actual and possible claims, as determined in accordance with paragraph A, above within 10 Business Days of the date of such determination. “Business Day” shall be defined as a day (other than a Saturday or a Sunday) on which banks are open for commercial business in Bermuda and in New York, New York, U.S.A.

G. Notwithstanding the foregoing, if the Reinsurer is licensed as a segregated account company, the Company agrees and acknowledges that there shall only be recourse to the Segregated Trust Account assets, and in the event of the exhaustion of the Segregated Trust Account assets there shall be no recourse by any party for any claims, payments, other expenses or fees whatsoever, howsoever arising pursuant to this Contract, to the assets which are allocated to any other segregated account of the Reinsurer or to the general account of the Reinsurer.

H. At the end of the Reporting Period, this Contract will be commuted based on the Reinsurer’s Obligations at that point. The Company agrees to terminate the Trust Account, and all remaining collateral will be released to the Company and/or the Reinsurer, as applicable, and both parties shall be released from any further obligations under this Contract.

ARTICLE 21

LIMITED RECOURSE

A. The liability of the Reinsurer for the performance and discharge of all of its obligations, however they may arise, in relation to this Contract (together “Obligations” for purposes of this Article), shall be limited to and payable solely from the proceeds of realization of the assets of the Trust Fund established in accordance with this Contract, and accordingly there shall be no recourse to any other assets of the Reinsurer whether or not allocated to any other

separate account or the general account of the Reinsurer. In the event that the proceeds of realization of the assets of the Trust Fund are insufficient to meet all Obligations, any Obligations remaining after the application of such proceeds shall be extinguished, and the Company undertakes in such circumstances to take no further action against the Reinsurer in respect of any such Obligations. In particular, neither the Company nor any party acting on its behalf shall petition or take any steps for the winding up or receivership of the Reinsurer.

B. Notwithstanding any matter referred to herein, the Company understands and accepts that the Reinsurer acts on behalf of one or more separate accounts of Claddaugh Casualty Insurance Company Ltd. and that all corporate matters relating to the creation of the Reinsurer, capacity of the Reinsurer, operation and liquidation of the Reinsurer and any matters relating to the Reinsurer thereof shall be governed by, and construed in accordance with, the laws of Bermuda. The Company has had the opportunity to take advice and to obtain all such additional information that it considers necessary to evaluate the terms, conditions and risks of entering into this Contract with the Reinsurer.

ARTICLE 22

TAXES

A. In consideration of the terms under which this Contract is issued, the Company undertakes not to claim any deduction of the premium hereon when making Canadian tax returns or when making tax returns, other than Income or Profits Tax returns, to any state or territory of the United States of America or to the District of Columbia.

B. 1. Each Subscribing Reinsurer has agreed to allow, for the purpose of paying the Federal Excise Tax, the applicable percentage of the premium payable hereon (as imposed under the Internal Revenue Code) to the extent such premium is subject to Federal Excise Tax.

2. In the event of any return of premium becoming due hereunder, the Subscribing Reinsurer shall deduct the applicable percentage of the premium from the amount of the return, and the Company or its agent should take steps to recover the Tax from the U.S. Government.

ARTICLE 23

ACCESS TO RECORDS

A. The Reinsurer or its duly authorized representatives shall have the right to visit the offices of the Company to inspect, examine, audit, and verify any of the policy, accounting or claim files (“Records”) relating to business reinsured under this Contract during regular business hours after giving five working days’ prior notice. This right shall be exercisable during the

term of this Contract or after the expiration of this Contract. Notwithstanding the above, the Reinsurer shall not have any right of access to the Records of the Company if it is not current in all undisputed payments due the Company.

B. Notwithstanding the above, the Company reserves the right to withhold from the Reinsurer any Privileged Documents. However, the Company shall permit and not object to the Reinsurer's access to Privileged Documents in connection with the underlying claim reinsured hereunder following final settlement or final adjudication of the case or cases involving such claim, with prejudice against all claimants and all parties to such adjudications; the Company may defer release of such Privileged Documents if there are subrogation, contribution, or other third party actions with respect to that claim or case, and the Company's defense might be jeopardized by release of such Privileged Documents. In the event that the Company seeks to defer release of such Privileged Documents, it shall, in consultation with the Reinsurer, take other steps as reasonably necessary to provide the Reinsurer with the information it reasonably requires to indemnify the Company without causing a loss of such privileges or protections. The Reinsurer shall not have access to Privileged Documents relating to any dispute between the Company and the Reinsurer.

C. For purposes of this Article:

1. "Privileged Documents" means any documents that are Attorney-Client Privilege Documents and/or Work Product Privilege Documents.

2. "Attorney-Client Privilege Documents" means communications of a confidential nature between (a) the Company, or anyone retained by or at the direction of the Company, or its in-house or outside legal counsel, or anyone in the control of such legal counsel, and (b) any in-house or outside legal counsel, if such communications relate to legal advice being sought by the Company and/or contain legal advice being provided to the Company.

3. "Work Product Privilege Documents" means communications, written materials and tangible things prepared by or for in-house or outside counsel, or prepared by or for the Company, in anticipation of or in connection with litigation, arbitration, or other dispute resolution proceedings.

ARTICLE 24

CONFIDENTIALITY

A. The Reinsurer hereby acknowledges that the documents, information and data provided to it by the Company, whether directly or through an authorized agent, in connection with the placement and execution of this Contract ("Confidential Information") are proprietary and

confidential to the Company. Confidential Information shall not include documents, information or data that the Reinsurer can show:

1. are publicly known or have become publicly known through no unauthorized act of the Reinsurer;

2. have been rightfully received from a third person without obligation of confidentiality; or

3. were known by the Reinsurer prior to the placement of this Contract without an obligation of confidentiality.

B. Absent the written consent of the Company, the Reinsurer shall not disclose any Confidential Information to any third parties, including any affiliated companies (except to the extent necessary to enable affiliated companies or third parties engaged by the Reinsurer to perform services related to this Contract on behalf of the Reinsurer), except:

1. when required by retrocessionaires as respects business ceded to this Contract;

2. when required by regulators performing an audit of the Reinsurer's records and/or financial condition; or

3. when required by external auditors performing an audit of the Reinsurer's records in the normal course of business.

Further, the Reinsurer agrees not to use any Confidential Information for any purpose not related to the performance of its obligations or enforcement of its rights under this Contract.

C. Notwithstanding the above, in the event that the Reinsurer is required by court order, other legal process or any regulatory authority to release or disclose any or all of the Confidential Information, the Reinsurer agrees to provide the Company with written notice of same at least 10 days prior to such release or disclosure and to use its best efforts to assist the Company in maintaining the confidentiality provided for in this Article.

D. The provisions of this Article shall extend to the officers, directors and employees of the Reinsurer and its affiliates, and shall be binding upon their successors and assigns.

ARTICLE 25

INDEMNIFICATION AND ERRORS AND OMISSIONS

A. The Reinsurer is reinsuring, subject to the terms and conditions of this Contract, the obligations of the Company under any Policy. The Company shall be the sole judge as to:

1. what shall constitute a claim or loss covered under any Policy;

2. the Company's liability thereunder; and

3. the amount or amounts that it shall be proper for the Company to pay thereunder.

B. The Reinsurer shall be bound by the judgment of the Company as to the obligation(s) and liability(ies) of the Company under any Policy.

C. Any inadvertent error, omission or delay in complying with the terms and conditions of this Contract shall not be held to relieve either party hereto from any liability that would attach to it hereunder if such error, omission or delay had not been made, provided such error, omission or delay is rectified immediately upon discovery.

D. Nothing in this Article shall be construed to override any of the other terms and conditions of this Contract.

ARTICLE 26

INSOLVENCY

A. If more than one reinsured company is referenced within the definition of "Company" in the Preamble to this Contract, this Article shall apply severally to each such company. Further, this Article and the laws of the domiciliary state shall apply in the event of the insolvency of any company covered hereunder. In the event of a conflict between any provision of this Article and the laws of the domiciliary state of any company covered hereunder, that domiciliary state's laws shall prevail.

B. In the event of the insolvency of the Company, this reinsurance (or the portion of any risk or obligation assumed by the Reinsurer, if required by applicable law) shall be payable directly to the Company, or to its liquidator, receiver, conservator or statutory successor, either: (1) on the basis of the liability of the Company, or (2) on the basis of claims filed and allowed in the liquidation proceeding, whichever may be required by applicable statute, without diminution because of the insolvency of the Company or because the liquidator, receiver, conservator or statutory successor of the Company has failed to pay all or a portion of any claim. It is agreed, however, that the liquidator, receiver, conservator or statutory successor of the Company shall give written notice to the Reinsurer of the pendency of a claim against the Company indicating the Policy or bond reinsured, which claim would involve a possible liability on the part of the Reinsurer within a reasonable time after such claim is filed in the conservation or liquidation proceeding or in the receivership, and that during the pendency of such claim, the Reinsurer may investigate such claim and interpose, at its own expense, in the proceeding where such claim is to be adjudicated any defense or defenses that it may deem available to the Company or its liquidator, receiver, conservator or statutory successor.

The expense thus incurred by the Reinsurer shall be chargeable, subject to the approval of the court, against the Company as part of the expense of conservation or liquidation to the extent of a pro rata share of the benefit that may accrue to the Company solely as a result of the defense undertaken by the Reinsurer.

C. Where two or more reinsurers are involved in the same claim and a majority in interest elect to interpose defense to such claim, the expense shall be apportioned in accordance with the terms of this reinsurance Contract as though such expense had been incurred by the Company.

D. As to all reinsurance made, ceded, renewed or otherwise becoming effective under this Contract, the reinsurance shall be payable as set forth above by the Reinsurer to the Company or to its liquidator, receiver, conservator or statutory successor, (except as provided by Section 4118(a)(1)(A) of the New York Insurance Law, provided the conditions of 1114(c) of such law have been met, if New York law applies) or except (1) where the Contract specifically provides another payee in the event of the insolvency of the Company, or (2) where the Reinsurer, with the consent of the direct insured or insureds, has assumed such Policy obligations of the Company as direct obligations of the Reinsurer to the payees under such Policies and in substitution for the obligations of the Company to such payees. Then, and in that event only, the Company, with the prior approval of the certificate of assumption on New York risks by the Superintendent of Financial Services of the State of New York, or with the prior approval of such other regulatory authority as may be applicable, is entirely released from its obligation and the Reinsurer shall pay any loss directly to payees under such Policy.

ARTICLE 27

RUN-OFF REINSURER

A. “Run-off Reinsurer” means any Subscribing Reinsurer that:

1. has been ordered by a state insurance department or other legal authority to cease writing business, or has been placed under regulatory supervision or in rehabilitation; or

2. has ceased reinsurance underwriting operations; or

3. has transferred its claims-paying authority to an unaffiliated entity; or

4. engages in a process of Scheme of Arrangement or similar procedure related to this Contract, including but not limited to an insurance business transfer scheme pursuant to Part VII of the Financial Services and Markets Act 2000 (U.K.), as may be amended from time to time; or

5. in any other way has assigned its interests or delegated its obligations under this Contract to an unaffiliated entity.

Notwithstanding the foregoing, agreement by a Lloyd's syndicate to follow claim settlements procedures under Lloyd's Claims Scheme (Combined) shall not constitute a transfer of its claims-paying authority, for purposes of subparagraphs (3) and (5) of this paragraph.

B. Notwithstanding any other provision of this Contract, in the event that a Subscribing Reinsurer becomes a Run-off Reinsurer at any time, the Company may elect, by giving written notice to the Run-off Reinsurer at any time thereafter, that all or any of the following shall apply to the Run-off Reinsurer's participation hereunder:

1. Should the Run-off Reinsurer fail to pay amounts due hereunder, the interest penalty specified in the Late Payments Article shall be increased by 0.5% for each 30 days that a payment is past due, subject to a maximum increase of 7.0%.

2. The Run-off Reinsurer's liability for losses for Policies covered by this Contract shall be commuted. In the event the Company and the Run-off Reinsurer cannot agree on the commutation amount of the Run-off Reinsurer's liability under such Policies, they shall appoint an actuary and/or appraiser to assess such liability and shall share equally any expense of the actuary and/or appraiser. If the Company and the Run-off Reinsurer cannot agree on an actuary and/or appraiser, the Company and the Run-off Reinsurer each shall nominate three individuals, of whom the other shall decline two, and the final appointment shall be made by drawing lots. Payment by the Run-off Reinsurer of the amount of liability ascertained shall constitute a complete and final release of both parties under this Contract.

3. The Run-off Reinsurer shall have no right of access to the Records of the Company if the Run-off Reinsurer has denied payment of any claim hereunder or there is a pending arbitration between the Company and the Run-off Reinsurer regarding any claim hereunder. A reservation of rights shall be considered a denial of a claim. Notwithstanding the above, the Run-off Reinsurer shall continue to have access to Records of the Company for any claim for which it has raised a query within 30 days of its receipt of a billing, but any inspection of Records must be completed within 90 days of receipt of billing or access will be deemed waived.

4. The provisions of the Arbitration Article shall not apply.

C. The Company's waiver of any rights provided in this Article is not a waiver of that right or other rights at a later date.

ARTICLE 28

ARBITRATION

A. Any dispute arising out of the interpretation, performance or breach of this Contract, including the formation or validity thereof, shall be submitted for decision to a panel of three arbitrators. Notice requesting arbitration shall be in writing and sent certified or registered mail, return receipt requested.

B. One arbitrator shall be chosen by each party and the two arbitrators shall then choose an impartial third arbitrator who shall preside at the hearing. If either party fails to appoint its arbitrator within 30 days after being requested to do so by the other party, the latter, after 10 days' prior notice by certified or registered mail of its intention to do so, may appoint the second arbitrator.

C. If the two arbitrators do not agree on a third arbitrator within 60 days of their appointment, the third arbitrator shall be chosen in accordance with the procedures for selecting the third arbitrator in force on the date the arbitration is demanded, established by the AIDA Reinsurance and Insurance Arbitration Society – U.S. (ARIAS). The arbitrators shall be persons knowledgeable about insurance and reinsurance who have no personal or financial interest in the result of the arbitration. If a member of the panel dies, becomes disabled or is otherwise unwilling or unable to serve, a substitute shall be selected in the same manner as the departing member was chosen and the arbitration shall continue.

D. Within 30 days after all arbitrators have been appointed, the panel shall meet and determine timely periods for briefs, discovery procedures and schedules of hearings.

E. The panel shall be relieved of all judicial formality and shall not be bound by the strict rules of procedure and evidence. Notwithstanding anything to the contrary in this Contract, the arbitrators may at their discretion, consider underwriting and placement information provided by the Company to the Reinsurer, as well as any correspondence exchanged by the parties that is related to this Contract. The arbitration shall take place in Tampa, Florida, or at such other place as the parties shall agree. The decision of any two arbitrators shall be in writing and shall be final and binding. The panel is empowered to grant interim relief as it may deem appropriate.

F. The panel shall interpret this Contract as an honorable engagement rather than as merely a legal obligation and shall make its decision considering the custom and practice of the applicable insurance and reinsurance business as promptly as possible after the hearings. Judgment upon an award may be entered in any court having jurisdiction thereof.

G. Each party shall bear the expense of its own arbitrator and shall jointly and equally bear with the other party the cost of the third arbitrator. The remaining costs of the arbitration shall be

allocated by the panel. The panel may, at its discretion, award such further costs and expenses as it considers appropriate, including but not limited to attorneys' fees, to the extent permitted by law.

ARTICLE 29

EXPEDITED ARBITRATION

A. Notwithstanding the provisions of the Arbitration Article, in the event an amount in dispute hereunder $1,000,000 or less, the parties will submit to an expedited arbitration process with the use of a single arbitrator. The arbitrator will be chosen in accordance with the procedures for selecting an arbitrator in force on the date the arbitration is demanded, established by the AIDA Reinsurance and Insurance Arbitration Society - U.S. (ARIAS).

B. Each party's case will be submitted to the arbitrator within 100 calendar days of the date of determination of the arbitrator. Discovery will be limited to exchanging only those documents directly relating to the issue in dispute, subject to a limit of two discovery depositions from each party, unless otherwise authorized by the arbitrator upon a showing of good cause.

C. Within 120 calendar days of the date of determination of the arbitrator, the hearing will be completed and a written award will be issued by the arbitrator. As the parties agree that time is of the essence, the sole arbitrator does not have the authority to lengthen the schedule, absent agreement of both parties. The arbitrator will have all the powers conferred on the arbitration panel as provided in the Arbitration Article, and said Article will apply to all matters not specifically addressed above.

ARTICLE 30

SERVICE OF SUIT

A. This Article applies only to those Subscribing Reinsurers not domiciled in the United States of America, and/or not authorized in any state, territory and/or district of the United States of America where authorization is required by insurance regulatory authorities.

B. This Article shall not be read to conflict with or override the obligations of the parties to arbitrate their disputes as provided for in the Arbitration Article. This Article is intended as an aid to compelling arbitration or enforcing such arbitration or arbitral award, not as an alternative to the Arbitration Article for resolving disputes arising out of this Contract.

C. In the event of the failure of the Reinsurer to perform its obligations hereunder, the Reinsurer, at the request of the Company, shall submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this Article constitutes or should be

understood to constitute a waiver of the Reinsurer's rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. The Reinsurer, once the appropriate court is selected, whether such court is the one originally chosen by the Company and accepted by the Reinsurer or is determined by removal, transfer, or otherwise, as provided for above, shall comply with all requirements necessary to give said court jurisdiction and, in any suit instituted against the Reinsurer upon this Contract, shall abide by the final decision of such court or of any appellate court in the event of an appeal.

D. Service of process in such suit may be made upon:

1. as respects Underwriting Members of Lloyd's, London: Lloyd's America, Inc., Attention: Legal Department, 280 Park Avenue, East Tower, 25th Floor, New York, New York 10017;

2. as respects any other Subscribing Reinsurer: Messrs. Mendes and Mount, 750 Seventh Avenue, New York, New York 10019-6829, or another party specifically designated in the Subscribing Reinsurer's Interests and Liabilities Agreement attached hereto.

The above-named are authorized and directed to accept service of process on behalf of the Reinsurer in any such suit.

E. Further, pursuant to any statute of any state, territory or district of the United States that makes provision therefor, the Reinsurer hereby designates the Superintendent, Commissioner or Director of Insurance, or other officer specified for that purpose in the statute, or his successor or successors in office, as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Company or any beneficiary hereunder arising out of this Contract, and hereby designates the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

ARTICLE 31

GOVERNING LAW

This Contract shall be governed as to performance, administration and interpretation by the laws of the State of Florida, subject to the Limited Recourse and Bermuda regulations clauses as set out in the Limited Recourse Article, exclusive of conflict of law rules. However, with respect to credit for reinsurance, the rules of all applicable states shall apply.

ARTICLE 32

ENTIRE AGREEMENT

This Contract sets forth all of the duties and obligations between the Company and the Reinsurer and supersedes any and all prior or contemporaneous written agreements with respect to matters referred to in this Contract. This Contract may not be modified or changed except by an amendment to this Contract in writing signed by both parties. However, this Article shall not be construed as limiting the admissibility of evidence regarding the formation, interpretation, purpose or intent of this Contract.

ARTICLE 33

NON-WAIVER

The failure of the Company or the Reinsurer to insist on compliance with this Contract or to exercise any right or remedy hereunder shall not constitute a waiver of any rights contained in this Contract nor prevent either party from thereafter demanding full and complete compliance nor prevent either party from exercising such remedy in the future.

ARTICLE 34

SANCTION LIMITATION AND EXCLUSION CLAUSE (LMA 3100)

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

ARTICLE 35

MODE OF EXECUTION

A. This Contract may be executed by:

1. an original written ink signature of paper documents;

2. an exchange of facsimile copies showing the original written ink signature of paper documents;

3. electronic signature technology employing computer software and a digital signature or digitizer pen pad to capture a person’s handwritten signature in such a manner that

the signature is unique to the person signing, is under the sole control of the person signing, is capable of verification to authenticate the signature and is linked to the document signed in such a manner that if the data is changed, such signature is invalidated.

B. The use of any one or a combination of these methods of execution shall constitute a legally binding and valid signing of this Contract. This Contract may be executed in one or more counterparts, each of which, when duly executed, shall be deemed an original.

IN WITNESS WHEREOF, the Company has caused this Contract to be executed by its duly authorized representative(s), who also confirms the Company's review of and agreement to be bound by the terms and conditions of the Interests and Liabilities Agreements attached to and forming part of this Contract, this _____ day of _____, in the year of 2023.

HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC.

Signature: _ Title: _

Print Name: _

PROPERTY CATASTROPHE EXCESS OF LOSS REINSURANCE CONTRACT

POOLS, ASSOCIATIONS & SYNDICATES EXCLUSIONS CLAUSE

Section A:

This Contract excludes:

a. All business derived directly or indirectly from any Pool, Association or Syndicate which maintains its own reinsurance facilities.

b. Any Pool or Scheme (whether voluntary or mandatory) formed after March 1, 1968 for the purpose of insuring property, whether on a country-wide basis or in respect of designated areas. This exclusion shall not apply to so-called Automobile Insurance Plans or other Pools formed to provide coverage for Automobile Physical Damage.

Section B:

1. This Contract excludes business written by the Company for the same perils, which is known at the time to be insured by, or in excess of underlying amounts placed in, any Pool, Association or Syndicate, whether by way of insurance or reinsurance, formed for the purpose of writing any of the following:

Oil, Gas or Petro-Chemical Plants

Oil or Gas Drilling Rigs and/or

Aviation Risks

2. The exclusion under paragraph 1 of this Section B does not apply:

a. Where the Total Insured Value over all interests of the risk in question is less than $250,000,000.

b. To interests traditionally underwritten as Inland Marine and/or Stock and/or Contents written on a Blanket basis.

c. To Contingent Business Interruption, except when the Company is aware that the key location is known at the time to be insured in any Pool, Association or Syndicate named above, other than as provided for under subparagraph (a).

Section C:

1. Nevertheless the Reinsurer specifically agrees that liability accruing to the Company from its participation in Residual Market Mechanisms, including but not limited to the following, for all perils otherwise protected hereunder shall not be excluded herefrom:

a. So-called “Beach and Windstorm Plans” and so-called “Coastal Pools”;

b. All “FAIR Plan” and “Rural Risk Plan” business;

c. Louisiana Citizens Property Insurance Corporation;

d. California Earthquake Authority (“CEA”) or any similar entity.

Notwithstanding the above, assessments related to the Florida Hurricane Catastrophe Fund, Reinsurance to Assist Policyholders, and Citizens Property Insurance Corporation (Florida) shall be excluded hereunder.

2. However, this reinsurance does not include any increase in such liability resulting from:

a. The inability of any other participant in such Residual Market Mechanisms to meet its liability;

b. Any claim against a Residual Market Mechanism or any participant therein, including the Company, whether by way of subrogation or otherwise, brought by or on behalf of any insolvency fund (as defined in the Exclusions Article);

c. Any assessment or surcharge levied on the policyholder and therefore not a liability of the Company;

d. The Company’s initial capital contribution to the CEA;

e. Any assessments, other than interim and regular assessments, from a Residual Market Mechanism included in subparagraph 1(c) above;

f. Any expenditure to purchase or retire bonds.

3. The Company may include in Ultimate Net Loss for any Loss Occurrence covered hereunder only the liability attributable to that Loss Occurrence. If the relevant entity does not specify what portion of an assessment is attributable to each Loss Occurrence, the Company may include in Ultimate Net Loss in respect of each Loss Occurrence a percentage of the Company’s assessments from the relevant entity related to the calendar year in which the Loss Occurrence commenced, regardless of when assessed, such percentage to be determined by dividing the relevant entity’s losses arising from the Loss Occurrence by its total losses for the calendar year.

4. The Company will deduct from Ultimate Net Loss amounts received as recoupment of any assessment that has been included in the Ultimate Net Loss, provided the recoupment is directly allocable to the assessment (“itemized recoupment”). The Company shall use commercially reasonable efforts to recoup such assessment. Any amount received as an

itemized recoupment of any assessment (whether under this Contract or any predecessor contract), and therefore deductible from Ultimate Net Loss, shall not be included in the subject premium of this Contract.

However, if a state levies assessments but does not allow itemized recoupment from policyholders, instead allowing the Company to file an overall increased rate, any such premium increased thereby shall not be deemed to be a recoupment that is deductible from Ultimate Net Loss. Any recoupment received as part of a general premium rate increase, not specifically itemized, shall be included as part of the subject premium of this Contract or a successor contract, as applicable.

OTES: Wherever used herein the terms:

"Company" shall be understood to mean "Company", "Reinsured", "Reassured" or whatever other term is used in the attached reinsurance document to designate the reinsured company or companies.

"Contract" shall be understood to mean "Agreement," "Contract," "Policy" or whatever other term is used to designate the attached reinsurance document.

"Reinsurer" shall be understood to mean "Reinsurer," "Reinsurers," "Underwriters" or whatever other term is used in the attached reinsurance document to designate the reinsurer or reinsurers.

NUCLEAR INCIDENT EXCLUSION CLAUSE - PHYSICAL DAMAGE - REINSURANCE - U.S.A.

1. This Reinsurance does not cover any loss or liability accruing to the Reassured, directly or indirectly, and whether as Insurer or Reinsurer, from any Pool of Insurers or Reinsurers formed for the purpose of covering Atomic or Nuclear Energy risks.

2. Without in any way restricting the operation of paragraph (1) of this clause, this Reinsurance does not cover any loss or liability accruing to the Reassured, directly or indirectly and whether as Insurer or Reinsurer, from any insurance against Physical Damage (including business interruption or consequential loss arising out of such Physical Damage) to:

   I. Nuclear reactor power plants including all auxiliary property on the site, or

   II. Any other nuclear reactor installation, including laboratories handling radioactive materials in connection with reactor installations, and “critical facilities” as such, or

   III. Installations for fabricating complete fuel elements or for processing substantial quantities of “special nuclear material”, and for reprocessing, salvaging, chemically separating, storing or disposing of “spent” nuclear fuel or waste materials, or

   IV. Installations other than those listed in paragraph (2) III above using substantial quantities of radioactive isotopes or other products of nuclear fission.

3. Without in any way restricting the operations of paragraphs (1) and (2) hereof, this Reinsurance does not cover any loss or liability by radioactive contamination accruing to the Reassured, directly or indirectly, and whether as Insurer or Reinsurer, from any insurance on property which is on the same site as a nuclear reactor power plant or other nuclear installation and which normally would be insured therewith except that this paragraph (3) shall not operate

   (a) where Reassured does not have knowledge of such nuclear reactor power plant or nuclear installation, or

   (b) where said insurance contains a provision excluding coverage for damage to property caused by or resulting from radioactive contamination, however caused. However on and after 1st January 1960 this sub-paragraph (b) shall only apply provided the said radioactive contamination exclusion provision has been approved by the Governmental Authority having jurisdiction thereof.

4. Without in any way restricting the operations of paragraphs (1), (2) and (3) hereof, this Reinsurance does not cover any loss or liability by radioactive contamination accruing to the Reassured, directly or indirectly, and whether as Insurer or Reinsurer, when such radioactive contamination is a named hazard specifically insured against.

5. It is understood and agreed that this clause shall not extend to risks using radioactive isotopes in any form where the nuclear exposure is not considered by the Reassured to be the primary hazard.

6. The term “special nuclear material” shall have the meaning given it in the Atomic Energy Act of 1954 or by any law amendatory thereof.

7. Reassured to be sole judge of what constitutes:

(a) substantial quantities, and

(b) the extent of installation, plant or site.

Note: Without in any way restricting the operation of paragraph (1) hereof, it is understood and agreed that

(a) all policies issued by the Reassured on or before 31st December 1957 shall be free from the application of the other provisions of this Clause until expiry date or 31st December 1960 whichever first occurs whereupon all the provisions of this Clause shall apply.

(b) with respect to any risk located in Canada policies issued by the Reassured on or before 31st December 1958 shall be free from the application of the other provisions of this Clause until expiry date or 31st December 1960 whichever first occurs whereupon all the provisions of this Clause shall apply.

12/12/57
NMA 1119

OTES: Wherever used herein the terms:

“Reassured” shall be understood to mean “Company”, “Reinsured”, “Reassured” or whatever other term is used in the attached reinsurance document to designate the reinsured company or companies.

“Agreement” shall be understood to mean “Agreement”, “Contract”, “Policy” or whatever other term is used to designate the attached reinsurance document.

“Reinsurers” shall be understood to mean “Reinsurers”, “Underwriters” or whatever other term is used in the attached reinsurance document to designate the reinsurer or reinsurers.

EXHIBIT 10.33. Certain identified information has been excluded from this exhibit because it is immaterial and would be competitively harmful if publicly disclosed. Information that has been omitted is indicated with brackets.

TERRORISM EXCLUSION

A. Notwithstanding any provision to the contrary within this Contract or any endorsement thereto, it is agreed that this Contract excludes loss, damage, cost, or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any Act of Terrorism, as defined herein, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

B. An “Act of Terrorism” includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organization(s) or government(s) de jure or de facto, and which:

a. involves violence against one or more persons; or

b. involves damage to property; or

c. endangers life other than that of the person committing the action; or

d. creates a risk to health or safety of the public or a section of the public; or

e. is designed to interfere with or to disrupt an electronic system.

C. This Contract also excludes loss, damage, cost, or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any action in controlling, preventing, suppressing, retaliating against, or responding to any Act of Terrorism.

D. Notwithstanding the above and subject otherwise to the terms, conditions, and limitations of this Contract, in respect only of personal lines, this Contract shall pay actual loss or damage (but not related cost or expense) caused by any Act of Terrorism, provided such act is not directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with biological, chemical, radiological or nuclear pollution or contamination.

LIMITED COMMUNICABLE DISEASE EXCLUSION NO. 2 (PROPERTY TREATY REINSURANCE)

1. Notwithstanding any provision to the contrary within this reinsurance agreement, this reinsurance agreement excludes any loss, damage, liability, claim, cost or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease regardless of any other cause or event contributing concurrently or in any other sequence thereto.

2. Subject to the other terms, conditions and exclusions contained in this reinsurance agreement, this reinsurance agreement will cover physical damage to property insured under the original policies and any Time Element Loss directly resulting therefrom where such physical damage is directly caused by or arising from any of the following perils: fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, rainstorm, hail, tornado, cyclone, typhoon, hurricane, earthquake, seaquake, seismic and/or volcanic disturbance/eruption, tsunami, flood, freeze, ice storm, weight of snow or ice, avalanche, meteor/asteroid impact, landslip, landslide, mudslide, bush fire, forest fire, riot, riot attending a strike, civil commotion, vandalism and malicious mischief.

Definitions

3. Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

   3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and

   3.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and

   3.3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

4. Time Element Loss means business interruption, contingent business interruption or any other consequential losses.

LMA5503

.5 May 2020

CYBER LOSS LIMITED EXCLUSION CLAUSE (PROPERTY TREATY REINSURANCE)

1. Notwithstanding any provision to the contrary within this reinsurance agreement or any endorsement thereto, this reinsurance agreement excludes all loss, damage, liability, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with:

1.2. any loss of, alteration of, or damage to or a reduction in the functionality, availability or operation of a Computer System, unless subject to the provisions of paragraph 2;

1.3. any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data.

2. Subject to the other terms, conditions and exclusions contained in this reinsurance agreement, this reinsurance agreement will cover physical damage to property insured under the original policies and any Time Element Loss directly resulting therefrom where such physical damage is directly occasioned by any of the following perils:

fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, tsunami, flood, freeze or weight of snow

Definitions

3. Computer System means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility.

4. Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

5. Time Element Loss means business interruption, contingent business interruption or any other consequential losses.

LMA5410

06 March 2020

TRUST AGREEMENT REQUIREMENTS CLAUSE

A. Except as provided in paragraph B of this Clause, if the Reinsurer satisfies its funding obligations under the Unauthorized Reinsurance Article by providing a Trust Agreement, the Reinsurer shall ensure that the Trust Agreement:

1. Requires the Reinsurer to establish a trust account for the benefit of the Company, and specifies what the Trust Agreement is to cover;

2. Stipulates that assets deposited in the trust account shall be valued according to their current fair market value and shall consist only of cash (United States legal tender), and certificates of deposit (issued by a United States bank and payable in United States legal tender), or any combination of the two, provided that the investments are issued by an institution that is not the parent, subsidiary or affiliate of either the Reinsurer or the Company;

3. Requires the Reinsurer, prior to depositing assets with the trustee, to execute assignments or endorsements in blank, or to transfer legal title to the trustee of all shares, obligations or any other assets requiring assignments, in order that the Company, or the trustee upon the direction of the Company, may whenever necessary negotiate these assets without consent or signature from the Reinsurer or any other entity;

4. Requires that all settlements of account between the Company and the Reinsurer be made in cash or its equivalent; and

5. Provides that assets in the trust account shall be withdrawn only as permitted in this Contract, without diminution because of the insolvency of the Company or the Reinsurer.

B. If a ceding insurer is domiciled in California and the Reinsurer satisfies its funding obligations under the Unauthorized Reinsurance Article by providing a Trust Agreement, the Reinsurer shall ensure that the Trust Agreement:

1. Provides that assets deposited in the trust account shall be valued according to their current fair market value and shall consist only of cash in United States dollars, certificates of deposit issued by a United States financial institution as defined in California Insurance Code Section 922.7(a) and payable in United States dollars, and investments permitted by the California Insurance Code, or any combination of the above.

2. Provides that investments in or issued by an entity controlling, controlled by or under common control with either the grantor or the beneficiary of the trust shall not exceed 5% of total investments.

3. Requires the Reinsurer, prior to depositing assets with the trustee, to execute assignments or endorsements in blank, or to transfer legal title to the trustee of all shares, obligations or any other assets requiring assignments, in order that the ceding insurer, or the trustee upon the direction of the ceding insurer, may, whenever necessary, negotiate these assets without consent or signature from the Reinsurer or any other entity.

4. Provides that assets in the trust account shall be withdrawn only as permitted in this Contract, without diminution because of the insolvency of the ceding insurer or the Reinsurer.

C. If there are multiple ceding insurers that collectively comprise the Company, “regulatory authorities” as referenced in subparagraph A(2) above, shall mean the individual ceding insurer’s domestic regulator.

EXHIBIT 10.34. Certain identified information has been excluded from this exhibit because it is immaterial and would be competitively harmful if publicly disclosed. Information that has been omitted is indicated with brackets.

EXHIBIT 10.34

PROPERTY CATASTROPHE EXCESS OF LOSS REINSURANCE CONTRACT

issued to

TYPTAP INSURANCE COMPANY
Ocala, Florida

and

HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC.
Tampa, Florida

including any and/or all companies that are or may hereafter become affiliated therewith

EXHIBIT 10.34. Certain identified information has been excluded from this exhibit because it is immaterial and would be competitively harmful if publicly disclosed. Information that has been omitted is indicated with brackets.

PROPERTY CATASTROPHE EXCESS OF LOSS REINSURANCE CONTRACT

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PROPERTY CATASTROPHE EXCESS OF LOSS REINSURANCE CONTRACT

the "Contract")

issued to

TYPTAP INSURANCE COMPANY
Ocala, Florida

HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC.
Tampa, Florida

including any and/or all companies that are or may hereafter become affiliated therewith

(collectively, the "Company")

by

THE SUBSCRIBING REINSURER(S) IDENTIFIED IN THE INTERESTS AND LIABILITIES AGREEMENT(S) ATTACHED TO AND FORMING PART OF THIS CONTRACT

(the "Reinsurer")

ARTICLE 1

BUSINESS COVERED

This Contract is to indemnify the Company in respect of its net excess liability as a result of any loss or losses which may occur during the term of this Contract under any Policies in force at the effective date hereof or issued or renewed on or after that date, covering direct and assumed business classified by the Company as the property perils of Homeowners, Condominium Owners, Renters and Dwelling, subject to the terms and conditions herein contained.

ARTICLE 2

RETENTION AND LIMIT

A. For each Layer of reinsurance provided hereunder, the Reinsurer shall be liable in respect of each Loss Occurrence for the Ultimate Net Loss over and above the initial Ultimate Net Loss retention as set forth in the schedule below for the Loss Occurrence, subject to a limit of liability to the Reinsurer for each such Loss Occurrence, and subject further to a limit of

liability for all Loss Occurrences commencing during the term of this Contract, as set forth below:

RETENTION AND LIMIT SCHEDULE			
Layer	**Company's Retention**	**Reinsurer's Limit of Liability**	
	Ultimate Net Loss in respect of each Loss Occurrence	**Ultimate Net Loss in respect of each Loss Occurrence**	**Ultimate Net Loss in respect of all Loss Occurrences during the term of this Contract**
First Layer	[ ]	[ ]	[ ]
Second Layer	[ ]	[ ]	[ ]

B. No Loss Occurrence shall be covered hereunder unless it involves two or more risks subject to this Contract. The Company shall be the sole judge of what constitutes one risk for purposes of this Contract.

ARTICLE 3

FLORIDA HURRICANE CATASTROPHE FUND AND REINSURANCE TO ASSIST POLICYHOLDERS

A. As respects Loss Occurrences subject to this Contract, any loss reimbursement recoverable by the Company under the Florida Hurricane Catastrophe Fund (FHCF) and the Reinsurance to Assist Policyholders (RAP) Program, shall be deducted in determining Ultimate Net Loss under this Contract, subject to the following:

1. The full reimbursement amount due from the FHCF for coverage under the Mandatory Layer and RAP, based on statutory limits of coverage as of June 1, shall be deemed recovered by the Company, whether or not actually received from the FHCF and/or RAP and whether or not reduced because of the FHCF's and/or RAP's inability to pay.

2. For purposes of allocating recoveries from the FHCF with respect to each Loss Occurrence, only amounts recoverable by applying the pay-out and retention multiples for the FHCF prior to any reduction in retention due to multiple Loss Occurrences in the same annual period shall be included in calculating the deduction from Ultimate Net Loss. RAP coverage shall only apply to two eligible Loss Occurrences as determined by statute.

3. If the Company's aggregate limit of FHCF and/or RAP reimbursement coverage is exhausted from Loss Occurrences commencing during the term of this Contract, and the FHCF or RAP, as applicable, does not designate the portion of said limit allocable to each Loss Occurrence, the total FHCF and/or RAP reimbursement received shall be

allocated to each individual Loss Occurrence in the proportion that the Company's losses in that Loss Occurrence bear to the Company's total losses arising out of all Loss Occurrences to which the reimbursement applies.

4. For purposes of loss recoveries under this Contract prior to the final determination of the Company's retention and limit under the FHCF or RAP, as applicable; FHCF or RAP coverage, as applicable, shall be calculated using the Company's respective "Projected Payout Multiple" under the FHCF or RAP. Upon determination of the Company's retention and limit under the FHCF or RAP, as applicable, losses will be adjusted, recognizing any adjustment to the "Projected Payout Multiple" caused by a change in the Aggregate Mandatory FHCF Premium or any other adjustments as required by statute to determine the final FHCF and/or RAP layer, but disregarding any change due to a decrease in the statutory limit.

B. Any FHCF reimbursement premiums paid by the Company for FHCF layers that inure to the benefit of this Contract shall be deemed to be premiums paid for inuring reinsurance.

C. The Company has opted for 90% coverage selections from the FHCF and RAP:

ARTICLE 4

TERM

This Contract shall take effect at 12:01 a.m., Standard Time, June 1, 2023, and unless terminated prior to that time and date as provided in the Special Termination Article, shall remain in effect until 12:01 a.m., Standard Time, June 1, 2024, applying to Loss Occurrences commencing during the term of this Contract. For purposes of this Contract, "Standard Time" shall mean the time as described in the original Policy.

ARTICLE 5

SPECIAL TERMINATION

A. The Company may terminate a Subscribing Reinsurer's percentage share in this Contract at any time by giving written notice to the Subscribing Reinsurer in the event of any of the following circumstances:

1. The Subscribing Reinsurer ceases underwriting operations.

2. A state insurance department or other legal authority orders the Subscribing Reinsurer to cease writing business, or the Subscribing Reinsurer is placed under regulatory supervision.

3. The Subscribing Reinsurer has become insolvent or has been placed into liquidation or receivership (whether voluntary or involuntary), or there have been instituted against it proceedings for the appointment of a receiver, liquidator, rehabilitator, conservator, trustee in bankruptcy, or other agent known by whatever name, to take possession of its assets or control of its operations.

4. The Subscribing Reinsurer has retroceded its entire liability under this Contract without the Company's prior written consent, except for retrocessions to members of the Subscribing Reinsurer's holding company group.

5. The Subscribing Reinsurer has hired an unaffiliated runoff claims manager that is compensated on a contingent basis or is otherwise provided with financial incentives based on the quantum of claims paid.

6. The Subscribing Reinsurer has in any other way assigned its interests or delegated its obligations under this Contract to an unaffiliated entity.

7. The Subscribing Reinsurer has failed to post or maintain required collateral to secure its obligations as required under this Contract, and has not cured such deficiency within 30 days following written notice thereof from the Company.

Notwithstanding the foregoing, agreement by a Lloyd's syndicate to follow claim settlements procedures under Lloyd's Claims Scheme (Combined) shall not constitute a transfer of its claims-paying authority, for purposes of subparagraphs (5) and (6) of this paragraph.

B. Termination shall be effected on a cut-off basis and the Subscribing Reinsurer shall have no liability for Loss Occurrences commencing after the date of termination. The reinsurance premium due the Subscribing Reinsurer hereunder (including any minimum reinsurance premium) shall be prorated based on the period of the Subscribing Reinsurer's participation hereon, and the Subscribing Reinsurer shall immediately return any excess reinsurance premium received. Reinstatement premium, if any, shall be calculated based on the Subscribing Reinsurer's reinsurance premium earned during the period of the Subscribing Reinsurer's participation hereon.

C. Additionally, in the event of any of the circumstances listed in paragraph A of this Article, the Company shall have the option to commute the Subscribing Reinsurer's liability for losses on Policies covered by this Contract. In the event the Company and the Subscribing Reinsurer cannot agree on the commutation amount, they shall appoint an actuary and/or appraiser to assess such amount and shall share equally any expense of the actuary and/or

appraiser. If the Company and the Subscribing Reinsurer cannot agree on an actuary and/or appraiser, the Company and the Subscribing Reinsurer each shall nominate three individuals, of whom the other shall decline two, and the final appointment shall be made by drawing lots. Payment by the Subscribing Reinsurer of the amount of liability ascertained shall constitute a complete and final release of both parties in respect of liability arising from the Subscribing Reinsurer's participation under this Contract.

D. The Company's option to require commutation under paragraph C above shall survive the termination or expiration of this Contract.

ARTICLE 6

TERRITORY

The territorial limits of this Contract shall be identical with those of the Company's Policies.

ARTICLE 7

EXCLUSIONS

A. This Contract shall not apply to and specifically excludes:

1. Policies covered by the Company's Flood Tower.

2. Flood when written as such.

3. Earthquake for standalone Policies where earthquake is the only named peril.

4. Hail damage to an insured's growing or standing crops.

5. Reinsurance assumed by the Company under obligatory reinsurance agreements, except intercompany reinsurance between the Company and its affiliates and reinsurance where the Policies involved are to be re-underwritten in accordance with the underwriting standards of the Company and reissued as Policies of the Company in due course.

6. Pools, Associations & Syndicates, per the attached exclusion.

7. Liability of the Company arising by contract, operation of law, or otherwise, from its participation or membership, whether voluntary or involuntary, in any Insolvency Fund. "Insolvency Fund" includes any guaranty fund, insolvency fund, plan, pool, association, fund or other arrangement, howsoever denominated, established or governed, that provides for any assessment of or payment or assumption by the Company of part or all of any claim, debt, charge, fee, or other obligation of an insurer,

or its successors or assigns, that has been declared by any competent authority to be insolvent, or that is otherwise deemed unable to meet any claim, debt, charge, fee or other obligation in whole or in part.

8. Loss or damage occasioned by war, invasion, hostilities, acts of foreign enemies, civil war, rebellion, insurrection, military or usurped power, martial law, or confiscation by order of any government or public authority, but not excluding loss or damage that would be covered under a standard form of Policy containing a standard war exclusion clause.

9. Losses excluded by the attached Nuclear Incident Exclusion Clause – Physical Damage – Reinsurance – U.S.A.

10. Terrorism as defined in the attached Terrorism Exclusion.

11. Mold unless directly resulting from an otherwise covered peril.

12. Loss and/or damage and/or costs and/or expenses arising from seepage and/or pollution and/or contamination, other than contamination from smoke. Nevertheless, this exclusion does not preclude payment of the cost of removing debris of property damaged by a loss otherwise covered hereunder, subject always to a limit of 25.0% of the Company’s property loss under the applicable original Policy.

13. Financial guarantee and insolvency.

14. Loss or damage to overhead transmission and distribution lines, including supporting structures, of electrical companies, telephone companies, and cable companies. This exclusion shall not apply, however, to transmission and distribution lines and their supporting structures located on the property of any original insured or within 1,000 feet thereof.

15. Losses excluded by the attached Limited Communicable Disease Exclusion No. 2 (Property Treaty Reinsurance).

16. Loss Excluded by the attached Cyber Loss Limited Exclusion Clause (Property Treaty Reinsurance).

17. Policies written by Homeowners Choice Property & Casualty Insurance Company, Inc. covering risks located in the state of Florida.

B. With the exception of subparagraphs A(7) through A(10), A(13), A(15) and A(16) above, should any judicial, regulatory or legislative entity having legal jurisdiction invalidate any exclusion on the Company's Policy, any amount of loss for which the Company is liable because of such invalidation will not be excluded hereunder.

C. With the exception of subparagraphs A(7) through A(10), A(13), A(15) and A(16) above, if the Company inadvertently issues a Policy falling within the scope of one or more of the exclusions, such Policy shall be covered hereunder, provided that the Company issues, or causes to be issued, the required notice of cancellation within 30 days after a member of the executive or managerial staff at the Company's home office having underwriting authority in the class of business involved becomes aware that the Policy applies to excluded classes, unless the Company is prevented from canceling said Policy within such period by applicable statute or regulation, in which case such Policy shall be covered hereunder until the earliest date on which the Company may cancel.

ARTICLE 8

SPECIAL ACCEPTANCE

Business that is not within the scope of this Contract may be submitted to the Reinsurer for special acceptance hereunder, and such business, if accepted by the Reinsurer shall be covered hereunder, subject to the terms and conditions of this Contract, except as modified by the special acceptance. The Reinsurer shall be deemed to have accepted a risk, if it has not responded within five business days after receiving the underwriting information on such risk. Any renewal of a special acceptance agreed to for a predecessor contract to this Contract, shall automatically be covered hereunder.

ARTICLE 9

PREMIUM

A. The Company shall pay the Reinsurer a Deposit Premium of [ ], to be payable to the Reinsurer by the Company on June 1, 2023, the Deposit Premium is inclusive of the Reinsurer's Annual Margin.

B. "Reinsurer's Annual Margin" for the term of this Contract shall be [ ] of the Deposit Premium, and shall be non-refundable and fully earned when due, in accordance with the terms of this Article, unless this Contract is terminated in accordance with the Special Termination Article.

C. If the Experience Account Balance (as defined in the Reports Article) is positive, the Reinsurer shall pay the Company a Profit Commission equal to the Experience Account Balance upon termination or expiration of this Contract.

D. The Company shall furnish the Reinsurer with such reasonably available information as may be reasonably required by the Reinsurer for completion of the Reinsurer's financial statements.

ARTICLE 10

REPORTS

A. The Company shall report to the Reinsurer the Company's estimate of Ultimate Net Loss under this Contract. The loss report shall include:

1. Paid Ultimate Net Loss on a cumulative basis from the effective date of this Contract.

2. The Company's most recent calculation of outstanding Ultimate Net Loss for each Loss Occurrence.

3. The amount of ceded Ultimate Net Loss paid and the amount of such paid Ultimate Net Loss due to be reimbursed by the Reinsurer.

B. The Company shall also furnish to the Reinsurer a statement of the Experience Account Balance, such statements subject to the review and approval of the Reinsurer. The Experience Account Balance shall be calculated as of inception as follows:

1. The Experience Account Balance at the inception of this Contract shall equal:

a. the portion of the Deposit Premium due the Reinsurer on the effective date of this Contract; less

b. the Reinsurer's Annual Margin for the term of the Contract.

2. For statement of the Experience Account Balance, the Experience Account Balance shall equal:

a. the Experience Account Balance at inception pursuant to paragraph (1) above; less

b. the Ultimate Net Loss paid.

C. The Company shall also periodically update and furnish to the Reinsurer such other reports, experience account statements, aggregates or information as may be reasonably required by the Reinsurer and reasonably available to the Company, the format of which shall be agreed between the parties.

ARTICLE 11

DEFINITIONS

A. 1. “Ultimate Net Loss” means the actual loss paid by the Company or which the Company becomes liable to pay, such loss to include Loss Adjustment Expense, 100% of any Extra Contractual Obligation and 100% of any Loss in Excess of Policy Limits as defined in the Extra Contractual Obligations/Excess of Policy Limits Article. In no event, however, shall more than 25% of “Ultimate Net Loss” for any one Loss Occurrence be comprised of Extra Contractual Obligations and Loss in Excess of Policy Limits.

2. Salvages and all recoveries (including amounts due from all reinsurances that inure to the benefit of this Contract, whether recovered or not), shall be first deducted from such loss to arrive at the amount of liability attaching hereunder.

3. All salvages, recoveries or payments recovered or received subsequent to loss settlement hereunder shall be applied as if recovered or received prior to the aforesaid settlement, and all necessary adjustments shall be made by the parties hereto.

4. The Company shall be deemed to be “liable to pay” a loss when a judgment has been rendered that the Company does not plan to appeal, and/or the Company has obtained a release, and/or the Company has accepted a proof of loss, and/or the Company has made a commitment to pay, and/or the Company has scheduled the payment of a loss.

5. Nothing in this clause shall be construed to mean that losses are not recoverable hereunder until the Company’s “Ultimate Net Loss” has been ascertained.

B. “Loss Adjustment Expense” means costs and expenses incurred by the Company in connection with the investigation, appraisal, adjustment, settlement, litigation, defense or appeal of a specific claim or loss, or alleged loss, including but not limited to:

1. court costs;

2. costs of supersedeas and appeal bonds;

3. monitoring counsel expenses;

4. legal expenses and costs incurred in connection with coverage questions and legal actions connected thereto, including but not limited to declaratory judgment actions;

5. post-judgment interest;

6. pre-judgment interest, unless included as part of an award or judgment;

7. a pro rata share of salaries and expenses of Company field employees, calculated in accordance with the time occupied in adjusting such loss, and expenses of other Company employees who have been temporarily diverted from their normal and customary duties and assigned to the field adjustment of losses covered by this Contract; and

8. subrogation, salvage and recovery expenses.

"Loss Adjustment Expense" does not include salaries and expenses of the Company's employees, except as provided in subparagraph (7) above, and office and other overhead expenses.

C. 1. "Loss Occurrence" means the sum of all individual losses directly occasioned by any one disaster, accident or loss or series of disasters, accidents or losses arising out of one event. However, the duration and extent of any one "Loss Occurrence" shall be limited to all individual losses sustained by the Company occurring during any period of 168 consecutive hours arising out of and directly occasioned by the same event except that the term "Loss Occurrence" shall be further defined as follows:

a. As regards any "Named Storm," all individual losses sustained by the Company arising out of and directly occasioned by such "Named Storm," without regard to the limitations of duration and extent set forth above. "Named Storm" means any storm or storm system declared by the US National Hurricane Center, US Central Pacific Hurricane Center, US Weather Prediction Center, or their successor organizations, all being divisions of the US National Weather Service to be a tropical storm or hurricane, and any successors thereof. A storm or storm system that merges with a "Named Storm" shall be considered part of that "Named Storm," once it has merged. A "Named Storm" shall be deemed to begin at the effective time and date of the first watch, warning or other official advisory applicable to such tropical storm or hurricane issued by the above referenced governmental meteorological agencies. A "Named Storm" shall be deemed to end 72 hours after the cancellation of the last watch, warning or other official advisory applicable to such tropical storm, hurricane or successor, issued by the above referenced governmental meteorological agencies irrespective of the duration of the timing or spacing between such watches, warnings or other official advisories. If two or more storms are assigned different names by the above referenced governmental meteorological agencies, each of those storms shall constitute a separate event for purposes of this definition.

b. As regards windstorm, hail, tornado, cyclone, including ensuing collapse and water damage other than "Named Storm," all individual losses sustained by the Company occurring during any period of 96 consecutive hours arising out of and directly occasioned by the same event.

c. As regards riot, riot attending a strike, civil commotion, vandalism and malicious mischief, all individual losses sustained by the Company occurring during any period of 96 consecutive hours arising out of and directly occasioned by the same event. The maximum duration of 96 consecutive hours may be extended in respect of individual losses that occur beyond such 96 consecutive hours during the continued occupation of an assured's premises by strikers, provided such occupation commenced during the aforesaid period.

d. As regards earthquake and fire following directly occasioned by the earthquake, those earthquake losses and individual fire losses that commence during the period of 168 consecutive hours may be included in the Company's "Loss Occurrence."

e. As regards any related weather conditions involving snow, sleet, freezing rain, freeze, ice, winter weather, and wind losses related to such conditions, all individual losses sustained by the Company, that occur during any period of 168 consecutive hours arising out of and directly occasioned by the same event.

f. As regards firestorms, brush fires and other fires or series of fires, irrespective of origin (except for fires covered in subparagraphs (c) and (d) above) which spread through trees, grassland or other vegetation, all individual losses sustained by the Company occurring during any period of 168 consecutive hours within a 150-mile radius of any fixed point selected by the Company may be included in the Company's "Loss Occurrence." However, an individual loss subject to this subparagraph cannot be included in more than one "Loss Occurrence."

2. Except as provided in subparagraph (1)(a) above:

a. The Company may choose the date and time when any such period of consecutive hours commences provided that it is not earlier than the date and time of the occurrence of the first recorded individual loss sustained by the Company arising out of that disaster, accident or loss.

b. Only one period of consecutive hours shall apply with respect to one event, except that, as respects those "Loss Occurrences" referred to in subparagraph (1)(c) above, if the disaster, accident or loss occasioned by the event is of greater duration than 96 consecutive hours, then the Company may divide that disaster, accident or loss into two or more "Loss Occurrences" provided no two periods overlap and no individual loss is included in more than one such period and provided that no period commences earlier than the date and time of the occurrence of the first recorded individual loss sustained by the Company arising out of that disaster, accident or loss.

3. Losses arising from a combination of two or more perils as a result of the same event shall be considered as having arisen from one “Loss Occurrence.” Furthermore, all losses arising from an event involving a combination of losses described in subparagraphs (1)(a) and (1)(b) may be considered as having arisen from one “Loss Occurrence.” Notwithstanding the foregoing, the hourly limitations as stated above shall not be exceeded as respects the applicable perils, and, except as respects those “Loss Occurrences” involving a “Named Storm” referred to in subparagraph (1)(a) above, no single “Loss Occurrence” shall encompass a time period greater than 168 consecutive hours.

D. “Policy” means any binder, policy, or contract of insurance or reinsurance issued, accepted or held covered provisionally or otherwise, by or on behalf of the Company.

ARTICLE 12

EXTRA CONTRACTUAL OBLIGATIONS/EXCESS OF POLICY LIMITS

A. This Contract shall cover Extra Contractual Obligations, as provided in the definition of Ultimate Net Loss. “Extra Contractual Obligations” shall be defined as those liabilities not covered under any other provision of this Contract and that arise from the handling of any claim on business covered hereunder, such liabilities arising because of, but not limited to, the following: failure by the Company to settle within the Policy limit, or by reason of alleged or actual negligence, fraud or bad faith in rejecting an offer of settlement or in the preparation of the defense or in the trial of any action against its insured or reinsured or in the preparation or prosecution of an appeal consequent upon such action.

B. This Contract shall cover Loss in Excess of Policy Limits, as provided in the definition of Ultimate Net Loss. “Loss in Excess of Policy Limits” shall be defined as Loss in excess of the Policy limit, having been incurred because of, but not limited to, failure by the Company to settle within the Policy limit or by reason of alleged or actual negligence, fraud or bad faith in rejecting an offer of settlement or in the preparation of the defense or in the trial of any action against its insured or reinsured or in the preparation or prosecution of an appeal consequent upon such action.

C. An Extra Contractual Obligation and/or Loss in Excess of Policy Limits shall be deemed to have occurred on the same date as the loss covered under the Company’s Policy, and shall constitute part of the original loss.

D. For the purposes of the Loss in Excess of Policy Limits coverage hereunder, the word “Loss” shall mean any amounts for which the Company would have been contractually liable to pay had it not been for the limit of the original Policy.

E. Loss Adjustment Expense in respect of Extra Contractual Obligations and/or Loss in Excess of Policy Limits shall be covered hereunder in the same manner as other Loss Adjustment Expense.

F. However, this Article shall not apply where the loss has been incurred due to final legal adjudication of fraud of a member of the Board of Directors or a corporate officer of the Company acting individually or collectively or in collusion with any individual or corporation or any other organization or party involved in the presentation, defense or settlement of any claim covered hereunder.

G. In no event shall coverage be provided to the extent not permitted under law.

ARTICLE 13

NET RETAINED LIABILITY

A. This Contract applies only to that portion of any loss that the Company retains net for its own account (prior to deduction of any reinsurance that inures solely to the benefit of the Company).

B. The amount of the Reinsurer's liability hereunder in respect of any loss or losses shall not be increased by reason of the inability of the Company to collect from any other reinsurer(s), whether specific or general, any amounts that may have become due from such reinsurer(s), whether such inability arises from the insolvency of such other reinsurer(s) or otherwise.

ARTICLE 14

OTHER REINSURANCE

The Company shall be permitted to carry in force other reinsurance, recoveries under which shall inure to the benefit of this Contract.

ARTICLE 15

ORIGINAL CONDITIONS

All reinsurance under this Contract shall be subject to the same terms, conditions, waivers and interpretations, and to the same modifications and alterations as the respective Policies of the Company. However, in no event shall this be construed in any way to provide coverage outside the terms and conditions set forth in this Contract.

ARTICLE 16

NO THIRD PARTY RIGHTS

This Contract is solely between the Company and the Reinsurer, and in no instance shall any insured, claimant or other third party have any rights under this Contract except as may be expressly provided otherwise herein.

ARTICLE 17

NOTICE OF LOSS AND LOSS SETTLEMENTS

A. The Company shall advise the Reinsurer promptly if paid and estimated Ultimate Net Loss is in excess of 75% of the Company's retention, or if, in the opinion of the Company, such Ultimate Net Loss may result in a claim hereunder. Thereafter, the Company shall advise the Reinsurer, at least monthly, of all subsequent developments thereto that may materially affect the position of the Reinsurer.

B. The Company alone and at its full discretion shall adjust, settle or compromise all claims and losses.

C. As respects losses subject to this Contract, all loss settlements made by the Company, whether under strict Policy terms or by way of compromise, and any Extra Contractual Obligations and/or Loss in Excess of Policy Limits, shall be binding upon the Reinsurer. The Reinsurer agrees to pay or allow, as the case may be, its share of each such settlement immediately upon receipt of reasonable evidence of the amount paid by the Company or that the Company estimates it will pay within the next 14 days. Within 30 days after receipt of the Reinsurer's payment, the Company shall report to the Reinsurer the Reinsurer's payment, minus the Reinsurer's share of losses subject to this Contract that the Company has paid, or become liable to pay, as of the date of the report. Any positive difference shall be remitted to the Reinsurer with the Company's report.

ARTICLE 18

LATE PAYMENTS

A. In the event any payment due either party is not received by the payment due date, the party to whom payment is due may, by written notification, require the debtor party to pay, and the debtor party agrees to pay, an interest penalty on the amount past due calculated for each such payment on the last business day of each month as follows:

1. The number of full days that have expired since the overdue date or the last monthly calculation, whichever the lesser; times

2. 1/365th of the sum of the six-month United States Treasury Bill rate as quoted in *The Wall Street Journal* on the first business day of the month for which the calculation is made, plus 1%; times

3. The amount past due, including accrued interest.

B. The due date shall, for purposes of this Article, be determined as follows:

1. Payments from the Reinsurer to the Company shall be due on the date on which the demand for payment (including delivery of bordereaux or quarterly or monthly reports) is received by the Reinsurer, and shall be overdue 30 days thereafter.

2. Payments from the Company to the Reinsurer shall be due on the dates specified within this Contract. Payments shall be overdue 30 days thereafter except for the first installment of premium, if applicable, which shall be overdue 60 days from inception or 30 days from final line-signing, whichever the later. Reinstatement premium, if applicable, shall have as a due date the date when the Company receives payment for the claim giving rise to such reinstatement premium, and payment shall be overdue 30 days thereafter. In the event a due date is not specifically stated for a given payment, the overdue date shall be 30 days following the date of billing.

C. If the information contained in the Company's demand for payment is insufficient or not in accordance with the conditions of this Contract, then within 30 days the Reinsurer shall request from the Company all additional information necessary to validate its claim and the payment due date as defined in paragraph B shall be deemed to be the date upon which the Reinsurer received the requested additional information. This paragraph is only for the purpose of establishing when a payment is overdue, and shall not alter the provisions of the Notice of Loss and Loss Settlements Article or other pertinent contractual stipulations.

D. In the event arbitration is necessary to settle a dispute, the panel shall have the authority to make a determination awarding interest to the prevailing party. Interest, if any, awarded by the panel shall supersede the interest amounts outlined herein.

E. Any interest owed pursuant to this Article may be waived by the party to which it is owed. Waiver of such interest, however, shall not affect the waiving party's rights to other interest amounts due as a result of this Article.

ARTICLE 19

OFFSET

Each party hereto shall have, and may exercise at any time and from time to time, the right to offset any and all balances due from a party to the other arising under this Contract. In the event of the

insolvency of a party hereto, offsets shall only be allowed in accordance with the provisions of any applicable law governing offset entitlement.

ARTICLE 20

CURRENCY

A. Where the word “Dollars” and/or the sign “$” appear in this Contract, they shall mean United States Dollars, and all payments hereunder shall be in United States Dollars.

B. For purposes of this Contract, where the Company receives premiums or pays losses in currencies other than United States Dollars, such premiums or losses shall be converted into United States Dollars at the actual rates of exchange at which these premiums or losses are entered in the Company’s books.

ARTICLE 21

OBLIGATIONS AND COLLATERAL RELEASE

A. The Reinsurer will establish a trust fund (“Trust Fund”) for its Obligations (as defined herein) hereunder, pursuant to that certain Trust Agreement by and between the Reinsurer, the Company, and Truist Bank (the “Trust Agreement”). The Trust Fund shall be funded pursuant to the provisions hereof. Collateral deposited in the Trust Fund may be withdrawn on the terms set forth herein and in the Trust Agreement. The Trust Agreement shall be at all times in compliance with the relevant provisions of the Insurance Code of the Company’s state of domicile and the administrative regulations adopted by that state’s insurance department, in order for the Company to receive, full statutory financial statement credit for reinsurance provided under this Contract. Collateral deposited in the Trust Fund may be withdrawn at any time, notwithstanding the other provisions of this Contract, and utilized and applied by the Company or any successor, by operation of law, of the Company, including, without limitation, any liquidator, rehabilitator, receiver or conservator of the Company, without diminution because of insolvency on the part of the Company or the Reinsurer, for the following purposes:

1. to reimburse the Company for the Reinsurer’s Obligations, the payment of which is due under the terms of this Contract and that has not been otherwise paid;

2. to make refund of any sum that is in excess of 102% of the amount required to pay the Reinsurer’s Obligations under this Contract;

3. to fund an account with the Company for the Reinsurer’s Obligations. Such cash deposit shall be held in an interest-bearing account separate from the Company’s other

assets, and interest thereon not in excess of the prime rate shall accrue to the benefit of the Reinsurer;

4. to pay the Reinsurer's share of any other amounts the Company claims are due under this Contract.

B. The term "Obligations" shall mean during the term of the Contract, 100% of the limit of the Reinsurer's liability hereunder less any unpaid minimum premium (net of brokerage and Federal Excise Tax as applicable) and aggregate amounts previously paid by the Reinsurer in respect of claims under this Contract. Upon expiration of the Contract, the term "Obligations" shall mean the amount as determined in accordance with paragraph D below.

C. If, at expiration of this Contract, the Company, in its commercially reasonable judgment, believes that no claims will impact this Contract, the Company will so notify the Reinsurer and shall fully and finally release from the Trust Fund all collateral contained therein.

D. If, at the expiration of this Contract, the Company, in its commercially reasonable judgment, believes that the Company may have a claim hereunder, the Company shall estimate the amount of reinstatement premium due under this Contract based on the reinstatement premium payable under the contract identified in the Business Covered article (the Underlying Contract") as follows, unless otherwise mutually agreed:

1. The Company shall determine the sum of the following for the Underlying Contract, as of this Contract expiration date:

   a. losses and loss adjustment expense paid by the Company;

   b. reserves for losses reported and outstanding; and

   c. reserves for losses incurred but not reported;

2. The Company shall then calculate the estimated reinstatement premium due on the Underlying Contract and such amount shall constitute the Reinsurer's Obligations

3. The amount of the estimated reinstatement premium due on the Underlying Contract, measured as of the applicable determination date (as specified in paragraph E below), shall be multiplied by a factor, based upon the number of months, which have elapsed on such determination date since expiration of this Contract, as follows:

   a. From 0 to 12 months from expiration of this Contract, 150%, else;

   b. From 13 to 24 months from expiration of this Contract, 125%, else;

   c. From 25 to 36 months from expiration of this Contract, 110%; and

d. From 37 to 67 months from expiration of this Contract, 100%.

As of 67 months after expiration of this Contract (the "Reporting Period"), the amount determined in subparagraphs 1, 2 and 3 above for such date shall be considered the definitive Final Limit for each such Loss Occurrence for which the Company and the Reinsurer agree to commute this Contract with final settlement on that basis.

E. The procedure for determining the amount of collateral required to fund the Reinsurer's Obligations as set forth in paragraph D above, shall be followed each and every time, if in the opinion of the Company, there are materially new estimates regarding its losses, and each quarter-end, until all the Reinsurer's Obligations have been extinguished or the Reporting Period is over, whichever is earlier. The information to be used for the determinations of the Reinsurer's Obligations shall be as reflected on the Company's official books and records.

F. The Company agrees to release from the Trust Fund all collateral in excess of 102% of the amount required to pay the Reinsurer's Obligations for its share of actual and possible claims, as determined in accordance with paragraph A, above within 10 Business Days of the date of such determination. "Business Day" shall be defined as a day (other than a Saturday or a Sunday) on which banks are open for commercial business in Bermuda and in New York, New York, U.S.A.

G. Notwithstanding the foregoing, if the Reinsurer is licensed as a segregated account company, the Company agrees and acknowledges that there shall only be recourse to the Segregated Trust Account assets, and in the event of the exhaustion of the Segregated Trust Account assets there shall be no recourse by any party for any claims, payments, other expenses or fees whatsoever, howsoever arising pursuant to this Contract, to the assets which are allocated to any other segregated account of the Reinsurer or to the general account of the Reinsurer.

H. At the end of the Reporting Period, this Contract will be commuted based on the Reinsurer's Obligations at that point. The Company agrees to terminate the Trust Account, and all remaining collateral will be released to the Company and/or the Reinsurer, as applicable, and both parties shall be released from any further obligations under this Contract.

ARTICLE 22

LIMITED RECOURSE

A. The liability of the Reinsurer for the performance and discharge of all of its obligations, however they may arise, in relation to this Contract (together "Obligations" for purposes of this Article), shall be limited to and payable solely from the proceeds of realization of the assets of the Trust Fund established in accordance with this Contract, and accordingly there shall be no recourse to any other assets of the Reinsurer whether or not allocated to any other

separate account or the general account of the Reinsurer. In the event that the proceeds of realization of the assets of the Trust Fund are insufficient to meet all Obligations, any Obligations remaining after the application of such proceeds shall be extinguished, and the Company undertakes in such circumstances to take no further action against the Reinsurer in respect of any such Obligations. In particular, neither the Company nor any party acting on its behalf shall petition or take any steps for the winding up or receivership of the Reinsurer.

B. Notwithstanding any matter referred to herein, the Company understands and accepts that the Reinsurer acts on behalf of one or more separate accounts of Claddaugh Casualty Insurance Company Ltd. and that all corporate matters relating to the creation of the Reinsurer, capacity of the Reinsurer, operation and liquidation of the Reinsurer and any matters relating to the Reinsurer thereof shall be governed by, and construed in accordance with, the laws of Bermuda. The Company has had the opportunity to take advice and to obtain all such additional information that it considers necessary to evaluate the terms, conditions and risks of entering into this Contract with the Reinsurer.

ARTICLE 23

TAXES

A. In consideration of the terms under which this Contract is issued, the Company undertakes not to claim any deduction of the premium hereon when making Canadian tax returns or when making tax returns, other than Income or Profits Tax returns, to any state or territory of the United States of America or to the District of Columbia.

B. 1. Each Subscribing Reinsurer has agreed to allow, for the purpose of paying the Federal Excise Tax, the applicable percentage of the premium payable hereon (as imposed under the Internal Revenue Code) to the extent such premium is subject to Federal Excise Tax.

2. In the event of any return of premium becoming due hereunder, the Subscribing Reinsurer shall deduct the applicable percentage of the premium from the amount of the return, and the Company or its agent should take steps to recover the Tax from the U.S. Government.

ARTICLE 24

ACCESS TO RECORDS

A. The Reinsurer or its duly authorized representatives shall have the right to visit the offices of the Company to inspect, examine, audit, and verify any of the policy, accounting or claim files (“Records”) relating to business reinsured under this Contract during regular business hours after giving five working days’ prior notice. This right shall be exercisable during the

term of this Contract or after the expiration of this Contract. Notwithstanding the above, the Reinsurer shall not have any right of access to the Records of the Company if it is not current in all undisputed payments due the Company.

B. Notwithstanding the above, the Company reserves the right to withhold from the Reinsurer any Privileged Documents. However, the Company shall permit and not object to the Reinsurer's access to Privileged Documents in connection with the underlying claim reinsured hereunder following final settlement or final adjudication of the case or cases involving such claim, with prejudice against all claimants and all parties to such adjudications; the Company may defer release of such Privileged Documents if there are subrogation, contribution, or other third party actions with respect to that claim or case, and the Company's defense might be jeopardized by release of such Privileged Documents. In the event that the Company seeks to defer release of such Privileged Documents, it shall, in consultation with the Reinsurer, take other steps as reasonably necessary to provide the Reinsurer with the information it reasonably requires to indemnify the Company without causing a loss of such privileges or protections. The Reinsurer shall not have access to Privileged Documents relating to any dispute between the Company and the Reinsurer.

C. For purposes of this Article:

1. "Privileged Documents" means any documents that are Attorney-Client Privilege Documents and/or Work Product Privilege Documents.

2. "Attorney-Client Privilege Documents" means communications of a confidential nature between (a) the Company, or anyone retained by or at the direction of the Company, or its in-house or outside legal counsel, or anyone in the control of such legal counsel, and (b) any in-house or outside legal counsel, if such communications relate to legal advice being sought by the Company and/or contain legal advice being provided to the Company.

3. "Work Product Privilege Documents" means communications, written materials and tangible things prepared by or for in-house or outside counsel, or prepared by or for the Company, in anticipation of or in connection with litigation, arbitration, or other dispute resolution proceedings.

ARTICLE 25

CONFIDENTIALITY

A. The Reinsurer hereby acknowledges that the documents, information and data provided to it by the Company, whether directly or through an authorized agent, in connection with the placement and execution of this Contract ("Confidential Information") are proprietary and

confidential to the Company. Confidential Information shall not include documents, information or data that the Reinsurer can show:

1. are publicly known or have become publicly known through no unauthorized act of the Reinsurer;

2. have been rightfully received from a third person without obligation of confidentiality; or

3. were known by the Reinsurer prior to the placement of this Contract without an obligation of confidentiality.

B. Absent the written consent of the Company, the Reinsurer shall not disclose any Confidential Information to any third parties, including any affiliated companies (except to the extent necessary to enable affiliated companies or third parties engaged by the Reinsurer to perform services related to this Contract on behalf of the Reinsurer), except:

1. when required by retrocessionaires as respects business ceded to this Contract;

2. when required by regulators performing an audit of the Reinsurer's records and/or financial condition; or

3. when required by external auditors performing an audit of the Reinsurer's records in the normal course of business.

Further, the Reinsurer agrees not to use any Confidential Information for any purpose not related to the performance of its obligations or enforcement of its rights under this Contract.

C. Notwithstanding the above, in the event that the Reinsurer is required by court order, other legal process or any regulatory authority to release or disclose any or all of the Confidential Information, the Reinsurer agrees to provide the Company with written notice of same at least 10 days prior to such release or disclosure and to use its best efforts to assist the Company in maintaining the confidentiality provided for in this Article.

D. The provisions of this Article shall extend to the officers, directors and employees of the Reinsurer and its affiliates, and shall be binding upon their successors and assigns.

ARTICLE 26

INDEMNIFICATION AND ERRORS AND OMISSIONS

A. The Reinsurer is reinsuring, subject to the terms and conditions of this Contract, the obligations of the Company under any Policy. The Company shall be the sole judge as to:

1. what shall constitute a claim or loss covered under any Policy;

2. the Company's liability thereunder; and

3. the amount or amounts that it shall be proper for the Company to pay thereunder.

B. The Reinsurer shall be bound by the judgment of the Company as to the obligation(s) and liability(ies) of the Company under any Policy.

C. Any inadvertent error, omission or delay in complying with the terms and conditions of this Contract shall not be held to relieve either party hereto from any liability that would attach to it hereunder if such error, omission or delay had not been made, provided such error, omission or delay is rectified immediately upon discovery.

D. Nothing in this Article shall be construed to override any of the other terms and conditions of this Contract.

ARTICLE 27

INSOLVENCY

A. If more than one reinsured company is referenced within the definition of "Company" in the Preamble to this Contract, this Article shall apply severally to each such company. Further, this Article and the laws of the domiciliary state shall apply in the event of the insolvency of any company covered hereunder. In the event of a conflict between any provision of this Article and the laws of the domiciliary state of any company covered hereunder, that domiciliary state's laws shall prevail.

B. In the event of the insolvency of the Company, this reinsurance (or the portion of any risk or obligation assumed by the Reinsurer, if required by applicable law) shall be payable directly to the Company, or to its liquidator, receiver, conservator or statutory successor, either: (1) on the basis of the liability of the Company, or (2) on the basis of claims filed and allowed in the liquidation proceeding, whichever may be required by applicable statute, without diminution because of the insolvency of the Company or because the liquidator, receiver, conservator or statutory successor of the Company has failed to pay all or a portion of any claim. It is agreed, however, that the liquidator, receiver, conservator or statutory successor of the Company shall give written notice to the Reinsurer of the pendency of a claim against the Company indicating the Policy or bond reinsured, which claim would involve a possible liability on the part of the Reinsurer within a reasonable time after such claim is filed in the conservation or liquidation proceeding or in the receivership, and that during the pendency of such claim, the Reinsurer may investigate such claim and interpose, at its own expense, in the proceeding where such claim is to be adjudicated any defense or defenses that it may deem available to the Company or its liquidator, receiver, conservator or statutory successor.

The expense thus incurred by the Reinsurer shall be chargeable, subject to the approval of the court, against the Company as part of the expense of conservation or liquidation to the extent of a pro rata share of the benefit that may accrue to the Company solely as a result of the defense undertaken by the Reinsurer.

C. Where two or more reinsurers are involved in the same claim and a majority in interest elect to interpose defense to such claim, the expense shall be apportioned in accordance with the terms of this reinsurance Contract as though such expense had been incurred by the Company.

D. As to all reinsurance made, ceded, renewed or otherwise becoming effective under this Contract, the reinsurance shall be payable as set forth above by the Reinsurer to the Company or to its liquidator, receiver, conservator or statutory successor, (except as provided by Section 4118(a)(1)(A) of the New York Insurance Law, provided the conditions of 1114(c) of such law have been met, if New York law applies) or except (1) where the Contract specifically provides another payee in the event of the insolvency of the Company, or (2) where the Reinsurer, with the consent of the direct insured or insureds, has assumed such Policy obligations of the Company as direct obligations of the Reinsurer to the payees under such Policies and in substitution for the obligations of the Company to such payees. Then, and in that event only, the Company, with the prior approval of the certificate of assumption on New York risks by the Superintendent of Financial Services of the State of New York, or with the prior approval of such other regulatory authority as may be applicable, is entirely released from its obligation and the Reinsurer shall pay any loss directly to payees under such Policy.

ARTICLE 28

RUN-OFF REINSURER

A. “Run-off Reinsurer” means any Subscribing Reinsurer that:

1. has been ordered by a state insurance department or other legal authority to cease writing business, or has been placed under regulatory supervision or in rehabilitation; or

2. has ceased reinsurance underwriting operations; or

3. has transferred its claims-paying authority to an unaffiliated entity; or

4. engages in a process of Scheme of Arrangement or similar procedure related to this Contract, including but not limited to an insurance business transfer scheme pursuant to Part VII of the Financial Services and Markets Act 2000 (U.K.), as may be amended from time to time; or

5. in any other way has assigned its interests or delegated its obligations under this Contract to an unaffiliated entity.

Notwithstanding the foregoing, agreement by a Lloyd's syndicate to follow claim settlements procedures under Lloyd's Claims Scheme (Combined) shall not constitute a transfer of its claims-paying authority, for purposes of subparagraphs (3) and (5) of this paragraph.

B. Notwithstanding any other provision of this Contract, in the event that a Subscribing Reinsurer becomes a Run-off Reinsurer at any time, the Company may elect, by giving written notice to the Run-off Reinsurer at any time thereafter, that all or any of the following shall apply to the Run-off Reinsurer's participation hereunder:

1. Should the Run-off Reinsurer fail to pay amounts due hereunder, the interest penalty specified in the Late Payments Article shall be increased by 0.5% for each 30 days that a payment is past due, subject to a maximum increase of 7.0%.

2. The Run-off Reinsurer's liability for losses for Policies covered by this Contract shall be commuted. In the event the Company and the Run-off Reinsurer cannot agree on the commutation amount of the Run-off Reinsurer's liability under such Policies, they shall appoint an actuary and/or appraiser to assess such liability and shall share equally any expense of the actuary and/or appraiser. If the Company and the Run-off Reinsurer cannot agree on an actuary and/or appraiser, the Company and the Run-off Reinsurer each shall nominate three individuals, of whom the other shall decline two, and the final appointment shall be made by drawing lots. Payment by the Run-off Reinsurer of the amount of liability ascertained shall constitute a complete and final release of both parties under this Contract.

3. The Run-off Reinsurer shall have no right of access to the Records of the Company if the Run-off Reinsurer has denied payment of any claim hereunder or there is a pending arbitration between the Company and the Run-off Reinsurer regarding any claim hereunder. A reservation of rights shall be considered a denial of a claim. Notwithstanding the above, the Run-off Reinsurer shall continue to have access to Records of the Company for any claim for which it has raised a query within 30 days of its receipt of a billing, but any inspection of Records must be completed within 90 days of receipt of billing or access will be deemed waived.

4. The provisions of the Arbitration Article shall not apply.

C. The Company's waiver of any rights provided in this Article is not a waiver of that right or other rights at a later date.

ARTICLE 29

ARBITRATION

A. Any dispute arising out of the interpretation, performance or breach of this Contract, including the formation or validity thereof, shall be submitted for decision to a panel of three arbitrators. Notice requesting arbitration shall be in writing and sent certified or registered mail, return receipt requested.

B. One arbitrator shall be chosen by each party and the two arbitrators shall then choose an impartial third arbitrator who shall preside at the hearing. If either party fails to appoint its arbitrator within 30 days after being requested to do so by the other party, the latter, after 10 days' prior notice by certified or registered mail of its intention to do so, may appoint the second arbitrator.

C. If the two arbitrators do not agree on a third arbitrator within 60 days of their appointment, the third arbitrator shall be chosen in accordance with the procedures for selecting the third arbitrator in force on the date the arbitration is demanded, established by the AIDA Reinsurance and Insurance Arbitration Society – U.S. (ARIAS). The arbitrators shall be persons knowledgeable about insurance and reinsurance who have no personal or financial interest in the result of the arbitration. If a member of the panel dies, becomes disabled or is otherwise unwilling or unable to serve, a substitute shall be selected in the same manner as the departing member was chosen and the arbitration shall continue.

D. Within 30 days after all arbitrators have been appointed, the panel shall meet and determine timely periods for briefs, discovery procedures and schedules of hearings.

E. The panel shall be relieved of all judicial formality and shall not be bound by the strict rules of procedure and evidence. Notwithstanding anything to the contrary in this Contract, the arbitrators may at their discretion, consider underwriting and placement information provided by the Company to the Reinsurer, as well as any correspondence exchanged by the parties that is related to this Contract. The arbitration shall take place in Tampa, Florida, or at such other place as the parties shall agree. The decision of any two arbitrators shall be in writing and shall be final and binding. The panel is empowered to grant interim relief as it may deem appropriate.

F. The panel shall interpret this Contract as an honorable engagement rather than as merely a legal obligation and shall make its decision considering the custom and practice of the applicable insurance and reinsurance business as promptly as possible after the hearings. Judgment upon an award may be entered in any court having jurisdiction thereof.

G. Each party shall bear the expense of its own arbitrator and shall jointly and equally bear with the other party the cost of the third arbitrator. The remaining costs of the arbitration shall be

allocated by the panel. The panel may, at its discretion, award such further costs and expenses as it considers appropriate, including but not limited to attorneys' fees, to the extent permitted by law.

ARTICLE 30

EXPEDITED ARBITRATION

A. Notwithstanding the provisions of the Arbitration Article, in the event an amount in dispute hereunder $1,000,000 or less, the parties will submit to an expedited arbitration process with the use of a single arbitrator. The arbitrator will be chosen in accordance with the procedures for selecting an arbitrator in force on the date the arbitration is demanded, established by the AIDA Reinsurance and Insurance Arbitration Society - U.S. (ARIAS).

B. Each party's case will be submitted to the arbitrator within 100 calendar days of the date of determination of the arbitrator. Discovery will be limited to exchanging only those documents directly relating to the issue in dispute, subject to a limit of two discovery depositions from each party, unless otherwise authorized by the arbitrator upon a showing of good cause.

C. Within 120 calendar days of the date of determination of the arbitrator, the hearing will be completed and a written award will be issued by the arbitrator. As the parties agree that time is of the essence, the sole arbitrator does not have the authority to lengthen the schedule, absent agreement of both parties. The arbitrator will have all the powers conferred on the arbitration panel as provided in the Arbitration Article, and said Article will apply to all matters not specifically addressed above.

ARTICLE 31

SERVICE OF SUIT

A. This Article applies only to those Subscribing Reinsurers not domiciled in the United States of America, and/or not authorized in any state, territory and/or district of the United States of America where authorization is required by insurance regulatory authorities.

B. This Article shall not be read to conflict with or override the obligations of the parties to arbitrate their disputes as provided for in the Arbitration Article. This Article is intended as an aid to compelling arbitration or enforcing such arbitration or arbitral award, not as an alternative to the Arbitration Article for resolving disputes arising out of this Contract.

C. In the event of the failure of the Reinsurer to perform its obligations hereunder, the Reinsurer, at the request of the Company, shall submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this Article constitutes or should be

understood to constitute a waiver of the Reinsurer's rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. The Reinsurer, once the appropriate court is selected, whether such court is the one originally chosen by the Company and accepted by the Reinsurer or is determined by removal, transfer, or otherwise, as provided for above, shall comply with all requirements necessary to give said court jurisdiction and, in any suit instituted against the Reinsurer upon this Contract, shall abide by the final decision of such court or of any appellate court in the event of an appeal.

D. Service of process in such suit may be made upon:

1. as respects Underwriting Members of Lloyd's, London: Lloyd's America, Inc., Attention: Legal Department, 280 Park Avenue, East Tower, 25th Floor, New York, New York 10017;

2. as respects any other Subscribing Reinsurer: Messrs. Mendes and Mount, 750 Seventh Avenue, New York, New York 10019-6829, or another party specifically designated in the Subscribing Reinsurer's Interests and Liabilities Agreement attached hereto.

The above-named are authorized and directed to accept service of process on behalf of the Reinsurer in any such suit.

E. Further, pursuant to any statute of any state, territory or district of the United States that makes provision therefor, the Reinsurer hereby designates the Superintendent, Commissioner or Director of Insurance, or other officer specified for that purpose in the statute, or his successor or successors in office, as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Company or any beneficiary hereunder arising out of this Contract, and hereby designates the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

ARTICLE 32

GOVERNING LAW

This Contract shall be governed as to performance, administration and interpretation by the laws of the State of Florida, subject to the Limited Recourse and Bermuda regulations clauses as set out in the Limited Recourse Article, exclusive of conflict of law rules. However, with respect to credit for reinsurance, the rules of all applicable states shall apply.

ARTICLE 33

ENTIRE AGREEMENT

This Contract sets forth all of the duties and obligations between the Company and the Reinsurer and supersedes any and all prior or contemporaneous written agreements with respect to matters referred to in this Contract. This Contract may not be modified or changed except by an amendment to this Contract in writing signed by both parties. However, this Article shall not be construed as limiting the admissibility of evidence regarding the formation, interpretation, purpose or intent of this Contract.

ARTICLE 34

NON-WAIVER

The failure of the Company or the Reinsurer to insist on compliance with this Contract or to exercise any right or remedy hereunder shall not constitute a waiver of any rights contained in this Contract nor prevent either party from thereafter demanding full and complete compliance nor prevent either party from exercising such remedy in the future.

ARTICLE 35

SANCTION LIMITATION AND EXCLUSION CLAUSE (LMA 3100)

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

ARTICLE 36

MODE OF EXECUTION

A. This Contract may be executed by:

1. an original written ink signature of paper documents;

2. an exchange of facsimile copies showing the original written ink signature of paper documents;

3. electronic signature technology employing computer software and a digital signature or digitizer pen pad to capture a person’s handwritten signature in such a manner that

the signature is unique to the person signing, is under the sole control of the person signing, is capable of verification to authenticate the signature and is linked to the document signed in such a manner that if the data is changed, such signature is invalidated.

B. The use of any one or a combination of these methods of execution shall constitute a legally binding and valid signing of this Contract. This Contract may be executed in one or more counterparts, each of which, when duly executed, shall be deemed an original.

IN WITNESS WHEREOF, the Company has caused this Contract to be executed by its duly authorized representative(s), who also confirms the Company's review of and agreement to be bound by the terms and conditions of the Interests and Liabilities Agreements attached to and forming part of this Contract;

On this _____ day of _____, in the year of 202_.

TYPTAP INSURANCE COMPANY

Signature: _ Title: _

Print Name: _

And on this _____ day of _____, in the year of 20___.

HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC.

Signature: _ Title: _

Print Name: _

PROPERTY CATASTROPHE EXCESS OF LOSS REINSURANCE CONTRACT

POOLS, ASSOCIATIONS & SYNDICATES EXCLUSIONS CLAUSE

Section A:

This Contract excludes:

a. All business derived directly or indirectly from any Pool, Association or Syndicate which maintains its own reinsurance facilities.

b. Any Pool or Scheme (whether voluntary or mandatory) formed after March 1, 1968 for the purpose of insuring property, whether on a country-wide basis or in respect of designated areas. This exclusion shall not apply to so-called Automobile Insurance Plans or other Pools formed to provide coverage for Automobile Physical Damage.

Section B:

1. This Contract excludes business written by the Company for the same perils, which is known at the time to be insured by, or in excess of underlying amounts placed in, any Pool, Association or Syndicate, whether by way of insurance or reinsurance, formed for the purpose of writing any of the following:

Oil, Gas or Petro-Chemical Plants

Oil or Gas Drilling Rigs and/or

Aviation Risks

2. The exclusion under paragraph 1 of this Section B does not apply:

a. Where the Total Insured Value over all interests of the risk in question is less than $250,000,000.

b. To interests traditionally underwritten as Inland Marine and/or Stock and/or Contents written on a Blanket basis.

c. To Contingent Business Interruption, except when the Company is aware that the key location is known at the time to be insured in any Pool, Association or Syndicate named above, other than as provided for under subparagraph (a).

Section C:

1. Nevertheless the Reinsurer specifically agrees that liability accruing to the Company from its participation in Residual Market Mechanisms, including but not limited to the following, for all perils otherwise protected hereunder shall not be excluded herefrom:

a. So-called “Beach and Windstorm Plans” and so-called “Coastal Pools”;

b. All “FAIR Plan” and “Rural Risk Plan” business;

c. Louisiana Citizens Property Insurance Corporation;

d. California Earthquake Authority (“CEA”) or any similar entity.

Notwithstanding the above, assessments related to the Florida Hurricane Catastrophe Fund and Citizens Property Insurance Corporation (Florida) shall be excluded hereunder.

2. However, this reinsurance does not include any increase in such liability resulting from:

a. The inability of any other participant in such Residual Market Mechanisms to meet its liability;

b. Any claim against a Residual Market Mechanism or any participant therein, including the Company, whether by way of subrogation or otherwise, brought by or on behalf of any insolvency fund (as defined in the Exclusions Article);

c. Any assessment or surcharge levied on the policyholder and therefore not a liability of the Company;

d. The Company’s initial capital contribution to the CEA;

e. Any assessments, other than interim and regular assessments, from a Residual Market Mechanism included in subparagraph 1(c) above;

f. Any expenditure to purchase or retire bonds.

3. The Company may include in Ultimate Net Loss for any Loss Occurrence covered hereunder only the liability attributable to that Loss Occurrence. If the relevant entity does not specify what portion of an assessment is attributable to each Loss Occurrence, the Company may include in Ultimate Net Loss in respect of each Loss Occurrence a percentage of the Company’s assessments from the relevant entity related to the calendar year in which the Loss Occurrence commenced, regardless of when assessed, such percentage to be determined by dividing the relevant entity’s losses arising from the Loss Occurrence by its total losses for the calendar year.

4. The Company will deduct from Ultimate Net Loss amounts received as recoupment of any assessment that has been included in the Ultimate Net Loss, provided the recoupment is directly allocable to the assessment (“itemized recoupment”). The Company shall use commercially reasonable efforts to recoup such assessment. Any amount received as an itemized recoupment of any assessment (whether under this Contract or any predecessor

contract), and therefore deductible from Ultimate Net Loss, shall not be included in the subject premium of this Contract.

However, if a state levies assessments but does not allow itemized recoupment from policyholders, instead allowing the Company to file an overall increased rate, any such premium increased thereby shall not be deemed to be a recoupment that is deductible from Ultimate Net Loss. Any recoupment received as part of a general premium rate increase, not specifically itemized, shall be included as part of the subject premium of this Contract or a successor contract, as applicable.

OTES: Wherever used herein the terms:

"Company" shall be understood to mean "Company", "Reinsured", "Reassured" or whatever other term is used in the attached reinsurance document to designate the reinsured company or companies.

"Contract" shall be understood to mean "Agreement," "Contract," "Policy" or whatever other term is used to designate the attached reinsurance document.

"Reinsurer" shall be understood to mean "Reinsurer," "Reinsurers," "Underwriters" or whatever other term is used in the attached reinsurance document to designate the reinsurer or reinsurers.

NUCLEAR INCIDENT EXCLUSION CLAUSE - PHYSICAL DAMAGE - REINSURANCE - U.S.A.

1. This Reinsurance does not cover any loss or liability accruing to the Reassured, directly or indirectly, and whether as Insurer or Reinsurer, from any Pool of Insurers or Reinsurers formed for the purpose of covering Atomic or Nuclear Energy risks.

2. Without in any way restricting the operation of paragraph (1) of this clause, this Reinsurance does not cover any loss or liability accruing to the Reassured, directly or indirectly and whether as Insurer or Reinsurer, from any insurance against Physical Damage (including business interruption or consequential loss arising out of such Physical Damage) to:

   I. Nuclear reactor power plants including all auxiliary property on the site, or

   II. Any other nuclear reactor installation, including laboratories handling radioactive materials in connection with reactor installations, and “critical facilities” as such, or

   III. Installations for fabricating complete fuel elements or for processing substantial quantities of “special nuclear material”, and for reprocessing, salvaging, chemically separating, storing or disposing of “spent” nuclear fuel or waste materials, or

   IV. Installations other than those listed in paragraph (2) III above using substantial quantities of radioactive isotopes or other products of nuclear fission.

3. Without in any way restricting the operations of paragraphs (1) and (2) hereof, this Reinsurance does not cover any loss or liability by radioactive contamination accruing to the Reassured, directly or indirectly, and whether as Insurer or Reinsurer, from any insurance on property which is on the same site as a nuclear reactor power plant or other nuclear installation and which normally would be insured therewith except that this paragraph (3) shall not operate

   (a) where Reassured does not have knowledge of such nuclear reactor power plant or nuclear installation, or

   (b) where said insurance contains a provision excluding coverage for damage to property caused by or resulting from radioactive contamination, however caused. However on and after 1st January 1960 this sub-paragraph (b) shall only apply provided the said radioactive contamination exclusion provision has been approved by the Governmental Authority having jurisdiction thereof.

4. Without in any way restricting the operations of paragraphs (1), (2) and (3) hereof, this Reinsurance does not cover any loss or liability by radioactive contamination accruing to the Reassured, directly or indirectly, and whether as Insurer or Reinsurer, when such radioactive contamination is a named hazard specifically insured against.

5. It is understood and agreed that this clause shall not extend to risks using radioactive isotopes in any form where the nuclear exposure is not considered by the Reassured to be the primary hazard.

6. The term “special nuclear material” shall have the meaning given it in the Atomic Energy Act of 1954 or by any law amendatory thereof.

7. Reassured to be sole judge of what constitutes:

(a) substantial quantities, and

(b) the extent of installation, plant or site.

Note: Without in any way restricting the operation of paragraph (1) hereof, it is understood and agreed that

(a) all policies issued by the Reassured on or before 31st December 1957 shall be free from the application of the other provisions of this Clause until expiry date or 31st December 1960 whichever first occurs whereupon all the provisions of this Clause shall apply.

(b) with respect to any risk located in Canada policies issued by the Reassured on or before 31st December 1958 shall be free from the application of the other provisions of this Clause until expiry date or 31st December 1960 whichever first occurs whereupon all the provisions of this Clause shall apply.

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OTES: Wherever used herein the terms:

“Reassured” shall be understood to mean “Company”, “Reinsured”, “Reassured” or whatever other term is used in the attached reinsurance document to designate the reinsured company or companies.

“Agreement” shall be understood to mean “Agreement”, “Contract”, “Policy” or whatever other term is used to designate the attached reinsurance document.

“Reinsurers” shall be understood to mean “Reinsurers”, “Underwriters” or whatever other term is used in the attached reinsurance document to designate the reinsurer or reinsurers.

TERRORISM EXCLUSION

A. Notwithstanding any provision to the contrary within this Contract or any endorsement thereto, it is agreed that this Contract excludes loss, damage, cost, or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any Act of Terrorism, as defined herein, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

B. An “Act of Terrorism” includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organization(s) or government(s) de jure or de facto, and which:

a. involves violence against one or more persons; or

b. involves damage to property; or

c. endangers life other than that of the person committing the action; or

d. creates a risk to health or safety of the public or a section of the public; or

e. is designed to interfere with or to disrupt an electronic system.

C. This Contract also excludes loss, damage, cost, or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any action in controlling, preventing, suppressing, retaliating against, or responding to any Act of Terrorism.

D. Notwithstanding the above and subject otherwise to the terms, conditions, and limitations of this Contract, in respect only of personal lines, this Contract shall pay actual loss or damage (but not related cost or expense) caused by any Act of Terrorism, provided such act is not directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with biological, chemical, radiological or nuclear pollution or contamination.

LIMITED COMMUNICABLE DISEASE EXCLUSION NO. 2 (PROPERTY TREATY REINSURANCE)

1. Notwithstanding any provision to the contrary within this reinsurance agreement, this reinsurance agreement excludes any loss, damage, liability, claim, cost or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease regardless of any other cause or event contributing concurrently or in any other sequence thereto.

2. Subject to the other terms, conditions and exclusions contained in this reinsurance agreement, this reinsurance agreement will cover physical damage to property insured under the original policies and any Time Element Loss directly resulting therefrom where such physical damage is directly caused by or arising from any of the following perils: fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, rainstorm, hail, tornado, cyclone, typhoon, hurricane, earthquake, seaquake, seismic and/or volcanic disturbance/eruption, tsunami, flood, freeze, ice storm, weight of snow or ice, avalanche, meteor/asteroid impact, landslip, landslide, mudslide, bush fire, forest fire, riot, riot attending a strike, civil commotion, vandalism and malicious mischief.

Definitions

3. Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

   3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and

   3.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and

   3.3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

4. Time Element Loss means business interruption, contingent business interruption or any other consequential losses.

LMA5503

.5 May 2020

CYBER LOSS LIMITED EXCLUSION CLAUSE (PROPERTY TREATY REINSURANCE)

1. Notwithstanding any provision to the contrary within this reinsurance agreement or any endorsement thereto, this reinsurance agreement excludes all loss, damage, liability, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with:

1.2. any loss of, alteration of, or damage to or a reduction in the functionality, availability or operation of a Computer System, unless subject to the provisions of paragraph 2;

1.3. any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data.

2. Subject to the other terms, conditions and exclusions contained in this reinsurance agreement, this reinsurance agreement will cover physical damage to property insured under the original policies and any Time Element Loss directly resulting therefrom where such physical damage is directly occasioned by any of the following perils:

fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, tsunami, flood, freeze or weight of snow

Definitions

3. Computer System means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility.

4. Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

5. Time Element Loss means business interruption, contingent business interruption or any other consequential losses.

LMA5410

06 March 2020

TRUST AGREEMENT REQUIREMENTS CLAUSE

A. Except as provided in paragraph B of this Clause, if the Reinsurer satisfies its funding obligations under the Unauthorized Reinsurance Article by providing a Trust Agreement, the Reinsurer shall ensure that the Trust Agreement:

1. Requires the Reinsurer to establish a trust account for the benefit of the Company, and specifies what the Trust Agreement is to cover;

2. Stipulates that assets deposited in the trust account shall be valued according to their current fair market value and shall consist only of cash (United States legal tender), and certificates of deposit (issued by a United States bank and payable in United States legal tender), or any combination of the two, provided that the investments are issued by an institution that is not the parent, subsidiary or affiliate of either the Reinsurer or the Company;

3. Requires the Reinsurer, prior to depositing assets with the trustee, to execute assignments or endorsements in blank, or to transfer legal title to the trustee of all shares, obligations or any other assets requiring assignments, in order that the Company, or the trustee upon the direction of the Company, may whenever necessary negotiate these assets without consent or signature from the Reinsurer or any other entity;

4. Requires that all settlements of account between the Company and the Reinsurer be made in cash or its equivalent; and

5. Provides that assets in the trust account shall be withdrawn only as permitted in this Contract, without diminution because of the insolvency of the Company or the Reinsurer.

B. If a ceding insurer is domiciled in California and the Reinsurer satisfies its funding obligations under the Unauthorized Reinsurance Article by providing a Trust Agreement, the Reinsurer shall ensure that the Trust Agreement:

1. Provides that assets deposited in the trust account shall be valued according to their current fair market value and shall consist only of cash in United States dollars, certificates of deposit issued by a United States financial institution as defined in California Insurance Code Section 922.7(a) and payable in United States dollars, and investments permitted by the California Insurance Code, or any combination of the above.

2. Provides that investments in or issued by an entity controlling, controlled by or under common control with either the grantor or the beneficiary of the trust shall not exceed 5% of total investments.

3. Requires the Reinsurer, prior to depositing assets with the trustee, to execute assignments or endorsements in blank, or to transfer legal title to the trustee of all shares, obligations or any other assets requiring assignments, in order that the ceding insurer, or the trustee upon the direction of the ceding insurer, may, whenever necessary, negotiate these assets without consent or signature from the Reinsurer or any other entity.

4. Provides that assets in the trust account shall be withdrawn only as permitted in this Contract, without diminution because of the insolvency of the ceding insurer or the Reinsurer.

C. If there are multiple ceding insurers that collectively comprise the Company, “regulatory authorities” as referenced in subparagraph A(2) above, shall mean the individual ceding insurer’s domestic regulator.

EXHIBIT 10.35. Certain identified information has been excluded from this exhibit because it is immaterial and would be competitively harmful if publicly disclosed. Information that has been omitted is indicated with brackets.

EXHIBIT 10.35

PROPERTY CATASTROPHE EXCESS OF LOSS REINSURANCE CONTRACT

issued to

TYPTAP INSURANCE COMPANY
Ocala, Florida

and

HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC.
Tampa, Florida

including any and/or all companies that are or may hereafter become affiliated therewith

EXHIBIT 10.35. Certain identified information has been excluded from this exhibit because it is immaterial and would be competitively harmful if publicly disclosed. Information that has been omitted is indicated with brackets.

PROPERTY CATASTROPHE EXCESS OF LOSS REINSURANCE CONTRACT

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PROPERTY CATASTROPHE EXCESS OF LOSS REINSURANCE CONTRACT

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EXHIBIT 10.35. Certain identified information has been excluded from this exhibit because it is immaterial and would be competitively harmful if publicly disclosed. Information that has been omitted is indicated with brackets.

PROPERTY CATASTROPHE EXCESS OF LOSS REINSURANCE CONTRACT

the "Contract")

issued to

TYPTAP INSURANCE COMPANY
Ocala, Florida

HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC.
Tampa, Florida

including any and/or all companies that are or may hereafter become affiliated therewith

(collectively, the "Company")

by

THE SUBSCRIBING REINSURER(S) IDENTIFIED IN THE INTERESTS AND LIABILITIES AGREEMENT(S) ATTACHED TO AND FORMING PART OF THIS CONTRACT

(the "Reinsurer")

ARTICLE 1

BUSINESS COVERED

This Contract is to indemnify the Company in respect of its net excess liability as a result of any loss or losses which may occur during the term of this Contract under any Policies in force at the effective date hereof or issued or renewed on or after that date, covering direct and assumed business classified by the Company as the property perils of Homeowners, Condominium Owners, Renters and Dwelling, subject to the terms and conditions herein contained.

ARTICLE 2

RETENTION AND LIMIT

A. The Reinsurer shall be liable in respect of each Loss Occurrence, for the Ultimate Net Loss over and above an initial Ultimate Net Loss of [ ] each Loss Occurrence, subject to a limit

of liability to the Reinsurer of [ ] each Loss Occurrence and subject further to a limit of liability for all Loss Occurrences commencing during the term of this Contract of [ ].

B. No Loss Occurrence shall be covered hereunder unless it involves two or more risks subject to this Contract. The Company shall be the sole judge of what constitutes one risk for purposes of this Contract.

ARTICLE 3

FLORIDA HURRICANE CATASTROPHE FUND AND REINSURANCE TO ASSIST POLICYHOLDERS

A. As respects Loss Occurrences subject to this Contract, any loss reimbursement recoverable by the Company under the Florida Hurricane Catastrophe Fund (FHCF) and the Reinsurance to Assist Policyholders (RAP) Program, shall be deducted in determining Ultimate Net Loss under this Contract, subject to the following:

1. The full reimbursement amount due from the FHCF for coverage under the Mandatory Layer and RAP, based on statutory limits of coverage as of June 1, shall be deemed recovered by the Company, whether or not actually received from the FHCF and/or RAP and whether or not reduced because of the FHCF's and/or RAP's inability to pay.

2. For purposes of allocating recoveries from the FHCF with respect to each Loss Occurrence, only amounts recoverable by applying the pay-out and retention multiples for the FHCF prior to any reduction in retention due to multiple Loss Occurrences in the same annual period shall be included in calculating the deduction from Ultimate Net Loss. RAP coverage shall only apply to two eligible Loss Occurrences as determined by statute.

3. If the Company's aggregate limit of FHCF and/or RAP reimbursement coverage is exhausted from Loss Occurrences commencing during the term of this Contract, and the FHCF or RAP, as applicable, does not designate the portion of said limit allocable to each Loss Occurrence, the total FHCF and/or RAP reimbursement received shall be allocated to each individual Loss Occurrence in the proportion that the Company's losses in that Loss Occurrence bear to the Company's total losses arising out of all Loss Occurrences to which the reimbursement applies.

4. For purposes of loss recoveries under this Contract prior to the final determination of the Company's retention and limit under the FHCF or RAP, as applicable; FHCF or RAP coverage, as applicable, shall be calculated using the Company's respective "Projected Payout Multiple" under the FHCF or RAP. Upon determination of the

Company's retention and limit under the FHCF or RAP, as applicable, losses will be adjusted, recognizing any adjustment to the "Projected Payout Multiple" caused by a change in the Aggregate Mandatory FHCF Premium or any other adjustments as required by statute to determine the final FHCF and/or RAP layer, but disregarding any change due to a decrease in the statutory limit.

B. Any FHCF reimbursement premiums paid by the Company for FHCF layers that inure to the benefit of this Contract shall be deemed to be premiums paid for inuring reinsurance.

C. The Company has opted for 90% coverage selections from the FHCF and RAP:

ARTICLE 4

TERM

This Contract shall take effect at 12:01 a.m., Standard Time, June 1, 2023, and unless terminated prior to that time and date as provided in the Special Termination Article, shall remain in effect until 12:01 a.m., Standard Time, June 1, 2024, applying to Loss Occurrences commencing during the term of this Contract. For purposes of this Contract, "Standard Time" shall mean the time as described in the original Policy.

ARTICLE 5

SPECIAL TERMINATION

A. The Company may terminate a Subscribing Reinsurer's percentage share in this Contract at any time by giving written notice to the Subscribing Reinsurer in the event of any of the following circumstances:

1. The Subscribing Reinsurer ceases underwriting operations.

2. A state insurance department or other legal authority orders the Subscribing Reinsurer to cease writing business, or the Subscribing Reinsurer is placed under regulatory supervision.

3. The Subscribing Reinsurer has become insolvent or has been placed into liquidation or receivership (whether voluntary or involuntary), or there have been instituted against it proceedings for the appointment of a receiver, liquidator, rehabilitator, conservator, trustee in bankruptcy, or other agent known by whatever name, to take possession of its assets or control of its operations.

4. The Subscribing Reinsurer has retroceded its entire liability under this Contract without the Company's prior written consent, except for retrocessions to members of the Subscribing Reinsurer's holding company group.

5. The Subscribing Reinsurer has hired an unaffiliated runoff claims manager that is compensated on a contingent basis or is otherwise provided with financial incentives based on the quantum of claims paid.

6. The Subscribing Reinsurer has in any other way assigned its interests or delegated its obligations under this Contract to an unaffiliated entity.

7. The Subscribing Reinsurer has failed to post or maintain required collateral to secure its obligations as required under this Contract, and has not cured such deficiency within 30 days following written notice thereof from the Company.

Notwithstanding the foregoing, agreement by a Lloyd's syndicate to follow claim settlements procedures under Lloyd's Claims Scheme (Combined) shall not constitute a transfer of its claims-paying authority, for purposes of subparagraphs (5) and (6) of this paragraph.

B. Termination shall be effected on a cut-off basis and the Subscribing Reinsurer shall have no liability for Loss Occurrences commencing after the date of termination. The reinsurance premium due the Subscribing Reinsurer hereunder (including any minimum reinsurance premium) shall be prorated based on the period of the Subscribing Reinsurer's participation hereon, and the Subscribing Reinsurer shall immediately return any excess reinsurance premium received. Reinstatement premium, if any, shall be calculated based on the Subscribing Reinsurer's reinsurance premium earned during the period of the Subscribing Reinsurer's participation hereon.

C. Additionally, in the event of any of the circumstances listed in paragraph A of this Article, the Company shall have the option to commute the Subscribing Reinsurer's liability for losses on Policies covered by this Contract. In the event the Company and the Subscribing Reinsurer cannot agree on the commutation amount, they shall appoint an actuary and/or appraiser to assess such amount and shall share equally any expense of the actuary and/or appraiser. If the Company and the Subscribing Reinsurer cannot agree on an actuary and/or appraiser, the Company and the Subscribing Reinsurer each shall nominate three individuals, of whom the other shall decline two, and the final appointment shall be made by drawing lots. Payment by the Subscribing Reinsurer of the amount of liability ascertained shall constitute a complete and final release of both parties in respect of liability arising from the Subscribing Reinsurer's participation under this Contract.

D. The Company's option to require commutation under paragraph C above shall survive the termination or expiration of this Contract.

ARTICLE 6

TERRITORY

The territorial limits of this Contract shall be identical with those of the Company's Policies.

ARTICLE 7

EXCLUSIONS

A. This Contract shall not apply to and specifically excludes:

1. Policies covered by the Company's Flood Tower.
2. Flood when written as such.
3. Earthquake for standalone Policies where earthquake is the only named peril.
4. Hail damage to an insured's growing or standing crops.
5. Reinsurance assumed by the Company under obligatory reinsurance agreements, except intercompany reinsurance between the Company and its affiliates and reinsurance where the Policies involved are to be re-underwritten in accordance with the underwriting standards of the Company and reissued as Policies of the Company in due course.
6. Pools, Associations & Syndicates, per the attached exclusion.
7. Liability of the Company arising by contract, operation of law, or otherwise, from its participation or membership, whether voluntary or involuntary, in any Insolvency Fund. "Insolvency Fund" includes any guaranty fund, insolvency fund, plan, pool, association, fund or other arrangement, howsoever denominated, established or governed, that provides for any assessment of or payment or assumption by the Company of part or all of any claim, debt, charge, fee, or other obligation of an insurer, or its successors or assigns, that has been declared by any competent authority to be insolvent, or that is otherwise deemed unable to meet any claim, debt, charge, fee or other obligation in whole or in part.
8. Loss or damage occasioned by war, invasion, hostilities, acts of foreign enemies, civil war, rebellion, insurrection, military or usurped power, martial law, or confiscation by order of any government or public authority, but not excluding loss or damage that would be covered under a standard form of Policy containing a standard war exclusion clause.

9. Losses excluded by the attached Nuclear Incident Exclusion Clause – Physical Damage – Reinsurance – U.S.A.

10. Terrorism as defined in the attached Terrorism Exclusion.

11. Mold unless directly resulting from an otherwise covered peril.

12. Loss and/or damage and/or costs and/or expenses arising from seepage and/or pollution and/or contamination, other than contamination from smoke. Nevertheless, this exclusion does not preclude payment of the cost of removing debris of property damaged by a loss otherwise covered hereunder, subject always to a limit of 25.0% of the Company's property loss under the applicable original Policy.

13. Financial guarantee and insolvency.

14. Loss or damage to overhead transmission and distribution lines, including supporting structures, of electrical companies, telephone companies, and cable companies. This exclusion shall not apply, however, to transmission and distribution lines and their supporting structures located on the property of any original insured or within 1,000 feet thereof.

15. Losses excluded by the attached Limited Communicable Disease Exclusion No. 2 (Property Treaty Reinsurance).

16. Loss Excluded by the attached Cyber Loss Limited Exclusion Clause (Property Treaty Reinsurance).

17. Policies written by Homeowners Choice Property & Casualty Insurance Company, Inc. covering risks located in the state of Florida.

B. With the exception of subparagraphs A(7) through A(10), A(13), A(15) and A(16) above, should any judicial, regulatory or legislative entity having legal jurisdiction invalidate any exclusion on the Company's Policy, any amount of loss for which the Company is liable because of such invalidation will not be excluded hereunder.

C. With the exception of subparagraphs A(7) through A(10), A(13), A(15) and A(16) above, if the Company inadvertently issues a Policy falling within the scope of one or more of the exclusions, such Policy shall be covered hereunder, provided that the Company issues, or causes to be issued, the required notice of cancellation within 30 days after a member of the executive or managerial staff at the Company's home office having underwriting authority in the class of business involved becomes aware that the Policy applies to excluded classes, unless the Company is prevented from canceling said Policy within such period by applicable statute or regulation, in which case such Policy shall be covered hereunder until the earliest date on which the Company may cancel.

ARTICLE 8

SPECIAL ACCEPTANCE

Business that is not within the scope of this Contract may be submitted to the Reinsurer for special acceptance hereunder, and such business, if accepted by the Reinsurer shall be covered hereunder, subject to the terms and conditions of this Contract, except as modified by the special acceptance. The Reinsurer shall be deemed to have accepted a risk, if it has not responded within five business days after receiving the underwriting information on such risk. Any renewal of a special acceptance agreed to for a predecessor contract to this Contract, shall automatically be covered hereunder.

ARTICLE 9

PREMIUM

A. The Company shall pay the Reinsurer a flat premium of [ ] for the term of this Contract, payable to the Reinsurer by the Company on June 1, 2023.

B. The Company shall furnish the Reinsurer with such reasonably available information as may be reasonably required by the Reinsurer for completion of the Reinsurer's financial statements.

ARTICLE 10

DEFINITIONS

A. 1. "Ultimate Net Loss" means the actual loss paid by the Company or which the Company becomes liable to pay, such loss to include Loss Adjustment Expense, 100% of any Extra Contractual Obligation and 100% of any Loss in Excess of Policy Limits as defined in the Extra Contractual Obligations/Excess of Policy Limits Article. In no event, however, shall more than 25% of "Ultimate Net Loss" for any one Loss Occurrence be comprised of Extra Contractual Obligations and Loss in Excess of Policy Limits.

2. Salvages and all recoveries (including amounts due from all reinsurances that inure to the benefit of this Contract, whether recovered or not), shall be first deducted from such loss to arrive at the amount of liability attaching hereunder.

3. All salvages, recoveries or payments recovered or received subsequent to loss settlement hereunder shall be applied as if recovered or received prior to the aforesaid settlement, and all necessary adjustments shall be made by the parties hereto.

4. The Company shall be deemed to be "liable to pay" a loss when a judgment has been rendered that the Company does not plan to appeal, and/or the Company has obtained a release, and/or the Company has accepted a proof of loss, and/or the Company has made a commitment to pay, and/or the Company has scheduled the payment of a loss.

5. Nothing in this clause shall be construed to mean that losses are not recoverable hereunder until the Company's "Ultimate Net Loss" has been ascertained.

B. "Loss Adjustment Expense" means costs and expenses incurred by the Company in connection with the investigation, appraisal, adjustment, settlement, litigation, defense or appeal of a specific claim or loss, or alleged loss, including but not limited to:

1. court costs;

2. costs of supersedeas and appeal bonds;

3. monitoring counsel expenses;

4. legal expenses and costs incurred in connection with coverage questions and legal actions connected thereto, including but not limited to declaratory judgment actions;

5. post-judgment interest;

6. pre-judgment interest, unless included as part of an award or judgment;

7. a pro rata share of salaries and expenses of Company field employees, calculated in accordance with the time occupied in adjusting such loss, and expenses of other Company employees who have been temporarily diverted from their normal and customary duties and assigned to the field adjustment of losses covered by this Contract; and

8. subrogation, salvage and recovery expenses.

"Loss Adjustment Expense" does not include salaries and expenses of the Company's employees, except as provided in subparagraph (7) above, and office and other overhead expenses.

C. 1. "Loss Occurrence" means the sum of all individual losses directly occasioned by any one disaster, accident or loss or series of disasters, accidents or losses arising out of one event. However, the duration and extent of any one "Loss Occurrence" shall be limited to all individual losses sustained by the Company occurring during any period of 168 consecutive hours arising out of and directly occasioned by the same event except that the term "Loss Occurrence" shall be further defined as follows:

a. As regards any “Named Storm,” all individual losses sustained by the Company arising out of and directly occasioned by such “Named Storm,” without regard to the limitations of duration and extent set forth above. “Named Storm” means any storm or storm system declared by the US National Hurricane Center, US Central Pacific Hurricane Center, US Weather Prediction Center, or their successor organizations, all being divisions of the US National Weather Service to be a tropical storm or hurricane, and any successors thereof. A storm or storm system that merges with a “Named Storm” shall be considered part of that “Named Storm,” once it has merged. A “Named Storm” shall be deemed to begin at the effective time and date of the first watch, warning or other official advisory applicable to such tropical storm or hurricane issued by the above referenced governmental meteorological agencies. A “Named Storm” shall be deemed to end 72 hours after the cancellation of the last watch, warning or other official advisory applicable to such tropical storm, hurricane or successor, issued by the above referenced governmental meteorological agencies irrespective of the duration of the timing or spacing between such watches, warnings or other official advisories. If two or more storms are assigned different names by the above referenced governmental meteorological agencies, each of those storms shall constitute a separate event for purposes of this definition.

b. As regards windstorm, hail, tornado, cyclone, including ensuing collapse and water damage other than “Named Storm,” all individual losses sustained by the Company occurring during any period of 96 consecutive hours arising out of and directly occasioned by the same event.

c. As regards riot, riot attending a strike, civil commotion, vandalism and malicious mischief, all individual losses sustained by the Company occurring during any period of 96 consecutive hours arising out of and directly occasioned by the same event. The maximum duration of 96 consecutive hours may be extended in respect of individual losses that occur beyond such 96 consecutive hours during the continued occupation of an assured’s premises by strikers, provided such occupation commenced during the aforesaid period.

d. As regards earthquake and fire following directly occasioned by the earthquake, those earthquake losses and individual fire losses that commence during the period of 168 consecutive hours may be included in the Company’s “Loss Occurrence.”

e. As regards any related weather conditions involving snow, sleet, freezing rain, freeze, ice, winter weather, and wind losses related to such conditions, all individual losses sustained by the Company, that occur during any period of 168 consecutive hours arising out of and directly occasioned by the same event.

f. As regards firestorms, brush fires and other fires or series of fires, irrespective of origin (except for fires covered in subparagraphs (c) and (d) above) which spread through trees, grassland or other vegetation, all individual losses sustained by the Company occurring during any period of 168 consecutive hours within a 150-mile radius of any fixed point selected by the Company may be included in the Company's "Loss Occurrence." However, an individual loss subject to this subparagraph cannot be included in more than one "Loss Occurrence."

2. Except as provided in subparagraph (1)(a) above:

a. The Company may choose the date and time when any such period of consecutive hours commences provided that it is not earlier than the date and time of the occurrence of the first recorded individual loss sustained by the Company arising out of that disaster, accident or loss.

b. Only one period of consecutive hours shall apply with respect to one event, except that, as respects those "Loss Occurrences" referred to in subparagraph (1)(c) above, if the disaster, accident or loss occasioned by the event is of greater duration than 96 consecutive hours, then the Company may divide that disaster, accident or loss into two or more "Loss Occurrences" provided no two periods overlap and no individual loss is included in more than one such period and provided that no period commences earlier than the date and time of the occurrence of the first recorded individual loss sustained by the Company arising out of that disaster, accident or loss.

3. Losses arising from a combination of two or more perils as a result of the same event shall be considered as having arisen from one "Loss Occurrence." Furthermore, all losses arising from an event involving a combination of losses described in subparagraphs (1)(a) and (1)(b) may be considered as having arisen from one "Loss Occurrence." Notwithstanding the foregoing, the hourly limitations as stated above shall not be exceeded as respects the applicable perils, and, except as respects those "Loss Occurrences" involving a "Named Storm" referred to in subparagraph (1)(a) above, no single "Loss Occurrence" shall encompass a time period greater than 168 consecutive hours.

D. "Policy" means any binder, policy, or contract of insurance or reinsurance issued, accepted or held covered provisionally or otherwise, by or on behalf of the Company.

ARTICLE 11

EXTRA CONTRACTUAL OBLIGATIONS/EXCESS OF POLICY LIMITS

A. This Contract shall cover Extra Contractual Obligations, as provided in the definition of Ultimate Net Loss. “Extra Contractual Obligations” shall be defined as those liabilities not covered under any other provision of this Contract and that arise from the handling of any claim on business covered hereunder, such liabilities arising because of, but not limited to, the following: failure by the Company to settle within the Policy limit, or by reason of alleged or actual negligence, fraud or bad faith in rejecting an offer of settlement or in the preparation of the defense or in the trial of any action against its insured or reinsured or in the preparation or prosecution of an appeal consequent upon such action.

B. This Contract shall cover Loss in Excess of Policy Limits, as provided in the definition of Ultimate Net Loss. “Loss in Excess of Policy Limits” shall be defined as Loss in excess of the Policy limit, having been incurred because of, but not limited to, failure by the Company to settle within the Policy limit or by reason of alleged or actual negligence, fraud or bad faith in rejecting an offer of settlement or in the preparation of the defense or in the trial of any action against its insured or reinsured or in the preparation or prosecution of an appeal consequent upon such action.

C. An Extra Contractual Obligation and/or Loss in Excess of Policy Limits shall be deemed to have occurred on the same date as the loss covered under the Company’s Policy, and shall constitute part of the original loss.

D. For the purposes of the Loss in Excess of Policy Limits coverage hereunder, the word “Loss” shall mean any amounts for which the Company would have been contractually liable to pay had it not been for the limit of the original Policy.

E. Loss Adjustment Expense in respect of Extra Contractual Obligations and/or Loss in Excess of Policy Limits shall be covered hereunder in the same manner as other Loss Adjustment Expense.

F. However, this Article shall not apply where the loss has been incurred due to final legal adjudication of fraud of a member of the Board of Directors or a corporate officer of the Company acting individually or collectively or in collusion with any individual or corporation or any other organization or party involved in the presentation, defense or settlement of any claim covered hereunder.

G. In no event shall coverage be provided to the extent not permitted under law.

ARTICLE 12

NET RETAINED LIABILITY

A. This Contract applies only to that portion of any loss that the Company retains net for its own account (prior to deduction of any reinsurance that inures solely to the benefit of the Company).

B. The amount of the Reinsurer's liability hereunder in respect of any loss or losses shall not be increased by reason of the inability of the Company to collect from any other reinsurer(s), whether specific or general, any amounts that may have become due from such reinsurer(s), whether such inability arises from the insolvency of such other reinsurer(s) or otherwise.

ARTICLE 13

OTHER REINSURANCE

The Company shall be permitted to carry in force other reinsurance, recoveries under which shall inure to the benefit of this Contract.

ARTICLE 14

ORIGINAL CONDITIONS

All reinsurance under this Contract shall be subject to the same terms, conditions, waivers and interpretations, and to the same modifications and alterations as the respective Policies of the Company. However, in no event shall this be construed in any way to provide coverage outside the terms and conditions set forth in this Contract.

ARTICLE 15

NO THIRD PARTY RIGHTS

This Contract is solely between the Company and the Reinsurer, and in no instance shall any insured, claimant or other third party have any rights under this Contract except as may be expressly provided otherwise herein.

ARTICLE 16

NOTICE OF LOSS AND LOSS SETTLEMENTS

A. The Company shall advise the Reinsurer promptly if paid and estimated Ultimate Net Loss is in excess of 75% of the Company's retention, or if, in the opinion of the Company, such

Ultimate Net Loss may result in a claim hereunder. Thereafter, the Company shall advise the Reinsurer, at least monthly, of all subsequent developments thereto that may materially affect the position of the Reinsurer.

B. The Company alone and at its full discretion shall adjust, settle or compromise all claims and losses.

C. As respects losses subject to this Contract, all loss settlements made by the Company, whether under strict Policy terms or by way of compromise, and any Extra Contractual Obligations and/or Loss in Excess of Policy Limits, shall be binding upon the Reinsurer. The Reinsurer agrees to pay or allow, as the case may be, its share of each such settlement immediately upon receipt of reasonable evidence of the amount paid by the Company or that the Company estimates it will pay within the next 14 days. Within 30 days after receipt of the Reinsurer's payment, the Company shall report to the Reinsurer the Reinsurer's payment, minus the Reinsurer's share of losses subject to this Contract that the Company has paid, or become liable to pay, as of the date of the report. Any positive difference shall be remitted to the Reinsurer with the Company's report.

ARTICLE 17

LATE PAYMENTS

A. In the event any payment due either party is not received by the payment due date, the party to whom payment is due may, by written notification, require the debtor party to pay, and the debtor party agrees to pay, an interest penalty on the amount past due calculated for each such payment on the last business day of each month as follows:

1. The number of full days that have expired since the overdue date or the last monthly calculation, whichever the lesser; times

2. 1/365th of the sum of the six-month United States Treasury Bill rate as quoted in *The Wall Street Journal* on the first business day of the month for which the calculation is made, plus 1%; times

3. The amount past due, including accrued interest.

B. The due date shall, for purposes of this Article, be determined as follows:

1. Payments from the Reinsurer to the Company shall be due on the date on which the demand for payment (including delivery of bordereaux or quarterly or monthly reports) is received by the Reinsurer, and shall be overdue 30 days thereafter.

2. Payments from the Company to the Reinsurer shall be due on the dates specified within this Contract. Payments shall be overdue 30 days thereafter except for the first

installment of premium, if applicable, which shall be overdue 60 days from inception or 30 days from final line-signing, whichever the later. Reinstatement premium, if applicable, shall have as a due date the date when the Company receives payment for the claim giving rise to such reinstatement premium, and payment shall be overdue 30 days thereafter. In the event a due date is not specifically stated for a given payment, the overdue date shall be 30 days following the date of billing.

C. If the information contained in the Company's demand for payment is insufficient or not in accordance with the conditions of this Contract, then within 30 days the Reinsurer shall request from the Company all additional information necessary to validate its claim and the payment due date as defined in paragraph B shall be deemed to be the date upon which the Reinsurer received the requested additional information. This paragraph is only for the purpose of establishing when a payment is overdue, and shall not alter the provisions of the Notice of Loss and Loss Settlements Article or other pertinent contractual stipulations.

D. In the event arbitration is necessary to settle a dispute, the panel shall have the authority to make a determination awarding interest to the prevailing party. Interest, if any, awarded by the panel shall supersede the interest amounts outlined herein.

E. Any interest owed pursuant to this Article may be waived by the party to which it is owed. Waiver of such interest, however, shall not affect the waiving party's rights to other interest amounts due as a result of this Article.

ARTICLE 18

OFFSET

Each party hereto shall have, and may exercise at any time and from time to time, the right to offset any and all balances due from a party to the other arising under this Contract. In the event of the insolvency of a party hereto, offsets shall only be allowed in accordance with the provisions of any applicable law governing offset entitlement.

ARTICLE 19

CURRENCY

A. Where the word "Dollars" and/or the sign "$" appear in this Contract, they shall mean United States Dollars, and all payments hereunder shall be in United States Dollars.

B. For purposes of this Contract, where the Company receives premiums or pays losses in currencies other than United States Dollars, such premiums or losses shall be converted into United States Dollars at the actual rates of exchange at which these premiums or losses are entered in the Company's books.

ARTICLE 20

OBLIGATIONS AND COLLATERAL RELEASE

A. The Reinsurer will establish a trust fund ("Trust Fund") for its Obligations (as defined herein) hereunder, pursuant to that certain Trust Agreement by and between the Reinsurer, the Company, and Truist Bank (the "Trust Agreement"). The Trust Fund shall be funded pursuant to the provisions hereof. Collateral deposited in the Trust Fund may be withdrawn on the terms set forth herein and in the Trust Agreement. The Trust Agreement shall be at all times in compliance with the relevant provisions of the Insurance Code of the Company's state of domicile and the administrative regulations adopted by that state's insurance department, in order for the Company to receive, full statutory financial statement credit for reinsurance provided under this Contract. Collateral deposited in the Trust Fund may be withdrawn at any time, notwithstanding the other provisions of this Contract, and utilized and applied by the Company or any successor, by operation of law, of the Company, including, without limitation, any liquidator, rehabilitator, receiver or conservator of the Company, without diminution because of insolvency on the part of the Company or the Reinsurer, for the following purposes:

1. to reimburse the Company for the Reinsurer's Obligations, the payment of which is due under the terms of this Contract and that has not been otherwise paid;

2. to make refund of any sum that is in excess of 102% of the amount required to pay the Reinsurer's Obligations under this Contract;

3. to fund an account with the Company for the Reinsurer's Obligations. Such cash deposit shall be held in an interest-bearing account separate from the Company's other assets, and interest thereon not in excess of the prime rate shall accrue to the benefit of the Reinsurer;

4. to pay the Reinsurer's share of any other amounts the Company claims are due under this Contract.

B. The term "Obligations" shall mean during the term of the Contract, 100% of the limit of the Reinsurer's liability hereunder less any unpaid minimum premium (net of brokerage and Federal Excise Tax as applicable) and aggregate amounts previously paid by the Reinsurer in respect of claims under this Contract. Upon expiration of the Contract, the term "Obligations" shall mean the amount as determined in accordance with paragraph D below.

C. If, at expiration of this Contract, the Company, in its commercially reasonable judgment, believes that no claims will impact this Contract, the Company will so notify the Reinsurer and shall fully and finally release from the Trust Fund all collateral contained therein.

D. If, at the expiration of this Contract, the Company, in its commercially reasonable judgment, believes that the Company may have a claim hereunder, the Company shall estimate the amount of reinstatement premium due under this Contract based on the reinstatement premium payable under the contract identified in the Business Covered article (the Underlying Contract") as follows, unless otherwise mutually agreed:

1. The Company shall determine the sum of the following for the Underlying Contract, as of this Contract expiration date:

   a. losses and loss adjustment expense paid by the Company;

   b. reserves for losses reported and outstanding; and

   c. reserves for losses incurred but not reported;

2. The Company shall then calculate the estimated reinstatement premium due on the Underlying Contract and such amount shall constitute the Reinsurer's Obligations

3. The amount of the estimated reinstatement premium due on the Underlying Contract, measured as of the applicable determination date (as specified in paragraph E below), shall be multiplied by a factor, based upon the number of months, which have elapsed on such determination date since expiration of this Contract, as follows:

   a. From 0 to 12 months from expiration of this Contract, 150%, else;

   b. From 13 to 24 months from expiration of this Contract, 125%, else;

   c. From 25 to 36 months from expiration of this Contract, 110%; and

   d. From 37 to 67 months from expiration of this Contract, 100%.

As of 67 months after expiration of this Contract (the "Reporting Period"), the amount determined in subparagraphs 1, 2 and 3 above for such date shall be considered the definitive Final Limit for each such Loss Occurrence for which the Company and the Reinsurer agree to commute this Contract with final settlement on that basis.

E. The procedure for determining the amount of collateral required to fund the Reinsurer's Obligations as set forth in paragraph D above, shall be followed each and every time, if in the opinion of the Company, there are materially new estimates regarding its losses, and each quarter-end, until all the Reinsurer's Obligations have been extinguished or the Reporting Period is over, whichever is earlier. The information to be used for the determinations of the Reinsurer's Obligations shall be as reflected on the Company's official books and records.

F. The Company agrees to release from the Trust Fund all collateral in excess of 102% of the amount required to pay the Reinsurer's Obligations for its share of actual and possible claims, as determined in accordance with paragraph A, above within 10 Business Days of the date of such determination. "Business Day" shall be defined as a day (other than a Saturday or a Sunday) on which banks are open for commercial business in Bermuda and in New York, New York, U.S.A.

G. Notwithstanding the foregoing, if the Reinsurer is licensed as a segregated account company, the Company agrees and acknowledges that there shall only be recourse to the Segregated Trust Account assets, and in the event of the exhaustion of the Segregated Trust Account assets there shall be no recourse by any party for any claims, payments, other expenses or fees whatsoever, howsoever arising pursuant to this Contract, to the assets which are allocated to any other segregated account of the Reinsurer or to the general account of the Reinsurer.

H. At the end of the Reporting Period, this Contract will be commuted based on the Reinsurer's Obligations at that point. The Company agrees to terminate the Trust Account, and all remaining collateral will be released to the Company and/or the Reinsurer, as applicable, and both parties shall be released from any further obligations under this Contract.

ARTICLE 21

LIMITED RECOURSE

A. The liability of the Reinsurer for the performance and discharge of all of its obligations, however they may arise, in relation to this Contract (together "Obligations" for purposes of this Article), shall be limited to and payable solely from the proceeds of realization of the assets of the Trust Fund established in accordance with this Contract, and accordingly there shall be no recourse to any other assets of the Reinsurer whether or not allocated to any other separate account or the general account of the Reinsurer. In the event that the proceeds of realization of the assets of the Trust Fund are insufficient to meet all Obligations, any Obligations remaining after the application of such proceeds shall be extinguished, and the Company undertakes in such circumstances to take no further action against the Reinsurer in respect of any such Obligations. In particular, neither the Company nor any party acting on its behalf shall petition or take any steps for the winding up or receivership of the Reinsurer.

B. Notwithstanding any matter referred to herein, the Company understands and accepts that the Reinsurer acts on behalf of one or more separate accounts of Claddaugh Casualty Insurance Company Ltd. and that all corporate matters relating to the creation of the Reinsurer, capacity of the Reinsurer, operation and liquidation of the Reinsurer and any matters relating to the Reinsurer thereof shall be governed by, and construed in accordance with, the laws of Bermuda. The Company has had the opportunity to take advice and to obtain

all such additional information that it considers necessary to evaluate the terms, conditions and risks of entering into this Contract with the Reinsurer.

ARTICLE 22

TAXES

A. In consideration of the terms under which this Contract is issued, the Company undertakes not to claim any deduction of the premium hereon when making Canadian tax returns or when making tax returns, other than Income or Profits Tax returns, to any state or territory of the United States of America or to the District of Columbia.

B. 1. Each Subscribing Reinsurer has agreed to allow, for the purpose of paying the Federal Excise Tax, the applicable percentage of the premium payable hereon (as imposed under the Internal Revenue Code) to the extent such premium is subject to Federal Excise Tax.

2. In the event of any return of premium becoming due hereunder, the Subscribing Reinsurer shall deduct the applicable percentage of the premium from the amount of the return, and the Company or its agent should take steps to recover the Tax from the U.S. Government.

ARTICLE 23

ACCESS TO RECORDS

A. The Reinsurer or its duly authorized representatives shall have the right to visit the offices of the Company to inspect, examine, audit, and verify any of the policy, accounting or claim files (“Records”) relating to business reinsured under this Contract during regular business hours after giving five working days’ prior notice. This right shall be exercisable during the term of this Contract or after the expiration of this Contract. Notwithstanding the above, the Reinsurer shall not have any right of access to the Records of the Company if it is not current in all undisputed payments due the Company.

B. Notwithstanding the above, the Company reserves the right to withhold from the Reinsurer any Privileged Documents. However, the Company shall permit and not object to the Reinsurer’s access to Privileged Documents in connection with the underlying claim reinsured hereunder following final settlement or final adjudication of the case or cases involving such claim, with prejudice against all claimants and all parties to such adjudications; the Company may defer release of such Privileged Documents if there are subrogation, contribution, or other third party actions with respect to that claim or case, and the Company’s defense might be jeopardized by release of such Privileged Documents. In the event that the Company seeks to defer release of such Privileged Documents, it shall, in

consultation with the Reinsurer, take other steps as reasonably necessary to provide the Reinsurer with the information it reasonably requires to indemnify the Company without causing a loss of such privileges or protections. The Reinsurer shall not have access to Privileged Documents relating to any dispute between the Company and the Reinsurer.

C. For purposes of this Article:

1. “Privileged Documents” means any documents that are Attorney-Client Privilege Documents and/or Work Product Privilege Documents.

2. “Attorney-Client Privilege Documents” means communications of a confidential nature between (a) the Company, or anyone retained by or at the direction of the Company, or its in-house or outside legal counsel, or anyone in the control of such legal counsel, and (b) any in-house or outside legal counsel, if such communications relate to legal advice being sought by the Company and/or contain legal advice being provided to the Company.

3. “Work Product Privilege Documents” means communications, written materials and tangible things prepared by or for in-house or outside counsel, or prepared by or for the Company, in anticipation of or in connection with litigation, arbitration, or other dispute resolution proceedings.

ARTICLE 24

CONFIDENTIALITY

A. The Reinsurer hereby acknowledges that the documents, information and data provided to it by the Company, whether directly or through an authorized agent, in connection with the placement and execution of this Contract (“Confidential Information”) are proprietary and confidential to the Company. Confidential Information shall not include documents, information or data that the Reinsurer can show:

1. are publicly known or have become publicly known through no unauthorized act of the Reinsurer;

2. have been rightfully received from a third person without obligation of confidentiality; or

3. were known by the Reinsurer prior to the placement of this Contract without an obligation of confidentiality.

B. Absent the written consent of the Company, the Reinsurer shall not disclose any Confidential Information to any third parties, including any affiliated companies (except to the extent

necessary to enable affiliated companies or third parties engaged by the Reinsurer to perform services related to this Contract on behalf of the Reinsurer), except:

1. when required by retrocessionaires as respects business ceded to this Contract;

2. when required by regulators performing an audit of the Reinsurer's records and/or financial condition; or

3. when required by external auditors performing an audit of the Reinsurer's records in the normal course of business.

Further, the Reinsurer agrees not to use any Confidential Information for any purpose not related to the performance of its obligations or enforcement of its rights under this Contract.

C. Notwithstanding the above, in the event that the Reinsurer is required by court order, other legal process or any regulatory authority to release or disclose any or all of the Confidential Information, the Reinsurer agrees to provide the Company with written notice of same at least 10 days prior to such release or disclosure and to use its best efforts to assist the Company in maintaining the confidentiality provided for in this Article.

D. The provisions of this Article shall extend to the officers, directors and employees of the Reinsurer and its affiliates, and shall be binding upon their successors and assigns.

ARTICLE 25

INDEMNIFICATION AND ERRORS AND OMISSIONS

A. The Reinsurer is reinsuring, subject to the terms and conditions of this Contract, the obligations of the Company under any Policy. The Company shall be the sole judge as to:

1. what shall constitute a claim or loss covered under any Policy;

2. the Company's liability thereunder; and

3. the amount or amounts that it shall be proper for the Company to pay thereunder.

B. The Reinsurer shall be bound by the judgment of the Company as to the obligation(s) and liability(ies) of the Company under any Policy.

C. Any inadvertent error, omission or delay in complying with the terms and conditions of this Contract shall not be held to relieve either party hereto from any liability that would attach to it hereunder if such error, omission or delay had not been made, provided such error, omission or delay is rectified immediately upon discovery.

D. Nothing in this Article shall be construed to override any of the other terms and conditions of this Contract.

ARTICLE 26

INSOLVENCY

A. If more than one reinsured company is referenced within the definition of “Company” in the Preamble to this Contract, this Article shall apply severally to each such company. Further, this Article and the laws of the domiciliary state shall apply in the event of the insolvency of any company covered hereunder. In the event of a conflict between any provision of this Article and the laws of the domiciliary state of any company covered hereunder, that domiciliary state’s laws shall prevail.

B. In the event of the insolvency of the Company, this reinsurance (or the portion of any risk or obligation assumed by the Reinsurer, if required by applicable law) shall be payable directly to the Company, or to its liquidator, receiver, conservator or statutory successor, either: (1) on the basis of the liability of the Company, or (2) on the basis of claims filed and allowed in the liquidation proceeding, whichever may be required by applicable statute, without diminution because of the insolvency of the Company or because the liquidator, receiver, conservator or statutory successor of the Company has failed to pay all or a portion of any claim. It is agreed, however, that the liquidator, receiver, conservator or statutory successor of the Company shall give written notice to the Reinsurer of the pendency of a claim against the Company indicating the Policy or bond reinsured, which claim would involve a possible liability on the part of the Reinsurer within a reasonable time after such claim is filed in the conservation or liquidation proceeding or in the receivership, and that during the pendency of such claim, the Reinsurer may investigate such claim and interpose, at its own expense, in the proceeding where such claim is to be adjudicated any defense or defenses that it may deem available to the Company or its liquidator, receiver, conservator or statutory successor. The expense thus incurred by the Reinsurer shall be chargeable, subject to the approval of the court, against the Company as part of the expense of conservation or liquidation to the extent of a pro rata share of the benefit that may accrue to the Company solely as a result of the defense undertaken by the Reinsurer.

C. Where two or more reinsurers are involved in the same claim and a majority in interest elect to interpose defense to such claim, the expense shall be apportioned in accordance with the terms of this reinsurance Contract as though such expense had been incurred by the Company.

D. As to all reinsurance made, ceded, renewed or otherwise becoming effective under this Contract, the reinsurance shall be payable as set forth above by the Reinsurer to the Company or to its liquidator, receiver, conservator or statutory successor, (except as provided by

Section 4118(a)(1)(A) of the New York Insurance Law, provided the conditions of 1114(c) of such law have been met, if New York law applies) or except (1) where the Contract specifically provides another payee in the event of the insolvency of the Company, or (2) where the Reinsurer, with the consent of the direct insured or insureds, has assumed such Policy obligations of the Company as direct obligations of the Reinsurer to the payees under such Policies and in substitution for the obligations of the Company to such payees. Then, and in that event only, the Company, with the prior approval of the certificate of assumption on New York risks by the Superintendent of Financial Services of the State of New York, or with the prior approval of such other regulatory authority as may be applicable, is entirely released from its obligation and the Reinsurer shall pay any loss directly to payees under such Policy.

ARTICLE 27

RUN-OFF REINSURER

A. “Run-off Reinsurer” means any Subscribing Reinsurer that:

1. has been ordered by a state insurance department or other legal authority to cease writing business, or has been placed under regulatory supervision or in rehabilitation; or

2. has ceased reinsurance underwriting operations; or

3. has transferred its claims-paying authority to an unaffiliated entity; or

4. engages in a process of Scheme of Arrangement or similar procedure related to this Contract, including but not limited to an insurance business transfer scheme pursuant to Part VII of the Financial Services and Markets Act 2000 (U.K.), as may be amended from time to time; or

5. in any other way has assigned its interests or delegated its obligations under this Contract to an unaffiliated entity.

Notwithstanding the foregoing, agreement by a Lloyd’s syndicate to follow claim settlements procedures under Lloyd’s Claims Scheme (Combined) shall not constitute a transfer of its claims-paying authority, for purposes of subparagraphs (3) and (5) of this paragraph.

B. Notwithstanding any other provision of this Contract, in the event that a Subscribing Reinsurer becomes a Run-off Reinsurer at any time, the Company may elect, by giving written notice to the Run-off Reinsurer at any time thereafter, that all or any of the following shall apply to the Run-off Reinsurer’s participation hereunder:

1. Should the Run-off Reinsurer fail to pay amounts due hereunder, the interest penalty specified in the Late Payments Article shall be increased by 0.5% for each 30 days that a payment is past due, subject to a maximum increase of 7.0%.

2. The Run-off Reinsurer's liability for losses for Policies covered by this Contract shall be commuted. In the event the Company and the Run-off Reinsurer cannot agree on the commutation amount of the Run-off Reinsurer's liability under such Policies, they shall appoint an actuary and/or appraiser to assess such liability and shall share equally any expense of the actuary and/or appraiser. If the Company and the Run-off Reinsurer cannot agree on an actuary and/or appraiser, the Company and the Run-off Reinsurer each shall nominate three individuals, of whom the other shall decline two, and the final appointment shall be made by drawing lots. Payment by the Run-off Reinsurer of the amount of liability ascertained shall constitute a complete and final release of both parties under this Contract.

3. The Run-off Reinsurer shall have no right of access to the Records of the Company if the Run-off Reinsurer has denied payment of any claim hereunder or there is a pending arbitration between the Company and the Run-off Reinsurer regarding any claim hereunder. A reservation of rights shall be considered a denial of a claim. Notwithstanding the above, the Run-off Reinsurer shall continue to have access to Records of the Company for any claim for which it has raised a query within 30 days of its receipt of a billing, but any inspection of Records must be completed within 90 days of receipt of billing or access will be deemed waived.

4. The provisions of the Arbitration Article shall not apply.

C. The Company's waiver of any rights provided in this Article is not a waiver of that right or other rights at a later date.

ARTICLE 28

ARBITRATION

A. Any dispute arising out of the interpretation, performance or breach of this Contract, including the formation or validity thereof, shall be submitted for decision to a panel of three arbitrators. Notice requesting arbitration shall be in writing and sent certified or registered mail, return receipt requested.

B. One arbitrator shall be chosen by each party and the two arbitrators shall then choose an impartial third arbitrator who shall preside at the hearing. If either party fails to appoint its arbitrator within 30 days after being requested to do so by the other party, the latter, after 10 days' prior notice by certified or registered mail of its intention to do so, may appoint the second arbitrator.

C. If the two arbitrators do not agree on a third arbitrator within 60 days of their appointment, the third arbitrator shall be chosen in accordance with the procedures for selecting the third arbitrator in force on the date the arbitration is demanded, established by the AIDA Reinsurance and Insurance Arbitration Society – U.S. (ARIAS). The arbitrators shall be persons knowledgeable about insurance and reinsurance who have no personal or financial interest in the result of the arbitration. If a member of the panel dies, becomes disabled or is otherwise unwilling or unable to serve, a substitute shall be selected in the same manner as the departing member was chosen and the arbitration shall continue.

D. Within 30 days after all arbitrators have been appointed, the panel shall meet and determine timely periods for briefs, discovery procedures and schedules of hearings.

E. The panel shall be relieved of all judicial formality and shall not be bound by the strict rules of procedure and evidence. Notwithstanding anything to the contrary in this Contract, the arbitrators may at their discretion, consider underwriting and placement information provided by the Company to the Reinsurer, as well as any correspondence exchanged by the parties that is related to this Contract. The arbitration shall take place in Tampa, Florida, or at such other place as the parties shall agree. The decision of any two arbitrators shall be in writing and shall be final and binding. The panel is empowered to grant interim relief as it may deem appropriate.

F. The panel shall interpret this Contract as an honorable engagement rather than as merely a legal obligation and shall make its decision considering the custom and practice of the applicable insurance and reinsurance business as promptly as possible after the hearings. Judgment upon an award may be entered in any court having jurisdiction thereof.

G. Each party shall bear the expense of its own arbitrator and shall jointly and equally bear with the other party the cost of the third arbitrator. The remaining costs of the arbitration shall be allocated by the panel. The panel may, at its discretion, award such further costs and expenses as it considers appropriate, including but not limited to attorneys' fees, to the extent permitted by law.

ARTICLE 29

EXPEDITED ARBITRATION

A. Notwithstanding the provisions of the Arbitration Article, in the event an amount in dispute hereunder $1,000,000 or less, the parties will submit to an expedited arbitration process with the use of a single arbitrator. The arbitrator will be chosen in accordance with the procedures for selecting an arbitrator in force on the date the arbitration is demanded, established by the AIDA Reinsurance and Insurance Arbitration Society - U.S. (ARIAS).

B. Each party's case will be submitted to the arbitrator within 100 calendar days of the date of determination of the arbitrator. Discovery will be limited to exchanging only those documents directly relating to the issue in dispute, subject to a limit of two discovery depositions from each party, unless otherwise authorized by the arbitrator upon a showing of good cause.

C. Within 120 calendar days of the date of determination of the arbitrator, the hearing will be completed and a written award will be issued by the arbitrator. As the parties agree that time is of the essence, the sole arbitrator does not have the authority to lengthen the schedule, absent agreement of both parties. The arbitrator will have all the powers conferred on the arbitration panel as provided in the Arbitration Article, and said Article will apply to all matters not specifically addressed above.

ARTICLE 30

SERVICE OF SUIT

A. This Article applies only to those Subscribing Reinsurers not domiciled in the United States of America, and/or not authorized in any state, territory and/or district of the United States of America where authorization is required by insurance regulatory authorities.

B. This Article shall not be read to conflict with or override the obligations of the parties to arbitrate their disputes as provided for in the Arbitration Article. This Article is intended as an aid to compelling arbitration or enforcing such arbitration or arbitral award, not as an alternative to the Arbitration Article for resolving disputes arising out of this Contract.

C. In the event of the failure of the Reinsurer to perform its obligations hereunder, the Reinsurer, at the request of the Company, shall submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this Article constitutes or should be understood to constitute a waiver of the Reinsurer's rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. The Reinsurer, once the appropriate court is selected, whether such court is the one originally chosen by the Company and accepted by the Reinsurer or is determined by removal, transfer, or otherwise, as provided for above, shall comply with all requirements necessary to give said court jurisdiction and, in any suit instituted against the Reinsurer upon this Contract, shall abide by the final decision of such court or of any appellate court in the event of an appeal.

D. Service of process in such suit may be made upon:

1. as respects Underwriting Members of Lloyd's, London: Lloyd's America, Inc., Attention: Legal Department, 280 Park Avenue, East Tower, 25th Floor, New York, New York 10017;

2. as respects any other Subscribing Reinsurer: Messrs. Mendes and Mount, 750 Seventh Avenue, New York, New York 10019-6829, or another party specifically designated in the Subscribing Reinsurer's Interests and Liabilities Agreement attached hereto.

The above-named are authorized and directed to accept service of process on behalf of the Reinsurer in any such suit.

E. Further, pursuant to any statute of any state, territory or district of the United States that makes provision therefor, the Reinsurer hereby designates the Superintendent, Commissioner or Director of Insurance, or other officer specified for that purpose in the statute, or his successor or successors in office, as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Company or any beneficiary hereunder arising out of this Contract, and hereby designates the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

ARTICLE 31

GOVERNING LAW

This Contract shall be governed as to performance, administration and interpretation by the laws of the State of Florida, subject to the Limited Recourse and Bermuda regulations clauses as set out in the Limited Recourse Article, exclusive of conflict of law rules. However, with respect to credit for reinsurance, the rules of all applicable states shall apply.

ARTICLE 32

ENTIRE AGREEMENT

This Contract sets forth all of the duties and obligations between the Company and the Reinsurer and supersedes any and all prior or contemporaneous written agreements with respect to matters referred to in this Contract. This Contract may not be modified or changed except by an amendment to this Contract in writing signed by both parties. However, this Article shall not be construed as limiting the admissibility of evidence regarding the formation, interpretation, purpose or intent of this Contract.

ARTICLE 33

NON-WAIVER

The failure of the Company or the Reinsurer to insist on compliance with this Contract or to exercise any right or remedy hereunder shall not constitute a waiver of any rights contained in this Contract nor prevent either party from thereafter demanding full and complete compliance nor prevent either party from exercising such remedy in the future.

ARTICLE 34

SANCTION LIMITATION AND EXCLUSION CLAUSE (LMA 3100)

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

ARTICLE 35

MODE OF EXECUTION

A. This Contract may be executed by:

1. an original written ink signature of paper documents;

2. an exchange of facsimile copies showing the original written ink signature of paper documents;

3. electronic signature technology employing computer software and a digital signature or digitizer pen pad to capture a person’s handwritten signature in such a manner that the signature is unique to the person signing, is under the sole control of the person signing, is capable of verification to authenticate the signature and is linked to the document signed in such a manner that if the data is changed, such signature is invalidated.

B. The use of any one or a combination of these methods of execution shall constitute a legally binding and valid signing of this Contract. This Contract may be executed in one or more counterparts, each of which, when duly executed, shall be deemed an original.

IN WITNESS WHEREOF, the Company has caused this Contract to be executed by its duly authorized representative(s), who also confirms the Company's review of and agreement to be bound by the terms and conditions of the Interests and Liabilities Agreements attached to and forming part of this Contract;

On this _____ day of _____, in the year of 202_.

TYPTAP INSURANCE COMPANY

Signature: _ Title: _

Print Name: _

And on this _____ day of _____, in the year of 20___.

HOMEOWNERS CHOICE PROPERTY & CASUALTY INSURANCE COMPANY, INC.

Signature: _ Title: _

Print Name: _

PROPERTY CATASTROPHE EXCESS OF LOSS REINSURANCE CONTRACT

POOLS, ASSOCIATIONS & SYNDICATES EXCLUSIONS CLAUSE

Section A:

This Contract excludes:

a. All business derived directly or indirectly from any Pool, Association or Syndicate which maintains its own reinsurance facilities.

b. Any Pool or Scheme (whether voluntary or mandatory) formed after March 1, 1968 for the purpose of insuring property, whether on a country-wide basis or in respect of designated areas. This exclusion shall not apply to so-called Automobile Insurance Plans or other Pools formed to provide coverage for Automobile Physical Damage.

Section B:

1. This Contract excludes business written by the Company for the same perils, which is known at the time to be insured by, or in excess of underlying amounts placed in, any Pool, Association or Syndicate, whether by way of insurance or reinsurance, formed for the purpose of writing any of the following:

Oil, Gas or Petro-Chemical Plants

Oil or Gas Drilling Rigs and/or

Aviation Risks

2. The exclusion under paragraph 1 of this Section B does not apply:

a. Where the Total Insured Value over all interests of the risk in question is less than $250,000,000.

b. To interests traditionally underwritten as Inland Marine and/or Stock and/or Contents written on a Blanket basis.

c. To Contingent Business Interruption, except when the Company is aware that the key location is known at the time to be insured in any Pool, Association or Syndicate named above, other than as provided for under subparagraph (a).

Section C:

1. Nevertheless the Reinsurer specifically agrees that liability accruing to the Company from its participation in Residual Market Mechanisms, including but not limited to the following, for all perils otherwise protected hereunder shall not be excluded herefrom:

a. So-called “Beach and Windstorm Plans” and so-called “Coastal Pools”;

b. All “FAIR Plan” and “Rural Risk Plan” business;

c. Louisiana Citizens Property Insurance Corporation;

d. California Earthquake Authority (“CEA”) or any similar entity.

Notwithstanding the above, assessments related to the Florida Hurricane Catastrophe Fund and Citizens Property Insurance Corporation (Florida) shall be excluded hereunder.

2. However, this reinsurance does not include any increase in such liability resulting from:

a. The inability of any other participant in such Residual Market Mechanisms to meet its liability;

b. Any claim against a Residual Market Mechanism or any participant therein, including the Company, whether by way of subrogation or otherwise, brought by or on behalf of any insolvency fund (as defined in the Exclusions Article);

c. Any assessment or surcharge levied on the policyholder and therefore not a liability of the Company;

d. The Company’s initial capital contribution to the CEA;

e. Any assessments, other than interim and regular assessments, from a Residual Market Mechanism included in subparagraph 1(c) above;

f. Any expenditure to purchase or retire bonds.

3. The Company may include in Ultimate Net Loss for any Loss Occurrence covered hereunder only the liability attributable to that Loss Occurrence. If the relevant entity does not specify what portion of an assessment is attributable to each Loss Occurrence, the Company may include in Ultimate Net Loss in respect of each Loss Occurrence a percentage of the Company’s assessments from the relevant entity related to the calendar year in which the Loss Occurrence commenced, regardless of when assessed, such percentage to be determined by dividing the relevant entity’s losses arising from the Loss Occurrence by its total losses for the calendar year.

4. The Company will deduct from Ultimate Net Loss amounts received as recoupment of any assessment that has been included in the Ultimate Net Loss, provided the recoupment is directly allocable to the assessment (“itemized recoupment”). The Company shall use commercially reasonable efforts to recoup such assessment. Any amount received as an itemized recoupment of any assessment (whether under this Contract or any predecessor

contract), and therefore deductible from Ultimate Net Loss, shall not be included in the subject premium of this Contract.

However, if a state levies assessments but does not allow itemized recoupment from policyholders, instead allowing the Company to file an overall increased rate, any such premium increased thereby shall not be deemed to be a recoupment that is deductible from Ultimate Net Loss. Any recoupment received as part of a general premium rate increase, not specifically itemized, shall be included as part of the subject premium of this Contract or a successor contract, as applicable.

OTES: Wherever used herein the terms:

"Company" shall be understood to mean "Company", "Reinsured", "Reassured" or whatever other term is used in the attached reinsurance document to designate the reinsured company or companies.

"Contract" shall be understood to mean "Agreement," "Contract," "Policy" or whatever other term is used to designate the attached reinsurance document.

"Reinsurer" shall be understood to mean "Reinsurer," "Reinsurers," "Underwriters" or whatever other term is used in the attached reinsurance document to designate the reinsurer or reinsurers.

EXHIBIT 10.35. Certain identified information has been excluded from this exhibit because it is immaterial and would be competitively harmful if publicly disclosed. Information that has been omitted is indicated with brackets.

NUCLEAR INCIDENT EXCLUSION CLAUSE - PHYSICAL DAMAGE - REINSURANCE - U.S.A.

1. This Reinsurance does not cover any loss or liability accruing to the Reassured, directly or indirectly, and whether as Insurer or Reinsurer, from any Pool of Insurers or Reinsurers formed for the purpose of covering Atomic or Nuclear Energy risks.

2. Without in any way restricting the operation of paragraph (1) of this clause, this Reinsurance does not cover any loss or liability accruing to the Reassured, directly or indirectly and whether as Insurer or Reinsurer, from any insurance against Physical Damage (including business interruption or consequential loss arising out of such Physical Damage) to:

   I. Nuclear reactor power plants including all auxiliary property on the site, or

   II. Any other nuclear reactor installation, including laboratories handling radioactive materials in connection with reactor installations, and “critical facilities” as such, or

   III. Installations for fabricating complete fuel elements or for processing substantial quantities of “special nuclear material”, and for reprocessing, salvaging, chemically separating, storing or disposing of “spent” nuclear fuel or waste materials, or

   IV. Installations other than those listed in paragraph (2) III above using substantial quantities of radioactive isotopes or other products of nuclear fission.

3. Without in any way restricting the operations of paragraphs (1) and (2) hereof, this Reinsurance does not cover any loss or liability by radioactive contamination accruing to the Reassured, directly or indirectly, and whether as Insurer or Reinsurer, from any insurance on property which is on the same site as a nuclear reactor power plant or other nuclear installation and which normally would be insured therewith except that this paragraph (3) shall not operate

   (a) where Reassured does not have knowledge of such nuclear reactor power plant or nuclear installation, or

   (b) where said insurance contains a provision excluding coverage for damage to property caused by or resulting from radioactive contamination, however caused. However on and after 1st January 1960 this sub-paragraph (b) shall only apply provided the said radioactive contamination exclusion provision has been approved by the Governmental Authority having jurisdiction thereof.

4. Without in any way restricting the operations of paragraphs (1), (2) and (3) hereof, this Reinsurance does not cover any loss or liability by radioactive contamination accruing to the Reassured, directly or indirectly, and whether as Insurer or Reinsurer, when such radioactive contamination is a named hazard specifically insured against.

5. It is understood and agreed that this clause shall not extend to risks using radioactive isotopes in any form where the nuclear exposure is not considered by the Reassured to be the primary hazard.

6. The term “special nuclear material” shall have the meaning given it in the Atomic Energy Act of 1954 or by any law amendatory thereof.

7. Reassured to be sole judge of what constitutes:

(a) substantial quantities, and

(b) the extent of installation, plant or site.

Note: Without in any way restricting the operation of paragraph (1) hereof, it is understood and agreed that

(a) all policies issued by the Reassured on or before 31st December 1957 shall be free from the application of the other provisions of this Clause until expiry date or 31st December 1960 whichever first occurs whereupon all the provisions of this Clause shall apply.

(b) with respect to any risk located in Canada policies issued by the Reassured on or before 31st December 1958 shall be free from the application of the other provisions of this Clause until expiry date or 31st December 1960 whichever first occurs whereupon all the provisions of this Clause shall apply.

12/12/57
NMA 1119

OTES: Wherever used herein the terms:

“Reassured” shall be understood to mean “Company”, “Reinsured”, “Reassured” or whatever other term is used in the attached reinsurance document to designate the reinsured company or companies.

“Agreement” shall be understood to mean “Agreement”, “Contract”, “Policy” or whatever other term is used to designate the attached reinsurance document.

“Reinsurers” shall be understood to mean “Reinsurers”, “Underwriters” or whatever other term is used in the attached reinsurance document to designate the reinsurer or reinsurers.

EXHIBIT 10.35. Certain identified information has been excluded from this exhibit because it is immaterial and would be competitively harmful if publicly disclosed. Information that has been omitted is indicated with brackets.

TERRORISM EXCLUSION

A. Notwithstanding any provision to the contrary within this Contract or any endorsement thereto, it is agreed that this Contract excludes loss, damage, cost, or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any Act of Terrorism, as defined herein, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

B. An “Act of Terrorism” includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organization(s) or government(s) de jure or de facto, and which:

a. involves violence against one or more persons; or

b. involves damage to property; or

c. endangers life other than that of the person committing the action; or

d. creates a risk to health or safety of the public or a section of the public; or

e. is designed to interfere with or to disrupt an electronic system.

C. This Contract also excludes loss, damage, cost, or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any action in controlling, preventing, suppressing, retaliating against, or responding to any Act of Terrorism.

D. Notwithstanding the above and subject otherwise to the terms, conditions, and limitations of this Contract, in respect only of personal lines, this Contract shall pay actual loss or damage (but not related cost or expense) caused by any Act of Terrorism, provided such act is not directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with biological, chemical, radiological or nuclear pollution or contamination.

LIMITED COMMUNICABLE DISEASE EXCLUSION NO. 2 (PROPERTY TREATY REINSURANCE)

1. Notwithstanding any provision to the contrary within this reinsurance agreement, this reinsurance agreement excludes any loss, damage, liability, claim, cost or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease regardless of any other cause or event contributing concurrently or in any other sequence thereto.

2. Subject to the other terms, conditions and exclusions contained in this reinsurance agreement, this reinsurance agreement will cover physical damage to property insured under the original policies and any Time Element Loss directly resulting therefrom where such physical damage is directly caused by or arising from any of the following perils: fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, rainstorm, hail, tornado, cyclone, typhoon, hurricane, earthquake, seaquake, seismic and/or volcanic disturbance/eruption, tsunami, flood, freeze, ice storm, weight of snow or ice, avalanche, meteor/asteroid impact, landslip, landslide, mudslide, bush fire, forest fire, riot, riot attending a strike, civil commotion, vandalism and malicious mischief.

Definitions

3. Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

   3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and

   3.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and

   3.3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

4. Time Element Loss means business interruption, contingent business interruption or any other consequential losses.

LMA5503

.5 May 2020

CYBER LOSS LIMITED EXCLUSION CLAUSE (PROPERTY TREATY REINSURANCE)

1. Notwithstanding any provision to the contrary within this reinsurance agreement or any endorsement thereto, this reinsurance agreement excludes all loss, damage, liability, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with:

1.2. any loss of, alteration of, or damage to or a reduction in the functionality, availability or operation of a Computer System, unless subject to the provisions of paragraph 2;

1.3. any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data.

2. Subject to the other terms, conditions and exclusions contained in this reinsurance agreement, this reinsurance agreement will cover physical damage to property insured under the original policies and any Time Element Loss directly resulting therefrom where such physical damage is directly occasioned by any of the following perils:

fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, tsunami, flood, freeze or weight of snow

Definitions

3. Computer System means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility.

4. Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

5. Time Element Loss means business interruption, contingent business interruption or any other consequential losses.

LMA5410

06 March 2020

TRUST AGREEMENT REQUIREMENTS CLAUSE

A. Except as provided in paragraph B of this Clause, if the Reinsurer satisfies its funding obligations under the Unauthorized Reinsurance Article by providing a Trust Agreement, the Reinsurer shall ensure that the Trust Agreement:

1. Requires the Reinsurer to establish a trust account for the benefit of the Company, and specifies what the Trust Agreement is to cover;

2. Stipulates that assets deposited in the trust account shall be valued according to their current fair market value and shall consist only of cash (United States legal tender), and certificates of deposit (issued by a United States bank and payable in United States legal tender), or any combination of the two, provided that the investments are issued by an institution that is not the parent, subsidiary or affiliate of either the Reinsurer or the Company;

3. Requires the Reinsurer, prior to depositing assets with the trustee, to execute assignments or endorsements in blank, or to transfer legal title to the trustee of all shares, obligations or any other assets requiring assignments, in order that the Company, or the trustee upon the direction of the Company, may whenever necessary negotiate these assets without consent or signature from the Reinsurer or any other entity;

4. Requires that all settlements of account between the Company and the Reinsurer be made in cash or its equivalent; and

5. Provides that assets in the trust account shall be withdrawn only as permitted in this Contract, without diminution because of the insolvency of the Company or the Reinsurer.

B. If a ceding insurer is domiciled in California and the Reinsurer satisfies its funding obligations under the Unauthorized Reinsurance Article by providing a Trust Agreement, the Reinsurer shall ensure that the Trust Agreement:

1. Provides that assets deposited in the trust account shall be valued according to their current fair market value and shall consist only of cash in United States dollars, certificates of deposit issued by a United States financial institution as defined in California Insurance Code Section 922.7(a) and payable in United States dollars, and investments permitted by the California Insurance Code, or any combination of the above.

2. Provides that investments in or issued by an entity controlling, controlled by or under common control with either the grantor or the beneficiary of the trust shall not exceed 5% of total investments.

3. Requires the Reinsurer, prior to depositing assets with the trustee, to execute assignments or endorsements in blank, or to transfer legal title to the trustee of all shares, obligations or any other assets requiring assignments, in order that the ceding insurer, or the trustee upon the direction of the ceding insurer, may, whenever necessary, negotiate these assets without consent or signature from the Reinsurer or any other entity.

4. Provides that assets in the trust account shall be withdrawn only as permitted in this Contract, without diminution because of the insolvency of the ceding insurer or the Reinsurer.

C. If there are multiple ceding insurers that collectively comprise the Company, “regulatory authorities” as referenced in subparagraph A(2) above, shall mean the individual ceding insurer’s domestic regulator.

Florida Hurricane Catastrophe Fund

RON DESANTIS
GOVERNOR
CHAIR

JIMMY PATRONIS
CHIEF FINANCIAL OFFICER

ASHLEY MOODY
ATTORNEY GENERAL

LAMAR TAYLOR
INTERIM EXECUTIVE DIRECTOR &
CHIEF INVESTMENT OFFICER

EXHIBIT 10.36

February 1, 2023

ATTENTION Florida Hurricane Catastrophe Fund (FHCF) Participant

Due No Later Than March 1, 2023

Dear FHCF Participant:

The FHCF Reimbursement Contract ('Contract') for the 2023/2024 Contract Year is due to be executed no later than Wednesday, March 1, 2023, via DocuSign. If your company has policies in force that are covered by the FHCF, Florida law requires that you execute and return the Contract. "Covered policy" is defined in Section 215.555(2)(c), Florida Statutes, and in Article V(12) of the Contract.

Pursuant to Section 215.555(16)(c), Florida Statutes, the Contract shall be executed no later than March 1st. Failure to fully execute and submit the Contract by the deadline will result in your company's Coverage Level being deemed as stated in the Contract under Article III – Term.

Contract Execution Requirements

The Contract has been adopted by Florida Administrative Code Rule and the terms cannot be altered. An officer of your company must:

1. Under Article XXI, initial the:
    a. NAIC group box if your company is a member of an NAIC group.
    b. Select the box indicating the Coverage Level chosen by your company for the 2023/2024 contract year. The Coverage Level selected by your company for the prior Contract Year (2022/2023) is indicated for your reference.
    c. Select Yes or No under the section entitled Additional Living Expense (ALE) Written as Time Element Coverage.
2. Sign and date Article XXIII – Signatures.

Company Contact Information (Form FHCF C-1)

Various FHCF mailings (e.g., Data Call Requests, Premium Invoices, etc.) are sent to participating companies throughout the year. The FHCF maintains a list of company contacts to ensure information reaches the appropriate party at your company in a timely manner. The Company Contact Information Form will be sent to you via a separate DocuSign email, which may be forwarded within your company as you deem appropriate. This Form must also be returned via DocuSign (even if your company has no updates) by **March 1, 2023.**

If you have any questions, please contact me at (800) 689-3863.
Cordially yours,

Holly Bertagnolli
FHCF Administration

Enclosures

ADMINISTERED FOR
THE STATE BOARD OF ADMINISTRATION BY
PARAGON STRATEGIC SOLUTIONS INC.
8200 TOWER • 5600 W. 83RD STREET, SUITE 1100 • MINNEAPOLIS, MN 55437
PHONE: 800-689-FUND (3863)

STATE BOARD OF ADMINISTRATION OF FLORIDA

1801 HERMITAGE BOULEVARD, SUITE 100
TALLAHASSEE, FLORIDA 32308
(850) 488-4406

POST OFFICE BOX 13300
32317-3300

RON DESANTIS
GOVERNOR
CHAIR

JIMMY PATRONIS
CHIEF FINANCIAL OFFICER

ASHLEY MOODY
ATTORNEY GENERAL

LAMAR TAYLOR
INTERIM-EXECUTIVE DIRECTOR &
CHIEF INVESTMENT OFFICER

REIMBURSEMENT CONTRACT

Coverage Effective: June 1, 2023
("Contract")

This Contract is between:
Homeowners Choice Property and Casualty Insurance Company
("Company")
NAIC # 12944
and

THE STATE BOARD OF ADMINISTRATION OF THE STATE OF FLORIDA ("SBA")
WHICH ADMINISTERS THE FLORIDA HURRICANE CATASTROPHE FUND ("FHCF")

PREAMBLE
Section 215.555, Florida Statutes creates the FHCF and directs the SBA to administer the FHCF. This Contract, consisting of the principal document entitled Reimbursement Contract, addressing the mandatory FHCF coverage, and Appendix A, is subject to Section 215.555, Florida Statutes, and to any administrative rule adopted pursuant thereto, and is not intended to be in conflict therewith.

In consideration of the promises set forth in this Contract, the parties agree as follows:

ARTICLE I - SCOPE OF AGREEMENT
As a condition precedent to the SBA's obligations under this Contract, the Company shall report to the SBA in a specified format the business it writes which is described in this Contract as Covered Policies. The terms of this Contract shall determine the rights and obligations of the parties. This Contract provides reimbursement to the Company under certain circumstances, as described herein, and does not provide or extend insurance or reinsurance coverage to any person, firm, corporation or other entity. The SBA shall reimburse the Company for its Ultimate Net Loss on Covered Policies, which were in force and in effect at the time of the Covered Event causing the Loss, in excess of the Company's Retention as a result of each

Covered Event commencing during the Contract Year, to the extent funds are available, all as hereinafter defined.

ARTICLE II - PARTIES TO THE CONTRACT

This Contract is solely between the Company, an Authorized Insurer or any entity writing Covered Policies under Section 627.351, Florida Statutes, in the State of Florida, and the SBA. In no instance shall any insured of the Company, any claimant against an insured of the Company, or any other third party have any rights under this Contract, except as provided in Article XVI. The SBA will disburse funds only to the Company, except as provided for in Article XVI. The Company shall not, without the prior approval of the Florida Office of Insurance Regulation, sell, assign, or transfer to any third party, in return for a fee or other consideration any sums the FHCF pays under this Contract or the right to receive such sums.

ARTICLE III – TERM; EXECUTION

(1) Term

This Contract applies to Losses from Covered Events which commence during the period from 12:00:01 a.m., Eastern Time, June 1, 2023, to 12:00 midnight, Eastern Time, May 31, 2024 (the “Contract Year”). The SBA shall not be liable for Losses from Covered Events which commence after the effective time and date of expiration or termination. Should this Contract expire or terminate while a Covered Event is in progress, the SBA shall be responsible for such Covered Event in progress in the same manner and to the same extent it would have been responsible had the Contract expired the day following the conclusion of the Covered Event in progress.

(2) Mandatory Nature of this Contract

(a) Statutory Requirement

This Contract has been adopted as part of Rule 19-8.010, Florida Administrative Code (F.A.C.), in fulfillment of the statutory requirement that the SBA enter into a Contract with each Company writing Covered Policies in Florida. Under Section 215.555(4)(a), Florida Statutes, the SBA must enter into such a Contract with each such Company, and each such Company must enter into the Contract as a condition of doing business in Florida. Under Section 215.555(16)(c), Florida Statutes, Companies writing Covered Policies must execute the Contract by March 1 of the immediately preceding Contract Year.

(b) Duty to Provide a Fully and Timely Executed Copy of this Contract to the FHCF Administrator

The Company must provide a fully executed copy of this Contract in electronic form to the Administrator no later than the March 1 statutory deadline for execution, or, in the case of a New Participant, no later than 30 days after the New Participant began writing Covered Policies.

(3) **Contract Deemed Executed Notwithstanding Execution Errors**

Except with respect to New Participants, this Contract is deemed to have been executed by the Company as of the March 1 statutory deadline, notwithstanding the fact that the Coverage Level election in Article XXI(1)(b) may be invalid, and notwithstanding the fact that the person purporting to execute the Contract on the part of the Company may have lacked the requisite authority. With respect to New Participants, this Contract is deemed to have been executed by the New Participant as of the date on which the New Participant began writing Covered Policies; coverage shall be determined as provided in paragraphs (c) and (d). Execution of this Contract by or on behalf of an entity that does not write Covered Policies is void. If the Company failed to timely submit an executed copy of this Contract, or if the executed Contract includes an invalid Coverage Level election under Article XXI, the Company's Coverage Level shall be deemed as follows:

(a) For a Company that is a member of a National Association of Insurance Commissioners (NAIC) group, the same Coverage Level selected by the other Companies of the same NAIC group shall be deemed. If executed Contracts for none of the members of an NAIC group have been received by the FHCF Administrator, the Coverage Level from the prior Contract Year shall be deemed.

(b) For a Company that is not a member of an NAIC group under which other Companies are active participants in the FHCF, the Coverage Level from the prior Contract Year shall be deemed.

(c) For a New Participant that is a member of an NAIC group, the same Coverage Level selected by the other Companies of the same NAIC group shall be deemed.

(d) For a New Participant that is not a member of an NAIC group under which other Companies are active participants in the FHCF, the 45 percent, 75 percent, or 90 percent Coverage Levels may be selected if the FHCF Administrator receives executed Contracts within 30 calendar days after the effective date of the first Covered Policy, otherwise, the 45 percent Coverage Level shall be deemed to have been selected.

ARTICLE IV - LIABILITY OF THE FHCF

(1) The SBA shall reimburse the Company with respect to each Covered Event commencing during the Contract Year in the amount of Ultimate Net Loss paid by the Company in excess of the Company's Retention, as adjusted pursuant to the definition of Retention in Article V, multiplied by the applicable Coverage Level, plus 10 percent of the reimbursed Losses as a Loss Adjustment Expense Allowance, the total of which shall not exceed the Company's Limit.

(2) Section 215.555(4)(c)1., Florida Statutes, provides that the obligation of the FHCF with respect to all Contracts covering a particular Contract Year shall not exceed the Actual Claims-Paying Capacity of the FHCF up to a specified dollar limit.

(3) In order to assure that reimbursements do not exceed the statutory limit on the obligation of the FHCF provided in Section 215.555(4)(c)1., Florida Statutes, the SBA shall, upon the occurrence of a Covered Event, evaluate the potential Losses to the FHCF and the FHCF's capacity at the time of the event. The initial Projected Payout Multiple used to reimburse the Company for its Losses shall not exceed the Projected Payout Multiple as calculated based on the capacity needed to provide the FHCF's coverage. If it appears that the Estimated Claims-Paying Capacity may be exceeded, the SBA shall reduce the projected payout factors or multiples for determining each participating insurer's projected payout uniformly among all insurers to reflect the Estimated Claims-Paying Capacity.

(4) Reimbursement amounts shall not be reduced by reinsurance paid or payable to the Company from other sources. Once the Company's Limit has been exhausted, the Company will not be entitled to further reimbursements.

ARTICLE V - DEFINITIONS

As used in this Contract, the following words and phrases are defined to mean:

(1) Actual Claims-Paying Capacity of the FHCF
This term means the sum of the Balance of the Fund as of December 31 of a Contract Year, plus any reinsurance purchased by the FHCF, plus the amount the SBA is able to raise through the issuance of revenue bonds under Section 215.555(6), Florida Statutes.

(2) Actuarially Indicated
This term means an amount determined according to principles of actuarial science to be adequate, but not excessive, in the aggregate, to pay current and future obligations and expenses of the fund, including additional amounts if needed to pay debt service on revenue bonds and to provide required debt service coverage in excess of the amounts required to pay actual debt service on revenue bonds, and determined according to principles of actuarial science to reflect each insurer's relative exposure to hurricane losses.

(3) Additional Living Expense (ALE)
ALE Losses covered by the FHCF are not to exceed 40 percent of the insured value of a Residential Structure or its contents based on how the coverage is provided in the policy. Fair rental value, loss of rents, or business interruption losses are not covered by the FHCF.

(4) Administrator
This term means the entity with which the SBA contracts to perform administrative tasks associated with the operations of the FHCF. The current Administrator is Paragon Strategic Solutions Inc.

(5) Authorized Insurer

This term is defined in Section 624.09(1), Florida Statutes.

(6) Balance of the Fund as of December 31 or Fund Balance

This term means the amount of assets available to pay claims resulting from Covered Events which occurred during the Contract Year, not including any pre-event or post-event bonds, reinsurance, or proceeds from other financing mechanisms.

(7) Borrowing Capacity

This term means the amount of funds which are able to be raised by the issuance of revenue bonds or through other financing mechanisms, less bond issuance expenses and reserves.

(8) Citizens Property Insurance Corporation (Citizens)

This term means Citizens Property Insurance Corporation as created under Section 627.351(6), Florida Statutes. For the purposes of the FHCF, Citizens incorporates two accounts, (a) the coastal account and (b) the personal lines and commercial lines accounts. Each account is treated by the FHCF as if it were a separate participating insurer with its own reportable exposures, Reimbursement Premium, Retention, and Ultimate Net Loss.

(9) Commutation

This term means the estimation, payment, and complete discharge of all future obligations for Losses, regardless of future loss development. The final Commutation shall constitute a complete and final release of all obligations of the SBA with respect to Losses. Commutation may be per Covered Event or by Contract Year as determined by the FHCF.

(10) Covered Event

This term means any one storm declared to be a hurricane by the National Hurricane Center which causes insured losses in Florida. A Covered Event begins when a hurricane causes damage in Florida while it is a hurricane and continues throughout any subsequent downgrades in storm status by the National Hurricane Center regardless of whether the hurricane makes landfall. Any storm, including a tropical storm, which does not become a hurricane is not a Covered Event.

(11) Coverage Level

This term means the level of reimbursement (90 percent, 75 percent, or 45 percent), as elected by the Company under Article XXI or deemed under Article III(3), which is used in determining reimbursement under Article IV.

(12) Covered Policy

(a) Covered Policy, as defined in Section 215.555(2)(c), Florida Statutes, is further clarified to mean only that portion of a binder, policy or contract of insurance that insures real or personal property located in the State of Florida to the extent such policy insures a Residential Structure or the contents of a Residential Structure, located in the State of Florida.

(b) Covered Policy also includes any collateral protection insurance policy covering personal residences which protects both the borrower's and the lender's financial interest, in an amount at least equal to

1. the coverage for the dwelling in place under the lapsed homeowner's policy,
2. the coverage amount that the homeowner has been notified of by the collateral protection insurer, or
3. the coverage amount that the homeowner requests from the collateral protection insurer,

if such collateral protection insurance policy can be accurately reported as required in Section 215.555(5), Florida Statutes. A Company will be deemed to be able to accurately report data if the company submits the required data as specified in the Data Call adopted under Rule 198.029, F.A.C.

(c) Covered Policy does not include any policy or exposure excluded under Article VI.

(13) Deductible Buy-Back Policy

This term means a specific policy that provides coverage to a policyholder for some portion of the policyholder's deductible under a policy issued by another insurer.

(14) Estimated Claims-Paying Capacity of the FHCF

This term means the sum of the projected Balance of the Fund as of December 31 of a Contract Year, plus any reinsurance purchased by the FHCF, plus the most recent estimate of the Borrowing Capacity of the FHCF, determined pursuant to Section 215.555(4)(c), Florida Statutes.

(15) Excess Policy

This term means, for the purposes of this Contract, a policy that provides insurance protection for large commercial property risks and that provides a layer of coverage above a primary layer (which is insured by a different insurer) that acts much the same as a very large deductible.

(16) Insurer Group

For purposes of the Coverage Level election in Section 215.555(4)(b), Florida Statutes, Insurer Group means the group designation assigned by the NAIC for regulatory purposes. A Company is a member of a group as designated by the NAIC until such Company is assigned another group designation or is no longer a member of a group.

(17) Limit

This term means the maximum amount that a Company may recover under this Contract, calculated by multiplying the Company's Reimbursement Premium by the Payout Multiple.

(18) Loss

This term means an incurred loss under a Covered Policy from a Covered Event, including Additional Living Expenses not to exceed 40 percent of the insured value of a Residential Structure or its contents and amounts paid as fees on behalf of or inuring to the benefit of a policyholder. The term Loss does

not include allocated or unallocated loss adjustment expenses or any item for which this Contract does not provide reimbursement pursuant to the exclusions in Article VI.

(19) **Loss Adjustment Expense Allowance**

(a) The Loss Adjustment Expense Allowance is equal to 10 percent of the reimbursed Losses under this Contract as provided in Article IV, pursuant to Section 215.555(4)(b)1., Florida Statutes.

(b) The Loss Adjustment Expense Allowance is included in, and not in addition to, the Limit applicable to a Company.

(20) **New Participant**

This term means a Company that begins writing Covered Policies on or after the beginning of the Contract Year. A Company that removes Covered Policies from Citizens or an Unsound Insurer pursuant to an assumption agreement effective on or after June 1 and had written no other Covered Policies before June 1 is also considered a New Participant.

(21) **Payout Multiple**

This term means the multiple as calculated in accordance with Section 215.555(4)(c), Florida Statutes, which is derived by dividing the actual single season Claims-Paying Capacity of the FHCF by the total aggregate industry Reimbursement Premium for the FHCF for the Contract Year billed as of December 31 of the Contract Year. The final Payout Multiple is determined once Reimbursement Premiums have been billed as of December 31 and the amount of bond proceeds has been determined.

(22) **Premium Formula**

This term means the Formula developed pursuant to Section 215.555(5)(b), Florida Statutes, and approved by the SBA Trustees for the purpose of determining the Actuarially Indicated Reimbursement Premium to be paid to the FHCF.

(23) **Projected Payout Multiple**

The Projected Payout Multiple is used to calculate a Company's projected payout pursuant to Section 215.555(4)(d)2., Florida Statutes. The Projected Payout Multiple is derived by dividing the estimated single season Claims-Paying Capacity of the FHCF by the estimated total aggregate industry Reimbursement Premium for the FHCF for the Contract Year. The Company's Reimbursement Premium as paid to the SBA for the Contract Year is multiplied by the Projected Payout Multiple to estimate the Company's coverage from the FHCF for the Contract Year.

(24) **Reimbursement Premium or Premium**

These terms mean the amount to be paid by the Company, as determined by multiplying each $1,000 of insured value reported by the Company in accordance with Section 215.555(5)(b), Florida Statutes, by the rate as derived from the Premium Formula, as described in Rule 19-8.028, F.A.C.

(25) **Residential Structure**

In general, this term means a unit or building used exclusively or predominantly for dwelling or habitational occupancies, including the primary structure and appurtenant structures insured under the

same Covered Policy and any other structures covered under endorsements associated with the Covered Policy covering the Residential Structure.

(a) With respect to a unit or home insured under a personal lines residential policy form, such unit or home is deemed to have a habitational occupancy and to be a Residential Structure regardless of the term of its occupancy.

(b) With respect to a condominium structure or complex insured under a commercial lines policy, such structure is deemed to have a habitational occupancy and to be a Residential Structure, regardless of the term of occupancy of individual units.

(c) A single structure which includes a mix of commercial habitational and commercial non-habitational occupancies, and is insured under a commercial lines policy, is considered a Residential Structure if 50 percent or more of the total insured value of the structure is used for habitational occupancies.

(d)Residential Structures do not include any structures excluded under Article VI. (26)

Retention

This term means the amount of Losses from a Covered Event which must be incurred by the Company before it is eligible for reimbursement from the FHCF.

(a) When the Company incurs Losses from one or two Covered Events during the Contract Year, the Company's full Retention shall be applied to each of the Covered Events.

(b) When the Company incurs Losses from more than two Covered Events during the Contract Year, the Company's full Retention shall be applied to each of the two Covered Events causing the largest Losses for the Company. For each other Covered Event resulting in Losses, the Company's Retention shall be reduced to one-third of its full Retention.

1. All reimbursement of Losses for each Covered Event shall be based on the Company's full Retention until December 31 of the Contract Year. Adjustments to reflect a reduction to one-third of the full Retention shall be made on or after January 1 of the Contract Year provided the Company reports its Losses as specified in this Contract.

2. Adjustments to the Company's Retention shall be based upon its paid and outstanding Losses as reported on the Company's Proof of Loss Reports, but shall not include incurred but not reported Losses. The Company's Proof of Loss Reports shall be used to determine which Covered Events constitute the Company's two largest Covered Events. After this initial determination, any subsequent adjustments shall be made quarterly by the SBA only if the Proof of Loss Reports reveal that loss development patterns have resulted in a change in the order of Covered Events entitled to the reduction to one-third of the full Retention.

(c) The Company's full Retention is established in accordance with the provisions of Section 215.555(2)(e), Florida Statutes, and shall be determined by multiplying the Retention Multiple by the Company's Reimbursement Premium for the Contract Year.

(27) **Retention Multiple**

(a) The Retention Multiple is applied to the Company's Reimbursement Premium to determine the Company's Retention. The Retention Multiple for the 2023/2024 Contract Year shall be equal to $4.5 billion, adjusted based upon the reported exposure for the 2021/2022 Contract Year to reflect the percentage growth in exposure to the FHCF since 2004, divided by the estimated total industry Reimbursement Premium at the 90 percent Coverage Level for the Contract Year as determined by the SBA.

(b) The Retention Multiple shall be adjusted to reflect the Coverage Level elected by the Company under this Contract as follows:

1. If the Company elects the 90 percent Coverage Level, the adjusted Retention Multiple is 100 percent of the amount determined under paragraph (a);

2. If the Company elects the 75 percent Coverage Level, the adjusted Retention Multiple is 120 percent of the amount determined under paragraph (a); or

3. If the Company elects the 45 percent Coverage Level, the adjusted Retention Multiple is 200 percent of the amount determined under paragraph (a).

(28) **Ultimate Net Loss**

(a) This term means all Losses under Covered Policies in force at the time of a Covered Event prior to the application of the Company's Retention and Coverage Level and excluding loss adjustment expense and any exclusions under Article VI.

(b) In calculating the Company's Ultimate Net Loss, the amounts described in paragraph (a) shall be reduced by the deductibles applicable under the policy to the hurricane loss, without recognition of any credit earned or reduction to the deductible under the policy applied by the Company. The deductibles must first be applied to the portion of the Loss covered by the FHCF.

(c) Salvages and all other recoveries, excluding reinsurance recoveries, shall be first deducted from such Loss to arrive at the amount of liability attaching hereunder.

(d) All salvages, recoveries or payments recovered or received subsequent to a Loss settlement under this Contract shall be applied as if recovered or received prior to the aforesaid settlement and all necessary adjustments shall be made by the parties hereto.

(e) The SBA shall be subrogated to the rights of the Company to the extent of its reimbursement of the Company. The Company agrees to assist and cooperate with the SBA in all respects as regards such subrogation. The Company further agrees to undertake such actions as may be necessary to enforce

its rights of salvage and subrogation, and its rights, if any, against other insurers as respects any claim, loss, or payment arising out of a Covered Event.

(29) **Unsound Insurer**

This term means an insurer determined by the Office of Insurance Regulation to be in unsound condition as defined in Section 624.80(2), Florida Statutes, or an insurer placed in receivership under Chapter 631, Florida Statutes.

ARTICLE VI – EXCLUSIONS

This Contract does not provide reimbursement for:

(1) Any losses not defined as being within the scope of a Covered Policy, including any loss other than a loss under the first-party property section of a policy pertaining strictly to the structure, its contents, appurtenant structures, or ALE coverage.

(2) Any policy which excludes wind or hurricane coverage.

(3) Any Excess Policy or Deductible Buy-Back Policy that requires individual ratemaking, as determined by the FHCF.

(4) (a) Any policy for Residential Structures that provides a layer of coverage underneath an Excess Policy issued by a different insurer;

(b) Any policy providing a layer of windstorm or hurricane coverage for a structure(s) above or below a layer of windstorm or hurricane coverage under a separate policy issued by a different insurer, or any other circumstance in which two or more insurers provide primary windstorm or hurricane coverage for a structure(s) using separate policy forms;

(c) Any other policy providing a layer of windstorm or hurricane coverage for a structure(s) below a layer of self-insured windstorm or hurricane coverage for the same structure(s); or

(d) The exclusions in this subsection do not apply to primary quota share policies written by Citizens Property Insurance Corporation under Section 627.351(6)(c)2., Florida Statutes.

(5) Any liability of the Company attributable to losses for fair rental value, loss of rent or rental income, or business interruption.

(6) Any collateral protection policy that does not meet the definition of Covered Policy as defined in Article V(12)(b).

(7) Any reinsurance assumed by the Company.

(8) Hotels, motels, timeshares, shelters, camps, retreats, or other similar structures. This exclusion does not apply to any policy identified as covering a residential condominium association or to any policy

on which the insured is a residential condominium association, unless it is classified and rated as a hotel, motel, timeshare, shelter, camp, retreat or other similar structure.

(9) Retail, office, mercantile, or manufacturing facilities, or other similar structures.

(10) Any exposure for condominium or homeowner associations if no Residential Structures are insured under the policy.

(11) Commercial healthcare facilities and nursing homes; however, a nursing home which is an integral part of a retirement community consisting primarily of habitational structures that are not nursing homes will not be subject to this exclusion.

(12) Any exposure under commercial policies covering only appurtenant structures or structures that do not function as a habitational structure (e.g., a policy covering only the pool of an apartment complex).

(13) Policies covering only Additional Living Expense.

(14) Any exposure for barns or barns with apartments or living quarters.

(15) Any exposure for builders risk coverage or new Residential Structures under construction.

(16) Any exposure for vehicles, recreational vehicles, golf carts, or boats (including boat related equipment) requiring licensing.

(17) Any liability of the Company for extra contractual obligations or liabilities in excess of original policy limits. This exclusion includes, but is not limited to, amounts paid as bad faith awards, punitive damages awards, or other court-imposed fines, sanctions, or penalties; or other amounts in excess of the coverage limits under the Covered Policy.

(18) Any losses paid in excess of a policy's hurricane limit in force at the time of the Covered Event, including individual coverage limits (i.e., building, appurtenant structures, contents, and additional living expense), or other amounts paid as the result of a voluntary expansion of coverage by the insurer, including, but not limited to, a discount on or waiver of an applicable deductible. This exclusion includes overpayments of a specific individual coverage limit even if total payments under the policy are within the aggregate policy limit.

(19) Any losses paid under a policy for Additional Living Expense, written as a time element coverage, in excess of the Additional Living Expense exposure reported for that policy under the Data Call (unless policy limits have changed effective after June 30 of the Contract Year).

(20) Any losses which the Company's claims files do not adequately support. Claim file support shall be deemed adequate if in compliance with the Records Retention Requirements outlined on the Form FHCF-L1B (Proof of Loss Report) applicable to the Contract Year.

(21) Any exposure for, or amounts paid to reimburse a policyholder for, condominium association loss assessments or under similar coverages for contractual liabilities.

(22) Losses in excess of the aggregate limits of liability specified in Article IV and in Section 215.555(4)(c), Florida Statutes.

(23) Any liability assumed by the Company from Pools, Associations, and Syndicates. Exception: Covered Policies assumed from Citizens under the terms and conditions of an executed assumption agreement between the Company and Citizens are covered by this Contract.

(24) All liability of the Company arising by contract, operation of law, or otherwise, from its participation or membership, whether voluntary or involuntary, in any insolvency fund. “Insolvency fund” includes any guaranty fund, insolvency fund, plan, pool, association, fund or other arrangement, howsoever denominated, established or governed, which provides for any assessment of or payment or assumption by the Company of part or all of any claim, debt, charge, fee, or other obligation of an insurer, or its successors or assigns, which has been declared by any competent authority to be insolvent, or which is otherwise deemed unable to meet any claim, debt, charge, fee or other obligation in whole or in part.

(25) Property losses that are proximately caused by any peril other than a Covered Event, including, but not limited to, fire, theft, flood or rising water, or windstorm that does not constitute a Covered Event, or any liability of the Company for loss or damage caused by or resulting from nuclear reaction, nuclear radiation, or radioactive contamination from any cause, whether direct or indirect, proximate or remote, and regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

(26) Losses from water damage including flood, surface water, waves, tidal water, overflow of a body of water, storm surge, or spray from any of these, whether or not driven by wind.

(27) A policy providing personal property coverage separate from coverage of personal property included in a homeowner’s, mobile homeowner’s, condominium unit owner’s, or tenant’s policy or other policy covering a Residential Structure, or in an endorsement to such a policy. Also excluded is a personal property endorsement to a policy that excludes windstorm or hurricane coverage or to any other type of policy that does not meet the definition of covered policy.

(28) Endorsements predominantly covering Specialized Fine Arts Risks or collectible types of property meeting the following requirements:

(a) An endorsement predominantly covering Specialized Fine Arts Risks and not covering any Residential Structure if it meets the description in subparagraph 1 and if the conditions in subparagraph 2 are met.

1. For purposes of this exemption, a Specialized Fine Arts Risk endorsement is an endorsement that:

a. Insures works of art, of rarity, or of historic value, such as paintings, works on paper, etchings, art glass windows, pictures, statuary, sculptures, tapestries, antique furniture, antique silver, antique rugs, rare books or manuscripts, jewelry, or other similar items;

b. Charges a minimum premium of $500; and

c. Insures scheduled items valued, in the aggregate, at no less than $100,000.

2. The insurer offers specialized loss prevention services or other collector services designed to prevent or minimize loss, or to value or inventory the Specialized Fine Arts for insurance purposes, such as:

a. Collection risk assessments;

b. Fire and security loss prevention;

c. Warehouse inspections to protect items stored off-site;

d. Assistance with collection inventory management; or

e. Collection valuation reviews.

(b) An endorsement generally used by the Company to cover personal property which could include property of a collectible nature, including fine arts, as further described in this paragraph, either on a scheduled basis or written under a blanket limit, and not covering anything other than personal property. All such endorsements are subject to the exclusion provided in this paragraph when the endorsement limit equals or exceeds $500,000. Generally, such collectible property has unusually high values due to its investible, artistic, or unique intrinsic nature. The class of property covered under such an endorsement represents an unusually high exposure value and such endorsement is intended to provide coverage for a class or classes of property that is not typical for the contents coverage under residential property insurance policies. In many cases property may be located at various locations either in or outside the state of Florida or the location of the property may change from time to time. The investment nature of such property distinguishes this type of exposure from the typical contents associated with a Covered Policy.

(29) Any losses under liability coverages.

ARTICLE VII - MANAGEMENT OF CLAIMS AND LOSSES
The Company shall investigate and settle or defend all claims and Losses. All payments of claims or Losses by the Company within the terms and limits of the appropriate coverage parts of Covered Policies shall be binding on the SBA, subject to the terms of this Contract, including the provisions in Article XIV relating to inspection of records and examinations.

ARTICLE VIII – REIMBURSEMENT ADJUSTMENTS
Section 215.555(4)(d) and (e), Florida Statutes, provides the SBA with the right to seek the return of excess reimbursements which have been paid to the Company along with interest thereon. Excess reimbursements are those payments made to the Company by the SBA that are in excess of the Company's coverage under the Contract Year. Excess reimbursements may result from adjustments to the Projected Payout Multiple or the Payout Multiple, incorrect exposure (Data Call) submissions or resubmissions, incorrect calculation of Reimbursement Premium or Retention, incorrect Proof of Loss Reports, incorrect calculation of reinsurance recoveries, or subsequent readjustment of policyholder claims, including subrogation and salvage, or any combination of the foregoing. The Company will be sent an invoice showing the due date for adjustments along with the interest due thereon through the due date. The applicable interest rate for interest charges will be the average rate earned by the SBA for the FHCF for the first four months of the Contract Year. For balances paid after the invoice due date, interest will accrue at this rate plus 5 percent.

ARTICLE IX - REIMBURSEMENT PREMIUM
(1) The Company shall, in a timely manner, pay the SBA its Reimbursement Premium for the Contract Year. The Reimbursement Premium for the Contract Year shall be calculated in accordance with Section 215.555, Florida Statutes, with any rules promulgated thereunder, and with Article X(2).
(2) The Company's Reimbursement Premium is based on its June 30 exposure in accordance with Article X, except as provided for New Participants under Article X, and is not adjusted to reflect an increase or decrease in exposure for Covered Policies effective after June 30 nor is the Reimbursement Premium adjusted when the Company cancels policies or is liquidated or otherwise changes its business status (merger, acquisition, or termination) or stops writing new business (continues in business with its policies in a runoff mode). Similarly, new business written after June 30 will not increase or decrease the Company's FHCF Reimbursement Premium or impact its FHCF coverage. FHCF Reimbursement Premiums are required of all Companies based on their writing Covered Policies in Florida as of June 30, and each Company's FHCF coverage as based on the definition in Section 215.555(2)(m), Florida Statutes, shall exist for the entirety of the Contract Year regardless of exposure changes, except as provided for New Participants under Article X.

(3) Since the calculation of the Actuarially Indicated Premium assumes that the Companies will pay their Reimbursement Premiums timely, interest charges will accrue under the following circumstances. A Company may choose to estimate its own Reimbursement Premium installments. However, if the Company's estimation is less than the provisional Reimbursement Premium billed, an interest charge will accrue on the difference between the estimated Reimbursement Premium and the final Reimbursement Premium. If a Company estimates its first installment, the Administrator shall bill that estimated Reimbursement Premium as the second installment as well, which will be considered as an estimate by the Company. No interest will accrue regarding any provisional Reimbursement Premium if paid as billed by the FHCF's Administrator, except in the case of an estimated second installment as set forth in this Article. Also, if a Company makes an estimation that is higher than the provisional Reimbursement Premium billed but is less than the final Reimbursement Premium, interest will not accrue. If the Reimbursement Premium payment is not received from a Company when it is due, an interest charge will accrue on a daily basis until the payment is received. Interest will also accrue on Reimbursement Premiums resulting from submissions or resubmissions finalized after December 1 of the Contract Year. An interest credit will be applied for any Reimbursement Premium which is overpaid as either an estimate or as a provisional Reimbursement Premium. Interest shall not be credited past December 1 of the Contract Year. The applicable interest rate for interest credits and charges will be the average rate earned by the SBA for the FHCF for the first four months of the Contract Year. For balances paid after the invoice due date, interest will accrue at this rate plus 5 percent.

ARTICLE X - REPORTS AND REMITTANCES

(1) **Exposures**

(a) If the Company writes Covered Policies before June 1 of the Contract Year, the Company shall report to the SBA, unless otherwise provided in Rule 19-8.029, F.A.C., no later than the statutorily required date of September 1 of the Contract Year, by ZIP Code or other limited geographical area as specified by the SBA, its insured values under Covered Policies as of June 30 of the Contract Year as outlined in the annual reporting of insured values form, FHCF-D1A (Data Call) adopted for the Contract Year under Rule 19-8.029, F.A.C., and other data or information in the format specified by the SBA.

(b) If the Company first begins writing Covered Policies on or after June 1 but prior to December 1 of the Contract Year, the Company shall report to the SBA, no later than February 1 of the Contract Year, by ZIP Code or other limited geographical area as specified by the SBA, its insured values under Covered Policies as of November 30 of the Contract Year as outlined in the Supplemental

Instructions for New Participants section of the Data Call adopted for the Contract Year under Rule 19-8.029, F.A.C., and other data or information in the format specified by the SBA.

(c) If the Company first begins writing Covered Policies on December 1 through and including May 31 of the Contract Year, the Company shall not report its exposure data for the Contract Year to the SBA.

(d) The requirement that a report is due on a certain date means that the report shall be received by the SBA no later than 4 p.m. Eastern Time on the due date. Reports sent to the FHCF Administrator will be returned to the sender. Reports not in the physical possession of the SBA by 4 p.m., Eastern Time, on the applicable due date are late.

(2) **Reimbursement Premium**

(a) If the Company writes Covered Policies before June 1 of the Contract Year, the Company shall pay the FHCF its Reimbursement Premium in installments due on or before August 1, October 1, and December 1 of the Contract Year in amounts to be determined by the FHCF. However, if the Company's Reimbursement Premium for the prior Contract Year was less than $5,000, the Company's full provisional Reimbursement Premium, in an amount equal to the Reimbursement Premium paid in the prior year, shall be due in full on or before August 1 of the Contract Year. The Company will be invoiced for amounts due, if any, beyond the provisional Reimbursement Premium payment, on or before December 1 of the Contract Year.

(b) If the Company is under administrative supervision, or if any control or oversight of the Company has been transferred through any legal or regulatory action to a state regulator or court appointed receiver or rehabilitator (referred to in the aggregate as "state action"):

1. The full annual provisional Reimbursement Premium as billed and any outstanding balances will be due and payable on August 1, or the date that such State action occurs after August 1 of the Contract Year.

2. Failure by such Company to pay the full annual provisional Reimbursement Premium as specified in subparagraph 1. by the applicable due date shall result in the 45 percent Coverage Level being deemed for the complete Contract Year regardless of the level selected for the Company through the execution of this Contract and regardless of whether a Covered Event occurred or triggered coverage. As such, the annual provisional Reimbursement Premium owed by the Company will be adjusted to reflect the 45 percent Coverage Level for the Contract Year.

3. Subparagraphs 1. and 2. do not apply if the state regulator, receiver, or rehabilitator provides a letter of assurance to the FHCF stating that the Company will have the resources and will pay

the full Reimbursement Premium for the Coverage Level selected through the execution of this Contract.

4. When control or oversight has been transferred, in whole or in part, through a legal or regulatory action, the controlling management of the Company shall specify by August 1 or as soon thereafter as possible (but not to exceed two weeks after any regulatory or legal action) in a letter to the FHCF as to the Company's intentions to either pay the full FHCF Reimbursement Premium as specified in subparagraph 1., to default to the 45 percent Coverage Level being deemed as specified in subparagraph 2., or to provide the assurances as specified in subparagraph 3.

(c) A New Participant that first begins writing Covered Policies on or after June 1 but prior to December 1 of the Contract Year shall pay the FHCF a provisional Reimbursement Premium of $1,000 no later than 30 days from the date the New Participant began writing Covered Policies. The Administrator shall calculate the Company's actual Reimbursement Premium for the period based on its actual exposure as of November 30 of the Contract Year, as reported on or before February 1 of the Contract Year. To recognize that New Participants have limited exposure during this period, the actual Reimbursement Premium as determined by processing the Company's exposure data shall then be divided in half, the provisional Reimbursement Premium shall be credited, and the resulting amount shall be the total Reimbursement Premium due for the Company for the remainder of the Contract Year. However, if that amount is less than $1,000, then the Company shall pay $1,000. The Reimbursement Premium payment is due no later than April 1 of the Contract Year. The Company's Retention and coverage will be determined based on the total Reimbursement Premium due as calculated above.

(d) A New Participant that first begins writing Covered Policies on or after December 1 through and including May 31 of the Contract Year shall pay the FHCF a Reimbursement Premium of $1,000 no later than 30 days from the date the New Participant began writing Covered Policies.

(e) The requirement that the Reimbursement Premium is due on a certain date means that the Reimbursement Premium shall be remitted by wire transfer or ACH and shall have been credited to the FHCF's account, as set out on the invoice sent to the Company, on the due date applicable to the particular installment.

(f) Except as required by Section 215.555(7)(c), Florida Statutes, or as described in the following sentence, Reimbursement Premiums, together with earnings thereon, received in a given Contract Year will be used only to pay for Losses attributable to Covered Events occurring in that Contract Year or for Losses attributable to Covered Events in subsequent Contract Years and will not be

used to pay for past Losses or for debt service on post-event revenue bonds issued pursuant to Section 215.555(6)(a)1., Florida Statutes. Reimbursement Premiums and earnings thereon may be used for payments relating to such revenue bonds in the event emergency assessments are insufficient. If Reimbursement Premiums or earnings thereon are used for debt service on post-event revenue bonds, then the amount of the Reimbursement Premiums or earnings thereon so used shall be returned, without interest, to the Fund when emergency assessments or other legally available funds remain available after making payment relating to the post-event revenue bonds and any other purposes for which emergency assessments were levied.

(3) **Losses**

(a) In General

Losses resulting from a Covered Event commencing during the Contract Year shall be reported by the Company and reimbursed by the FHCF as provided herein and in accordance with the Statute, this Contract, and any rules adopted pursuant to the Statute. For a Company participating in a quota share primary insurance agreement(s) with Citizens Property Insurance Corporation Coastal Account, Citizens and the Company shall report only their respective portion of Losses under the quota share primary insurance agreement(s). Pursuant to Section 215.555(4)(c), Florida Statutes, the SBA is obligated to pay for Losses not to exceed the Actual Claims-Paying Capacity of the FHCF, up to the limit in accordance with Section 215.555(4)(c)1., Florida Statutes, for any one Contract Year.

(b) Loss Reports

1. At the direction of the SBA, the Company shall report its projected Ultimate Net Loss from each Covered Event to provide information to the SBA in determining any potential liability for possible reimbursable Losses under the Contract on the Interim Loss Report, Form FHCF-L1A, adopted for the Contract Year under Rule 19-8.029, F.A.C. Interim Loss Reports (including subsequent Interim Loss Reports if required by the SBA) will be due in no less than fourteen days from the date of the notice from the SBA that such a report is required.
2. FHCF reimbursements will be issued based on Ultimate Net Loss information reported by the Company on the Proof of Loss Report, Form FHCF-L1B, adopted for the Contract Year under Rule 19-8.029, F.A.C.
   a. To qualify for reimbursement, the Proof of Loss Report must have the electronic signatures of two executive officers authorized by the Company to sign or submit the report.
   b. The Company must also submit a Detailed Claims Listing, Form FHCF-DCL, adopted for the Contract Year under Rule 19-8.029, F.A.C., at the same time it submits its first Proof of Loss Report for a specific Covered Event that qualifies the Company for reimbursement

under that Covered Event, and must be prepared to supply a Detailed Claims Listing for any subsequent Proof of Loss Report upon request.

c. While the Company may submit a Proof of Loss Report requesting reimbursement at any time following a Covered Event, the Company shall submit a mandatory Proof of Loss Report for each Covered Event no later than December 31 of the Contract Year during which the Covered Event occurs using the most current data available, regardless of the amount of Ultimate Net Loss or the amount of reimbursements or advances already received, and shall include a Detailed Claims Listing if requested by the SBA.

d. Updated Proof of Loss Reports for each Covered Event are due quarterly thereafter until the Commutation process described in Article XI is completed. The Company shall submit its quarterly Proof of Loss Reports with an "as of" date not more than sixty days prior to the applicable quarter-end date, and shall include a Detailed Claims Listing if requested by the SBA.

3. The SBA, except as noted below, will determine and pay, within 30 days or as soon as practicable after receiving Proof of Loss Reports, the reimbursement amount due based on Losses paid by the Company to date and adjustments to this amount based on subsequent quarterly information. The adjustments to reimbursement amounts shall require the SBA to pay, or the Company to return, amounts reflecting the most recent determination of Losses.

a. The SBA shall have the right to consult with all relevant regulatory agencies to seek all relevant information, and shall consider any other factors deemed relevant, prior to the issuance of reimbursements.

b. The SBA shall require commercial self-insurance funds established under Section 624.462, Florida Statutes, to submit contractor receipts to support paid Losses reported on a Proof of Loss Report, and the SBA may hire an independent consultant to confirm Losses, prior to the issuance of reimbursements.

c. The SBA shall have the right to conduct a claims examination prior to the issuance of any advances or reimbursements requested by Companies that have been placed under regulatory supervision by a State or where control has been transferred through any legal or regulatory proceeding to a state regulator or court appointed receiver or rehabilitator.

4. All Proof of Loss Reports qualifying for reimbursement will be compared with the FHCF's exposure data to establish the facial reasonableness of the reports. The SBA may also review the results of current and prior Contract Year exposure and claims examinations to determine the reasonableness of the reported Losses. Except as noted in subparagraph 5., Companies meeting

these tests for reasonableness will be scheduled for reimbursement. Companies not meeting these tests for reasonableness will be handled on a case-by-case basis and will be contacted to provide specific information regarding their individual book of business. The discovery of errors in a Company's reported exposure under the Data Call may require a resubmission of the current Contract Year Data Call which, as the Data Call impacts the Company's Reimbursement Premium, Retention, and coverage for the Contract Year, will be required before the Company's request for reimbursement or an advance will be fully processed by the Administrator.

(c) **Loss Reimbursement Calculations**

1. In general, the Company's paid Ultimate Net Losses must exceed its full Retention for a specific Covered Event before any reimbursement is payable from the FHCF for that Covered Event. As described in Article V(26)(b), Retention adjustments will be made on or after January 1 of the Contract Year. No interest is payable on additional payments to the Company due to this type of Retention adjustment. Each Company, including entities created pursuant to Section 627.351(6), Florida Statutes, incurring reimbursable Losses will receive the amount of reimbursement due under the individual Company's Contract up to the amount of the Company's payout. If more than one Covered Event occurs in any one Contract Year, any reimbursements due from the FHCF shall take into account the Company's Retention for each Covered Event. However, the Company's reimbursements from the FHCF for all Covered Events occurring during the Contract Year shall not exceed, in aggregate, the Projected Payout Multiple or Payout Multiple, as applicable, times the individual Company's Reimbursement Premium for the Contract Year.

2. Reserve established. The SBA will establish a reserve for the outstanding reimbursable Losses for the previous Contract Year, based on the length of time the Losses have been outstanding, the amount of Losses already paid, the percentage of incurred Losses still unpaid, and any other factors specific to the loss development of the Covered Events involved.

(4) **Advances**

(a) The SBA may make advances for loss reimbursements as defined herein, at market interest rates, to the Company in accordance with Section 215.555(4)(e), Florida Statutes. An advance is an early reimbursement which allows the Company to continue to pay claims in a timely manner. Advances will be made based on the Company's paid and reported outstanding Losses for Covered Policies (excluding all incurred but not reported Losses) as reported on a Proof of Loss Report, and shall include a Loss Adjustment Expense Allowance as calculated by the FHCF. In order to be eligible for an advance, the Company must submit its exposure data for the Contract Year as required under subsection (1) of this Article. Except as noted below, advances, if approved, will be made

as soon as practicable after the SBA receives a written request, signed by two officers of the Company, for an advance of a specific amount and any other information required for the specific type of advance under paragraphs (c) and (d). All reimbursements due to the Company shall be offset against any amount of outstanding advances plus the interest due thereon.

(b) For advances or excess advances, which are advances that are in excess of the amount to which the Company is entitled, the market interest rate shall be the prime rate as published in the Wall Street Journal on the first business day of the Contract Year. This rate will be adjusted annually on the first business day of each subsequent Contract Year, regardless of whether the Company executes subsequent Contracts. All interest charged will commence on the date the SBA issues a disbursement for an advance and will cease on the date upon which the FHCF has received the Company's Proof of Loss Report for the Covered Event for which the Company qualifies for reimbursement. If such reimbursement is less than the amount of outstanding advances issued to the Company, interest will continue to accrue on the outstanding balance of the advances until subsequent Proof of Loss Reports qualify the Company for reimbursement under any Covered Event equal to or exceeding the amount of any outstanding advances. Interest shall be billed on a periodic basis. If it is determined that the Company received funds in excess of those to which it was entitled, the interest as to those sums will not cease on the date of the receipt of the Proof of Loss Report but will continue until the Company reimburses the FHCF for the overpayment.

(c) If the Company has an outstanding advance balance as of December 31 of this or any other Contract Year, the Company is required to have an actuary certify outstanding and incurred but not reported Losses as reported on the applicable December Proof of Loss Report.

(d) The specific type of advances enumerated in Section 215.555, Florida Statutes, follow.

1. Advances to Companies to prevent insolvency, as defined under Article XVI.

a. Section 215.555(4)(e)1., Florida Statutes, provides that the SBA shall advance to the Company amounts necessary to maintain the solvency of the Company, up to 50 percent of the SBA's estimate of the reimbursement due to the Company.

b. In addition to the requirements outlined in subparagraph (4)(a), the requirements for an advance to a Company to prevent insolvency are that the Company demonstrates it is likely to qualify for reimbursement and that the immediate receipt of moneys from the SBA is likely to prevent the Company from becoming insolvent, and the Company provides the following information:

i. Current assets;

ii. Current liabilities other than liabilities due to the Covered Event;

iii. Current surplus as to policyholders;

iv. Estimate of other expected liabilities not due to the Covered Event; and

v. Amount of reinsurance available to pay claims for the Covered Event under other reinsurance treaties.

c. The SBA's final decision regarding an application for an advance to prevent insolvency shall be based on whether or not, considering the totality of the circumstances, including the SBA's obligations to provide reimbursement for all Covered Events occurring during the Contract Year, granting an advance is essential to allowing the entity to continue to pay additional claims for a Covered Event in a timely manner.

2. Advances to entities created pursuant to Section 627.351(6), Florida Statutes.

a. Section 215.555(4)(e)2., Florida Statutes, provides that the SBA may advance to an entity created pursuant to Section 627.351(6), Florida Statutes, up to 90 percent of the lesser of the SBA's estimate of the reimbursement due or the entity's share of the actual aggregate Reimbursement Premium for that Contract Year, multiplied by the current available liquid assets of the FHCF.

b. In addition to the requirements outlined in paragraph (4)(a), the requirements for an advance to entities created pursuant to Section 627.351(6), Florida Statutes, are that the entity must demonstrate to the SBA that the advance is essential to allow the entity to pay claims for a Covered Event.

3. Advances to limited apportionment companies.

Section 215.555(4)(e)3., Florida Statutes, provides that the SBA may advance the amount of estimated reimbursement payable to limited apportionment companies.

(e) In determining whether or not to grant an advance and the amount of an advance, the SBA:

1. Shall determine whether its assets available for the payment of obligations are sufficient and sufficiently liquid to fulfill its obligations to other Companies prior to granting an advance;

2. Shall review and consider all the information submitted by such Companies;

3. Shall review such Companies' compliance with all requirements of Section 215.555, Florida Statutes;

4. Shall consult with all relevant regulatory agencies to seek all relevant information;

5. Shall review the damage caused by the Covered Event and when that Covered Event occurred;

6. Shall consider whether the Company has substantially exhausted amounts previously advanced;

7. Shall consider any other factors deemed relevant; and

8. Shall require commercial self-insurance funds established under section 624.462, Florida Statutes, to submit a copy of written estimates of expenses in support of the amount of advance requested.

(f) Any amount advanced by the SBA shall be used by the Company only to pay claims of its policyholders for the Covered Event which has precipitated the immediate need to continue to pay additional claims as they become due.

(5) Inadequate Data Submissions

If exposure data or other information required to be reported by the Company under the terms of this Contract are not received by the FHCF in the format specified by the FHCF or is inadequate to the extent that the FHCF requires resubmission of data, the Company will be required to pay the FHCF a resubmission fee of $1,000 for resubmissions that are not a result of an examination by the SBA. If a resubmission is necessary as a result of an examination report issued by the SBA, the first resubmission fee will be $2,000. If the Company's examination-required resubmission is inadequate and the SBA requires an additional resubmission(s), the resubmission fee for each subsequent resubmission shall be $2,000. A resubmission of exposure data may delay the processing of the Company's request for reimbursement or an advance.

(6) Confidential Information/Trade Secret Information

Pursuant to the provisions of Section 215.557, Florida Statutes, the reports of insured values under Covered Policies by ZIP Code submitted to the SBA pursuant to Section 215.555, Florida Statutes, are confidential and exempt from the provisions of Section 119.07(1), Florida Statutes, and Section 24(a), Art. I of the State Constitution. If the Company submits other information to the FHCF intending to seek trade secret protection, as defined in Section 812.081, Florida Statutes, such information must be clearly marked "Trade Secret" and comply with all provisions of Florida law to protect such disclosure.

ARTICLE XI – COMMUTATION

(1) **Timeframe for Commutation Process**

(a) The Company and SBA may mutually agree to initiate and complete a Commutation agreement for zero dollars at any time. Such zero-dollar Commutation, once completed, eliminates the mandatory

FHCF Proof of Loss reporting requirements for the applicable Covered Event(s) for all reporting periods after the completion of the Commutation.

(b) The Company and SBA may mutually agree to initiate the Commutation process after 36 months and prior to 60 months after the end of the Contract Year subject to the provisions in this Article.

(c) Provided the Company and SBA do not mutually initiate the Commutation process in subparagraph (a) or (b), the Commutation process will begin upon the later to occur: 60 months after the end of the Contract Year or upon completion of the FHCF claims examination for the Company and the resolution of all outstanding examination issues.

(2) **Final FHCF Proof of Loss Report(s)**

(a) No less than 36 months or more than 60 months after the end of the Contract Year, the Company shall file a final Proof of Loss Report for each Covered Event during the Contract Year, except for a Company that has entered into a Commutation agreement as described in sub-subparagraph (1)(a).

(b) The final Proof of Loss Report must include the following supporting documentation:

1. All paid Losses, outstanding Losses, and incurred but not reported Losses, which are not finally settled and which may be reimbursable Losses under this Contract.

2. Requested supporting documentation (at a minimum, an adjuster’s summary report or equivalent details) and a copy of a written opinion on the present value of the outstanding Losses and incurred but not reported Losses by the Company’s certifying actuary.

(c) Increases in reported paid, outstanding, or incurred but not reported Losses on original or corrected Proof of Loss Report filings received later than 60 months after the end of the Contract Year shall not be eligible for reimbursement or Commutation.

(3) **The Loss Valuation Process**

Subject to the timeframes outlined in sub-paragraph (1), if the Company has submitted a Proof of Loss Report indicating that it exceeds or expects to exceed its Retention, the Company and the SBA, or their respective representatives, shall attempt to agree upon the present value of all outstanding Losses, both reported and incurred but not reported, resulting from Covered Events during the Contract Year.

(a) The Loss valuation process may only begin after all other issues arising under this Contract have been resolved, including completion of the claims examination, and shall be suspended pending resolution of any such issues that arise during the Loss valuation process.

(b) Payment by the SBA of its portion of any amount or amounts so mutually agreed and certified by the Company's certifying actuary shall constitute a complete and final release of the SBA in respect of all Losses, both reported and unreported, under this Contract.

(c) If agreement on present value cannot be reached within 90 days of the FHCF's receipt of the final Proof of Loss Report, including supporting documentation in sub-subparagraph (2)(b), or completion of the claims examination, whichever is later, the Company and the SBA may mutually appoint an actuary, adjuster, or appraiser to investigate and determine such Losses. If both parties then agree, the SBA shall pay its portion of the amount so determined to be the present value of such Losses.

(d) If the parties fail to agree on the valuation of any Losses, any difference in valuation of the Loss shall be settled by a panel of three actuaries, as provided in this subparagraph. Either the SBA or the Company may initiate the process under this subparagraph by providing written notice to the other party stating that the parties are at an impasse with respect to valuation of Losses and specifying the dollar amounts in dispute.

1. One actuary shall be chosen by each party, and the third actuary shall be chosen by those two actuaries. If either party does not appoint an actuary within 30 days after the initiation of the process, the other party may appoint two actuaries. If the two actuaries fail to agree on the selection of an independent third actuary within 30 days of their appointment, each of them shall name two, of whom the other shall decline one and the decision shall be made by drawing lots.

2. All of the actuaries shall be regularly engaged in the valuation of property claims and losses and shall be members of the Casualty Actuarial Society and of the American Academy of Actuaries.

3. None of the actuaries shall be under the control of either party to this Contract.

4. Each party shall submit a written statement related to its valuation of Losses to the panel of actuaries and the opposing party no later than 30 days after the appointment of the third actuary. Within 15 days after receiving the other party's submission, a party may submit its written response to the panel of actuaries and the other party. After the appointment of the third actuary, a party may not communicate with the panel or any member of the panel except in writing simultaneously furnished to all members of the panel and the opposing party. Any member of the panel may present questions to be answered by both parties, which shall be answered in writing and simultaneously furnished to the members of the panel and the opposing party or,

at the discretion of the panel, may be provided in a meeting or teleconference attended by both parties and all members of the panel.

5. The written decision of a majority of the panel as to the disagreement over the valuation of Losses identified in the written notice of impasse, when filed with the parties hereto, shall be final and binding on both parties.

(e) The reasonable and customary expense of the actuaries and of the Commutation (as a result of sub-subparagraph (3)(c) and subparagraph (d)) shall be equally divided between the two parties. Said Commutation shall take place in Tallahassee, Florida, unless some other place is mutually agreed upon by the Company and the SBA.

(f) Upon full execution of the Commutation agreement and the issuance of the final reimbursement payment, if any, each party, on behalf of its predecessors, successors, assigns, and its past, present and future officers, directors, shareholders, employees, agents, receivers, trustees, attorneys and its legal representatives, unconditionally and completely releases and forever discharges the other party, its predecessors, successors, assigns, and its past, present and future officers, directors, shareholders, employees, agents, receivers, trustees, attorneys, and its legal representatives from any and all past, present, and future rights, liabilities, and obligations including, but not limited to, payments, claims, debts, demands, causes of action, costs, disbursements, fees, attorneys' fees, expenses, damages, injuries, or losses of every kind, whether known or unknown, reported or unreported, or fixed or contingent, relating to or arising out of this Contract.

ARTICLE XII - TAXES

In consideration of the terms under which this Contract is issued, the Company agrees to make no deduction in respect of the Reimbursement Premium herein when making premium tax returns to the appropriate authorities. Should any taxes be levied on the Company in respect of the Reimbursement Premium herein, the Company agrees to make no claim upon the SBA for reimbursement in respect of such taxes.

ARTICLE XIII - ERRORS AND OMISSIONS

Any inadvertent delay, omission, or error on the part of the SBA shall not be held to relieve the Company from any liability which would attach to it hereunder if such delay, omission, or error had not been made.

ARTICLE XIV - INSPECTION OF RECORDS

The Company shall allow the SBA to inspect, examine, and verify, at reasonable times, all records of the Company relating to the Covered Policies under this Contract, including Company files concerning claims, Losses, or legal proceedings regarding subrogation or claims recoveries which involve this Contract, including premium, loss records and reports involving exposure data or Losses under Covered Policies.

This right by the SBA to inspect, examine, and verify shall survive the completion and closure of an exposure examination or claims examination file and the termination of the Contract. The Company shall have no right to re-open an exposure or claims examination once closed and the findings have been accepted by the Company; any re-opening shall be at the sole discretion of the SBA. If the State Board of Administration Finance Corporation has issued revenue bonds and relied upon the exposure and Loss data submitted and certified by the Company as accurate to determine the amount of bonding needed, the SBA may choose not to require, or accept, a resubmission if the resubmission will result in additional reimbursements to the Company. The SBA may require any discovered errors, inadvertent omissions, and typographical errors associated with the data reporting of insured values, discovered prior to the closing of the file and acceptance of the examination findings by the Company, to be corrected to reflect the proper values. The Company shall retain its records in accordance with the requirements for records retention regarding exposure reports and claims reports outlined herein, and in any administrative rules adopted pursuant to Section 215.555, Florida Statutes. Companies writing covered collateral protection policies, as defined in definition (12)(b) of Article V, must be able to provide documentation that the policy covers personal residences, protects both the borrower's and lender's interest, and that the coverage is in an amount at least equal to the coverage for the dwelling in place under the lapsed homeowner's policy, the coverage amount that the homeowner has been notified of by the collateral protection insurer, or the coverage amount that the homeowner requests from the collateral protection insurer.

(1) Purpose of FHCF Examination

The purpose of the examinations conducted by the SBA is to evaluate the accuracy of the FHCF exposure or Loss data reported by the Company. However, due to the limited nature of the examination, it cannot be relied upon as an assurance that a Company's data is reported accurately or in its entirety. The Company should not rely on the FHCF to identify every type of reporting error in its data. In addition, the reporting requirements are subject to change each Contract Year so it is the Company's responsibility to be familiar with the applicable Contract Year requirements and to incorporate any changes into its data for that Contract Year. It is also the Company's responsibility to ensure that its data is reported accurately and to comply with Florida Statutes and any applicable rules when reporting exposure data. The examination report is not intended to provide a legal determination of the Company's compliance.

(2) Examination Requirements for Exposure Verification

The Company shall retain complete and accurate records, in policy level detail, of all exposure data submitted to the SBA in any Contract Year until the SBA has completed its examination of the Company's exposure submissions. The Company shall also retain complete and accurate records of

any completed exposure examination for any Contract Year in which the Company incurred Losses until the completion of the claims examination and Commutation for that Contract Year. The records to be retained are outlined in the Data Call adopted for the Contract Year under Rule 19-8.029, F.A.C. A complete list of records to be retained for the exposure examination is set forth in Form FHCF-EAP1, adopted for the Contract Year under Rule 19-8.029, F.A.C.

(3) Examination Requirements for Loss Reports

The Company shall retain complete and accurate records of all reported Losses and/or advances submitted to the SBA until the SBA has completed its examination of the Company's reimbursable Losses and Commutation for the Contract Year (if applicable) has been concluded. The records to be retained are set forth as part of the Proof of Loss Report, Form FHCF-L1B and Form FHCF-LAP1, both adopted for the Contract Year under Rule 19-8.029, F.A.C.

(4) Examination Procedures

(a) The FHCF will send an examination notice letter to the Company providing the commencement date of the examination, the site of the examination, any accommodation requirements of the examiner, and the reports and data which must be assembled by the Company and forwarded to the FHCF. The Company shall be prepared to choose one location in which to be examined, unless otherwise specified by the SBA.

(b) The reports and data are required to be forwarded to the FHCF as set forth in an examination notice letter. The information is then forwarded to the examiner. If the FHCF receives accurate and complete records as requested, the examiner will contact the Company to inform the Company as to what policies or other documentation will be required once the examination begins. Any records not required to be provided to the examiner in advance shall be made available at the time the examination begins. Any records to support reported exposure or Losses which are provided after the examination has been completed will, at the SBA's discretion, result in an additional examination of exposure and/or Loss records or an extension or expansion of the examination. All costs associated with such additional examination or with the extension or expansion of the original examination shall be borne by the Company.

(c) At the conclusion of the examiner's work and the management review of the examiner's report, findings, recommendations, and work papers, the FHCF will forward an examination report to the Company.

(d) Within 30 days from the date of the letter accompanying the examination report, the Company must provide a written response to the FHCF. The response must indicate whether the Company agrees with the findings and recommendations of the examination report. If the Company

disagrees with any examination findings or recommendations, the reason for the disagreement must be outlined in the response and the Company must provide supporting information to support its objection. An extension of 30 days may be granted if the Company can show that the need for additional time is due to circumstances beyond the reasonable control of the Company. No response is required if the examination report does not include any findings or recommendations.

(e) If the Company accepts the examination findings and recommendations, and there is no recommendation for additional information, the examination report will be finalized and the exam file closed.

(f) If the Company disputes the examiner's findings, the areas in dispute will be resolved by a meeting or a conference call between the Company and FHCF management.

(g) 1. If the recommendation of the examiner is to resubmit the Company's exposure data for the Contract Year in question, then the FHCF will send the Company a letter outlining the process for resubmission and including a deadline to resubmit. Once the resubmission is received, the FHCF's Administrator calculates a revised Reimbursement Premium for the Contract Year which has been examined. The SBA shall then review the resubmission with respect to the examiner's findings and accept the resubmission or contact the Company with any questions regarding the resubmission. Once the SBA has accepted the resubmission as a sufficient response to the examiner's findings, the exam is closed.

2. If the recommendation of the examiner is to give the Company the option to either resubmit the exposure data or to pay the estimated Reimbursement Premium difference, then the FHCF will send the Company a letter outlining the process for resubmission or for paying the estimated Reimbursement Premium difference and including a deadline for the resubmission or the payment to be received by the FHCF's Administrator. If the Company chooses to resubmit, the same procedures outlined in Article XIV(4) apply.

(h) If the recommendation of the examiner is to update the Company's Proof of Loss Report(s) for the Contract Year under review, the FHCF will send the Company a letter outlining the process for submitting the Proof of Loss Report(s) and including a deadline to file. Once the Proof of Loss Report(s) is received by the FHCF's Administrator, the FHCF's Administrator will calculate a revised reimbursement. The SBA shall then review the submitted Proof of Loss Report(s) with respect to the examiner's findings and accept the Proof of Loss Report(s) as filed or contact the Company with any questions. Once the SBA has accepted the corrected Proof of Loss Report(s) as a sufficient response to the examiner's findings, the exam is closed.

(i) The examiner's list of errors is made available in the examination report sent to the Company. Given that the examination was based on a sample of the Company's policies or claims rather than the whole universe of the Company's Covered Policies or reported claims, the error list is not intended to provide a complete list of errors but is intended to indicate what information needs to be reviewed and corrected throughout the Company's book of Covered Policy business or claims information to ensure more complete and accurate reporting to the FHCF.

(5) **Costs of the Examinations**

The costs of the examinations shall be borne by the SBA. The SBA shall be reimbursed by the Company for any reasonable and customary additional examination expenses incurred as a result of a Company's failure to provide requested information. All requested information must be complete and accurate.

ARTICLE XV – OFFSETS

The SBA reserves the right to offset amounts payable to the SBA from the Company, including amounts payable under the Reimbursement Contract for any Contract Year and also including the Company's full Reimbursement Premium for the current Contract Year (regardless of installment due dates), against any (1) Reimbursement Premium refunds under any Contract Year, (2) reimbursement or advance amounts, or (3) amounts agreed to in a Commutation agreement, which are due and payable to the Company from the SBA as a result of the liability of the SBA.

ARTICLE XVI - INSOLVENCY OF THE COMPANY

For the purpose of this Contract, a Company is insolvent when an order of liquidation with a finding of insolvency has been entered by a court of competent jurisdiction. No reimbursements will be made until the FHCF has completed and closed its examination of the insolvent Company's Losses, unless an agreement is entered into by the court appointed receiver specifying that all data and computer systems required for FHCF exposure and claims examinations will be maintained until completion of the Company's exposure and claims examinations. Only those Losses supported by the examination will be reimbursed. Pursuant to Section 215.555(4)(g), Florida Statutes, the FHCF is required to pay reimbursement moneys due an insolvent insurer to the Florida Insurance Guaranty Association (FIGA) for the benefit of Florida policyholders. In light of the need for an immediate infusion of funds to enable policyholders of insolvent companies to be paid for their claims, the SBA may enter into agreements with FIGA allowing exposure and claims examinations to take place immediately without the usual notice and response time limitations and allowing the FHCF to make reimbursements (net of any amounts payable to the SBA from the Company or FIGA) to FIGA before the examinations are completed. Such agreements must ensure the availability of the necessary records and adequate security must be provided so that if the FHCF determines

that it overpaid FIGA on behalf of the Company, that the funds will be repaid to the FHCF by FIGA within a reasonable time.

ARTICLE XVII - TERMINATION

The FHCF and the obligations of both parties under this Contract can be terminated only as may be provided by law or applicable rules.

ARTICLE XVIII – VIOLATIONS

(1) **Statutory Provisions**

(a) Section 215.555(10), Florida Statutes, provides that any violation of Section 215.555, Florida Statutes, or of rules adopted under that section, constitutes a violation of the Florida Insurance Code. This Contract has been adopted as part of Rule 19-8.010, Florida Administrative Code, under the authority of that section of Florida Statutes.

(b) Section 215.555(11), Florida Statutes, authorizes the SBA to take any action necessary to enforce the rules and the provisions and requirements of this Contract, required by and adopted pursuant to Section 215.555, Florida Statutes.

(2) **Noncompliance**

(a) As used in this Article, the term “noncompliance” means the failure of the Company to meet any applicable requirement of Section 215.555, Florida Statutes, or of any rule adopted under the authority of that section of Florida Statutes, including, but not limited to, any failure to meet a deadline for an FHCF payment, Data Call submissions or resubmissions, Loss reporting or Commutation documentation, or a deadline related to SBA examination requirements. The Company remains in a state of noncompliance as long as the Company fails to meet the applicable requirement(s).

(b) If the Company is in a state of noncompliance, the SBA reserves the right to withhold any payments or advances due to the Company until the SBA determines that the Company is no longer in a state of noncompliance.

ARTICLE XIX - APPLICABLE LAW

This Contract shall be governed by and construed according to the laws of the State of Florida in respect of any matter relating to or arising out of this Contract.

ARTICLE XX – DUE DATES

If any due date provided in this Contract is a Saturday, Sunday or a legal State of Florida or federal holiday, then the actual due date will be the day immediately following the applicable due date which is not a Saturday, Sunday or a legal State of Florida or federal holiday.

ARTICLE XXI – REIMBURSEMENT CONTRACT ELECTIONS

(1) **Coverage Level**

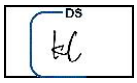
For purposes of determining reimbursement (if any) due the Company under this Contract and in accordance with the Statute, the Company has the option to elect a 45 percent or 75 percent or 90 percent Coverage Level under this Contract. If the Company is a member of an NAIC group, all members must elect the same Coverage Level, and the individual executing this Contract on behalf of the Company, by placing his or her initials in the box under (a) below, affirms that the Company has elected the same Coverage Level as all members of its NAIC group. If the Company is an entity created pursuant to Section 627.351, Florida Statutes, the Company must elect the 90 percent Coverage Level. The Company shall not be permitted to change its Coverage Level after the March 1 statutory deadline for execution of the Contract. The Company shall be permitted to change its Coverage Level upon timely execution of the Contract for the next Contract Year, but may not reduce its Coverage Level if revenue bonds issued under Section 215.555(6), Florida Statutes, are outstanding.

The Coverage Level elected by the Company for the prior Contract Year effective June 1, 2022 was as follows:

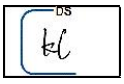
Homeowners Choice Property and Casualty Insurance Company

90%

(a) **NAIC Group Affirmation**: Indicate if the Company is part of an NAIC Group (enter Yes or No):

Yes 

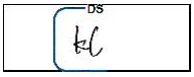
(b) **Coverage Level Election**: The Company hereby elects the following Coverage Level for the Contract Year from 12:00:01 a.m., Eastern Time, June 1, 2023, to 12:00 a.m., Eastern Time, May 31, 2024, (the individual executing this Contract on behalf of the Company shall place his or her initials in the box to the left of the percentage elected for the Company): 90%

	45% OR		**75% OR**		**90%**

(2) **Additional Living Expense (ALE) Written as Time Element Coverage**

If your Company writes Covered Policies that provide ALE coverage on a time element basis (i.e., coverage is based on a specific period of time as opposed to a stated dollar limit), you must initial the

‘Yes – Time Element ALE’ box below. If your Company does not write time element ALE coverage, initial ‘No – Time Element ALE’ box below.

OR 

Yes – Time Element ALE	**No – Time Element ALE**

ARTICLE XXII – COMPANY COVERAGE OF UNSOUND INSURERS

If a Company seeks to provide coverage for Covered Policies of an Unsound Insurer, pursuant to Section 215.555(5)(e), Florida Statutes, the Company may, subject to the provisions mutually agreed to below, obtain coverage for such policies under its Reimbursement Contract with the FHCF or accept an assignment of the Unsound Insurer’s Reimbursement Contract with the FHCF. Prior to the date the Company takes a transfer of policies from an Unsound Insurer, the Company shall select one of the options below using Appendix A and submit to the SBA as instructed.

(1) **Providing Coverage for an Unsound Insurer’s Policies Under Company’s FHCF Reimbursement Contract**

(a) If a Covered Event has occurred prior to the transfer of policies from an Unsound Insurer to the Company, the Company must accept an assignment of the Unsound Insurer’s FHCF Reimbursement Contract and cannot cover such policies under the Company’s Reimbursement Contract through an assumption of the Unsound Insurer’s Covered Policies. Only in those situations where a Covered Event has not occurred shall the Company be able to obtain coverage under its own FHCF Reimbursement Contract for those policies assumed from an Unsound Insurer.

(b) Responsibilities relating to the assumption of an Unsound Insurer’s Covered Policies by the Company:

1. The Company shall accurately report the exposure and loss data related to Covered Policies assumed from the Unsound Insurer.

a. For an assumption of an Unsound Insurer’s Covered Policies that occurs on or before June 30, 2023, the Company shall report the exposure in effect for such policies as of June 30, 2023. This includes assumed policies renewed with the Company on or before June 30, 2023. As outlined in the Data Call, all such policies must be combined with the Company’s Covered policies written as its direct business and reported as a single submission due September 1, 2023.

b. For an assumption of Covered Policies from an Unsound Insurer to the Company that occurs after June 30, 2023, and before December 1, 2023, the Company shall report exposure in effect for such policies as of June 30, 2023, and the SBA shall treat all such policies as if they were in effect as of June 30, 2023 for the Company. The Company shall report assumed Covered Policies based on their status at June 30, 2023, in a single Data Call file combined with the Company's Covered Policies written as its direct business based on the requirements outlined in the Data Call. The combined Data Call file is due on September 1, 2023, or a maximum 60 days from the date of the assumption, whichever is later. If the Company's Data Call file has been previously submitted to the SBA, the Company will be required to resubmit its initial Data Call.

c. If the Company is unable to submit the combined Data Call file by September 1, 2023, the Company must initially submit its Data Call file with all of its direct written Covered Policies that were in effect as of June 30, 2023 (prior to the assumption of additional Covered Policies from an Unsound Insurer) by September 1, 2023. The Company will then need to resubmit the combined Data Call file no later than 60 days from the date of the assumption.

d. If a policy assumed by the Company from the Unsound Insurer is not reported in the Company's Data Call file, Losses under that policy may not be included in Losses reported to the SBA unless the Company is able to resubmit the Data Call file to include such omitted policies.

e. For an assumption of an Unsound Insurer's Covered Policies on or after December 1, 2023, through and including May 31 of the Contract Year, the Company is not required to report its assumed policies to the SBA until the subsequent Contract Year based on the status of the policy at June 30 of that subsequent Contract Year.

f. Except as noted above, for purposes of reporting Losses to the SBA, the Company shall report all Losses including those associated with Covered Policies assumed from the Unsound Insurer on Forms FHCF-L1A and FHCF-L1B as required under the Contract. 2. The FHCF Reimbursement Premium for all Covered Policies assumed from the Unsound

Insurer by the Company shall be due on December 1, 2023, or within 15 days of being invoiced by the SBA, whichever is later. The total Reimbursement Premium resulting from the reporting of exposure on the Company's Covered Policies and the Reimbursement Premium associated with Covered Policies assumed by the Company from the Unsound Insurer shall be combined to determine the Company's retention and its share of the FHCF's capacity.

3. An administrative fee of $1,000 shall apply to each resubmission of exposure data for resubmissions that are not a result of an examination by the SBA. If a resubmission is necessary as a result of an examination report issued by the SBA, the first resubmission fee will be $2,000. If the first examination-required resubmission is inadequate and the SBA requires an additional resubmission(s), the resubmission fee for each subsequent resubmission shall be $2,000. Resubmission fees shall be invoiced along with the Reimbursement Premium billing discussed in (b) above.

4. The Company shall ensure that the books and records related to the Covered Policies assumed from the Unsound Insurer are preserved and accessible to the SBA for its exposure and claims examinations. The Company shall retain data related to the FHCF examinations as required in Forms FHCF-D1A, FHCF-DCL, FHCF-EAP1, and FHCF-LAP1 for the exposure assumed from the Unsound Insurer.

5. The Company is required to provide the SBA with a complete listing of all assumed policies, including Covered Policies and other policies not covered by the FHCF. As outlined in the Data Call, the listing must include each policy number and the policy's effective and expiration dates. In addition to the policy listing, the Company must provide an agreement between the Company and the Unsound Insurer that supports the number of policies assumed.

(2) **Acceptance of an Assignment of an Unsound Insurer's FHCF Reimbursement Contract**

(a) Responsibilities relating to assigned Reimbursement Contracts:

1. The Company, pursuant to Section 215.555(5)(e), Florida Statutes, has the rights and duties of the Unsound Insurer for such transferred Covered Policies.

2. The Company is responsible for the Reimbursement Premiums due under the assigned Reimbursement Contract. Should any Reimbursement Premium be owed at the time paid Losses for Covered Policies under the assigned Reimbursement Contract exceed the Retention under the assigned Reimbursement Contract, all Reimbursement Premiums (as well as any applicable fees and interest) shall be offset before the issuance of any reimbursement payment.

3. The Company has the responsibility to report all exposure and Loss information for Covered Policies under the assigned Reimbursement Contract separately for each assigned Reimbursement Contract pursuant to the reporting requirements specified in the Reimbursement Contract. If the Unsound Insurer has already submitted the required Data Call, the Company has the responsibility of filing any resubmissions as necessary.

4. The Company has the responsibility to ensure that the books and records related to the assigned Reimbursement Contract are preserved and accessible to the SBA for its exposure and claims

examinations. The Company has the responsibility to retain data related to FHCF examinations as required in FHCF-D1A, FHCF-DCL, FHCF-EAP1, and FHCF-LAP1 for each assigned Reimbursement Contract.

(b) The Company will not be reimbursed by the SBA for any Losses occurring prior to the date it first provides coverage for such transferred policies. Reimbursements for those Losses shall be made to the Unsound Insurer, the court-appointed receiver, or the applicable guaranty association, as provided by statute.

ARTICLE XXIII – SIGNATURES

Approved by:

Paragon Strategic Solutions Inc., on Behalf of the State Board of Administration of the State of Florida and as Administrator of the Florida Hurricane Catastrophe Fund.

By: /s/ Martin K. Helgestad 2/27/2023

Date

Authority to sign on behalf of the Company:

The person signing this Contract on behalf of the Company hereby represents that he or she is an officer of the Company, acting within his or her authority to enter into this Contract on behalf of the Company, with the requisite authority to bind the Company and make the representations on behalf of the Company as set forth in this Contract.

Homeowners Choice Property and Casualty Insurance Company

Karin Coleman President

By: /s/ Karin Coleman 2/27/2023

Signature Date

Florida Hurricane Catastrophe Fund

RON DESANTIS
GOVERNOR
CHAIR

JIMMY PATRONIS
CHIEF FINANCIAL OFFICER

ASHLEY MOODY
ATTORNEY GENERAL

LAMAR TAYLOR
INTERIM EXECUTIVE DIRECTOR &
CHIEF INVESTMENT OFFICER

EXHIBIT 10.37

February 1, 2023

ATTENTION Florida Hurricane Catastrophe Fund (FHCF) Participant

Due No Later Than March 1, 2023

Dear FHCF Participant:

The FHCF Reimbursement Contract ('Contract') for the 2023/2024 Contract Year is due to be executed no later than Wednesday, March 1, 2023, via DocuSign. If your company has policies in force that are covered by the FHCF, Florida law requires that you execute and return the Contract. "Covered policy" is defined in Section 215.555(2)(c), Florida Statutes, and in Article V(12) of the Contract.

Pursuant to Section 215.555(16)(c), Florida Statutes, the Contract shall be executed no later than March 1st. Failure to fully execute and submit the Contract by the deadline will result in your company's Coverage Level being deemed as stated in the Contract under Article III – Term.

Contract Execution Requirements

The Contract has been adopted by Florida Administrative Code Rule and the terms cannot be altered. An officer of your company must:

1. Under Article XXI, initial the:
    a. NAIC group box if your company is a member of an NAIC group.
    b. Select the box indicating the Coverage Level chosen by your company for the 2023/2024 contract year. The Coverage Level selected by your company for the prior Contract Year (2022/2023) is indicated for your reference.
    c. Select Yes or No under the section entitled Additional Living Expense (ALE) Written as Time Element Coverage.
2. Sign and date Article XXIII – Signatures.

Company Contact Information (Form FHCF C-1)

Various FHCF mailings (e.g., Data Call Requests, Premium Invoices, etc.) are sent to participating companies throughout the year. The FHCF maintains a list of company contacts to ensure information reaches the appropriate party at your company in a timely manner. The Company Contact Information Form will be sent to you via a separate DocuSign email, which may be forwarded within your company as you deem appropriate. This Form must also be returned via DocuSign (even if your company has no updates) by **March 1, 2023.**

If you have any questions, please contact me at (800) 689-3863.
Cordially yours,

Holly Bertagnolli
FHCF Administration

Enclosures

STATE BOARD OF ADMINISTRATION OF FLORIDA

1801 HERMITAGE BOULEVARD, SUITE 100
TALLAHASSEE, FLORIDA 32308
(850) 488-4406

POST OFFICE BOX 13300
32317-3300

RON DESANTIS
GOVERNOR
CHAIR

JIMMY PATRONIS
CHIEF FINANCIAL OFFICER

ASHLEY MOODY
ATTORNEY GENERAL

LAMAR TAYLOR
INTERIM-EXECUTIVE DIRECTOR &
CHIEF INVESTMENT OFFICER

REIMBURSEMENT CONTRACT

Coverage Effective: June 1, 2023
("Contract")

This Contract is between:
Typtap Insurance Company
("Company")
NAIC # 15885
and

THE STATE BOARD OF ADMINISTRATION OF THE STATE OF FLORIDA ("SBA")
WHICH ADMINISTERS THE FLORIDA HURRICANE CATASTROPHE FUND ("FHCF")

PREAMBLE
Section 215.555, Florida Statutes creates the FHCF and directs the SBA to administer the FHCF. This Contract, consisting of the principal document entitled Reimbursement Contract, addressing the mandatory FHCF coverage, and Appendix A, is subject to Section 215.555, Florida Statutes, and to any administrative rule adopted pursuant thereto, and is not intended to be in conflict therewith.

In consideration of the promises set forth in this Contract, the parties agree as follows:

ARTICLE I - SCOPE OF AGREEMENT
As a condition precedent to the SBA's obligations under this Contract, the Company shall report to the SBA in a specified format the business it writes which is described in this Contract as Covered Policies. The terms of this Contract shall determine the rights and obligations of the parties. This Contract provides reimbursement to the Company under certain circumstances, as described herein, and does not provide or extend insurance or reinsurance coverage to any person, firm, corporation or other entity. The SBA shall reimburse the Company for its Ultimate Net Loss on Covered Policies, which were in force and in effect at the time of the Covered Event causing the Loss, in excess of the Company's Retention as a result of each

Covered Event commencing during the Contract Year, to the extent funds are available, all as hereinafter defined.

ARTICLE II - PARTIES TO THE CONTRACT

This Contract is solely between the Company, an Authorized Insurer or any entity writing Covered Policies under Section 627.351, Florida Statutes, in the State of Florida, and the SBA. In no instance shall any insured of the Company, any claimant against an insured of the Company, or any other third party have any rights under this Contract, except as provided in Article XVI. The SBA will disburse funds only to the Company, except as provided for in Article XVI. The Company shall not, without the prior approval of the Florida Office of Insurance Regulation, sell, assign, or transfer to any third party, in return for a fee or other consideration any sums the FHCF pays under this Contract or the right to receive such sums.

ARTICLE III – TERM; EXECUTION

(1) Term

This Contract applies to Losses from Covered Events which commence during the period from 12:00:01 a.m., Eastern Time, June 1, 2023, to 12:00 midnight, Eastern Time, May 31, 2024 (the “Contract Year”). The SBA shall not be liable for Losses from Covered Events which commence after the effective time and date of expiration or termination. Should this Contract expire or terminate while a Covered Event is in progress, the SBA shall be responsible for such Covered Event in progress in the same manner and to the same extent it would have been responsible had the Contract expired the day following the conclusion of the Covered Event in progress.

(2) Mandatory Nature of this Contract

(a) Statutory Requirement

This Contract has been adopted as part of Rule 19-8.010, Florida Administrative Code (F.A.C.), in fulfillment of the statutory requirement that the SBA enter into a Contract with each Company writing Covered Policies in Florida. Under Section 215.555(4)(a), Florida Statutes, the SBA must enter into such a Contract with each such Company, and each such Company must enter into the Contract as a condition of doing business in Florida. Under Section 215.555(16)(c), Florida Statutes, Companies writing Covered Policies must execute the Contract by March 1 of the immediately preceding Contract Year.

(b) Duty to Provide a Fully and Timely Executed Copy of this Contract to the FHCF Administrator

The Company must provide a fully executed copy of this Contract in electronic form to the Administrator no later than the March 1 statutory deadline for execution, or, in the case of a New Participant, no later than 30 days after the New Participant began writing Covered Policies.

(3) **Contract Deemed Executed Notwithstanding Execution Errors**

Except with respect to New Participants, this Contract is deemed to have been executed by the Company as of the March 1 statutory deadline, notwithstanding the fact that the Coverage Level election in Article XXI(1)(b) may be invalid, and notwithstanding the fact that the person purporting to execute the Contract on the part of the Company may have lacked the requisite authority. With respect to New Participants, this Contract is deemed to have been executed by the New Participant as of the date on which the New Participant began writing Covered Policies; coverage shall be determined as provided in paragraphs (c) and (d). Execution of this Contract by or on behalf of an entity that does not write Covered Policies is void. If the Company failed to timely submit an executed copy of this Contract, or if the executed Contract includes an invalid Coverage Level election under Article XXI, the Company's Coverage Level shall be deemed as follows:

(a) For a Company that is a member of a National Association of Insurance Commissioners (NAIC) group, the same Coverage Level selected by the other Companies of the same NAIC group shall be deemed. If executed Contracts for none of the members of an NAIC group have been received by the FHCF Administrator, the Coverage Level from the prior Contract Year shall be deemed.

(b) For a Company that is not a member of an NAIC group under which other Companies are active participants in the FHCF, the Coverage Level from the prior Contract Year shall be deemed.

(c) For a New Participant that is a member of an NAIC group, the same Coverage Level selected by the other Companies of the same NAIC group shall be deemed.

(d) For a New Participant that is not a member of an NAIC group under which other Companies are active participants in the FHCF, the 45 percent, 75 percent, or 90 percent Coverage Levels may be selected if the FHCF Administrator receives executed Contracts within 30 calendar days after the effective date of the first Covered Policy, otherwise, the 45 percent Coverage Level shall be deemed to have been selected.

ARTICLE IV - LIABILITY OF THE FHCF

(1) The SBA shall reimburse the Company with respect to each Covered Event commencing during the Contract Year in the amount of Ultimate Net Loss paid by the Company in excess of the Company's Retention, as adjusted pursuant to the definition of Retention in Article V, multiplied by the applicable Coverage Level, plus 10 percent of the reimbursed Losses as a Loss Adjustment Expense Allowance, the total of which shall not exceed the Company's Limit.

(2) Section 215.555(4)(c)1., Florida Statutes, provides that the obligation of the FHCF with respect to all Contracts covering a particular Contract Year shall not exceed the Actual Claims-Paying Capacity of the FHCF up to a specified dollar limit.

(3) In order to assure that reimbursements do not exceed the statutory limit on the obligation of the FHCF provided in Section 215.555(4)(c)1., Florida Statutes, the SBA shall, upon the occurrence of a Covered Event, evaluate the potential Losses to the FHCF and the FHCF's capacity at the time of the event. The initial Projected Payout Multiple used to reimburse the Company for its Losses shall not exceed the Projected Payout Multiple as calculated based on the capacity needed to provide the FHCF's coverage. If it appears that the Estimated Claims-Paying Capacity may be exceeded, the SBA shall reduce the projected payout factors or multiples for determining each participating insurer's projected payout uniformly among all insurers to reflect the Estimated Claims-Paying Capacity.

(4) Reimbursement amounts shall not be reduced by reinsurance paid or payable to the Company from other sources. Once the Company's Limit has been exhausted, the Company will not be entitled to further reimbursements.

ARTICLE V - DEFINITIONS

As used in this Contract, the following words and phrases are defined to mean:

(1) Actual Claims-Paying Capacity of the FHCF
This term means the sum of the Balance of the Fund as of December 31 of a Contract Year, plus any reinsurance purchased by the FHCF, plus the amount the SBA is able to raise through the issuance of revenue bonds under Section 215.555(6), Florida Statutes.

(2) Actuarially Indicated
This term means an amount determined according to principles of actuarial science to be adequate, but not excessive, in the aggregate, to pay current and future obligations and expenses of the fund, including additional amounts if needed to pay debt service on revenue bonds and to provide required debt service coverage in excess of the amounts required to pay actual debt service on revenue bonds, and determined according to principles of actuarial science to reflect each insurer's relative exposure to hurricane losses.

(3) Additional Living Expense (ALE)
ALE Losses covered by the FHCF are not to exceed 40 percent of the insured value of a Residential Structure or its contents based on how the coverage is provided in the policy. Fair rental value, loss of rents, or business interruption losses are not covered by the FHCF.

(4) Administrator
This term means the entity with which the SBA contracts to perform administrative tasks associated with the operations of the FHCF. The current Administrator is Paragon Strategic Solutions Inc.

(5) Authorized Insurer

This term is defined in Section 624.09(1), Florida Statutes.

(6) Balance of the Fund as of December 31 or Fund Balance

This term means the amount of assets available to pay claims resulting from Covered Events which occurred during the Contract Year, not including any pre-event or post-event bonds, reinsurance, or proceeds from other financing mechanisms.

(7) Borrowing Capacity

This term means the amount of funds which are able to be raised by the issuance of revenue bonds or through other financing mechanisms, less bond issuance expenses and reserves.

(8) Citizens Property Insurance Corporation (Citizens)

This term means Citizens Property Insurance Corporation as created under Section 627.351(6), Florida Statutes. For the purposes of the FHCF, Citizens incorporates two accounts, (a) the coastal account and (b) the personal lines and commercial lines accounts. Each account is treated by the FHCF as if it were a separate participating insurer with its own reportable exposures, Reimbursement Premium, Retention, and Ultimate Net Loss.

(9) Commutation

This term means the estimation, payment, and complete discharge of all future obligations for Losses, regardless of future loss development. The final Commutation shall constitute a complete and final release of all obligations of the SBA with respect to Losses. Commutation may be per Covered Event or by Contract Year as determined by the FHCF.

(10) Covered Event

This term means any one storm declared to be a hurricane by the National Hurricane Center which causes insured losses in Florida. A Covered Event begins when a hurricane causes damage in Florida while it is a hurricane and continues throughout any subsequent downgrades in storm status by the National Hurricane Center regardless of whether the hurricane makes landfall. Any storm, including a tropical storm, which does not become a hurricane is not a Covered Event.

(11) Coverage Level

This term means the level of reimbursement (90 percent, 75 percent, or 45 percent), as elected by the Company under Article XXI or deemed under Article III(3), which is used in determining reimbursement under Article IV.

(12) Covered Policy

(a) Covered Policy, as defined in Section 215.555(2)(c), Florida Statutes, is further clarified to mean only that portion of a binder, policy or contract of insurance that insures real or personal property located in the State of Florida to the extent such policy insures a Residential Structure or the contents of a Residential Structure, located in the State of Florida.

(b) Covered Policy also includes any collateral protection insurance policy covering personal residences which protects both the borrower's and the lender's financial interest, in an amount at least equal to

1. the coverage for the dwelling in place under the lapsed homeowner's policy,
2. the coverage amount that the homeowner has been notified of by the collateral protection insurer, or
3. the coverage amount that the homeowner requests from the collateral protection insurer,

if such collateral protection insurance policy can be accurately reported as required in Section 215.555(5), Florida Statutes. A Company will be deemed to be able to accurately report data if the company submits the required data as specified in the Data Call adopted under Rule 19- 8.029, F.A.C.

(c) Covered Policy does not include any policy or exposure excluded under Article VI.

(13) Deductible Buy-Back Policy

This term means a specific policy that provides coverage to a policyholder for some portion of the policyholder's deductible under a policy issued by another insurer.

(14) Estimated Claims-Paying Capacity of the FHCF

This term means the sum of the projected Balance of the Fund as of December 31 of a Contract Year, plus any reinsurance purchased by the FHCF, plus the most recent estimate of the Borrowing Capacity of the FHCF, determined pursuant to Section 215.555(4)(c), Florida Statutes.

(15) Excess Policy

This term means, for the purposes of this Contract, a policy that provides insurance protection for large commercial property risks and that provides a layer of coverage above a primary layer (which is insured by a different insurer) that acts much the same as a very large deductible.

(16) Insurer Group

For purposes of the Coverage Level election in Section 215.555(4)(b), Florida Statutes, Insurer Group means the group designation assigned by the NAIC for regulatory purposes. A Company is a member of a group as designated by the NAIC until such Company is assigned another group designation or is no longer a member of a group.

(17) Limit

This term means the maximum amount that a Company may recover under this Contract, calculated by multiplying the Company's Reimbursement Premium by the Payout Multiple.

(18) Loss

This term means an incurred loss under a Covered Policy from a Covered Event, including Additional Living Expenses not to exceed 40 percent of the insured value of a Residential Structure or its contents and amounts paid as fees on behalf of or inuring to the benefit of a policyholder. The term Loss does

not include allocated or unallocated loss adjustment expenses or any item for which this Contract does not provide reimbursement pursuant to the exclusions in Article VI.

(19) **Loss Adjustment Expense Allowance**

(a) The Loss Adjustment Expense Allowance is equal to 10 percent of the reimbursed Losses under this Contract as provided in Article IV, pursuant to Section 215.555(4)(b)1., Florida Statutes.

(b) The Loss Adjustment Expense Allowance is included in, and not in addition to, the Limit applicable to a Company.

(20) **New Participant**

This term means a Company that begins writing Covered Policies on or after the beginning of the Contract Year. A Company that removes Covered Policies from Citizens or an Unsound Insurer pursuant to an assumption agreement effective on or after June 1 and had written no other Covered Policies before June 1 is also considered a New Participant.

(21) **Payout Multiple**

This term means the multiple as calculated in accordance with Section 215.555(4)(c), Florida Statutes, which is derived by dividing the actual single season Claims-Paying Capacity of the FHCF by the total aggregate industry Reimbursement Premium for the FHCF for the Contract Year billed as of December 31 of the Contract Year. The final Payout Multiple is determined once Reimbursement Premiums have been billed as of December 31 and the amount of bond proceeds has been determined.

(22) **Premium Formula**

This term means the Formula developed pursuant to Section 215.555(5)(b), Florida Statutes, and approved by the SBA Trustees for the purpose of determining the Actuarially Indicated Reimbursement Premium to be paid to the FHCF.

(23) **Projected Payout Multiple**

The Projected Payout Multiple is used to calculate a Company's projected payout pursuant to Section 215.555(4)(d)2., Florida Statutes. The Projected Payout Multiple is derived by dividing the estimated single season Claims-Paying Capacity of the FHCF by the estimated total aggregate industry Reimbursement Premium for the FHCF for the Contract Year. The Company's Reimbursement Premium as paid to the SBA for the Contract Year is multiplied by the Projected Payout Multiple to estimate the Company's coverage from the FHCF for the Contract Year.

(24) **Reimbursement Premium or Premium**

These terms mean the amount to be paid by the Company, as determined by multiplying each $1,000 of insured value reported by the Company in accordance with Section 215.555(5)(b), Florida Statutes, by the rate as derived from the Premium Formula, as described in Rule 19-8.028, F.A.C.

(25) **Residential Structure**

In general, this term means a unit or building used exclusively or predominantly for dwelling or habitational occupancies, including the primary structure and appurtenant structures insured under the

same Covered Policy and any other structures covered under endorsements associated with the Covered Policy covering the Residential Structure.

(a) With respect to a unit or home insured under a personal lines residential policy form, such unit or home is deemed to have a habitational occupancy and to be a Residential Structure regardless of the term of its occupancy.

(b) With respect to a condominium structure or complex insured under a commercial lines policy, such structure is deemed to have a habitational occupancy and to be a Residential Structure, regardless of the term of occupancy of individual units.

(c) A single structure which includes a mix of commercial habitational and commercial non-habitational occupancies, and is insured under a commercial lines policy, is considered a Residential Structure if 50 percent or more of the total insured value of the structure is used for habitational occupancies.

(d)Residential Structures do not include any structures excluded under Article VI. (26)

Retention

This term means the amount of Losses from a Covered Event which must be incurred by the Company before it is eligible for reimbursement from the FHCF.

(a) When the Company incurs Losses from one or two Covered Events during the Contract Year, the Company's full Retention shall be applied to each of the Covered Events.

(b) When the Company incurs Losses from more than two Covered Events during the Contract Year, the Company's full Retention shall be applied to each of the two Covered Events causing the largest Losses for the Company. For each other Covered Event resulting in Losses, the Company's Retention shall be reduced to one-third of its full Retention.

1. All reimbursement of Losses for each Covered Event shall be based on the Company's full Retention until December 31 of the Contract Year. Adjustments to reflect a reduction to one-third of the full Retention shall be made on or after January 1 of the Contract Year provided the Company reports its Losses as specified in this Contract.

2. Adjustments to the Company's Retention shall be based upon its paid and outstanding Losses as reported on the Company's Proof of Loss Reports, but shall not include incurred but not reported Losses. The Company's Proof of Loss Reports shall be used to determine which Covered Events constitute the Company's two largest Covered Events. After this initial determination, any subsequent adjustments shall be made quarterly by the SBA only if the Proof of Loss Reports reveal that loss development patterns have resulted in a change in the order of Covered Events entitled to the reduction to one-third of the full Retention.

(c) The Company's full Retention is established in accordance with the provisions of Section 215.555(2)(e), Florida Statutes, and shall be determined by multiplying the Retention Multiple by the Company's Reimbursement Premium for the Contract Year.

(27) **Retention Multiple**

(a) The Retention Multiple is applied to the Company's Reimbursement Premium to determine the Company's Retention. The Retention Multiple for the 2023/2024 Contract Year shall be equal to $4.5 billion, adjusted based upon the reported exposure for the 2021/2022 Contract Year to reflect the percentage growth in exposure to the FHCF since 2004, divided by the estimated total industry Reimbursement Premium at the 90 percent Coverage Level for the Contract Year as determined by the SBA.

(b) The Retention Multiple shall be adjusted to reflect the Coverage Level elected by the Company under this Contract as follows:

1. If the Company elects the 90 percent Coverage Level, the adjusted Retention Multiple is 100 percent of the amount determined under paragraph (a);

2. If the Company elects the 75 percent Coverage Level, the adjusted Retention Multiple is 120 percent of the amount determined under paragraph (a); or

3. If the Company elects the 45 percent Coverage Level, the adjusted Retention Multiple is 200 percent of the amount determined under paragraph (a).

(28) **Ultimate Net Loss**

(a) This term means all Losses under Covered Policies in force at the time of a Covered Event prior to the application of the Company's Retention and Coverage Level and excluding loss adjustment expense and any exclusions under Article VI.

(b) In calculating the Company's Ultimate Net Loss, the amounts described in paragraph (a) shall be reduced by the deductibles applicable under the policy to the hurricane loss, without recognition of any credit earned or reduction to the deductible under the policy applied by the Company. The deductibles must first be applied to the portion of the Loss covered by the FHCF.

(c) Salvages and all other recoveries, excluding reinsurance recoveries, shall be first deducted from such Loss to arrive at the amount of liability attaching hereunder.

(d) All salvages, recoveries or payments recovered or received subsequent to a Loss settlement under this Contract shall be applied as if recovered or received prior to the aforesaid settlement and all necessary adjustments shall be made by the parties hereto.

(e) The SBA shall be subrogated to the rights of the Company to the extent of its reimbursement of the Company. The Company agrees to assist and cooperate with the SBA in all respects as regards such subrogation. The Company further agrees to undertake such actions as may be necessary to enforce

its rights of salvage and subrogation, and its rights, if any, against other insurers as respects any claim, loss, or payment arising out of a Covered Event.

(29) **Unsound Insurer**

This term means an insurer determined by the Office of Insurance Regulation to be in unsound condition as defined in Section 624.80(2), Florida Statutes, or an insurer placed in receivership under Chapter 631, Florida Statutes.

ARTICLE VI – EXCLUSIONS

This Contract does not provide reimbursement for:

(1) Any losses not defined as being within the scope of a Covered Policy, including any loss other than a loss under the first-party property section of a policy pertaining strictly to the structure, its contents, appurtenant structures, or ALE coverage.

(2) Any policy which excludes wind or hurricane coverage.

(3) Any Excess Policy or Deductible Buy-Back Policy that requires individual ratemaking, as determined by the FHCF.

(4) (a) Any policy for Residential Structures that provides a layer of coverage underneath an Excess Policy issued by a different insurer;

(b) Any policy providing a layer of windstorm or hurricane coverage for a structure(s) above or below a layer of windstorm or hurricane coverage under a separate policy issued by a different insurer, or any other circumstance in which two or more insurers provide primary windstorm or hurricane coverage for a structure(s) using separate policy forms;

(c) Any other policy providing a layer of windstorm or hurricane coverage for a structure(s) below a layer of self-insured windstorm or hurricane coverage for the same structure(s); or

(d) The exclusions in this subsection do not apply to primary quota share policies written by Citizens Property Insurance Corporation under Section 627.351(6)(c)2., Florida Statutes.

(5) Any liability of the Company attributable to losses for fair rental value, loss of rent or rental income, or business interruption.

(6) Any collateral protection policy that does not meet the definition of Covered Policy as defined in Article V(12)(b).

(7) Any reinsurance assumed by the Company.

(8) Hotels, motels, timeshares, shelters, camps, retreats, or other similar structures. This exclusion does not apply to any policy identified as covering a residential condominium association or to any policy

on which the insured is a residential condominium association, unless it is classified and rated as a hotel, motel, timeshare, shelter, camp, retreat or other similar structure.

(9) Retail, office, mercantile, or manufacturing facilities, or other similar structures.

(10) Any exposure for condominium or homeowner associations if no Residential Structures are insured under the policy.

(11) Commercial healthcare facilities and nursing homes; however, a nursing home which is an integral part of a retirement community consisting primarily of habitational structures that are not nursing homes will not be subject to this exclusion.

(12) Any exposure under commercial policies covering only appurtenant structures or structures that do not function as a habitational structure (e.g., a policy covering only the pool of an apartment complex).

(13) Policies covering only Additional Living Expense.

(14) Any exposure for barns or barns with apartments or living quarters.

(15) Any exposure for builders risk coverage or new Residential Structures under construction.

(16) Any exposure for vehicles, recreational vehicles, golf carts, or boats (including boat related equipment) requiring licensing.

(17) Any liability of the Company for extra contractual obligations or liabilities in excess of original policy limits. This exclusion includes, but is not limited to, amounts paid as bad faith awards, punitive damages awards, or other court-imposed fines, sanctions, or penalties; or other amounts in excess of the coverage limits under the Covered Policy.

(18) Any losses paid in excess of a policy's hurricane limit in force at the time of the Covered Event, including individual coverage limits (i.e., building, appurtenant structures, contents, and additional living expense), or other amounts paid as the result of a voluntary expansion of coverage by the insurer, including, but not limited to, a discount on or waiver of an applicable deductible. This exclusion includes overpayments of a specific individual coverage limit even if total payments under the policy are within the aggregate policy limit.

(19) Any losses paid under a policy for Additional Living Expense, written as a time element coverage, in excess of the Additional Living Expense exposure reported for that policy under the Data Call (unless policy limits have changed effective after June 30 of the Contract Year).

(20) Any losses which the Company's claims files do not adequately support. Claim file support shall be deemed adequate if in compliance with the Records Retention Requirements outlined on the Form FHCF-L1B (Proof of Loss Report) applicable to the Contract Year.

(21) Any exposure for, or amounts paid to reimburse a policyholder for, condominium association loss assessments or under similar coverages for contractual liabilities.

(22) Losses in excess of the aggregate limits of liability specified in Article IV and in Section 215.555(4)(c), Florida Statutes.

(23) Any liability assumed by the Company from Pools, Associations, and Syndicates. Exception: Covered Policies assumed from Citizens under the terms and conditions of an executed assumption agreement between the Company and Citizens are covered by this Contract.

(24) All liability of the Company arising by contract, operation of law, or otherwise, from its participation or membership, whether voluntary or involuntary, in any insolvency fund. “Insolvency fund” includes any guaranty fund, insolvency fund, plan, pool, association, fund or other arrangement, howsoever denominated, established or governed, which provides for any assessment of or payment or assumption by the Company of part or all of any claim, debt, charge, fee, or other obligation of an insurer, or its successors or assigns, which has been declared by any competent authority to be insolvent, or which is otherwise deemed unable to meet any claim, debt, charge, fee or other obligation in whole or in part.

(25) Property losses that are proximately caused by any peril other than a Covered Event, including, but not limited to, fire, theft, flood or rising water, or windstorm that does not constitute a Covered Event, or any liability of the Company for loss or damage caused by or resulting from nuclear reaction, nuclear radiation, or radioactive contamination from any cause, whether direct or indirect, proximate or remote, and regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

(26) Losses from water damage including flood, surface water, waves, tidal water, overflow of a body of water, storm surge, or spray from any of these, whether or not driven by wind.

(27) A policy providing personal property coverage separate from coverage of personal property included in a homeowner’s, mobile homeowner’s, condominium unit owner’s, or tenant’s policy or other policy covering a Residential Structure, or in an endorsement to such a policy. Also excluded is a personal property endorsement to a policy that excludes windstorm or hurricane coverage or to any other type of policy that does not meet the definition of covered policy.

(28) Endorsements predominantly covering Specialized Fine Arts Risks or collectible types of property meeting the following requirements:

(a) An endorsement predominantly covering Specialized Fine Arts Risks and not covering any Residential Structure if it meets the description in subparagraph 1 and if the conditions in subparagraph 2 are met.

1. For purposes of this exemption, a Specialized Fine Arts Risk endorsement is an endorsement that:

a. Insures works of art, of rarity, or of historic value, such as paintings, works on paper, etchings, art glass windows, pictures, statuary, sculptures, tapestries, antique furniture, antique silver, antique rugs, rare books or manuscripts, jewelry, or other similar items;

b. Charges a minimum premium of $500; and

c. Insures scheduled items valued, in the aggregate, at no less than $100,000.

2. The insurer offers specialized loss prevention services or other collector services designed to prevent or minimize loss, or to value or inventory the Specialized Fine Arts for insurance purposes, such as:

a. Collection risk assessments;

b. Fire and security loss prevention;

c. Warehouse inspections to protect items stored off-site;

d. Assistance with collection inventory management; or

e. Collection valuation reviews.

(b) An endorsement generally used by the Company to cover personal property which could include property of a collectible nature, including fine arts, as further described in this paragraph, either on a scheduled basis or written under a blanket limit, and not covering anything other than personal property. All such endorsements are subject to the exclusion provided in this paragraph when the endorsement limit equals or exceeds $500,000. Generally, such collectible property has unusually high values due to its investible, artistic, or unique intrinsic nature. The class of property covered under such an endorsement represents an unusually high exposure value and such endorsement is intended to provide coverage for a class or classes of property that is not typical for the contents coverage under residential property insurance policies. In many cases property may be located at various locations either in or outside the state of Florida or the location of the property may change from time to time. The investment nature of such property distinguishes this type of exposure from the typical contents associated with a Covered Policy.

(29) Any losses under liability coverages.

ARTICLE VII - MANAGEMENT OF CLAIMS AND LOSSES
The Company shall investigate and settle or defend all claims and Losses. All payments of claims or Losses by the Company within the terms and limits of the appropriate coverage parts of Covered Policies shall be binding on the SBA, subject to the terms of this Contract, including the provisions in Article XIV relating to inspection of records and examinations.

ARTICLE VIII – REIMBURSEMENT ADJUSTMENTS
Section 215.555(4)(d) and (e), Florida Statutes, provides the SBA with the right to seek the return of excess reimbursements which have been paid to the Company along with interest thereon. Excess reimbursements are those payments made to the Company by the SBA that are in excess of the Company's coverage under the Contract Year. Excess reimbursements may result from adjustments to the Projected Payout Multiple or the Payout Multiple, incorrect exposure (Data Call) submissions or resubmissions, incorrect calculation of Reimbursement Premium or Retention, incorrect Proof of Loss Reports, incorrect calculation of reinsurance recoveries, or subsequent readjustment of policyholder claims, including subrogation and salvage, or any combination of the foregoing. The Company will be sent an invoice showing the due date for adjustments along with the interest due thereon through the due date. The applicable interest rate for interest charges will be the average rate earned by the SBA for the FHCF for the first four months of the Contract Year. For balances paid after the invoice due date, interest will accrue at this rate plus 5 percent.

ARTICLE IX - REIMBURSEMENT PREMIUM
(1) The Company shall, in a timely manner, pay the SBA its Reimbursement Premium for the Contract Year. The Reimbursement Premium for the Contract Year shall be calculated in accordance with Section 215.555, Florida Statutes, with any rules promulgated thereunder, and with Article X(2).
(2) The Company's Reimbursement Premium is based on its June 30 exposure in accordance with Article X, except as provided for New Participants under Article X, and is not adjusted to reflect an increase or decrease in exposure for Covered Policies effective after June 30 nor is the Reimbursement Premium adjusted when the Company cancels policies or is liquidated or otherwise changes its business status (merger, acquisition, or termination) or stops writing new business (continues in business with its policies in a runoff mode). Similarly, new business written after June 30 will not increase or decrease the Company's FHCF Reimbursement Premium or impact its FHCF coverage. FHCF Reimbursement Premiums are required of all Companies based on their writing Covered Policies in Florida as of June 30, and each Company's FHCF coverage as based on the definition in Section 215.555(2)(m), Florida Statutes, shall exist for the entirety of the Contract Year regardless of exposure changes, except as provided for New Participants under Article X.

(3) Since the calculation of the Actuarially Indicated Premium assumes that the Companies will pay their Reimbursement Premiums timely, interest charges will accrue under the following circumstances. A Company may choose to estimate its own Reimbursement Premium installments. However, if the Company's estimation is less than the provisional Reimbursement Premium billed, an interest charge will accrue on the difference between the estimated Reimbursement Premium and the final Reimbursement Premium. If a Company estimates its first installment, the Administrator shall bill that estimated Reimbursement Premium as the second installment as well, which will be considered as an estimate by the Company. No interest will accrue regarding any provisional Reimbursement Premium if paid as billed by the FHCF's Administrator, except in the case of an estimated second installment as set forth in this Article. Also, if a Company makes an estimation that is higher than the provisional Reimbursement Premium billed but is less than the final Reimbursement Premium, interest will not accrue. If the Reimbursement Premium payment is not received from a Company when it is due, an interest charge will accrue on a daily basis until the payment is received. Interest will also accrue on Reimbursement Premiums resulting from submissions or resubmissions finalized after December 1 of the Contract Year. An interest credit will be applied for any Reimbursement Premium which is overpaid as either an estimate or as a provisional Reimbursement Premium. Interest shall not be credited past December 1 of the Contract Year. The applicable interest rate for interest credits and charges will be the average rate earned by the SBA for the FHCF for the first four months of the Contract Year. For balances paid after the invoice due date, interest will accrue at this rate plus 5 percent.

ARTICLE X - REPORTS AND REMITTANCES

(1) **Exposures**

(a) If the Company writes Covered Policies before June 1 of the Contract Year, the Company shall report to the SBA, unless otherwise provided in Rule 19-8.029, F.A.C., no later than the statutorily required date of September 1 of the Contract Year, by ZIP Code or other limited geographical area as specified by the SBA, its insured values under Covered Policies as of June 30 of the Contract Year as outlined in the annual reporting of insured values form, FHCF-D1A (Data Call) adopted for the Contract Year under Rule 19-8.029, F.A.C., and other data or information in the format specified by the SBA.

(b) If the Company first begins writing Covered Policies on or after June 1 but prior to December 1 of the Contract Year, the Company shall report to the SBA, no later than February 1 of the Contract Year, by ZIP Code or other limited geographical area as specified by the SBA, its insured values under Covered Policies as of November 30 of the Contract Year as outlined in the Supplemental

Instructions for New Participants section of the Data Call adopted for the Contract Year under Rule 19-8.029, F.A.C., and other data or information in the format specified by the SBA.

(c) If the Company first begins writing Covered Policies on December 1 through and including May 31 of the Contract Year, the Company shall not report its exposure data for the Contract Year to the SBA.

(d) The requirement that a report is due on a certain date means that the report shall be received by the SBA no later than 4 p.m. Eastern Time on the due date. Reports sent to the FHCF Administrator will be returned to the sender. Reports not in the physical possession of the SBA by 4 p.m., Eastern Time, on the applicable due date are late.

(2) **Reimbursement Premium**

(a) If the Company writes Covered Policies before June 1 of the Contract Year, the Company shall pay the FHCF its Reimbursement Premium in installments due on or before August 1, October 1, and December 1 of the Contract Year in amounts to be determined by the FHCF. However, if the Company's Reimbursement Premium for the prior Contract Year was less than $5,000, the Company's full provisional Reimbursement Premium, in an amount equal to the Reimbursement Premium paid in the prior year, shall be due in full on or before August 1 of the Contract Year. The Company will be invoiced for amounts due, if any, beyond the provisional Reimbursement Premium payment, on or before December 1 of the Contract Year.

(b) If the Company is under administrative supervision, or if any control or oversight of the Company has been transferred through any legal or regulatory action to a state regulator or court appointed receiver or rehabilitator (referred to in the aggregate as "state action"):

1. The full annual provisional Reimbursement Premium as billed and any outstanding balances will be due and payable on August 1, or the date that such State action occurs after August 1 of the Contract Year.

2. Failure by such Company to pay the full annual provisional Reimbursement Premium as specified in subparagraph 1. by the applicable due date shall result in the 45 percent Coverage Level being deemed for the complete Contract Year regardless of the level selected for the Company through the execution of this Contract and regardless of whether a Covered Event occurred or triggered coverage. As such, the annual provisional Reimbursement Premium owed by the Company will be adjusted to reflect the 45 percent Coverage Level for the Contract Year.

3. Subparagraphs 1. and 2. do not apply if the state regulator, receiver, or rehabilitator provides a letter of assurance to the FHCF stating that the Company will have the resources and will pay

the full Reimbursement Premium for the Coverage Level selected through the execution of this Contract.

4. When control or oversight has been transferred, in whole or in part, through a legal or regulatory action, the controlling management of the Company shall specify by August 1 or as soon thereafter as possible (but not to exceed two weeks after any regulatory or legal action) in a letter to the FHCF as to the Company's intentions to either pay the full FHCF Reimbursement Premium as specified in subparagraph 1., to default to the 45 percent Coverage Level being deemed as specified in subparagraph 2., or to provide the assurances as specified in subparagraph 3.

(c) A New Participant that first begins writing Covered Policies on or after June 1 but prior to December 1 of the Contract Year shall pay the FHCF a provisional Reimbursement Premium of $1,000 no later than 30 days from the date the New Participant began writing Covered Policies. The Administrator shall calculate the Company's actual Reimbursement Premium for the period based on its actual exposure as of November 30 of the Contract Year, as reported on or before February 1 of the Contract Year. To recognize that New Participants have limited exposure during this period, the actual Reimbursement Premium as determined by processing the Company's exposure data shall then be divided in half, the provisional Reimbursement Premium shall be credited, and the resulting amount shall be the total Reimbursement Premium due for the Company for the remainder of the Contract Year. However, if that amount is less than $1,000, then the Company shall pay $1,000. The Reimbursement Premium payment is due no later than April 1 of the Contract Year. The Company's Retention and coverage will be determined based on the total Reimbursement Premium due as calculated above.

(d) A New Participant that first begins writing Covered Policies on or after December 1 through and including May 31 of the Contract Year shall pay the FHCF a Reimbursement Premium of $1,000 no later than 30 days from the date the New Participant began writing Covered Policies.

(e) The requirement that the Reimbursement Premium is due on a certain date means that the Reimbursement Premium shall be remitted by wire transfer or ACH and shall have been credited to the FHCF's account, as set out on the invoice sent to the Company, on the due date applicable to the particular installment.

(f) Except as required by Section 215.555(7)(c), Florida Statutes, or as described in the following sentence, Reimbursement Premiums, together with earnings thereon, received in a given Contract Year will be used only to pay for Losses attributable to Covered Events occurring in that Contract Year or for Losses attributable to Covered Events in subsequent Contract Years and will not be

used to pay for past Losses or for debt service on post-event revenue bonds issued pursuant to Section 215.555(6)(a)1., Florida Statutes. Reimbursement Premiums and earnings thereon may be used for payments relating to such revenue bonds in the event emergency assessments are insufficient. If Reimbursement Premiums or earnings thereon are used for debt service on post-event revenue bonds, then the amount of the Reimbursement Premiums or earnings thereon so used shall be returned, without interest, to the Fund when emergency assessments or other legally available funds remain available after making payment relating to the post-event revenue bonds and any other purposes for which emergency assessments were levied.

(3) **Losses**

(a) In General

Losses resulting from a Covered Event commencing during the Contract Year shall be reported by the Company and reimbursed by the FHCF as provided herein and in accordance with the Statute, this Contract, and any rules adopted pursuant to the Statute. For a Company participating in a quota share primary insurance agreement(s) with Citizens Property Insurance Corporation Coastal Account, Citizens and the Company shall report only their respective portion of Losses under the quota share primary insurance agreement(s). Pursuant to Section 215.555(4)(c), Florida Statutes, the SBA is obligated to pay for Losses not to exceed the Actual Claims-Paying Capacity of the FHCF, up to the limit in accordance with Section 215.555(4)(c)1., Florida Statutes, for any one Contract Year.

(b) Loss Reports

1. At the direction of the SBA, the Company shall report its projected Ultimate Net Loss from each Covered Event to provide information to the SBA in determining any potential liability for possible reimbursable Losses under the Contract on the Interim Loss Report, Form FHCF-L1A, adopted for the Contract Year under Rule 19-8.029, F.A.C. Interim Loss Reports (including subsequent Interim Loss Reports if required by the SBA) will be due in no less than fourteen days from the date of the notice from the SBA that such a report is required.

2. FHCF reimbursements will be issued based on Ultimate Net Loss information reported by the Company on the Proof of Loss Report, Form FHCF-L1B, adopted for the Contract Year under Rule 19-8.029, F.A.C.

a. To qualify for reimbursement, the Proof of Loss Report must have the electronic signatures of two executive officers authorized by the Company to sign or submit the report.

b. The Company must also submit a Detailed Claims Listing, Form FHCF-DCL, adopted for the Contract Year under Rule 19-8.029, F.A.C., at the same time it submits its first Proof of Loss Report for a specific Covered Event that qualifies the Company for reimbursement

under that Covered Event, and must be prepared to supply a Detailed Claims Listing for any subsequent Proof of Loss Report upon request.

c. While the Company may submit a Proof of Loss Report requesting reimbursement at any time following a Covered Event, the Company shall submit a mandatory Proof of Loss Report for each Covered Event no later than December 31 of the Contract Year during which the Covered Event occurs using the most current data available, regardless of the amount of Ultimate Net Loss or the amount of reimbursements or advances already received, and shall include a Detailed Claims Listing if requested by the SBA.

d. Updated Proof of Loss Reports for each Covered Event are due quarterly thereafter until the Commutation process described in Article XI is completed. The Company shall submit its quarterly Proof of Loss Reports with an "as of" date not more than sixty days prior to the applicable quarter-end date, and shall include a Detailed Claims Listing if requested by the SBA.

3. The SBA, except as noted below, will determine and pay, within 30 days or as soon as practicable after receiving Proof of Loss Reports, the reimbursement amount due based on Losses paid by the Company to date and adjustments to this amount based on subsequent quarterly information. The adjustments to reimbursement amounts shall require the SBA to pay, or the Company to return, amounts reflecting the most recent determination of Losses.

a. The SBA shall have the right to consult with all relevant regulatory agencies to seek all relevant information, and shall consider any other factors deemed relevant, prior to the issuance of reimbursements.

b. The SBA shall require commercial self-insurance funds established under Section 624.462, Florida Statutes, to submit contractor receipts to support paid Losses reported on a Proof of Loss Report, and the SBA may hire an independent consultant to confirm Losses, prior to the issuance of reimbursements.

c. The SBA shall have the right to conduct a claims examination prior to the issuance of any advances or reimbursements requested by Companies that have been placed under regulatory supervision by a State or where control has been transferred through any legal or regulatory proceeding to a state regulator or court appointed receiver or rehabilitator.

4. All Proof of Loss Reports qualifying for reimbursement will be compared with the FHCF's exposure data to establish the facial reasonableness of the reports. The SBA may also review the results of current and prior Contract Year exposure and claims examinations to determine the reasonableness of the reported Losses. Except as noted in subparagraph 5., Companies meeting

these tests for reasonableness will be scheduled for reimbursement. Companies not meeting these tests for reasonableness will be handled on a case-by-case basis and will be contacted to provide specific information regarding their individual book of business. The discovery of errors in a Company's reported exposure under the Data Call may require a resubmission of the current Contract Year Data Call which, as the Data Call impacts the Company's Reimbursement Premium, Retention, and coverage for the Contract Year, will be required before the Company's request for reimbursement or an advance will be fully processed by the Administrator.

(c) **Loss Reimbursement Calculations**

1. In general, the Company's paid Ultimate Net Losses must exceed its full Retention for a specific Covered Event before any reimbursement is payable from the FHCF for that Covered Event. As described in Article V(26)(b), Retention adjustments will be made on or after January 1 of the Contract Year. No interest is payable on additional payments to the Company due to this type of Retention adjustment. Each Company, including entities created pursuant to Section 627.351(6), Florida Statutes, incurring reimbursable Losses will receive the amount of reimbursement due under the individual Company's Contract up to the amount of the Company's payout. If more than one Covered Event occurs in any one Contract Year, any reimbursements due from the FHCF shall take into account the Company's Retention for each Covered Event. However, the Company's reimbursements from the FHCF for all Covered Events occurring during the Contract Year shall not exceed, in aggregate, the Projected Payout Multiple or Payout Multiple, as applicable, times the individual Company's Reimbursement Premium for the Contract Year.

2. Reserve established. The SBA will establish a reserve for the outstanding reimbursable Losses for the previous Contract Year, based on the length of time the Losses have been outstanding, the amount of Losses already paid, the percentage of incurred Losses still unpaid, and any other factors specific to the loss development of the Covered Events involved.

(4) **Advances**

(a) The SBA may make advances for loss reimbursements as defined herein, at market interest rates, to the Company in accordance with Section 215.555(4)(e), Florida Statutes. An advance is an early reimbursement which allows the Company to continue to pay claims in a timely manner. Advances will be made based on the Company's paid and reported outstanding Losses for Covered Policies (excluding all incurred but not reported Losses) as reported on a Proof of Loss Report, and shall include a Loss Adjustment Expense Allowance as calculated by the FHCF. In order to be eligible for an advance, the Company must submit its exposure data for the Contract Year as required under subsection (1) of this Article. Except as noted below, advances, if approved, will be made

as soon as practicable after the SBA receives a written request, signed by two officers of the Company, for an advance of a specific amount and any other information required for the specific type of advance under paragraphs (c) and (d). All reimbursements due to the Company shall be offset against any amount of outstanding advances plus the interest due thereon.

(b) For advances or excess advances, which are advances that are in excess of the amount to which the Company is entitled, the market interest rate shall be the prime rate as published in the Wall Street Journal on the first business day of the Contract Year. This rate will be adjusted annually on the first business day of each subsequent Contract Year, regardless of whether the Company executes subsequent Contracts. All interest charged will commence on the date the SBA issues a disbursement for an advance and will cease on the date upon which the FHCF has received the Company's Proof of Loss Report for the Covered Event for which the Company qualifies for reimbursement. If such reimbursement is less than the amount of outstanding advances issued to the Company, interest will continue to accrue on the outstanding balance of the advances until subsequent Proof of Loss Reports qualify the Company for reimbursement under any Covered Event equal to or exceeding the amount of any outstanding advances. Interest shall be billed on a periodic basis. If it is determined that the Company received funds in excess of those to which it was entitled, the interest as to those sums will not cease on the date of the receipt of the Proof of Loss Report but will continue until the Company reimburses the FHCF for the overpayment.

(c) If the Company has an outstanding advance balance as of December 31 of this or any other Contract Year, the Company is required to have an actuary certify outstanding and incurred but not reported Losses as reported on the applicable December Proof of Loss Report.

(d) The specific type of advances enumerated in Section 215.555, Florida Statutes, follow.

1. Advances to Companies to prevent insolvency, as defined under Article XVI.

a. Section 215.555(4)(e)1., Florida Statutes, provides that the SBA shall advance to the Company amounts necessary to maintain the solvency of the Company, up to 50 percent of the SBA's estimate of the reimbursement due to the Company.

b. In addition to the requirements outlined in subparagraph (4)(a), the requirements for an advance to a Company to prevent insolvency are that the Company demonstrates it is likely to qualify for reimbursement and that the immediate receipt of moneys from the SBA is likely to prevent the Company from becoming insolvent, and the Company provides the following information:

i. Current assets;

ii. Current liabilities other than liabilities due to the Covered Event;

iii. Current surplus as to policyholders;

iv. Estimate of other expected liabilities not due to the Covered Event; and

v. Amount of reinsurance available to pay claims for the Covered Event under other reinsurance treaties.

c. The SBA's final decision regarding an application for an advance to prevent insolvency shall be based on whether or not, considering the totality of the circumstances, including the SBA's obligations to provide reimbursement for all Covered Events occurring during the Contract Year, granting an advance is essential to allowing the entity to continue to pay additional claims for a Covered Event in a timely manner.

2. Advances to entities created pursuant to Section 627.351(6), Florida Statutes.

a. Section 215.555(4)(e)2., Florida Statutes, provides that the SBA may advance to an entity created pursuant to Section 627.351(6), Florida Statutes, up to 90 percent of the lesser of the SBA's estimate of the reimbursement due or the entity's share of the actual aggregate Reimbursement Premium for that Contract Year, multiplied by the current available liquid assets of the FHCF.

b. In addition to the requirements outlined in paragraph (4)(a), the requirements for an advance to entities created pursuant to Section 627.351(6), Florida Statutes, are that the entity must demonstrate to the SBA that the advance is essential to allow the entity to pay claims for a Covered Event.

3. Advances to limited apportionment companies.

Section 215.555(4)(e)3., Florida Statutes, provides that the SBA may advance the amount of estimated reimbursement payable to limited apportionment companies.

(e) In determining whether or not to grant an advance and the amount of an advance, the SBA:

1. Shall determine whether its assets available for the payment of obligations are sufficient and sufficiently liquid to fulfill its obligations to other Companies prior to granting an advance;

2. Shall review and consider all the information submitted by such Companies;

3. Shall review such Companies' compliance with all requirements of Section 215.555, Florida Statutes;

4. Shall consult with all relevant regulatory agencies to seek all relevant information;

5. Shall review the damage caused by the Covered Event and when that Covered Event occurred;

6. Shall consider whether the Company has substantially exhausted amounts previously advanced;

7. Shall consider any other factors deemed relevant; and

8. Shall require commercial self-insurance funds established under section 624.462, Florida Statutes, to submit a copy of written estimates of expenses in support of the amount of advance requested.

(f) Any amount advanced by the SBA shall be used by the Company only to pay claims of its policyholders for the Covered Event which has precipitated the immediate need to continue to pay additional claims as they become due.

(5) Inadequate Data Submissions

If exposure data or other information required to be reported by the Company under the terms of this Contract are not received by the FHCF in the format specified by the FHCF or is inadequate to the extent that the FHCF requires resubmission of data, the Company will be required to pay the FHCF a resubmission fee of $1,000 for resubmissions that are not a result of an examination by the SBA. If a resubmission is necessary as a result of an examination report issued by the SBA, the first resubmission fee will be $2,000. If the Company's examination-required resubmission is inadequate and the SBA requires an additional resubmission(s), the resubmission fee for each subsequent resubmission shall be $2,000. A resubmission of exposure data may delay the processing of the Company's request for reimbursement or an advance.

(6) Confidential Information/Trade Secret Information

Pursuant to the provisions of Section 215.557, Florida Statutes, the reports of insured values under Covered Policies by ZIP Code submitted to the SBA pursuant to Section 215.555, Florida Statutes, are confidential and exempt from the provisions of Section 119.07(1), Florida Statutes, and Section 24(a), Art. I of the State Constitution. If the Company submits other information to the FHCF intending to seek trade secret protection, as defined in Section 812.081, Florida Statutes, such information must be clearly marked "Trade Secret" and comply with all provisions of Florida law to protect such disclosure.

ARTICLE XI – COMMUTATION

(1) **Timeframe for Commutation Process**

(a) The Company and SBA may mutually agree to initiate and complete a Commutation agreement for zero dollars at any time. Such zero-dollar Commutation, once completed, eliminates the mandatory

FHCF Proof of Loss reporting requirements for the applicable Covered Event(s) for all reporting periods after the completion of the Commutation.

(b) The Company and SBA may mutually agree to initiate the Commutation process after 36 months and prior to 60 months after the end of the Contract Year subject to the provisions in this Article.

(c) Provided the Company and SBA do not mutually initiate the Commutation process in subparagraph (a) or (b), the Commutation process will begin upon the later to occur: 60 months after the end of the Contract Year or upon completion of the FHCF claims examination for the Company and the resolution of all outstanding examination issues.

(2) **Final FHCF Proof of Loss Report(s)**

(a) No less than 36 months or more than 60 months after the end of the Contract Year, the Company shall file a final Proof of Loss Report for each Covered Event during the Contract Year, except for a Company that has entered into a Commutation agreement as described in sub-subparagraph (1)(a).

(b) The final Proof of Loss Report must include the following supporting documentation:

1. All paid Losses, outstanding Losses, and incurred but not reported Losses, which are not finally settled and which may be reimbursable Losses under this Contract.

2. Requested supporting documentation (at a minimum, an adjuster's summary report or equivalent details) and a copy of a written opinion on the present value of the outstanding Losses and incurred but not reported Losses by the Company's certifying actuary.

(c) Increases in reported paid, outstanding, or incurred but not reported Losses on original or corrected Proof of Loss Report filings received later than 60 months after the end of the Contract Year shall not be eligible for reimbursement or Commutation.

(3) **The Loss Valuation Process**

Subject to the timeframes outlined in sub-paragraph (1), if the Company has submitted a Proof of Loss Report indicating that it exceeds or expects to exceed its Retention, the Company and the SBA, or their respective representatives, shall attempt to agree upon the present value of all outstanding Losses, both reported and incurred but not reported, resulting from Covered Events during the Contract Year.

(a) The Loss valuation process may only begin after all other issues arising under this Contract have been resolved, including completion of the claims examination, and shall be suspended pending resolution of any such issues that arise during the Loss valuation process.

(b) Payment by the SBA of its portion of any amount or amounts so mutually agreed and certified by the Company's certifying actuary shall constitute a complete and final release of the SBA in respect of all Losses, both reported and unreported, under this Contract.

(c) If agreement on present value cannot be reached within 90 days of the FHCF's receipt of the final Proof of Loss Report, including supporting documentation in sub-subparagraph (2)(b), or completion of the claims examination, whichever is later, the Company and the SBA may mutually appoint an actuary, adjuster, or appraiser to investigate and determine such Losses. If both parties then agree, the SBA shall pay its portion of the amount so determined to be the present value of such Losses.

(d) If the parties fail to agree on the valuation of any Losses, any difference in valuation of the Loss shall be settled by a panel of three actuaries, as provided in this subparagraph. Either the SBA or the Company may initiate the process under this subparagraph by providing written notice to the other party stating that the parties are at an impasse with respect to valuation of Losses and specifying the dollar amounts in dispute.

1. One actuary shall be chosen by each party, and the third actuary shall be chosen by those two actuaries. If either party does not appoint an actuary within 30 days after the initiation of the process, the other party may appoint two actuaries. If the two actuaries fail to agree on the selection of an independent third actuary within 30 days of their appointment, each of them shall name two, of whom the other shall decline one and the decision shall be made by drawing lots.

2. All of the actuaries shall be regularly engaged in the valuation of property claims and losses and shall be members of the Casualty Actuarial Society and of the American Academy of Actuaries.

3. None of the actuaries shall be under the control of either party to this Contract.

4. Each party shall submit a written statement related to its valuation of Losses to the panel of actuaries and the opposing party no later than 30 days after the appointment of the third actuary. Within 15 days after receiving the other party's submission, a party may submit its written response to the panel of actuaries and the other party. After the appointment of the third actuary, a party may not communicate with the panel or any member of the panel except in writing simultaneously furnished to all members of the panel and the opposing party. Any member of the panel may present questions to be answered by both parties, which shall be answered in writing and simultaneously furnished to the members of the panel and the opposing party or,

at the discretion of the panel, may be provided in a meeting or teleconference attended by both parties and all members of the panel.

5. The written decision of a majority of the panel as to the disagreement over the valuation of Losses identified in the written notice of impasse, when filed with the parties hereto, shall be final and binding on both parties.

(e) The reasonable and customary expense of the actuaries and of the Commutation (as a result of sub-subparagraph (3)(c) and subparagraph (d)) shall be equally divided between the two parties. Said Commutation shall take place in Tallahassee, Florida, unless some other place is mutually agreed upon by the Company and the SBA.

(f) Upon full execution of the Commutation agreement and the issuance of the final reimbursement payment, if any, each party, on behalf of its predecessors, successors, assigns, and its past, present and future officers, directors, shareholders, employees, agents, receivers, trustees, attorneys and its legal representatives, unconditionally and completely releases and forever discharges the other party, its predecessors, successors, assigns, and its past, present and future officers, directors, shareholders, employees, agents, receivers, trustees, attorneys, and its legal representatives from any and all past, present, and future rights, liabilities, and obligations including, but not limited to, payments, claims, debts, demands, causes of action, costs, disbursements, fees, attorneys' fees, expenses, damages, injuries, or losses of every kind, whether known or unknown, reported or unreported, or fixed or contingent, relating to or arising out of this Contract.

ARTICLE XII - TAXES

In consideration of the terms under which this Contract is issued, the Company agrees to make no deduction in respect of the Reimbursement Premium herein when making premium tax returns to the appropriate authorities. Should any taxes be levied on the Company in respect of the Reimbursement Premium herein, the Company agrees to make no claim upon the SBA for reimbursement in respect of such taxes.

ARTICLE XIII - ERRORS AND OMISSIONS

Any inadvertent delay, omission, or error on the part of the SBA shall not be held to relieve the Company from any liability which would attach to it hereunder if such delay, omission, or error had not been made.

ARTICLE XIV - INSPECTION OF RECORDS

The Company shall allow the SBA to inspect, examine, and verify, at reasonable times, all records of the Company relating to the Covered Policies under this Contract, including Company files concerning claims, Losses, or legal proceedings regarding subrogation or claims recoveries which involve this Contract, including premium, loss records and reports involving exposure data or Losses under Covered Policies.

This right by the SBA to inspect, examine, and verify shall survive the completion and closure of an exposure examination or claims examination file and the termination of the Contract. The Company shall have no right to re-open an exposure or claims examination once closed and the findings have been accepted by the Company; any re-opening shall be at the sole discretion of the SBA. If the State Board of Administration Finance Corporation has issued revenue bonds and relied upon the exposure and Loss data submitted and certified by the Company as accurate to determine the amount of bonding needed, the SBA may choose not to require, or accept, a resubmission if the resubmission will result in additional reimbursements to the Company. The SBA may require any discovered errors, inadvertent omissions, and typographical errors associated with the data reporting of insured values, discovered prior to the closing of the file and acceptance of the examination findings by the Company, to be corrected to reflect the proper values. The Company shall retain its records in accordance with the requirements for records retention regarding exposure reports and claims reports outlined herein, and in any administrative rules adopted pursuant to Section 215.555, Florida Statutes. Companies writing covered collateral protection policies, as defined in definition (12)(b) of Article V, must be able to provide documentation that the policy covers personal residences, protects both the borrower's and lender's interest, and that the coverage is in an amount at least equal to the coverage for the dwelling in place under the lapsed homeowner's policy, the coverage amount that the homeowner has been notified of by the collateral protection insurer, or the coverage amount that the homeowner requests from the collateral protection insurer.

(1) Purpose of FHCF Examination

The purpose of the examinations conducted by the SBA is to evaluate the accuracy of the FHCF exposure or Loss data reported by the Company. However, due to the limited nature of the examination, it cannot be relied upon as an assurance that a Company's data is reported accurately or in its entirety. The Company should not rely on the FHCF to identify every type of reporting error in its data. In addition, the reporting requirements are subject to change each Contract Year so it is the Company's responsibility to be familiar with the applicable Contract Year requirements and to incorporate any changes into its data for that Contract Year. It is also the Company's responsibility to ensure that its data is reported accurately and to comply with Florida Statutes and any applicable rules when reporting exposure data. The examination report is not intended to provide a legal determination of the Company's compliance.

(2) Examination Requirements for Exposure Verification

The Company shall retain complete and accurate records, in policy level detail, of all exposure data submitted to the SBA in any Contract Year until the SBA has completed its examination of the Company's exposure submissions. The Company shall also retain complete and accurate records of

any completed exposure examination for any Contract Year in which the Company incurred Losses until the completion of the claims examination and Commutation for that Contract Year. The records to be retained are outlined in the Data Call adopted for the Contract Year under Rule 19-8.029, F.A.C. A complete list of records to be retained for the exposure examination is set forth in Form FHCF- EAP1, adopted for the Contract Year under Rule 19-8.029, F.A.C.

(3) Examination Requirements for Loss Reports

The Company shall retain complete and accurate records of all reported Losses and/or advances submitted to the SBA until the SBA has completed its examination of the Company's reimbursable Losses and Commutation for the Contract Year (if applicable) has been concluded. The records to be retained are set forth as part of the Proof of Loss Report, Form FHCF-L1B and Form FHCF-LAP1, both adopted for the Contract Year under Rule 19-8.029, F.A.C.

(4) Examination Procedures

(a) The FHCF will send an examination notice letter to the Company providing the commencement date of the examination, the site of the examination, any accommodation requirements of the examiner, and the reports and data which must be assembled by the Company and forwarded to the FHCF. The Company shall be prepared to choose one location in which to be examined, unless otherwise specified by the SBA.

(b) The reports and data are required to be forwarded to the FHCF as set forth in an examination notice letter. The information is then forwarded to the examiner. If the FHCF receives accurate and complete records as requested, the examiner will contact the Company to inform the Company as to what policies or other documentation will be required once the examination begins. Any records not required to be provided to the examiner in advance shall be made available at the time the examination begins. Any records to support reported exposure or Losses which are provided after the examination has been completed will, at the SBA's discretion, result in an additional examination of exposure and/or Loss records or an extension or expansion of the examination. All costs associated with such additional examination or with the extension or expansion of the original examination shall be borne by the Company.

(c) At the conclusion of the examiner's work and the management review of the examiner's report, findings, recommendations, and work papers, the FHCF will forward an examination report to the Company.

(d) Within 30 days from the date of the letter accompanying the examination report, the Company must provide a written response to the FHCF. The response must indicate whether the Company agrees with the findings and recommendations of the examination report. If the Company

disagrees with any examination findings or recommendations, the reason for the disagreement must be outlined in the response and the Company must provide supporting information to support its objection. An extension of 30 days may be granted if the Company can show that the need for additional time is due to circumstances beyond the reasonable control of the Company. No response is required if the examination report does not include any findings or recommendations.

(e) If the Company accepts the examination findings and recommendations, and there is no recommendation for additional information, the examination report will be finalized and the exam file closed.

(f) If the Company disputes the examiner's findings, the areas in dispute will be resolved by a meeting or a conference call between the Company and FHCF management.

(g) 1. If the recommendation of the examiner is to resubmit the Company's exposure data for the Contract Year in question, then the FHCF will send the Company a letter outlining the process for resubmission and including a deadline to resubmit. Once the resubmission is received, the FHCF's Administrator calculates a revised Reimbursement Premium for the Contract Year which has been examined. The SBA shall then review the resubmission with respect to the examiner's findings and accept the resubmission or contact the Company with any questions regarding the resubmission. Once the SBA has accepted the resubmission as a sufficient response to the examiner's findings, the exam is closed.

2. If the recommendation of the examiner is to give the Company the option to either resubmit the exposure data or to pay the estimated Reimbursement Premium difference, then the FHCF will send the Company a letter outlining the process for resubmission or for paying the estimated Reimbursement Premium difference and including a deadline for the resubmission or the payment to be received by the FHCF's Administrator. If the Company chooses to resubmit, the same procedures outlined in Article XIV(4) apply.

(h) If the recommendation of the examiner is to update the Company's Proof of Loss Report(s) for the Contract Year under review, the FHCF will send the Company a letter outlining the process for submitting the Proof of Loss Report(s) and including a deadline to file. Once the Proof of Loss Report(s) is received by the FHCF's Administrator, the FHCF's Administrator will calculate a revised reimbursement. The SBA shall then review the submitted Proof of Loss Report(s) with respect to the examiner's findings and accept the Proof of Loss Report(s) as filed or contact the Company with any questions. Once the SBA has accepted the corrected Proof of Loss Report(s) as a sufficient response to the examiner's findings, the exam is closed.

(i) The examiner's list of errors is made available in the examination report sent to the Company. Given that the examination was based on a sample of the Company's policies or claims rather than the whole universe of the Company's Covered Policies or reported claims, the error list is not intended to provide a complete list of errors but is intended to indicate what information needs to be reviewed and corrected throughout the Company's book of Covered Policy business or claims information to ensure more complete and accurate reporting to the FHCF.

(5) **Costs of the Examinations**

The costs of the examinations shall be borne by the SBA. The SBA shall be reimbursed by the Company for any reasonable and customary additional examination expenses incurred as a result of a Company's failure to provide requested information. All requested information must be complete and accurate.

ARTICLE XV – OFFSETS

The SBA reserves the right to offset amounts payable to the SBA from the Company, including amounts payable under the Reimbursement Contract for any Contract Year and also including the Company's full Reimbursement Premium for the current Contract Year (regardless of installment due dates), against any (1) Reimbursement Premium refunds under any Contract Year, (2) reimbursement or advance amounts, or (3) amounts agreed to in a Commutation agreement, which are due and payable to the Company from the SBA as a result of the liability of the SBA.

ARTICLE XVI - INSOLVENCY OF THE COMPANY

For the purpose of this Contract, a Company is insolvent when an order of liquidation with a finding of insolvency has been entered by a court of competent jurisdiction. No reimbursements will be made until the FHCF has completed and closed its examination of the insolvent Company's Losses, unless an agreement is entered into by the court appointed receiver specifying that all data and computer systems required for FHCF exposure and claims examinations will be maintained until completion of the Company's exposure and claims examinations. Only those Losses supported by the examination will be reimbursed. Pursuant to Section 215.555(4)(g), Florida Statutes, the FHCF is required to pay reimbursement moneys due an insolvent insurer to the Florida Insurance Guaranty Association (FIGA) for the benefit of Florida policyholders. In light of the need for an immediate infusion of funds to enable policyholders of insolvent companies to be paid for their claims, the SBA may enter into agreements with FIGA allowing exposure and claims examinations to take place immediately without the usual notice and response time limitations and allowing the FHCF to make reimbursements (net of any amounts payable to the SBA from the Company or FIGA) to FIGA before the examinations are completed. Such agreements must ensure the availability of the necessary records and adequate security must be provided so that if the FHCF determines

that it overpaid FIGA on behalf of the Company, that the funds will be repaid to the FHCF by FIGA within a reasonable time.

ARTICLE XVII - TERMINATION

The FHCF and the obligations of both parties under this Contract can be terminated only as may be provided by law or applicable rules.

ARTICLE XVIII – VIOLATIONS

(1) **Statutory Provisions**

(a) Section 215.555(10), Florida Statutes, provides that any violation of Section 215.555, Florida Statutes, or of rules adopted under that section, constitutes a violation of the Florida Insurance Code. This Contract has been adopted as part of Rule 19-8.010, Florida Administrative Code, under the authority of that section of Florida Statutes.

(b) Section 215.555(11), Florida Statutes, authorizes the SBA to take any action necessary to enforce the rules and the provisions and requirements of this Contract, required by and adopted pursuant to Section 215.555, Florida Statutes.

(2) **Noncompliance**

(a) As used in this Article, the term “noncompliance” means the failure of the Company to meet any applicable requirement of Section 215.555, Florida Statutes, or of any rule adopted under the authority of that section of Florida Statutes, including, but not limited to, any failure to meet a deadline for an FHCF payment, Data Call submissions or resubmissions, Loss reporting or Commutation documentation, or a deadline related to SBA examination requirements. The Company remains in a state of noncompliance as long as the Company fails to meet the applicable requirement(s).

(b) If the Company is in a state of noncompliance, the SBA reserves the right to withhold any payments or advances due to the Company until the SBA determines that the Company is no longer in a state of noncompliance.

ARTICLE XIX - APPLICABLE LAW

This Contract shall be governed by and construed according to the laws of the State of Florida in respect of any matter relating to or arising out of this Contract.

ARTICLE XX – DUE DATES

If any due date provided in this Contract is a Saturday, Sunday or a legal State of Florida or federal holiday, then the actual due date will be the day immediately following the applicable due date which is not a Saturday, Sunday or a legal State of Florida or federal holiday.

ARTICLE XXI – REIMBURSEMENT CONTRACT ELECTIONS

(1) **Coverage Level**

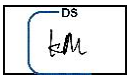
For purposes of determining reimbursement (if any) due the Company under this Contract and in accordance with the Statute, the Company has the option to elect a 45 percent or 75 percent or 90 percent Coverage Level under this Contract. If the Company is a member of an NAIC group, all members must elect the same Coverage Level, and the individual executing this Contract on behalf of the Company, by placing his or her initials in the box under (a) below, affirms that the Company has elected the same Coverage Level as all members of its NAIC group. If the Company is an entity created pursuant to Section 627.351, Florida Statutes, the Company must elect the 90 percent Coverage Level. The Company shall not be permitted to change its Coverage Level after the March 1 statutory deadline for execution of the Contract. The Company shall be permitted to change its Coverage Level upon timely execution of the Contract for the next Contract Year, but may not reduce its Coverage Level if revenue bonds issued under Section 215.555(6), Florida Statutes, are outstanding.

The Coverage Level elected by the Company for the prior Contract Year effective June 1, 2022 was as follows:

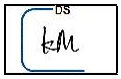
Typtap Insurance Company

90%

(a) **NAIC Group Affirmation**: Indicate if the Company is part of an NAIC Group (enter Yes or No):

Yes 

(b) **Coverage Level Election**: The Company hereby elects the following Coverage Level for the Contract Year from 12:00:01 a.m., Eastern Time, June 1, 2023, to 12:00 a.m., Eastern Time, May 31, 2024, (the individual executing this Contract on behalf of the Company shall place his or her initials in the box to the left of the percentage elected for the Company): 90%

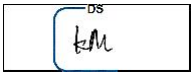
	45% OR		**75% OR**		**90%**

(2) **Additional Living Expense (ALE) Written as Time Element Coverage**

If your Company writes Covered Policies that provide ALE coverage on a time element basis (i.e., coverage is based on a specific period of time as opposed to a stated dollar limit), you must initial the

‘Yes – Time Element ALE’ box below. If your Company does not write time element ALE coverage, initial ‘No – Time Element ALE’ box below.

OR



Yes – Time Element ALE	**No – Time Element ALE**

ARTICLE XXII – COMPANY COVERAGE OF UNSOUND INSURERS

If a Company seeks to provide coverage for Covered Policies of an Unsound Insurer, pursuant to Section 215.555(5)(e), Florida Statutes, the Company may, subject to the provisions mutually agreed to below, obtain coverage for such policies under its Reimbursement Contract with the FHCF or accept an assignment of the Unsound Insurer’s Reimbursement Contract with the FHCF. Prior to the date the Company takes a transfer of policies from an Unsound Insurer, the Company shall select one of the options below using Appendix A and submit to the SBA as instructed.

(1) **Providing Coverage for an Unsound Insurer’s Policies Under Company’s FHCF Reimbursement Contract**

(a) If a Covered Event has occurred prior to the transfer of policies from an Unsound Insurer to the Company, the Company must accept an assignment of the Unsound Insurer’s FHCF Reimbursement Contract and cannot cover such policies under the Company’s Reimbursement Contract through an assumption of the Unsound Insurer’s Covered Policies. Only in those situations where a Covered Event has not occurred shall the Company be able to obtain coverage under its own FHCF Reimbursement Contract for those policies assumed from an Unsound Insurer.

(b) Responsibilities relating to the assumption of an Unsound Insurer’s Covered Policies by the Company:

1. The Company shall accurately report the exposure and loss data related to Covered Policies assumed from the Unsound Insurer.

a. For an assumption of an Unsound Insurer’s Covered Policies that occurs on or before June 30, 2023, the Company shall report the exposure in effect for such policies as of June 30, 2023. This includes assumed policies renewed with the Company on or before June 30, 2023. As outlined in the Data Call, all such policies must be combined with the Company’s Covered policies written as its direct business and reported as a single submission due September 1, 2023.

b. For an assumption of Covered Policies from an Unsound Insurer to the Company that occurs after June 30, 2023, and before December 1, 2023, the Company shall report exposure in effect for such policies as of June 30, 2023, and the SBA shall treat all such policies as if they were in effect as of June 30, 2023 for the Company. The Company shall report assumed Covered Policies based on their status at June 30, 2023, in a single Data Call file combined with the Company's Covered Policies written as its direct business based on the requirements outlined in the Data Call. The combined Data Call file is due on September 1, 2023, or a maximum 60 days from the date of the assumption, whichever is later. If the Company's Data Call file has been previously submitted to the SBA, the Company will be required to resubmit its initial Data Call.

c. If the Company is unable to submit the combined Data Call file by September 1, 2023, the Company must initially submit its Data Call file with all of its direct written Covered Policies that were in effect as of June 30, 2023 (prior to the assumption of additional Covered Policies from an Unsound Insurer) by September 1, 2023. The Company will then need to resubmit the combined Data Call file no later than 60 days from the date of the assumption.

d. If a policy assumed by the Company from the Unsound Insurer is not reported in the Company's Data Call file, Losses under that policy may not be included in Losses reported to the SBA unless the Company is able to resubmit the Data Call file to include such omitted policies.

e. For an assumption of an Unsound Insurer's Covered Policies on or after December 1, 2023, through and including May 31 of the Contract Year, the Company is not required to report its assumed policies to the SBA until the subsequent Contract Year based on the status of the policy at June 30 of that subsequent Contract Year.

f. Except as noted above, for purposes of reporting Losses to the SBA, the Company shall report all Losses including those associated with Covered Policies assumed from the Unsound Insurer on Forms FHCF-L1A and FHCF-L1B as required under the Contract.

2. The FHCF Reimbursement Premium for all Covered Policies assumed from the Unsound Insurer by the Company shall be due on December 1, 2023, or within 15 days of being invoiced by the SBA, whichever is later. The total Reimbursement Premium resulting from the reporting of exposure on the Company's Covered Policies and the Reimbursement Premium associated with Covered Policies assumed by the Company from the Unsound Insurer shall be combined to determine the Company's retention and its share of the FHCF's capacity.

3. An administrative fee of $1,000 shall apply to each resubmission of exposure data for resubmissions that are not a result of an examination by the SBA. If a resubmission is necessary as a result of an examination report issued by the SBA, the first resubmission fee will be $2,000. If the first examination-required resubmission is inadequate and the SBA requires an additional resubmission(s), the resubmission fee for each subsequent resubmission shall be $2,000. Resubmission fees shall be invoiced along with the Reimbursement Premium billing discussed in (b) above.

4. The Company shall ensure that the books and records related to the Covered Policies assumed from the Unsound Insurer are preserved and accessible to the SBA for its exposure and claims examinations. The Company shall retain data related to the FHCF examinations as required in Forms FHCF-D1A, FHCF-DCL, FHCF-EAP1, and FHCF-LAP1 for the exposure assumed from the Unsound Insurer.

5. The Company is required to provide the SBA with a complete listing of all assumed policies, including Covered Policies and other policies not covered by the FHCF. As outlined in the Data Call, the listing must include each policy number and the policy's effective and expiration dates. In addition to the policy listing, the Company must provide an agreement between the Company and the Unsound Insurer that supports the number of policies assumed.

(2) **Acceptance of an Assignment of an Unsound Insurer's FHCF Reimbursement Contract**

(a) Responsibilities relating to assigned Reimbursement Contracts:

1. The Company, pursuant to Section 215.555(5)(e), Florida Statutes, has the rights and duties of the Unsound Insurer for such transferred Covered Policies.

2. The Company is responsible for the Reimbursement Premiums due under the assigned Reimbursement Contract. Should any Reimbursement Premium be owed at the time paid Losses for Covered Policies under the assigned Reimbursement Contract exceed the Retention under the assigned Reimbursement Contract, all Reimbursement Premiums (as well as any applicable fees and interest) shall be offset before the issuance of any reimbursement payment.

3. The Company has the responsibility to report all exposure and Loss information for Covered Policies under the assigned Reimbursement Contract separately for each assigned Reimbursement Contract pursuant to the reporting requirements specified in the Reimbursement Contract. If the Unsound Insurer has already submitted the required Data Call, the Company has the responsibility of filing any resubmissions as necessary.

4. The Company has the responsibility to ensure that the books and records related to the assigned Reimbursement Contract are preserved and accessible to the SBA for its exposure and claims

examinations. The Company has the responsibility to retain data related to FHCF examinations as required in FHCF-D1A, FHCF-DCL, FHCF-EAP1, and FHCF-LAP1 for each assigned Reimbursement Contract.

(b) The Company will not be reimbursed by the SBA for any Losses occurring prior to the date it first provides coverage for such transferred policies. Reimbursements for those Losses shall be made to the Unsound Insurer, the court-appointed receiver, or the applicable guaranty association, as provided by statute.

ARTICLE XXIII – SIGNATURES

Approved by:

Paragon Strategic Solutions Inc., on Behalf of the State Board of Administration of the State of Florida and as Administrator of the Florida Hurricane Catastrophe Fund.

By: /s/ Martin K. Helgestad 2/27/2023
Signature Date

Authority to sign on behalf of the Company:

The person signing this Contract on behalf of the Company hereby represents that he or she is an officer of the Company, acting within his or her authority to enter into this Contract on behalf of the Company, with the requisite authority to bind the Company and make the representations on behalf of the Company as set forth in this Contract.

Typtap Insurance Company

Kevin Mitchell President
By: /s/ Kevin Mitchell 2/27/2023
Signature Date

EXHIBIT 10.38

STATE BOARD OF ADMINISTRATION OF FLORIDA

1801 HERMITAGE BOULEVARD, SUITE 100
TALLAHASSEE, FLORIDA 32308
(850) 488-4406

POST OFFICE BOX 13300

32317-3300

RON DESANTIS
GOVERNOR
CHAIR

JIMMY PATRONIS
CHIEF FINANCIAL OFFICER

ASHLEY MOODY
ATTORNEY GENERAL

LAMAR TAYLOR
INTERIM-EXECUTIVE DIRECTOR &
CHIEF INVESTMENT OFFICER

RAP REIMBURSEMENT CONTRACT

Coverage Effective: June 1, 2023
("Contract")

This Contract is between:

Homeowners Choice Property and Casualty Insurance Company

("RAP Insurer")

NAIC # 12944

and

THE STATE BOARD OF ADMINISTRATION OF THE STATE OF FLORIDA ("SBA")
ON BEHALF OF THE REINSURANCE TO ASSIST POLICYHOLDERS
PROGRAM ("RAP program")

PREAMBLE
Section 215.5551, Florida Statutes, creates the RAP program and directs the SBA to administer the RAP program. This Contract, consisting of the principal document entitled RAP Reimbursement Contract, addressing the mandatory RAP coverage, and any additional Addenda that may be necessary pursuant to Section 215.5551(9), Florida Statutes, is subject to Section 215.5551, Florida Statutes, and to any administrative rule adopted pursuant thereto, and is not intended to be in conflict therewith. All provisions in the principal document arc equally applicable to each Addendum unless specifically superseded by one of the Addenda.

In consideration of the promises set forth in this Contract, the parties agree as follows:

ARTICLE I - SCOPE OF AGREEMENT
The terms of this Contract shall determine the rights and obligations of the parties. This Contract provides reimbursement to the RAP Insurer under certain circumstances, as described herein, and does not provide or extend insurance or reinsurance coverage to any person, firm, corporation, or other entity. The SBA shall reimburse the RAP Insurer for its Ultimate Net Loss on Covered Policies in force at the time of the Covered

Event causing the Loss, in excess of the RAP Insurer's RAP Retention as a result of the two Covered Events with the largest covered losses for the RAP Insurer commencing during the Contract Year, to the extent funds are available but not to exceed the $2 billion aggregate limit remaining for RAP Insurers in the 20232024 Contract Year.

ARTICLE 11- PARTIES TO THE CONTRACT

This Contract is solely between the RAP Insurer and the SBA. In no instance shall any insured of the RAP Insurer, any claimant against an insured of the RAP Insurer, or any other third party have any rights under this Contract, except as provided in Article XIV. The SBA will disburse funds only to the RAP Insurer, except as provided for in Article XIV. The RAP Insurer shall not, without the prior approval of the Florida Office of Insurance Regulation, sell, assign. or transfer to any third party, in return for a fee or other consideration, any amounts the SBA pays under this Contract or the right to receive such amounts.

ARTICLE III - TERM; EXECUTION

(1) **Term**

This Contract applies to Losses from Covered Events which commence during the period from 12:00:01 a.m., Eastern Time, June 1, 2023, to 12:00 midnight, Eastern Time, May 1, 2024 (the "Contract Year"). The SBA shall not be liable for Losses from Covered Events which commence after the effective time and date of expiration or termination. Should this Contract expire or terminate
a Covered Event is in progress, the SBA shall be responsible for such Covered Event in progress in the same manner and to the same extent it would have been responsible had the Contract expired the day following the conclusion of the Covered Event in progress.

(2) **Mandatory Nature of this Contract**

(a) **Statutory Requirement**

This Contract fulfills the statutory requirement that the SBA enter into a Contract with each eligible RAP Insurer writing Covered Policies in Florida. Under Section 215.5551(4), Florida Statutes, the SBA must enter into a Contract with each RAP Insurer, and each RAP Insurer must enter into the Contract as a condition of doing business in Florida. Under Section 215.5551(4)(a)2.b., Florida Statutes, RAP Insurers participating in the RAP program during the 2023-2024 Contract Year must execute the Contract by March 1, 2023.

(b) The RAP Insurer must provide an executed copy of this Contract in electronic form to the SBA's designee, Paragon Strategic Solutions Inc., by March I, 2023, and if the RAP Insurer fails to execute the RAP Contract by this statutory deadline, the Contract is deemed to have been executed by the RAP Insurer pursuant to Section 215.5551(4)(a)3., Florida Statutes.

ARTICLE IV - LIABILITY OF THE SBA

(1) The SBA shall reimburse the RAP Insurer with respect to the two Covered Events with the largest covered Losses for the RAP Insurer commencing during the Contract Year in the amount of Ultimate Net Loss paid by the RAP Insurer in excess of the RAP Insurer's RAP retention, as adjusted pursuant to the definition of RAP Retention in Article V, multiplied by 90 percent, plus 10 percent of the reimbursed Losses as a Loss Adjustment Expense Allowance, the total of which shall not exceed the RAP Insurer's Limit pursuant to Section 215.5552(2)(i), Florida Statutes. The RAP Insurer's FHCF Proof of Loss Reports shall be used to determine which Covered Events constitute the RAP Insurer's two largest Covered Events; however, such determination shall not include incurred but not reported Losses. After this initial determination, any subsequent adjustments shall be made by the SBA if the FHCF Proof of Loss Reports reveal that loss development patterns have resulted in a change in the order of Covered Events.

(2) In order to assure that reimbursements do not exceed the statutory RAP Limit of the RAP program provided in Section 215.5551, Florida Statutes, the SBA shall, upon the occurrence of a Covered Event. evaluate the potential Losses to the RAP program. The initial projected RAP Payout Multiples used to reimburse the RAP Insurers for their Losses shall not exceed the projected Payout Multiples as calculated based on the capacity needed to provide the RAP coverage. If it appears that the aggregate limit for RAP Insurers in the 2023-2024 Contract Year may be exceeded, the SBA shall reduce the projected payout factors or multiples for determining each participating insurer's projected payout uniformly among all RAP Insurers participating in the 2023-2024 Contract Year.

(3) Reimbursement amounts shall not be reduced by reinsurance paid or payable to the RAP Insurer from other sources excluding the Florida Hurricane Catastrophe Fund. Once the RAP Insurer's Limit has been exhausted. the RAP Insurer will not be entitled to further reimbursements.

ARTICLE V - DEFINITIONS

As used in this Contract, the following words and phrases are defined to mean:

(1) **Additional Living Expense (ALE)**

ALE Losses covered by the RAP program are not to exceed 40 percent of the insured value of a Residential Structure or its contents based on how the coverage is provided in the policy. Fair rental value, loss of rents, or business interruption losses are not covered by the RAP program.

(2) **Commutation**

Commutation is the estimation, payment, and complete discharge of all future obligations for Losses,

regardless of future loss development. The final commutation agreement shall constitute a complete

and final release of all obligations of the SBA with respect to Losses. Commutation may be per Covered Event or by Contract Year as determined by the SBA.

(3) **Contract Year**

The term means the period beginning on June 1 of a specified calendar year and ending on May 31 of

the following calendar year.

(4) **Covered Event**

This term means any one storm declared to be a hurricane by the National Hurricane Center which causes insured losses in Florida. A Covered Event begins when a hurricane causes damage in Florida while it is a hurricane and continues throughout any subsequent downgrades in storm status by the National Hurricane Center regardless of whether the hurricane makes landfall. Any storm, including a tropical storm, which does not become a hurricane is not a Covered Event.

(5) **Covered Policy**

(a) Covered Policy has the same meaning as in Section 215.555(2)(c). Florida Statutes, and is further clarified to mean only that portion of a binder, policy or contract of insurance that insures real or personal property located in the State of Florida to the extent such policy insures a Residential Structure or the contents of a Residential Structure, located in the State of Florida.

(b) Covered Policy also includes any collateral protection insurance policy covering personal residences which protects both the borrower's and the lender's financial interest, in an amount at least equal to

1. the coverage for the dwelling in place under the lapsed homeowner's policy,
2. the coverage amount that the homeowner has been notified of by the collateral protection insurer, or
3. the coverage amount that the homeowner requests from the collateral protection insurer

if such collateral protection insurance policy can be accurately reported as required in Section 215.555(5), Florida Statutes,

(c) a company will be deemed to be able to accurately report data if the company submits the required data as specified in the Data Call adopted under Rule 19-8.029, F.A.C.

(d) Covered Policy does not include any policy or exposure excluded under Article VI.

(6) **Deductible Buy-Back Policy**

This term means a specific policy that provides coverage to a policyholder for some portion rt· the

policyholder's deductible under a policy issued by another insurer.

(7) **Excess Policy**

This term means, for the purposes of this Contract, a poi icy that provides insurance protection for large commercial property risks and that provides a layer of coverage above a primary layer (which is insured by a different insurer) that acts much the same as a very large deductible.

(8) **FHCF**

The term means the Florida Hurricane Catastrophe Fund created under Section 215.555, Florida Statutes.

(9) **FHCF Coverage Level**

The level of coverage (90 percent, 75 percent or 45 percent) that has been elected by the RAP Insurer for the FHCF and is used to determine the RAP Insurer's RAP Retention and RAP Maximum Payout.

(10) **FHCF Data Call**

For the 2023-2024 Contract Year, the reporting of Company exposure data shall be in accordance with Form FHCF-D1A, "Florida Hurricane Catastrophe Fund 2023 Data Call."

(11) **FHCF Detailed Claims Listing**

For the 2023-2024 Contract Year, the applicable Detailed Claims Listing Instructions is Form FHCF-DCL, "Contract Year 2023 Detailed Claims Listing Instructions."

(12) **FHCF Interim Loss Report**

For the 2023-2024 Contract Year, the reporting of estimated Ultimate Net Loss shall be in accordance with Form FHCF-L I A, "Contract Year 2023 Interim Loss Report, Florida Hurricane Catastrophe Fund (FHCF)."

(13) **FHCF Proof of Loss Report**

For the 2023-2024 Contract Year, the reporting of Ultimate Net Loss shall be in accordance with Form FHCF-L1B, "Contract Year 2023 Proof of Loss Report, Florida Hurricane Catastrophe Fund (FHCF)."

(14) **FHCF Retention**

This term means the amount of Losses from a Covered Event which must be incurred by the Company before it is eligible for reimbursements from the FHCF. This is the FHCF retention used for each of the covered events causing the largest Losses for the RAP Insurer.

(15) **FHCF Retention Multiple**

(a) The FHCF Retention Multiple is applied to the Company's FHCF Reimbursement Premium to determine the Company's FHCF Retention. The FHCF Retention Multiple for the 2023-2024 Contract Year shall be equal to $4.5 billion, adjusted based upon the reported exposure for the 2021-2022 Contract Year to reflect the percentage growth in exposure to the FHCF since 2004, divided by the estimated total industry FHCF Reimbursement Premium at the 90 percent Coverage Level for the Contract Year as determined by the SBA.

(b) The FHCF Retention Multiple shall be adjusted to reflect the Coverage Level elected by the Company under the FHCF Contract as follows:

1. If the Company elects the 90 percent Coverage Level, the adjusted FHCF Retention Multiple is 100 percent of the amount determined under paragraph (a);

2.If the Company elects the 75 percent Coverage Level, the adjusted FHCF Retention Multiple is 120 percent of the amount determined under paragraph (a); or

3.If the Company elects the 45 percent Coverage Level, the adjusted FHCF Retention Multiple is 200 percent of the amount determined under paragraph (a).

(16) **Losses**

This term means an incurred loss under a Covered Policy from a Covered Event, including Additional Living Expenses not to exceed 40 percent of the insured value of a Residential Structure or its contents and amounts paid as fees on behalf of or inuring to the benefit of a policyholder. The term Loss does not include allocated or unallocated loss adjustment expenses or any item for which this Contract does not provide reimbursement pursuant to the exclusions in Article VI.

(17) **Loss Adjustment Expense Allowance**

(a) The Loss Adjustment Expense Allowance is equal to 10 percent of the reimbursed Losses under this Contract.

(b) The Loss Adjustment Expense Allowance is included in, and not in addition to, the limit applicable to a RAP Insurer.

(18) **RAP**

The term means the Reinsurance to Assist Policyholders program created by Section 215.5551, Florida

Statutes.

(19) **RAP Insurer**

This term means an insurer that is a participating insurer in the Florida Hurricane Catastrophe Fund on June 1, 2022, which must obtain coverage under the RAP program and qualifies under Section 215.5551(5), Florida Statutes. However, any joint underwriting association, risk apportionment plan, or other entity created under Section 627.351 is not considered a RAP Insurer and is prohibited from obtaining coverage under the RAP program. For purposes of this Contract, this term is further clarified to mean an insurer that was required to defer coverage until the 2023-2024 contract year, including a new participant in the 2022-2023 Contract Year that began writing covered policies in this state after June 1, 2022, pursuant to Section 215.5551(6), Florida Statutes.

(20) **RAP Maximum Payout**

For each FHCF coverage level, the term means a RAP Insurer's maximum RAP payout, which is its

RAP Payout Multiple multiplied by its FHCF premium.

(21) **RAP Qualification Ratio**

The term means the ratio of the FHCF premium adjusted to 90 percent for RAP Insurers divided by the FHCF premium adjusted to 90 percent for all insurers. The preliminary RAP Qualification Ratio shall be based on the 2022-2023 Contract Year's RAP Insurers' FHCF premiums, as of December 31, 2022, adjusted to 90 percent based on the 2023-2024 Contract Year FHCF Coverage Level. The RAP Qualification Ratio shall be based on the reported 2023-2024 Contract Year RAP Insurer FHCF premiums, as of December 31, 2023, adjusted to 90 percent.

(22) **RAP Payout Multiple**

The term means for each FHCF Coverage Level, the ratio of the RAP industry limit of $2 billion to the FHCF Retention, multiplied by the FHCF Retention Multiple, and divided by the RAP Qualification Ratio.

(23) **RAP Reimbursement Contract**

The term means the reimbursement contract reflecting the obligations of the RAP program to RAP Insurers.

(24) **Residential Structure**

In general, this term means a unit or building used exclusively or predominantly for dwelling or habitational occupancies, including the primary structure and appurtenant structures insured under the same Covered Policy and any other structures covered under endorsements associated with the Covered Policy covering the Residential Structure.

(a) With respect to a unit or home insured under a personal lines residential policy form, such unit or home is deemed to have a habitational occupancy and to be a Residential Structure regardless of the term of its occupancy.

(b) With respect to a condominium structure or complex insured under a commercial lines policy, such structure is deemed to have a habitational occupancy and to be a Residential Structure, regardless of the term of occupancy of individual units.

(c) A single structure which includes a mix of commercial habitational and commercial non-habitational occupancies, and is insured under a commercial lines policy, is considered a Residential Structure if 50 percent or more of the total insured value of the structure is used for habitational occupancies.

(d) Residential Structures do not include any structures excluded under Article VI.

(25) **RAP Retention**

This term means for each FHCF Coverage Level, a RAP Insurer's RAP Retention Multiple multiplied by its FHCF premium.

(26) **RAP Retention Multiple**

The term means for each FHCF Coverage Level, the FHCF Retention Multiple minus the RAP Payout Multiple.

(27) **SBA**

The term means the State Board of Administration or its designee.

(28) **Ultimate Net Loss**

(a) This term means all Losses under Covered Policies in force at the time of a Covered Event prior to the application of the RAP Insurer's Retention and excluding loss adjustment expense and any exclusions under Article VI.

(b) In calculating the RAP Insurer's Ultimate Net Loss, the amounts described in paragraph (d) shall be reduced by the deductibles applicable under the policy to the hurricane loss, without recognition of any credit earned or reduction to the deductible under the policy applied by the RAP Insurer. The deductibles must first be applied to the portion of the Loss covered by the RAP program.

(c) Salvages and all other recoveries, excluding reinsurance recoveries, shall be first deducted from such Loss to arrive at the amount of liability attaching hereunder.

(d) All salvages, recoveries or payments recovered or received subsequent to a Loss settlement under this Contract shall be applied as if recovered or received prior to the aforesaid settlement and all necessary adjustments shall be made by the parties hereto.

(e) The SBA shall be subrogated to the rights of the RAP Insurer to the extent of its reimbursement of the RAP Insurer. The RAP Insurer agrees to assist and cooperate with the SBA in all respects as regards such subrogation. The RAP Insurer further agrees to undertake such actions as may be necessary to enforce its rights of salvage and subrogation, and its rights. if any, against other insurers as respect to any claim, loss, or payment arising out of a Covered Event.

(29) **Unsound Insurer**

The term means a RAP Insurer determined by the Office of Insurance Regulation to be in unsound condition as defined in Section 624.80(2), Florida Statutes or a RAP Insurer placed in receivership under chapter 631, Florida Statutes.

ARTICLE VI — EXCLUSIONS

This Contract does not provide reimbursement for:

(1) Any losses not defined as being within the scope of a Covered Policy, including any loss other than a loss under the first-party property section of a policy pertaining strictly to the structure, its contents, appurtenant structures, or ALE coverage.

(2) Any policy which excludes wind or hurricane coverage.

(3) Any Excess Policy or Deductible Buy-Back Policy that requires individual ratemaking, as determined by the SBA.

(4) (a) Any policy for Residential Structures that provides a layer of coverage underneath an Excess Policy issued by a different insurer;

(b) Any policy providing a layer of windstorm or hurricane coverage for a structure(s) above or below a layer of windstorm or hurricane coverage under a separate policy issued by a different insurer, or any other circumstance in which two or more insurers provide primary windstorm or hurricane coverage for a structure(s) using separate policy forms: or

(c) Any other policy providing a layer of windstorm or hurricane coverage for a structure(s) below a layer of self-insured windstorm or hurricane coverage for the same structure(s).

(5) Any liability of the RAP Insurer attributable to losses for fair rental value, loss of rent or rental income, or business interruption.

(6) Any collateral protection policy that does not meet the definition of Covered Policy as defined in Article V(5)(b).

(7) Any reinsurance assumed by the RAP Insurer.

(8) Hotels, motels, timeshares, shelters, camps, retreats, or other similar structures. This exclusion does not apply to any policy identified as covering a residential condominium association or to any policy on which the insured is a residential condominium association, unless it is classified and rated as a hotel, motel, timeshare, shelter, camp, retreat, or other similar structure.

(9) Retail, office, mercantile, or manufacturing facilities, or other similar structures.

(10) Any exposure for condominium or homeowner associations if no Residential Structures are insured under the policy.

(11) Commercial healthcare facilities and nursing homes; however, a nursing home which is an integral part of a retirement community consisting primarily of habitational structures that are not nursing homes will not be subject to this exclusion.

(12) Any exposure under commercial policies covering only appurtenant structures or structures that do not function as a habitational structure (e.g., a policy covering only the pool of an apartment complex).

(13) Policies covering only Additional Living Expense.

(14) Any exposure for barns or barns with apartments or living quarters.

(15) Any exposure for builders risk coverage or new Residential Structures under construction.

(16) Any exposure for vehicles, recreational vehicles, golf carts, or boats (including boat-related equipment) requiring licensing,

(17) Any liability of the RAP Insurer for extra contractual obligations or liabilities in excess of original policy limits. This exclusion includes, but is not limited to, amounts paid as bad faith awards, punitive damages awards, or other court-imposed fines, sanctions, or penalties, or other amounts in excess of the coverage limits under the Covered Policy.

(18) Any losses paid in excess of a policy's hurricane limit in force at the time of the Covered Event, including individual coverage limits (i.e., building, appurtenant structures, contents, and additional living expense), or other amounts paid as the result of a voluntary expansion of coverage by the insurer, including, but not limited to. a discount on or waiver of an applicable deductible. This exclusion includes overpayments of a specific individual coverage limit even if total payments under the policy are within the aggregate policy limit.

(19) Any losses paid under a policy for Additional Living Expense, written as a time element coverage, in excess of the Additional Living Expense exposure reported for that policy under the FHCF Data Call (unless policy limits have changed effective after June 30 of the Contract Year).

(20) Any losses which the RAP Insurer's claims files do not adequately support. Claim file support shall be deemed adequate if in compliance with the Records Retention Requirements outlined on the FHCF Proof of Loss Report applicable to the Contract Year.

(21) Any exposure for, or amounts paid to reimburse a policyholder for, condominium association loss assessments or under similar coverages for contractual liabilities.

(22) Losses in excess of the aggregate limits of liability specified in Article IV and in Section 215.555I(2)(i), Florida Statutes.

(23) Any liability assumed by the RAP Insurer from Pools, Associations, and Syndicates. Exception: Covered Policies assumed from Citizens under the terms and conditions of an executed assumption agreement between the RAP Insurer and Citizens are covered by this Contract.

(24) All liability of the RAP Insurer arising by contract, operation of law, or otherwise, from its participation or membership, whether voluntary or involuntary, in any insolvency fund. "Insolvency fund" includes any guaranty fund, insolvency fund, plan, pool, association, fund or other arrangement. howsoever denominated, established or governed, which provides for any assessment of or payment or assumption by the RAP Insurer of part or all of any claim, debt, charge, fee, or other obligation of an insurer, or its successors or assigns, which has been declared by any competent authority to be insolvent, or which is otherwise deemed unable to meet any claim, debt, charge, fee or other obligation in whole or in part.

(25) Property losses that are proximately caused by any peril other than a Covered Event, including, but not limited to, fire, theft, flood or rising water, or windstorm that does not constitute a Covered Event, or any liability of the RAP Insurer for loss or damage caused by or resulting from nuclear reaction, nuclear radiation, or radioactive contamination from any cause, whether direct or indirect, proximate or remote, and regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

(26) Losses from water damage including flood, surface water, waves, tidal water, overflow of a body of water, storm surge, or spray from any of these, whether or not driven by wind.

(27) A policy providing personal property coverage separate from coverage of personal property included in a homeowner's, mobile homeowner's, condominium unit owner's, or tenant's policy or other policy covering a Residential Structure, or in an endorsement to such a policy. Also excluded is a personal property endorsement to a policy that excludes windstorm or hurricane coverage or to any other type of policy that does not meet the definition of Covered Policy.

(28) Endorsements predominantly covering Specialized Fine Arts Risks or collectible types of property meeting the following requirements:

(a) An endorsement predominantly covering Specialized Fine Arts Risks and not covering any Residential Structure if it meets the description in subparagraph 1 and if the conditions in subparagraph 2 arc met.

1. For purposes of this exemption, a Specialized Fine Arts Risk endorsement is an endorsement that:

a. Insures works of art, of rarity, or of historic value, such as paintings, works on paper, etchings, art glass windows, pictures. statuary, sculptures, tapestries, antique furniture, antique silver, antique rugs, rare books or manuscripts, jewelry, or other similar items;

b. Charges a minimum premium of $500; and

c. Insures scheduled items valued, in the aggregate, at no less than $100,000.

2. The insurer offers specialized loss prevention services or other collector services designed to prevent or minimize loss, or to value or inventory the Specialized Fine Arts for insurance purposes. such as:

a. Collection risk assessments

b. Fire and security loss prevention

c. Warehouse inspections to protect items stored off-site

d. Assistance with collection inventory management or

e. Collection valuation reviews.

(b) An endorsement generally used by the RAP Insurer to cover personal property which could include property of a collectible nature, including fine arts, as further described in this paragraph, either on a scheduled basis or written under a blanket limit, and not covering anything other than personal property. All such endorsements arc subject to the exclusion provided in this paragraph when the endorsement limit equals or exceeds $500,000. Generally, such collectible property has unusually high values due to its investible, artistic, or unique intrinsic nature. The class of property covered under such an endorsement represents an unusually high exposure value and such endorsement is intended to provide coverage for a class or classes of property that is not typical for the contents coverage under residential property insurance policies. In many cases property may be located at various locations either in or outside the state of Florida or the location of the property may change from time to time. The investment nature of such property distinguishes this type of exposure from the typical contents associated with a Covered Policy.

(29) Any Losses under liability coverages.

ARTICLE VII - MANAGEMENT OF CLAIMS AND LOSSES

The RAP Insurer shall investigate and settle or defend all claims and Losses. All payments of claims or Losses by the RAP Insurer within the terms and limits of the appropriate coverage parts of Covered Policies shall be binding on the SBA, subject to the terms of this Contract, including the provisions in Article XII relating to inspection of records and examinations.

ARTICLE VIII - REIMBURSEMENT ADJUSTMENTS

The SBA has the right to seek the return of excess reimbursements which have been paid to the RAP Insurer along with interest thereon. Excess reimbursements are those payments made to the RAP Insurer by the SBA that are in excess of the RAP Insurer's coverage under this Contract. Excess reimbursements may result from adjustments to the Projected RAP Payout Multiple or the RAP Payout Multiple, FHCF exposure (FHCF Data Call) submissions or resubmissions, changes to the RAP Retention, incorrect FHCF Proof of Loss Reports, or subsequent readjustment of policyholder claims, including subrogation and salvage, or any combination of the foregoing. The RAP Insurer will be sent an invoice showing the due date for adjustments along with the interest due thereon through the due date. The applicable interest rate for excess reimbursements and late payments resulting from incorrect Proof of Loss Reports will be the prime rate as published by the Wall Street Journal on the first business day of the Contract Year and adjusted each subsequent Contract Year. All interest will continue to accrue if not paid by the due date.

ARTICLE IX - REPORTS AND REMITTANCES

(1) **Losses**

(a) **In General**

Losses resulting from a Covered Event commencing during the Contract Year shall be reported by the RAP Insurer and reimbursed by the SBA as provided herein and in accordance with the statute, this Contract, and any rules adopted pursuant to the statute.

(b) **Loss Reports**

1. At the direction of the SBA, the RAP Insurer shall report its projected Ultimate Net Loss from each Covered Event to provide information to the SBA in determining any potential liability for possible reimbursable Losses under the Contract on the FHCF Interim Loss Report. The FHCF Interim Loss Report will be due in no less than fourteen days from the date of the notice from the SBA that such a report is required.
2. RAP reimbursements will be issued based on Ultimate Net Loss information reported by the RAP Insurer on the FHCF Proof of Loss Report.
   a. To qualify for reimbursement, the FHCF Proof of Loss Report must have the electronic signatures of two executive officers authorized by the RAP Insurer to sign or submit the report.
   b. The RAP Insurer must also submit a FHCF Detailed Claims Listing at the same time it submits its fu FHCF Proof of Loss Report for a specific Covered Event that qualifies the RAP Insurer for reimbursement under that Covered Event and must be prepared to supply a FHCF Detailed Claims Listing for any subsequent FHCF Proof of Loss Report upon request.
   c. While the RAP Insurer may submit a FHCF Proof of Loss Report requesting reimbursement at any time following a Covered Event, the RAP Insurer shall submit a mandatory FHCF Proof of Loss Report for each Covered Event no later than December 31 of the Contract Year during which the Covered Event occurs using the most current data available, regardless of the amount of Ultimate Net Loss or the amount of reimbursements already received.
3. FHCF Proof of Loss Reports for each Covered Event arc due quarterly until all Losses resulting from a Covered Event arc commuted. The RAP Insurer's FHCF Proof of Loss Reports shall use the most current data available, but with an "as of date not more than sixty days prior to the applicable quarter-end date.
4. The SBA, except as noted below, will determine and pay, within 30 days or as soon as practicable after receiving FHCF Proof of Loss Reports, the reimbursement amount due based

on Losses paid by the RAP Insurer to date and adjustments to this amount based on subsequent quarterly information. The adjustments to reimbursement amounts shall require the SBA to pay, or the RAP Insurer to return. amounts reflecting the most recent determination of Losses.

a. The SBA shall require commercial self-insurance funds established under Section 624.462, Florida Statutes, to submit contractor receipts to support paid Losses reported on a FHCF Proof of Loss Report, and the SBA may hire an independent consultant to confirm Losses, prior to the issuance of reimbursements.

b. The SBA shall have the right to conduct a claims examination prior to the issuance of any reimbursements requested by RAP Insurers that have been placed under regulatory supervision by a State or where control has been transferred through any legal or regulatory proceeding to a state regulator or court appointed receiver or rehabilitator.

5. All FHCF Proof of Loss Reports received will be compared with the FHCF's exposure data to establish the facial reasonableness of the reports. The SBA may also review the results of claims examinations to determine the reasonableness of the reported Losses. Except as noted in subparagraph 4., RAP Insurers meeting these tests for reasonableness will be scheduled for reimbursement. RAP Insurers not meeting these tests for reasonableness will be handled on a case-by-case basis and will be contacted to provide specific information regarding their individual book of business. The discovery of errors in a RAP Insurer's reported exposure under the FHCF Data Call may require a resubmission of the current Contract Year FHCF Data Call which may be required before the RAP Insurer's request for reimbursement will be fully processed by the SBA or its designee, Paragon Strategic Solutions.

(2) **Loss Reimbursement Calculations**

(a) In general, the RAP Insurer's paid Ultimate Net Losses must exceed its RAP retention for a specific Covered Event before any reimbursement is payable from the SBA for that Covered Event. In conjunction with Article V(21), RAP Retention adjustments will be made on or after January 15 of the Contract Year. No interest is payable on additional payments to the RAP Insurers due to this type of Retention adjustment. Each RAP Insurer incurring reimbursable Losses will receive the amount of reimbursement due under the individual RAP Insurer's Contract up to the amount of the RAP Insurer's maximum payout. If more than one Covered Event occurs in any one Contract Year, any reimbursements due from the SBA shall take into account the RAP Insurer's Retention for each Covered Event. However, the RAP Insurer's reimbursements from the RAP program for all Covered Events occurring during the Contract Year shall not exceed, in aggregate, the RAP Maximum Payout.

(b) Reserve established. The SBA will establish a reserve for the outstanding reimbursable Losses for the Contract Year, based on the length of time the Losses have been outstanding, the amount of Losses already paid, the percentage of incurred Losses still unpaid, and any other factors specific to the loss development of the Covered Events involved.

ARTICLE X — COMMUTATION

(1) **Timeframe for Commutation Process**

(a) The RAP Insurer and SBA may mutually agree to initiate and complete a commutation agreement for zero dollars at any time. Such zero-dollar commutation, once completed, eliminates the mandatory FHCF Proof of Loss requirements for all reporting periods after the completion of the commutation.

(b) The RAP Insurer and SBA may mutually agree to initiate the commutation process after 36 months and prior to 48 months after the end of the Contract Year subject to the provisions in this Article.

(c) Provided the RAP Insurer and SBA do not mutually initiate the commutation process in subparagraph (a) or (b), the commutation process will begin upon the later to occur: 48 months after the end of the Contract Year or upon completion of the claims examination and the resolution of all outstanding examination issues.

(2) **Final RAP Proof of Loss Report(s)**

(a) No less than 36 months or more than 48 months after the end of the Contract Year, the RAP Insurer shall file a final RAP Proof of Loss Report(s), except for RAP Insurers that have entered into a commutation agreement as described in sub-subparagraph (1)(a).

(1) If the RAP Insurer has submitted a FHCF Proof of Loss Report indicating that it does have Losses resulting from a Covered Event during the Contract Yea', the SBA may require the RAP Insurer to submit within 30 days an updated, current FHCF Proof of Loss Report for each Covered Event during the Contract Year. The final RAP Proof of Loss Report must include the following supporting documentation:

(a) All paid Losses as well as all outstanding Losses and incurred but not reported Losses, which are not finally settled and which may be reimbursable Losses under this Contract.

(b) Requested supporting documentation (at a minimum, an adjuster's summary report or equivalent details) and a copy of a written opinion on the present value of the outstanding Losses and incurred but not reported Losses by the RAP Insurer's certifying actuary.

(b) Increases in reported paid, outstanding, or incurred but not reported Losses on original or corrected FHCF Proof of Loss Report filings received later than 48 months after the end of the Contract Year shall not be eligible for reimbursement or commutation.

(3) **The Loss Valuation Process**

Subject to the timeframes outlined in sub-paragraph (1), if a RAP Insurer exceeds or expects to exceed its RAP Retention, the RAP Insurer and the SBA, or their respective representatives, shall attempt to agree upon the present value of all outstanding Losses, both reported and incurred but not reported, resulting from the two Covered Events with the largest covered Losses for the RAP Insurer during the Contract Year.

(a) The Loss valuation process may only begin after all other issues arising under this Contract have been resolved, including completion of the claims examination, and shall be suspended pending resolution of any such issues that arise during the Loss valuation process.

(b) Payment by the SBA of its portion of any amount or amounts so mutually agreed and certified by the RAP Insurer's certifying actuary shall constitute a complete and final release of the SBA in respect of all Losses, both reported and unreported, under this Contract.

(c) If agreement on present value cannot be reached within 90 days of the SBA's receipt of the final FHCF Proof of Loss Report, including the supporting documentation in subparagraph (2)(a)(2), or upon completion of the claims examination, whichever is later, the RAP insurer and the SBA may mutually appoint an actuary, adjuster, or appraiser to investigate and deter mine such Losses. If both parties then agree, the SBA shall pay its portion of the amount so determined to be the present value of such Losses.

(d) If the parties fail to agree on the valuation of any Losses, any difference in valuation of the Loss shall be settled by a panel of three actuaries, as provided in this subparagraph. Either the SBA or the RAP Insurer may initiate the process under this subparagraph by providing written notice to the other party stating that the parties arc at an impasse with respect to valuation of Losses and specifying the dollar amounts in dispute.

i. One actuary shall be chosen by each party, and the third actuary shall be chosen by those two actuaries. If either party does not appoint an actuary within 30 days after the initiation of the process, the other party may appoint two actuaries. If the two actuaries fail to agree on the selection of an independent third actuary within 30 days of their appointment, each of them shall name two, of whom the other shall decline one, and the decision shall be made by drawing lots.

ii. All the actuaries shall be regularly engaged in the valuation of property claims and losses and shall be members of the Casualty Actuarial Society and of the American Academy of Actuaries.

iii. None of the actuaries shall be under the control of either party to this Contract,

iv. Each party shall submit a written statement relating to its valuation of losses to the panel of actuaries and the opposing party no later than 30 days after the appointment of the third actuary. Within 15 days after receiving the other party's submission, a party may submit its written response to the panel of actuaries and the other party. After the appointment of the third actuary, a party may not communicate with the panel, or any member of the panel, except in writing simultaneously furnished to all members of the panel and the opposing party. Any member of the panel may present questions to be answered by both parties, which shall be answered in writing and simultaneously furnished to the members of the panel and the opposing party or, at the discretion of the panel. may be provided in a meeting or teleconference attended by both parties and all members of the panel.

v. The written decision of a majority of the panel as to the disagreement over the valuation or losses identified in the written notice of impasse, when filed with the parties hereto, shall be final and binding on both parties.

(e) The reasonable and customary expense of the actuaries and of the commutation (as a result of sub-subparagraphs 3.c. and d.) shall be equally divided between the two parties. Said commutation shall take place in Tallahassee, Florida, unless some other place is mutually agreed upon by the RAP Insurer and the SBA.

(4) Upon full execution of the commutation agreement and the issuance of the final reimbursement payment, if any, each party, on behalf of its predecessors, successors. assigns. and its past, present and future officers, directors, shareholders, employees, agents, receivers, trustees, attorneys and its legal representatives, unconditionally and completely releases and forever discharges the other party, its predecessors, successors, assigns, and its past, present and future officers, directors, shareholders, employees, agents, receivers, trustees, attorneys, and its legal representatives from any and all past, present, and future rights, liabilities, and obligations including, but not limited to, payments, claims, debts, demands, causes of action, costs, disbursements, fees, attorneys' fees, expenses, damages, injuries, or losses of every kind. whether known or unknown, reported or unreported, or fixed or contingent, relating to or arising out of this Contract.

ARTICLE XI - ERRORS AND OMISSIONS

Any inadvertent delay, omission, or error on the part of the SBA shall not be held to relieve the RAP Insurer

from any liability which would attach to it hereunder if such delay, omission, or error had not been made.

ARTICLE XII - INSPECTION OF RECORDS

The RAP Insurer shall allow the SBA to inspect, examine, and verify, at reasonable times, all records of the RAP Insurer relating to the Covered Policies under this Contract, including RAP Insurer files concerning insured values, claims, Losses, or legal proceedings regarding subrogation or claims recoveries which involve this Contract. This right by the SBA to inspect, examine. and verify shall survive the completion and closure of a claims examination file and the termination of the Contract. The RAP Insurer shall have no right to re-open a claims examination once closed and the findings have been accepted by the RAP Insurer; any re-opening shall be at the sole discretion of the SBA. The SBA may require any discovered errors, inadvertent omissions, and typographical errors associated with reporting of losses discovered prior to the closing of the file and acceptance of the examination findings by the RAP Insurer, to be corrected to reflect the proper values. The RAP Insurer shall retain its records in accordance with the requirements for records retention regarding claims reports outlined herein, and in any administrative rules that may be adopted pursuant to Section 215.5551, Florida Statutes. RAP Insurers writing covered collateral protection policies, as defined in definition (5)(b) of Article V, must be able to provide documentation that the policy covers personal residences, protects both the borrower's and lender's interest, and that the coverage is in an amount at least equal to the coverage for the dwelling in place under the lapsed homeowner's policy, the coverage amount that the homeowner has been notified of by the collateral protection insurer, or the coverage amount that the homeowner requests from the collateral protection insurer

(1) **Examination Requirements for Loss Reports**

The RAP Insurer shall retain complete and accurate records of all reported Losses submitted to the SBA until the SBA has completed its examination of the RAP Insurer's reimbursable Losses and commutation for the Contract Year (if applicable) has been concluded. The records to be retained arc set forth as part of the FHCF Proof of Loss Report, Examination Procedures

(a) The SBA will send an examination notice letter to the RAP Insurer providing the commencement date of the examination, any accommodation requirements of the examiner, and the reports and data which must be assembled by the RAP Insurer and forwarded to the SBA. The RAP Insurer shall be prepared to choose one location, that may be remote, in which to be examined, unless otherwise specified by the SBA.

(b) The reports and data are required to be forwarded to the SBA as set forth in the examination notice letter. Any records to support reported Losses which arc provided after the examiner has left the worksite will, at the SBA's discretion, result in an additional examination of loss records or an extension or expansion of the examination already in progress. All costs associated with such additional examination or with the extension or expansion of the original examination shall be borne by the RAP Insurer.
(c) At the conclusion of the examiner's work and the management review of the examiner's report, findings, recommendations, and work papers, the SBA will forward an examination report to the RAP Insurer.
(d) Within 30 days from the date of the letter accompanying the examination report, the RAP Insurer must provide a written response to the SBA. The response must indicate whether the RAP Insurer agrees with the findings and recommendations of the examination report. If the RAP Insurer disagrees with any examination findings or recommendations, the reason for the disagreement must be outlined in the response and the RAP Insurer must provide supporting information to support its objection. An extension of 30 days may be granted if the RAP Insurer can show that the need for additional time is due to circumstances beyond the reasonable control of the RAP Insurer. No response is required if the examination report does not include any findings or recommendations.
(e) if the RAP Insurer accepts the examination findings and recommendations, and there is no recommendation for additional information, the examination report will be finalized and the exam file closed.
(f) If the RAP Insurer disputes the examiner's findings, the areas in dispute will be resolved by a meeting or a conference call between the RAP Insurer and SBA.
(g) If the recommendation of the examiner is to update the RAP Insurer's FHCF Proof of Loss Report(s) for the Covered Event, the SBA will send the RAP Insurer a letter outlining the process for submitting the FHCF Proof of Loss Report(s) and including a deadline to file. Once the FHCF Proof of Loss Report(s) is received by the SBA, the SBA will calculate a revised reimbursement. The SBA shall then review the submitted FHCF Proof of Loss Report(s) with respect to the examiner's findings and accept the FHCF Proof of Loss Report(s) as filed or contact the RAP Insurer with any questions. Once the SBA has accepted the corrected FHCF Proof of Loss Report(s) as a sufficient response to the examiner's findings, the exam is closed.
(h) The examiner's list of errors is made available in the examination report sent to the RAP insurer. Given that the examination was based on a sample of the RAP Insurer's claims rather than the whole universe of the RAP Insurer's reported claims, the error list is not intended to provide a

complete list of errors but is intended to indicate what information needs to be reviewed and corrected throughout the RAP Insurer's claims information to ensure more complete and accurate reporting to the SBA.

(2) **Costs of the Examinations**

The costs of the examinations shall be borne by the SBA. The SBA shall be reimbursed by the RAP Insurer for any reasonable and customary additional examination expenses incurred which were incurred as a result of a RAP Insurer's failure to provide requested information. All requested information must be complete and accurate.

ARTICLE XIII - OFFSETS

The SBA reserves the right to offset amounts payable to the SBA under the RAP program against future reimbursements due to the RAP Insurer.

ARTICLE XIV - INSOLVENCY OF THE RAP INSURER

For the purpose of this Contract, a RAP Insurer is insolvent when an order of liquidation with a finding of insolvency has been entered by a court of competent jurisdiction. No reimbursements will be made until the SBA has completed and closed its examination of the insolvent RAP Insurer's Losses, unless an agreement is entered into by the court appointed receiver specifying that all data and computer systems required for SBA claims examinations will be maintained until completion of the RAP Insurer's claims examinations. Only those Losses supported by the examination will be reimbursed. Pursuant to Section 215.5551(9), Florida Statutes, the SBA is required to pay the reimbursement monies due an insolvent insurer to the applicable state guaranty fund for the benefit of Florida policyholders.

If an authorized insurer or Citizens Property Insurance Corporation accepts an assignment of an unsound RAP Insurer's Contract, the SBA shall apply the unsound RAP Insurer's Contract to such policies and treat the authorized insurer or Citizens Property Insurance Corporation as if it were the unsound RAP Insurer for the remaining term of the unsound RAP Insurer's Contract, with all rights and duties of the unsound RAP Insurer beginning on the date it provides coverage for such policies. The authorized insurer or Citizens Property Insurance Company has the responsibility to ensure that the books and records related to the assigned RAP Insurer's Contract are preserved and accessible to the SBA for its claims examinations. The authorized insurer or Citizens Property Insurance Corporation will not be reimbursed by the SBA for any Losses occurring prior to the date it first provides coverage for such transferred policies. Reimbursements for those Losses shall be made to the Unsound Insurer, the court-appointed receiver, or the applicable guaranty association. as provided by statute.

ARTICLE XV - TERMINATION
The SBA and the obligations of both parties under this Contract can be terminated only as may be provided by law or applicable rules. Should the enabling legislation for the RAP program be found unconstitutional by a court of competent jurisdiction, this Contract is null and void and no obligation or right arises from said void Contract.

ARTICLE XVI — VIOLATIONS

(1) **Statutory Provisions**

(a) Section 215.5551(10), Florida Statutes, provides that any violation of Section 215.5551, Florida Statutes, or of any rules adopted under that section, constitutes a violation of the Florida Insurance Code.

(b) Section 215.5551(11), Florida Statutes, authorizes the SBA to take any action necessary to enforce the rules and the provisions and requirements of this Contract, required by Section 215.5551, Florida Statutes.

(2) **Noncompliance**

(a) As used in this Article, the term "noncompliance" means the failure of the RAP Insurer to meet any applicable requirement of Section 215.5551, Florida Statutes, or of any rule adopted under the authority of that section of Florida Statutes, including, but not limited to, any failure to provide Loss reporting or commutation documentation, or a deadline related to SBA examination requirements. The RAP Insurer remains in a state of noncompliance as long as the RAP Insurer fails to meet the applicable requirement(s).

(b) If the RAP Insurer is in a state of noncompliance, the SBA reserves the right to withhold any payments due to the RAP Insurer until the SBA determines that the RAP Insurer is no longer in a state of noncompliance.

ARTICLE XVII - APPLICABLE LAW

This Contract shall be governed by and construed according to the laws of the State of Florida in respect of any matter relating to or arising out of this Contract.

ARTICLE XVIII - SEVERABILITY
If any provision of this Contract is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions, and this Contract shall be construed and enforced as if such provision had not been included.

ARTICLE XIX - DUE DATES
If any due date provided in this Contract is a Saturday, Sunday or a legal State of Florida or federal holiday, then the actual due date will be the day immediately following the applicable due date which is not a Saturday, Sunday or a legal State of Florida or federal holiday.

ARTICLE XX — SIGNATURES

Approved by:

Paragon Strategic Solutions, Inc. as designee for the State Board of Administration of the State of Florida

By: /s/ Martin K. Helgestad 2/27/2023
Signature Date

Authority to sign on behalf of the RAP Insurer:

The person signing this Contract on behalf of the RAP Insurer hereby represents that he or she is an officer of the RAP Insurer, acting within his or her authority to enter into this Contract on behalf of the RAP Insurer, with the requisite authority to bind the RAP Insurer and make the representations on behalf of the RAP Insurer as set forth in this Contract.

Homeowners Choice Property and Casualty Insurance Company

Karin Coleman President

By: /s/ Karin Coleman 2/24/2023
Signature Date

EXHIBIT 10.39

STATE BOARD OF ADMINISTRATION OF FLORIDA

1801 HERMITAGE BOULEVARD, SUITE 100 TALLAHASSEE, FLORIDA
32308

(850) 488-4406

POST OFFICE BOX 13300
32317-3300

RON DESANTIS
GOVERNOR
CHAIR

JIMMY PATRON'S
cmEr FINANCIAL OFFICER

ASIII,F.Y MOODY
ATTORNEY GENERAL

LAMAR TAYLOR
INTERIM-EXECUTIVE DIRECTOR *dr*
CHIEF INVESTMENT OFFICER

RAP REIMBURSEMENT CONTRACT

Coverage Effective: June 1, 2023
("Contract")

This Contract is between:

Typtap Insurance Company
("RAP Insurer")
NA1C # 15885
and

THE STATE BOARD OF ADMINISTRATION OF THE STATE OF FLORIDA ("SBA") ON BEHALF OF THE REINSURANCE TO ASSIST POLICYHOLDERS PROGRAM ("RAP program")

PREAMBLE
Section 215.5551, Florida Statutes, creates the RAP program and directs the SBA to administer the RAP program. This Contract, consisting of the principal document entitled RAP Reimbursement Contract, addressing the mandatory RAP coverage, and any additional Addenda that may be necessary pursuant to Section 215.5551(9), Florida Statutes, is subject to Section 215.5551, Florida Statutes, and to any administrative rule adopted pursuant thereto, and is not intended to be in conflict therewith. All provisions in the principal document are equally applicable to each Addendum unless specifically superseded by one of the Addenda.

In consideration of the promises set forth in this Contract, the parties agree as follows:

ARTICLE I - SCOPE OF AGREEMENT
The terms of this Contract shall determine the rights and obligations of the parties. This Contract provides reimbursement to the RAP Insurer under certain circumstances, as described herein, and does not provide or extend insurance or reinsurance coverage to any person, firm, corporation, or other entity. The SBA shall reimburse the RAP Insurer for its Ultimate Net Loss on Covered Policies in force at the time of the Covered

Event causing the Loss, in excess of the RAP Insurer's RAP Retention as a result of the two Covered Events with the largest covered losses for the RAP Insurer commencing during the Contract Year, to the extent funds are available but not to exceed the $2 billion aggregate limit remaining for RAP Insurers in the 20232024 Contract Year.

ARTICLE H - PARTIES TO THE CONTRACT

This Contract is solely between the RAP Insurer and the SBA. In no instance shall any insured of the RAP Insurer, any claimant against an insured of the RAP Insurer, or any other third party have any rights under this Contract, except as provided in Article XIV. The SBA will disburse funds only to the RAP Insurer, except as provided for in Article XIV. The RAP Insurer shall not, without the prior approval of the Florida Office of Insurance Regulation, sell, assign, or transfer to any third party, in return for a fee or other consideration, any amounts the SBA pays under this Contract or the right to receive such amounts.

ARTICLE III — TERM; EXECUTION

(1)Term

This Contract applies to Losses from Covered Events which commence during the period from 12:00:01 a.m., Eastern Time, June 1, 2023, to 12:00 midnight, Eastern Time, May 31, 2024 (the "Contract Year"). The SBA shall not be liable for Losses from Covered Events which commence after the effective time and date of expiration or termination. Should this Contract expire or terminate while a Covered Event is in progress, the SBA shall be responsible for such Covered Event in progress in the same manner and to the same extent it would have been responsible had the Contract expired the day following the conclusion of the Covered Event in progress.

(2)Mandatory Nature of this Contract

(a) Statutory Requirement

This Contract fulfills the statutory requirement that the SBA enter into a Contract with each eligible RAP Insurer writing Covered Policies in Florida. Under Section 215.5551(4), Florida Statutes, the SBA must enter into a Contract with each RAP Insurer, and each RAP Insurer must enter into the Contract as a condition of doing business in Florida. Under Section 215.5551(4)(a)2.b., Florida Statutes, RAP Insurers participating in the RAP program during the 2023-2024 Contract Year must execute the Contract by March 1, 2023.

(b) The RAP Insurer must provide an executed copy of this Contract in electronic form to the SBA's designee, Paragon Strategic Solutions Inc., by March 1, 2023, and if the RAP Insurer fails to execute the RAP Contract by this statutory deadline, the Contract is deemed to have been executed by the RAP Insurer pursuant to Section 215.5551(4)(a)3., Florida Statutes,

ARTICLE IV - LIABILITY OF TIIE SBA

(1) The SBA shall reimburse the RAP Insurer with respect to the two Covered Events with the largest covered Losses for the RAP Insurer commencing during the Contract Year in the amount of Ultimate Net Loss paid by the RAP Insurer in excess of the RAP Insurer's RAP retention, as adjusted pursuant to the definition of RAP Retention in Article V, multiplied by 90 percent, plus 10 percent of the reimbursed Losses as a Loss Adjustment Expense Allowance, the total of which shall not exceed the RAP Insurer's Limit pursuant to Section 215.5552(2)(i), Florida Statutes. The RAP Insurer's FHCF Proof of Loss Reports shall be used to determine which Covered Events constitute the RAP Insurer's two largest Covered Events; however, such determination shall not include incurred but not reported Losses. After this initial determination, any subsequent adjustments shall be made by the SBA if the FHCF Proof of Loss Reports reveal that loss development patterns have resulted in a change in the order of Covered Events.

(2) In order to assure that reimbursements do not exceed the statutory RAP Limit of the RAP program provided in Section 21S.5551, Florida Statutes, the SBA shall, upon the occurrence of a Covered Event, evaluate the potential Losses to the RAP program. The initial projected RAP Payout Multiples used to reimburse the RAP Insurers for their Losses shall not exceed the projected Payout Multiples as calculated based on the capacity needed to provide the RAP coverage. If it appears that the aggregate limit for RAP Insurers in the 2023-2024 Contract Year may be exceeded, the SBA shall reduce the projected payout factors or multiples for determining each participating insurer's projected payout uniformly among all RAP Insurers participating in the 2023-2024 Contract Year.

(3) Reimbursement amounts shall not be reduced by reinsurance paid or payable to the RAP Insurer from other sources excluding the Florida Hurricane Catastrophe Fund. Once the RAP insurer's Limit has been exhausted, the RAP Insurer will not be entitled to further reimbursements.

ARTICLE V - DEFINITIONS

As used in this Contract, the following words and phrases are defined to mean:

(1)Additional Living Expense (ALE)

ALE Losses covered by the RAP program are not to exceed 40 percent of the insured value of a Residential Structure or its contents based on how the coverage is provided in the policy. Fair rental value, loss of rents, or business interruption losses are not covered by the RAP program.

(2)Commutation

Commutation is the estimation, payment, and complete discharge of all future obligations for Losses, regardless of future loss development. The final commutation agreement shall constitute a complete

and final release of all obligations of the SBA with respect to Losses. Commutation may be per Covered Event or by Contract Year as determined by the SBA.

(3) **Contract Year**

The term means the period beginning on June 1 of a specified calendar year and ending on May 31 of the following calendar year.

(4) **Covered Event**

This term means any one storm declared to be a hurricane by the National Hurricane Center which causes insured losses in Florida. A Covered Event begins when a hurricane causes damage in Florida while it is a hurricane and continues throughout any subsequent downgrades in storm status by the National Hurricane Center regardless of whether the hurricane makes landfall. Any storm, including a tropical storm, which does not become a hurricane is not a Covered Event.

(5) **Covered Policy**

(a) Covered Policy has the same meaning as in Section 215.555(2)(c), Florida Statutes, and is further clari fled to mean only that portion of a binder, policy or contract of insurance that insures real or personal property located in the State of Florida to the extent such policy insures a Residential Structure or the contents of a Residential Structure, located in the State of Florida.

(b) Covered Policy also includes any collateral protection insurance policy covering personal residences which protects both the borrower's and the lender's financial interest, in an amount at least equal to

1. the coverage for the dwelling in place under the lapsed homeowner's policy,
2, the coverage amount that the homeowner has been notified of by the collateral protection insurer, or
3. the coverage amount that the homeowner requests from the collateral protection insurer

if such collateral protection insurance policy can be accurately reported as required in Section 215.555(5), Florida Statutes,

(c) a company will be deemed to be able to accurately report data if the company submits the required data as specified in the Data Call adopted under Rule 19-8.029, F.A.C.

(d) Covered Policy does not include any policy or exposure excluded under Article **VI.**

(6) **Deductible Buy-Back Policy**

This teen means a specific policy that provides coverage to a policyholder for some portion of the policyholder's deductible under a policy issued by another insurer.

(7) Excess Policy

This term means, for the purposes of this Contract, a policy that provides insurance protection for large commercial property risks and that provides a layer of coverage above a primary layer (which is insured by a different insurer) that acts much the same as a very large deductible.

(8) FHCF

The term means the Florida Hurricane Catastrophe Fund created under Section 215.555, Florida Statutes.

(9) FHCF Coverage Level

The level of coverage (90 percent, 75 percent or 45 percent) that has been elected by the RAP Insurer for the FHCF and is used to determine the RAP Insurer's RAP Retention and RAP Maximum Payout.

(10) FHCF Data Call

For the 2023-2024 Contract Year, the reporting of Company exposure data shall be in accordance with Form FHCF-D1A, "Florida Hurricane Catastrophe Fund 2023 Data Call."

(11) Fl•ICF Detailed Claims Listing

For the 2023-2024 Contract Year, the applicable Detailed Claims Listing Instructions is Form FHCF-DCL, "Contract Year 2023 Detailed Claims Listing Instructions."

(12) FHCF Interim Loss Report

For the 2023-2024 Contract Year, the reporting of estimated Ultimate Net Loss shall be in accordance with Form FHCF-L I A, "Contract Year 2023 Interim Loss Report, Florida Hurricane Catastrophe Fund (FHCF)."

(13) FHCF Proof of Loss Report

For the 2023-2024 Contract Year, the reporting of Ultimate Net Loss shall be in accordance with Form FHCF-LIB, "Contract Year 2023 Proof of Loss Report, Florida Hurricane Catastrophe Fund (FHCF)."

(14) FHCF Retention

This term means the amount of Losses from a Covered Event which must be incurred by the Company before it is eligible for reimbursements from the FHCF. This is the FHCF retention used for each of the covered events causing the largest Losses for the RAP Insurer.

(15) FHCF Retention Multiple

(a) The FHCF Retention Multiple is applied to the Company's FHCF Reimbursement Premium to determine the Company's FHCF Retention. The FHCF Retention Multiple for the 2023-2024 Contract Year shall be equal to $4.5 billion, adjusted based upon the reported exposure for the 2021-2022 Contract Year to reflect the percentage growth in exposure to the FHCF since 2004, divided by the estimated total industry FHCF Reimbursement Premium at the 90 percent Coverage Level for the Contract Year as determined by the SBA.

(b) The FHCF Retention Multiple shall be adjusted to reflect the Coverage Level elected by the Company under the FIICF Contract as follows:

1. If the Company elects the 90 percent Coverage Level, the adjusted FHCF Retention Multiple is 100 percent of the amount determined under paragraph (a);

2. If the Company elects the 75 percent Coverage Level, the adjusted FIICF Retention Multiple is 120 percent of the amount determined under paragraph (a); or

3. If the Company elects the 45 percent Coverage Level, the adjusted FHCF Retention Multiple is 200 percent of the amount determined under paragraph (a).

(16**) Losses**

This term means an incurred loss under a Covered Policy from a Covered Event, including Additional Living Expenses not to exceed 40 percent of the insured value of a Residential Structure or its contents and amounts paid as fees on behalf of or inuring to the benefit of a policyholder. The term Loss does not include allocated or unallocated loss adjustment expenses or any item for which this Contract does not provide reimbursement pursuant to the exclusions in Article VI.

(17) **Loss Adjustment Expense Allowance**

(a) The Loss Adjustment Expense Allowance is equal to 10 percent of the reimbursed Losses under this Contract.

(b) The Loss Adjustment Expense Allowance is included in, and not in addition to, the limit applicable to a RAP Insurer.

(18) **RAP**

The term means the Reinsurance to Assist Policyholders program created by Section 215.5551, Florida

Statutes.

(19) **RAP Insurer**

This term means an insurer that is a participating insurer in the Florida Hurricane Catastrophe Fund on June 1, 2022, which must obtain coverage under the RAP program and qualifies under Section 215.5551(5), Florida Statutes. However, any joint underwriting association, risk apportionment plan, or other entity created under Section 627.351 is not considered a RAP Insurer and is prohibited from obtaining coverage under the RAP program. For purposes of this Contract, this term is further clarified to mean an insurer that was required to defer coverage until the 2023-2024 contract year, including a new participant in the 2022-2023 Contract Year that began writing covered policies in this state after June 1, 2022, pursuant to Section 215.5551(6), Florida Statutes.

(20) **RAP Maximum Payout**

For each FHCF coverage level, the term means a RAP Insurer's maximum RAP payout, which is its

RAP Payout Multiple multiplied by its FHCF premium.

(21) **RAP Qualification Ratio**

The term means the ratio of the FHCF premium adjusted to 90 percent for RAP Insurers divided by the FHCF premium adjusted to 90 percent for all insurers. The preliminary RAP Qualification Ratio shall be based on the 2022-2023 Contract Year's RAP Insurers' FHCF premiums, as of December 31, 2022, adjusted to 90 percent based on the 2023-2024 Contract Year FHCF Coverage Level. The RAP Qualification Ratio shall be based on the reported 2023-2024 Contract Year RAP Insurer FHCF premiums, as of December 31, 2023, adjusted to 90 percent.

(22) **RAP Payout Multiple**

The term means for each FHCF Coverage Level, the ratio of the RAP industry limit of $2 billion to the FHCF Retention, multiplied by the FHCF Retention Multiple, and divided by the RAP Qualification Ratio.

(23) **RAP Reimbursement Contract**

The term means the reimbursement contract reflecting the obligations of the RAP program to RAP Insurers.

(24) **Residential Structure**

In general, this term means a unit or building used exclusively or predominantly for dwelling or habitational occupancies, including the primary structure and appurtenant structures insured under the same Covered Policy and any other structures covered under endorsements associated with the Covered Policy covering the Residential Structure.

(a) With respect to a unit or home insured under a personal lines residential policy form, such unit or home is deemed to have a habitational occupancy and to be a Residential Structure regardless of the term of its occupancy.

(b) With respect to a condominium structure or complex insured under a commercial lines policy, such structure is deemed to have a habitational occupancy and to be a Residential Structure, regardless of the term of occupancy of individual units.

(c) A single structure which includes a mix of commercial habitational and commercial non-habitational occupancies, and is insured under a commercial lines policy, is considered a Residential Structure if 50 percent or more of the total insured value of the structure is used for habitational occupancies.

(d) Residential Structures do not include any structures excluded under Article VI.

(25) **RAP Retention**

This term means for each FHCF Coverage Level, a RAP Insurer's RAP Retention Multiple multiplied by its FHCF premium.

(26) **RAP Retention Multiple**

The term means for each FHCF Coverage Level, the FIiCF Retention Multiple minus the RAP Payout Multiple.

(27) **SBA**

The term means the State Board of Administration or its designee.

(28) **Ultimate Net Loss**

(a) This term means all Losses under Covered Policies in force at the time of a Covered Event prior to the application of the RAP Insurer's Retention and excluding loss adjustment expense and any exclusions under Article VI.

(b) In calculating the RAP Insurer's Ultimate Net Loss, the amounts described in paragraph (a) shall be reduced by the deductibles applicable under the policy to the hurricane loss, without recognition of any credit earned or reduction to the deductible under the policy applied by the RAP Insurer. The deductibles must first be applied to the portion of the Loss covered by the RAP program.

(c) Salvages and all other recoveries, excluding reinsurance recoveries, shall be first deducted from such Loss to arrive at the amount of liability attaching hereunder.

(d) All salvages, recoveries or payments recovered or received subsequent to a Loss settlement under this Contract shall be applied as if recovered or received prior to the aforesaid settlement and all necessary adjustments shall be made by the parties hereto.

(e) The SBA shall be subrogated to the rights of the RAP Insurer to the extent of its reimbursement of the RAP Insurer. The RAP Insurer agrees to assist and cooperate with the SBA in all respects as regards such subrogation. The RAP Insurer further agrees to undertake such actions as may be necessary to enforce its rights of salvage and subrogation, and its rights, if any, against other insurers as respect to any claim, loss, or payment arising out of a Covered Event.

(29) **Unsound Insurer**

The term means a RAP Insurer determined by the Office of Insurance Regulation to be in unsound condition as defined in Section 624.80(2), Florida Statutes or a RAP Insurer placed in receivership under chapter 631, Florida Statutes.

ARTICLE VI - EXCLUSIONS

This Contract does not provide reimbursement for:

(1) Any losses not defined as being within the scope of a Covered Policy, including any loss other than a loss under the first-party property section of a policy pertaining strictly to the structure, its contents, appurtenant structures, or ALE coverage.

(2) Any policy which excludes wind or hurricane coverage.

(3) Any Excess Policy or Deductible Buy-Back Policy that requires individual ratetnaking, as determined by the SBA.

(4) (a) Any policy for Residential Structures that provides a layer of coverage underneath an Excess Policy issued by a different insurer;

(b) Any policy providing a layer of windstorm or hurricane coverage for a structure(s) above or below a layer of windstorm or hurricane coverage under a separate policy issued by a different insurer, or any other circumstance in which two or more insurers provide primary windstorm or hurricane coverage for a structure(s) using separate policy forms; or

(c) Any other policy providing a layer of windstorm or hurricane coverage for a structure(s) below a layer of self-insured windstorm or hurricane coverage for the same structure(s).

(5) Any liability of the RAP Insurer attributable to losses for fair rental value, loss of rent or rental income, or business interruption.

(6) Any collateral protection policy that does not meet the definition of Covered Policy as defined in Article V(5)(b).

(7) Any reinsurance assumed by the RAP insurer.

(8) Hotels, motels, timeshares, shelters, camps, retreats, or other similar structures. This exclusion does not apply to any policy identified as covering a residential condominium association or to any policy on which the insured is a residential condominium association, unless it is classified and rated as a hotel, motel, timeshare, shelter, camp, retreat, or other similar structure.

(9) Retail, office, mercantile, or manufacturing facilities, or other similar structures.

(10) Any exposure for condominium or homeowner associations if no Residential Structures are insured under the policy.

(11) Commercial healthcare facilities and nursing homes; however, a nursing home which is an integral part of a retirement community consisting primarily of habitational structures that are not nursing homes will not he subject to this exclusion.

(12) Any exposure under commercial policies covering only appurtenant structures or structures that do not function as a habitational structure (e.g., a policy covering only the pool of an apartment complex).

(13) Policies covering only Additional Living Expense.

(14) Any exposure for barns or barns with apartments or living quarters.

(15) Any exposure for builders risk coverage or new Residential Structures under construction.

(16) Any exposure for vehicles, recreational vehicles, golf carts, or boats (including boat-related equipment) requiring licensing.

(17) Any liability of the RAP Insurer for extra contractual obligations or liabilities in excess of original policy limits. This exclusion includes, but is not limited to, amounts paid as bad faith awards, punitive damages awards, or other court-imposed fines, sanctions, or penalties, or other amounts in excess of the coverage limits under the Covered Policy.

(18) Any losses paid in excess of a policy's hurricane limit in force at the time of the Covered Event, including individual coverage limits (i.e., building, appurtenant structures, contents, and additional living expense), or other amounts paid as the result of a voluntary expansion of coverage by the insurer, including, but not limited to, a discount on or waiver of an applicable deductible. This exclusion includes overpayments of a specific individual coverage limit even if total payments under the policy are within the aggregate policy limit.

(19) Any losses paid under a policy for Additional Living Expense, written as a time element coverage, in excess of the Additional Living Expense exposure reported for that policy under the FIICF Data Call (unless policy limits have changed effective after June 30 of the Contract Year).

(20) Any losses which the RAP Insurer's claims files do not adequately support. Claim file support shall be deemed adequate if in compliance with the Records Retention Requirements outlined on the FHCF Proof of Loss Report applicable to the Contract Year.

(21) Any exposure for, or amounts paid to reimburse a policyholder for, condominium association loss assessments or under similar coverages for contractual liabilities.

(22) Losses in excess of the aggregate limits of liability specified in Article IV and in Section 215.5551(2)(i), Florida Statutes.

(23) Any liability assumed by the RAP Insurer from Pools, Associations, and Syndicates. Exception: Covered Policies assumed from Citizens under the terms and conditions of an executed assumption agreement between the RAP Insurer and Citizens are covered by this Contract.

(24) All liability of the RAP Insurer arising by contract, operation of law, or otherwise, from its participation or membership, whether voluntary or involuntary, in any insolvency fund. "Insolvency fund" includes any guaranty fund, insolvency fund, plan, pool, association, fund or other arrangement, howsoever denominated, established or governed, which provides for any assessment of or payment or assumption by the RAP Insurer of part or all of any claim, debt, charge, fee, or other obligation of an insurer, or its successors or assigns, which has been declared by any competent authority to be insolvent, or which is otherwise deemed unable to meet any claim, debt, charge, fee or other obligation in whole or in part.

(25) Property losses that are proximately caused by any peril other than a Covered Event, including, but not limited to, fire, theft, flood or rising water, or windstorm that does not constitute a Covered Event, or any liability of the RAP Insurer for loss or damage caused by or resulting from nuclear reaction, nuclear radiation, or radioactive contamination from any cause, whether direct or indirect, proximate or remote, and regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

(26) Losses from water damage including flood, surface water, waves, tidal water, overflow of a body of water, storm surge, or spray from any of these, whether or not driven by wind.

(27) A policy providing personal property coverage separate from coverage of personal property included in a homeowner's, mobile homeowner's, condominium unit owner's, or tenant's policy or other policy covering a Residential Structure, or in an endorsement to such a policy. Also excluded is a personal property endorsement to a policy that excludes windstorm or hurricane coverage or to any other type of policy that does not meet the definition of Covered Policy.

(28) Endorsements predominantly covering Specialized Fine Arts Risks or collectible types of property meeting the following requirements:

(a) An endorsement predominantly covering Specialized Fine Arts Risks and not covering any Residential Structure if it. meets the description in subparagraph 1 and if the conditions in subparagraph 2 are met.

1. For purposes of this exemption, a Specialized Fine Arts Risk endorsement is an endorsement that:

a. Insures works of art, of rarity, or of historic value, such as paintings, works on paper, etchings, art glass windows, pictures, statuary, sculptures, tapestries, antique furniture, antique silver, antique rugs, rare books or manuscripts, jewelry, or other similar items;

b. Charges a minimum premium of $500; and

c. insures scheduled items valued, in the aggregate, at no less than $100,000.

2. The insurer offers specialized loss prevention services or other collector services designed to prevent or minimize loss, or to value or inventory the Specialized Fine Arts for insurance purposes, such as:

a. Collection risk assessments

b. Fire and security loss prevention

c. Warehouse inspections to protect items stored off-site

d. Assistance with collection inventory management or

e. Collection valuation reviews.

(b) An endorsement generally used by the RAP Insurer to cover personal property which could include property of a collectible nature, including fine arts, as further described in this paragraph, either on a scheduled basis or written under a blanket limit, and not covering anything other than personal property. All such endorsements are subject to the exclusion provided in this paragraph when the endorsement limit equals or exceeds $500,000. Generally, such collectible property has unusually high values due to its investible, artistic, or unique intrinsic nature. The class of property covered under such an endorsement represents an unusually high exposure value and such endorsement is intended to provide coverage for a class or classes of property that is not typical for the contents coverage under residential property insurance policies. In many cases property may be located at various locations either in or outside the state of Florida or the location of the property may change from time to time. The investment nature of such property distinguishes this type of exposure from the typical contents associated with a Covered Policy.

(29) Any Losses under liability coverages.

ARTICLE VII - MANAGEMENT OF CLAIMS AND LOSSES
The RAP Insurer shall investigate and settle or defend all claims and Losses. All payments of claims or Losses by the RAP Insurer within the terms and limits of the appropriate coverage parts of Covered Policies shall be binding on the SBA, subject to the terms of this Contract, including the provisions in Article XII relating to inspection of records and examinations.

ARTICLE VIII - REIMBURSEMENT ADJUSTMENTS
The SBA has the right to seek the return of excess reimbursements which have been paid to the RAP Insurer along with interest thereon. Excess reimbursements are those payments made to the RAP Insurer by the SBA that are in excess of the RAP Insurer's coverage under this Contract. Excess reimbursements may result from adjustments to the Projected RAP Payout Multiple or the RAP Payout Multiple, FHCF exposure (FHCF Data Call) submissions or resubmissions, changes to the RAP Retention, incorrect FHCF Proof of Loss Reports, or subsequent readjustment of policyholder claims, including subrogation and salvage, or any combination of the foregoing. The RAP Insurer will be sent an invoice showing the due date for adjustments along with the interest due thereon through the due date. The applicable interest rate for excess reimbursements and late payments resulting from incorrect Proof of Loss Reports will be the prime rate as published by the Wall Street Journal on the first business day of the Contract Year and adjusted each subsequent Contract Year. All interest will continue to accrue if not paid by the due date.

ARTICLE IX - REPORTS AND REMITTANCES
(1) Losses

(a) In General

Losses resulting from a Covered Event commencing during the Contract Year shall be reported by the RAP Insurer and reimbursed by the SBA as provided herein and in accordance with the statute, this Contract, and any rules adopted pursuant to the statute.

(b) Loss Reports

1. At the direction of the SBA, the RAP Insurer shall report its projected Ultimate Net Loss from each Covered Event to provide information to the SBA in determining any potential liability for possible reimbursable Losses under the Contract on the FHCF Interim Loss Report. The FHCF Interim Loss Report will be due in no less than fourteen days from the date of the notice from the SBA that such a report is required.

2. RAP reimbursements will be issued based on Ultimate Net Loss information reported by the RAP Insurer on the FHCF Proof of Loss Report.

a. To qualify for reimbursement, the FHCF Proof of Loss Report must have the electronic signatures of two executive officers authorized by the RAP Insurer to sign or submit the report.

b. The RAP Insurer must also submit a FHCF Detailed Claims Listing at the same time it submits its first FHCF Proof of Loss Report for a specific Covered Event that qualifies the RAP Insurer for reimbursement under that Covered Event and must be prepared to supply a FHCF Detailed Claims Listing for any subsequent FHCF Proof of Loss Report upon request.

c. While the RAP Insurer may submit a FHCF Proof of Loss Report requesting reimbursement at any time following a Covered Event, the RAP Insurer shall submit a mandatory FHCF Proof of Loss Report for each Covered Event no later than December 31 of the Contract Year during which the Covered Event occurs using the most current data available, regardless of the amount of Ultimate Net Loss or the amount of reimbursements already received.

3. FHCF Proof of Loss Reports for each Covered Event are due quarterly until all Losses resulting from a Covered Event are commuted. The RAP Insurer's FHCF Proof of Loss Reports shall use the most current data available, but with an "as of date not more than sixty days prior to the applicable quarter-end date.

4. The SBA, except as noted below, will determine and pay, within 30 days or as soon as practicable after receiving FHCF Proof of Loss Reports, the reimbursement amount due based

on Losses paid by the RAP Insurer to date and adjustments to this amount based on subsequent quarterly information. The adjustments to reimbursement amounts shall require the SBA to pay, or the RAP Insurer to return, amounts reflecting the most recent determination of Losses.

a. The SBA shall require commercial self-insurance funds established under Section 624.462, Florida Statutes, to submit contractor receipts to support paid Losses reported on a FHCF Proof of Loss Report, and the SBA may hire an independent consultant to confirm Losses, prior to the issuance of reimbursements.

b. The SBA shall have the right to conduct a claims examination prior to the issuance of any reimbursements requested by RAP Insurers that have been placed under regulatory supervision by a State or where control has been transferred through any legal or regulatory proceeding to a state regulator or court appointed receiver or rehabilitator.

5. All FIICF Proof of Loss Reports received will be compared with the FHCF's exposure data to establish the facial reasonableness of the reports. The SBA may also review the results of claims examinations to determine the reasonableness of the reported Losses. Except as noted in subparagraph 4., RAP Insurers meeting these tests for reasonableness will be scheduled for reimbursement. RAP Insurers not meeting these tests for reasonableness will be handled on a case-by-case basis and will be contacted to provide specific information regarding their individual book of business. The discovery of errors in a RAP Insurer's reported exposure under the FHCF Data Call may require a resubmission of the current Contract Year FHCF Data Call which may be required before the RAP Insurer's request for reimbursement will be fully processed by the SBA or its designee, Paragon Strategic Solutions.

(2) **Loss Reimbursement Calculations**

(a) In general, the RAP Insurer's paid Ultimate Net Losses must exceed its RAP retention for a specific Covered Event before any reimbursement is payable from the SBA for that Covered Event. In conjunction with Article V(21), RAP Retention adjustments will be made on or after January 15 of the Contract Year. No interest is payable on additional payments to the RAP Insurers due to this type of Retention adjustment. Each RAP Insurer incurring reimbursable Losses will receive the amount of reimbursement due under the individual RAP Insurer's Contract up to the amount of the RAP Insurer's maximum payout. If more than one Covered Event occurs in any one Contract Year, any reimbursements due from the SBA shall take into account the RAP Insurer's Retention for each Covered Event. However, the RAP Insurer's reimbursements from the RAP program for all Covered Events occurring during the Contract Year shall not exceed, in aggregate, the RAP Maximum Payout.

(b) Reserve established. The SBA will establish a reserve for the outstanding reimbursable Losses for the Contract Year, based on the length of time the Losses have been outstanding, the amount of Losses already paid, the percentage of incurred Losses still unpaid, and any other factors specific to the loss development of the Covered Events involved.

ARTICLE X — COMMUTATION

(1) Timeframe for Commutation Process

(a) The RAP Insurer and SBA may mutually agree to initiate and complete a commutation agreement for zero dollars at any time. Such zero-dollar commutation, once completed, eliminates the mandatory FHCF Proof of Loss requirements for all reporting periods after the completion of the commutation.

(b) The RAP Insurer and SBA may mutually agree to initiate the commutation process after 36 months and prior to 48 months after the end of the Contract Year subject to the provisions in this Article.

(c) Provided the RAP Insurer and SBA do not mutually initiate the commutation process in subparagraph (a) or (b), the commutation process will begin upon the later to occur: 48 months after the end of the Contract Year or upon completion of the claims examination and the resolution of all outstanding examination issues.

(2) **Final RAP Proof of Loss Report(s)**

(a) No less than 36 months or more than 48 months after the end of the Contract Year, the RAP Insurer shall file a final RAP Proof of Loss Report(s), except for RAP Insurers that have entered into a commutation agreement as described in sub-subparagraph (1)(a).

(1) If the RAP Insurer has submitted a FHCF Proof of Loss Report indicating that it does have Losses resulting from a Covered Event during the Contract Year, the SBA may require the RAP Insurer to submit within 30 days an updated, current FHCF Proof of Loss Report for each Covered Event during the Contract Year. The final RAP Proof of Loss Report must include the following supporting documentation:

(a) All paid Losses as well as all outstanding Losses and incurred but not reported Losses, which are not finally settled and which may be reimbursable Losses under this Contract.

(b) Requested supporting documentation (at a minimum, an adjuster's summary report or equivalent details) and a copy of a written opinion on the present value of the outstanding Losses and incurred but not reported Losses by the RAP Insurer's certifying actuary.

(b) Increases in reported paid, outstanding, or incurred but not reported Losses on original or corrected FHCF Proof of Loss Report filings received later than 48 months after the end of the Contract Year shall not be eligible for reimbursement or commutation.

(3) **The Loss Valuation Process**

Subject to the timeframes outlined in sub-paragraph (1), if a RAP Insurer exceeds or expects to exceed its RAP Retention, the RAP Insurer and the SBA, or their respective representatives, shall attempt to agree upon the present value of all outstanding Losses, both reported and incurred but not reported, resulting from the two Covered Events with the largest covered Losses for the RAP Insurer during the Contract Year.

(a) The Loss valuation process may only begin after all other issues arising under this Contract have been resolved, including completion of the claims examination, and shall be suspended pending resolution of any such issues that arise during the Loss valuation process.

(b) Payment by the SBA of its portion of any amount or amounts so mutually agreed and certified by the RAP Insurer's certifying actuary shall constitute a complete and final release of the SBA in respect of all Losses, both reported and unreported, under this Contract.

(c) If agreement on present value cannot be reached within 90 days of the SBA's receipt of the final FHCF Proof of Loss Report, including the supporting documentation in subparagraph (2)(a)(2), or upon completion of the claims examination, whichever is later, the RAP Insurer and the SBA may mutually appoint an actuary, adjuster, or appraiser to investigate and determine such Losses. If both parties then agree, the SBA shall pay its portion of the amount so determined to be the present value of such Losses.

(d) if the parties fail to agree on the valuation of any Losses, any difference in valuation of the Loss shall be settled by a panel of three actuaries, as provided in this subparagraph. Either the SBA or the RAP Insurer may initiate the process under this subparagraph by providing written notice to the other party stating that the parties are at an impasse with respect to valuation of Losses and specifying the dollar amounts in dispute.

i. One actuary shall be chosen by each party, and the third actuary shall be chosen by those two actuaries. If either party does not appoint an actuary within 30 days after the initiation of the process, the other party may appoint two actuaries. If the two actuaries fail to agree on the selection of an independent third actuary within 30 days of their appointment, each of them shall name two, of whom the other shall decline one, and the decision shall be made by drawing lots.

ii. All the actuaries shall be regularly engaged in the valuation of property claims and losses and shall be members of the Casualty Actuarial Society and of the American Academy of Actuaries.

iii. None of the actuaries shall be under the control of either party to this Contract.

iv. Each party shall submit a written statement relating to its valuation of losses to the panel of actuaries and the opposing party no later than 30 days after the appointment of the third actuary. Within 15 days after receiving' the other party's submission, a party may submit its written response to the panel of actuaries and the other party. After the appointment of the third actuary, a party may not communicate with the panel, or any member of the panel, except in writing simultaneously furnished to all members of the panel and the opposing party. Any member of the panel may present questions to be answered by both parties, which shall be answered in writing and simultaneously furnished to the members of the panel and the opposing party or, at the discretion of the panel, may be provided in a meeting or teleconference attended by both parties and all members of the panel.

v. The written decision of a majority of the panel as to the disagreement over the valuation of losses identified in the written notice of impasse, when filed with the parties hereto, shall be final and binding on both parties.

(e) The reasonable and customary expense of the actuaries and of the commutation (as a result of sub-subparagraphs 3.c, and d.) shall be equally divided between the two parties. Said commutation shall take place in Tallahassee, Florida, unless some other place is mutually agreed upon by the RAP Insurer and the SBA.

(4) Upon full execution of the commutation agreement and the issuance of the final reimbursement payment, if any, each party, on behalf of its predecessors, successors, assigns, and its past, present and future officers, directors, shareholders, employees, agents, receivers, trustees, attorneys and its legal representatives, unconditionally and completely releases and forever discharges the other party, its predecessors, successors, assigns, and its past, present and future officers, directors, shareholders, employees, agents, receivers, trustees, attorneys, and its legal representatives from any and all past, present, and future rights, liabilities, and obligations including, but not limited to, payments, claims, debts, demands, causes of action, costs, disbursements, fees, attorneys' fees, expenses, damages, injuries, or losses of every kind, whether known or unknown, reported or unreported, or fixed or contingent, relating to or arising out of this Contract.

ARTICLE XI - ERRORS AND OMISSIONS

Any inadvertent delay, omission, or error on the part of the SBA shall not be held to relieve the RAP Insurer from any liability which would attach to it hereunder if such delay, omission, or error had not been made.

ARTICLE XII - INSPECTION OF RECORDS

The RAP Insurer shall allow the SBA to inspect, examine, and verify, at reasonable times, all records of the RAP Insurer relating to the Covered Policies under this Contract, including RAP Insurer files concerning insured values, claims, Losses, or legal proceedings regarding subrogation or claims recoveries which involve this Contract. This right by the SBA to inspect, examine, and verify shall survive the completion and closure of a claims examination file and the termination of the Contract. The RAP Insurer shall have no right to re-open a claims examination once closed and the findings have been accepted by the RAP Insurer; any re-opening shall be at the sole discretion of the SBA. The SBA may require any discovered errors, inadvertent omissions, and typographical errors associated with reporting of losses discovered prior to the closing of the file and acceptance of the examination findings by the RAP Insurer, to be corrected to reflect the proper values. The RAP Insurer shall retain its records in accordance with the requirements for records retention regarding claims reports outlined herein, and in any administrative rules that may be adopted pursuant to Section 215.5551, Florida Statutes. RAP Insurers writing covered collateral protection policies, as defined in definition (5)(b) of Article V, must be able to provide documentation that the policy covers personal residences, protects both the borrower's and lender's interest, and that the coverage is in an amount at least equal to the coverage for the dwelling in place under the lapsed homeowner's policy, the coverage amount that the homeowner has been notified of by the collateral protection insurer, or the coverage amount that the homeowner requests from the collateral protection insurer.

(1) **Examination Requirements for Loss Reports**

The RAP Insurer shall retain complete and accurate records of all reported Losses submitted to the SBA until the SBA has completed its examination of the RAP Insurer's reimbursable Losses and commutation for the Contract Year (if applicable) has been concluded. The records to be retained are set forth as part of the FI-ICF Proof of Loss Report, Examination Procedures

(a) The SBA will send an examination notice letter to the RAP Insurer providing the commencement date of the examination, any accommodation requirements of the examiner, and the reports and data which must be assembled by the RAP Insurer and forwarded to the SBA. The RAP Insurer shall be prepared to choose one location, that may be remote, in which to be examined, unless otherwise specified by the SBA.

(b) The reports and data are required to be forwarded to the SBA as set forth in the examination notice letter. Any records to support reported Losses which are provided after the examiner has left the worksite will, at the SBA's discretion, result in an additional examination of loss records or an extension or expansion of the examination already in progress. All costs associated with such additional examination or with the extension or expansion of the original examination shall be borne by the RAP Insurer.

(c) At the conclusion of the examiner's work and the management review of the examiner's report, findings, recommendations, and work papers, the SBA will forward an examination report to the RAP Insurer.

(d) Within 30 days from the date of the letter accompanying the examination report, the RAP Insurer must provide a written response to the SBA. The response must indicate whether the RAP Insurer agrees with the findings and recommendations of the examination report. If the RAP Insurer disagrees with any examination findings or recommendations, the reason for the disagreement must be outlined in the response and the RAP Insurer must provide supporting information to support its objection. An extension of 30 days may be granted if the RAP Insurer can show that the need for additional time is due to circumstances beyond the reasonable control of the RAP Insurer. No response is required if the examination report does not include any findings or recommendations.

(e) If the RAP insurer accepts the examination findings and recommendations, and there is no recommendation for additional information, the examination report will be finalized and the exam file closed.

(0 If the RAP insurer disputes the examiner's findings, the areas in dispute will be resolved by a meeting or a conference call between the RAP Insurer and SBA.

(g) If the recommendation of the examiner is to update the RAP Insurer's FHCF Proof of Loss Report(s) for the Covered Event, the SBA will send the RAP Insurer a letter outlining the process for submitting the FHCF Proof of Loss Report(s) and including a deadline to file. Once the FHCF Proof of Loss Report(s) is received by the SBA, the SBA will calculate a revised reimbursement. The SBA shall then review the submitted FHCF Proof of Loss Report(s) with respect to the examiner's findings and accept the FHCF Proof of Loss Report(s) as filed or contact the RAP Insurer with any questions. Once the SBA has accepted the corrected FHCF Proof of Loss Report(s) as a sufficient response to the examiner's findings, the exam is closed.

(h) The examiner's list of errors is made available in the examination report sent to the RAP Insurer. Given that the examination was based on a sample of the RAP Insurer's claims rather than the whole universe of the RAP Insurer's reported claims, the error list is not intended to provide a

complete list of errors but is intended to indicate what information needs to be reviewed and corrected throughout the RAP Insurer's claims information to ensure more complete and accurate reporting to the SBA.

(2) **Costs of the Examinations**

The costs of the examinations shall be borne by the SBA. The SBA shall be reimbursed by the RAP Insurer for any reasonable and customary additional examination expenses incurred which were incurred as a result of a RAP Insurer's failure to provide requested information. All requested information must be complete and accurate.

ARTICLE XIII — OFFSETS

The SBA reserves the right to offset amounts payable to the SBA under the RAP program against future reimbursements due to the RAP Insurer.

ARTICLE XIV - INSOLVENCY OF THE RAP INSURER

For the purpose of this Contract, a RAP Insurer is insolvent when an order of liquidation with a finding of insolvency has been entered by a court of competent jurisdiction. No reimbursements will be made until the SBA has completed and closed its examination of the insolvent RAP Insurer's Losses, unless an agreement is entered into by the court appointed receiver specifying that all data and computer systems required for SBA claims examinations will be maintained until completion of the RAP Insurer's claims examinations. Only those Losses supported by the examination will be reimbursed. Pursuant to Section 215.5551(9), Florida Statutes, the SBA is required to pay the reimbursement monies due an insolvent insurer to the applicable state guaranty fund for the benefit of Florida policyholders.

If an authorized insurer or Citizens Property Insurance Corporation accepts an assignment of an unsound RAP Insurer's Contract, the SBA shall apply the unsound RAP Insurer's Contract to such policies and treat the authorized insurer or Citizens Property Insurance Corporation as if it were the unsound RAP Insurer for the remaining term of the unsound RAP Insurer's Contract, with all rights and duties of the unsound RAP Insurer beginning on the date it provides coverage for such policies. The authorized insurer or Citizens Property Insurance Company has the responsibility to ensure that the books and records related to the assigned RAP Insurer's Contract are preserved and accessible to the SBA for its claims examinations. The authorized insurer or Citizens Property Insurance Corporation will not be reimbursed by the SBA for any Losses occurring prior to the date it first provides coverage for such transferred policies. Reimbursements for those Losses shall be made to the Unsound Insurer, the court-appointed receiver, or the applicable guaranty association, as provided by statute.

ARTICLE XV - TERMINATION
The SBA and the obligations of both parties under this Contract can be terminated only as may be provided by law or applicable rules. Should the enabling legislation for the RAP program be found unconstitutional by a court of competent jurisdiction, this Contract is null and void and no obligation or right arises from said void Contract.

ARTICLE XVI - VIOLATIONS

(1) **Statutory Provisions**

(a) Section 215.5551(10), Florida Statutes, provides that any violation of Section 215.5551, Florida Statutes, or of any rules adopted under that section, constitutes a violation of the Florida Insurance Code.

(b) Section 215.5551(11), Florida Statutes, authorizes the SBA to take any action necessary to enforce the rules and the provisions and requirements of this Contract, required by Section 215.5551, Florida Statutes.

(2) **Noncompliance**

(a) As used in this Article, the term "noncompliance" means the failure of the RAP Insurer to meet any applicable requirement of Section 215.5551, Florida Statutes, or of any rule adopted under the authority of that section of Florida Statutes, including, but not limited to, any failure to provide Loss reporting or commutation documentation, or a deadline related to SBA examination requirements. The RAP Insurer remains in a state of noncompliance as long as the RAP Insurer fails to meet the applicable requirement(s).

(b) If the RAP Insurer is in a state of noncompliance, the SBA reserves the right to withhold any payments due to the RAP Insurer until the SBA determines that the RAP Insurer is no longer in a state of noncompliance.

ARTICLE XVII - APPLICABLE LAW

This Contract shall be governed by and construed according to the laws of the State of Florida in respect of any matter relating to or arising out of this Contract.

ARTICLE XVIII - SEVERABILITY
If any provision of this Contract is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions, and this Contract shall be construed and enforced as if such provision had not been included.

ARTICLE XIX - DUE DATES
If any due date provided in this Contract is a Saturday, Sunday or a legal State of Florida or federal holiday, then the actual due date will be the day immediately following the applicable due date which is not a Saturday, Sunday or a legal State of Florida or federal holiday.

ARTICLE XX — SIGNATURES

Approved by:

Paragon Strategic Solutions, Inc. as designee for the State Board of Administration of the State of Florida

By: /s/ Martin K. Helgestad — 3/3/2023
Signature — Date

Authority to sign on behalf of the RAP Insurer:

The person signing this Contract on behalf of the RAP Insurer hereby represents that he or she is an officer of the RAP Insurer, acting within his or her authority to enter into this Contract on behalf of the RAP Insurer, with the requisite authority to bind the RAP Insurer and make the representations on behalf of the RAP Insurer as set forth in this Contract.

Typtap Insurance Company

Kevin Mitchell — President

By: /s/ Kevin Mitchell — 2/8/2023
Signature — Date

EXHIBIT 10.62

AMENDED AND RESTATED CREDIT AGREEMENT

THIS AMENDED AND RESTATED CREDIT AGREEMENT (this "Agreement") is made and entered into as of this 2nd day of June, 2023, by and among Borrower (defined herein), Guarantors (defined herein) and Lender (defined herein).

W I T N E S S E T H:

WHEREAS, Lender made available to Borrower a revolving line of credit loan (the "Loan") pursuant to that certain Credit Agreement dated December 5, 2018, as amended by that certain First Amendment to Credit Agreement dated February 28, 2019, that certain Joinder, Second Amendment to Credit Agreement and Modification of Other Loan Documents with an effective date of December 31, 2020, that certain Third Amendment to Credit Agreement with an effective date of March 31, 2021, that certain Fourth Amendment to Credit Agreement and Modification of Note and Other Loan Documents with an effective date of November 7, 2022 and that certain Fifth Amendment to Credit Agreement and Modification of Other Loan Documents with an effective date of December 1, 2022 (collectively, the "Prior Credit Agreement"). This Agreement amends and restates the Prior Credit Agreement in its entirety;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, Borrower, Guarantors and Lender agree as follows:

ARTICLE I

DEFINITIONS; CONSTRUCTION

Section 1.1 Definitions. In addition to the other terms defined herein, the following terms used herein shall have the meanings herein specified (to be equally applicable to both the singular and plural forms of the terms defined):

"Accounts" shall mean "accounts", as defined in Article 9 of the UCC.

"Acquisition" shall mean (a) any Investment by Borrower or any of its Subsidiaries in any other Person pursuant to which such Person shall become a Subsidiary or shall be merged with Borrower or any of its Subsidiaries or (b) any acquisition by Borrower or any of its Subsidiaries of the assets of any Person (other than a Subsidiary) that constitute all or a substantial portion of the assets of such Person or a division or business unit of such Person.

"Advance" means a disbursement of the proceeds of the Revolving Loan. "Advance Rates" shall have the meaning set forth in the Letter Agreement.

"Affiliate" shall mean, as to any Person, any other Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such Person.

"Agreement" shall have the meaning set forth in the introductory paragraph hereto.

"Anti-Corruption Laws" shall mean all laws, rules, and regulations of any jurisdiction applicable to Borrower or its Subsidiaries from time to time concerning or relating to bribery or corruption.

"Applicable Margin" shall have the meaning set forth in the Letter Agreement.

"Asset Sale" shall mean the sale, transfer, license, lease or other disposition of any property by Borrower or any Subsidiary, including any sale and leaseback transaction and any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith, but excluding (a) the sale of inventory in the ordinary course of business;
(b)the sale or disposition for fair market value of obsolete or worn out property or other property not necessary for operations of Borrower and its Subsidiaries disposed of in the ordinary course of business;
(c)the disposition of property (including the cancellation of Indebtedness permitted by Section 7.1 to Borrower or any Subsidiary; provided, that if the transferor of such property is a Loan Party then the transferee thereof must be a Loan Party; (d) the disposition of accounts receivable in connection with the collection or compromise thereof; (e) licenses, sublicenses, leases or subleases granted to others in the ordinary course of business or not interfering in any material respect with the business of Borrower or any Subsidiary; and (f) the sale or disposition of Cash Equivalents for fair market value in the ordinary course of business.

"Assignment of Rents" shall mean any Assignment of Leases and Rents that purports to grant to Lender a security interest in the leases and rents of any Loan Party related to any Real Property.

"Authorized Control Level Risk Based Capital Ratio" shall mean the ratio of (x) Total Adjusted Capital to (y) Authorized Control Level Risk Based Capital, in each case as set forth for such fiscal year under the section titled "Five Year Historical Data" in HCPCIC's statutory financial statements for such fiscal year and TypTap's statutory financial statements for such fiscal year, as applicable.

"Availability Period" shall mean the period from the Effective Date to but excluding the Revolving Commitment Termination Date.

"Bank Product" means any of the following products, services or facilities extended to any Loan Party from time to time by Lender or any of Affiliate of Lender or any Person who was Lender or an Affiliate of Lender at the time it provided such products, services or facilities: (a) any services in connection with operating, collections, payroll, trust, or other depository or disbursement accounts, including automated clearinghouse, e-payable, electronic funds transfer, wire transfer, controlled disbursement, overdraft, depository, information reporting, lockbox services, stop payment services, and other treasury management services; (b) commercial credit card and merchant card services; and (c) other banking products or services as may be requested by any Loan Party, other than Letters of Credit and Rate Contracts.

"Base Rate" means a variable per annum rate, as of any date of determination, equal to the Prime Rate. The Base Rate is a reference rate and does not necessarily represent the lowest or best rate actually charged to any customer. Lender may make commercial loans or other loans at rates of interest at, above or below the Base Rate. Any change in the Base Rate shall be effective for purposes of this Agreement on the date of such change without notice to Borrower.

"Base Rate Loans" means Advances that accrue interest by reference to the Base Rate, in accordance with the terms of this Agreement.

"Borrower" shall mean HCI Group, Inc., a Florida corporation.

"Borrowing Base" means, as of the relevant date of determination, the sum of the Advance Rates for all Eligible Collateral, as reasonably determined by Lender.

"Borrowing Base Certificate" shall mean a company prepared Borrowing Base certificate in a form acceptable to Lender, which shall include (a) with respect to security collateral, the eligible

collateral type, name, CUSIP, current value (face and market) and the eligible value (lower of face and market) and (b) with respect to real estate, the asset name, address, book value, appraised value, debt service coverage, profit and loss before taxes, funds from operations, net operating income, net operating income budget, OCC and cap rate.

"Business Day" means (a) with respect to all notices and determinations, including Interest Payment Dates, in connection with the Tranche Rate, any day that commercial banks in New York, New York are required by law to be open for business and that is a U.S. Government Securities Business Day, which means any day other than a Saturday, Sunday, or day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities and (b) in all other cases, any day on which commercial banks in New York, NY or Cincinnati, Ohio are required by Law to be open for business; provided that, notwithstanding anything to the contrary in this definition of "Business Day", at any time during which a Rate Contract with Lender is then in effect with respect to all or a portion of the Obligations, then the definitions of "Business Day" and "Banking Day", as applicable, pursuant to such Rate Contract shall govern with respect to all applicable notices and determinations in connection with such portion of the Obligations arising under such Rate Contract. Periods of days referred to in the Loan Documents will be counted in calendar days unless Business Days are expressly prescribed.

"Capital" shall mean all interest-bearing Indebtedness plus Shareholders' Equity.

"Capital Expenditures" shall mean for any period, without duplication, (a) the additions to property, plant and equipment and other capital expenditures of Borrower and its Subsidiaries that are (or would be) set forth on a consolidated statement of cash flows of Borrower for such period and (b) Capital Lease Obligations incurred by Borrower and its Subsidiaries during such period.

"Capital Lease Obligations" of any Person shall mean all obligations of such Person to pay rent or other amounts under any lease (or other arrangement conveying the right to use) of real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person, and the amount of such obligations shall be the capitalized amount thereof.

"Capital Stock" shall mean all shares, options, warrants, general or limited partnership interests, membership interests or other equivalents (regardless of how designated) of or in a corporation, partnership, limited liability company or equivalent entity whether voting or nonvoting, including common stock, preferred stock or any other "equity security" (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the SEC under the Securities Exchange Act of 1934).

"Cash Equivalents" shall mean:

(a)direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States), in each case maturing within one (1) year from the date of acquisition thereof;

(b)commercial paper having the highest rating, at the time of acquisition thereof, of S&P or Moody's and in either case maturing within six (6) months from the date of acquisition thereof;

(c)certificates of deposit, bankers' acceptances and time deposits maturing within one hundred eighty (180) days of the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the Laws of the United States or any state thereof which has a combined capital and surplus and undivided profits of not less than $500,000,000;

(d)fully collateralized repurchase agreements with a term of not more than thirty (30) days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above; and

(e)mutual funds investing solely in any one or more of the Cash Equivalents described in clauses (a) through (d) above.

"Centerbridge Permitted Refinancing Indebtedness" means unsecured Indebtedness of Borrower or its Subsidiaries incurred from and after the Effective Date in an aggregate amount not to exceed $100,000,000.00 for the sole purpose of refinancing existing Centerbridge Indebtedness; provided, however, that if the existing Centerbridge Indebtedness is partially refinanced, the Centerbridge Permitted Refinancing Indebtedness will be capped at the remaining amount of the Centerbridge Indebtedness or $20,000,000.00, whichever is higher.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Code" shall mean the Internal Revenue Code of 1986, as amended and in effect from time to time.

"Collateral" shall mean a collective reference to all real and personal property with respect to which Liens in favor of Lender are purported to be granted pursuant to and in accordance with the terms of the Collateral Documents.

"Collateral Documents" shall mean a collective reference to the Security Agreement, any Mortgage, any Assignment of Rents, each deposit account control agreement or securities account control agreement in a form acceptable to Lender and any other security documents executed and delivered by any Loan Party pursuant to this Agreement.

"Commodity Exchange Act" shall mean the Commodity Exchange Act (7 U.S.C. § 1 *et seq*.), as amended from time to time, and any successor statute.

"Compliance Certificate" shall mean a certificate from the principal executive officer or the principal financial officer of Borrower in a form acceptable to Lender.

"Conforming Changes" means, with respect to the use, administration of, or any conventions associated with the Tranche Rate or any proposed Successor Rate, as applicable, any changes to the terms of this Agreement related to the timing, frequency, and methodology of determining rates and making payments of interest, including changes to the definition of Business Day, lookback periods or observation shift, prepayments, and borrowing, conversion, or continuation notices, and other technical, administrative, or operational matters, as may be appropriate, in the discretion of Lender, to reflect the adoption and implementation of such applicable rate and to permit the administration thereof by Lender in an operationally feasible manner and, to the extent feasible, consistent with market practice.

"Consolidated Assumed Management Fees" shall mean the management fees due under any Management Agreement.

"Contractual Obligation" of any Person shall mean any provision of any security issued by such Person or of any agreement, instrument or undertaking under which such Person is obligated or by which it or any of the property in which it has an interest is bound.

"Control" shall mean the power, directly or indirectly, either to (a) vote five percent (5%) or more of the securities having ordinary voting power for the election of directors (or persons performing similar functions) of a Person or (b) direct or cause the direction of the management and policies of a Person, whether through the ability to exercise voting power, by control or otherwise. The terms "Controlling", "Controlled by", and "under common Control with" have the meanings correlative thereto.

"Daily Simple SOFR" means a rate based on SOFR with interest accruing on a simple daily basis in arrears with a methodology and conventions selected by Lender.

"Debt-To-Capital Ratio" shall mean total Indebtedness divided by total Capital.

"Debtor Relief Laws" shall mean the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

"Default" shall mean any condition or event that, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

"Default Rate" shall have the meaning given such term in Section 2.5(c).

"Disqualified Capital Stock" shall mean Capital Stock that by its terms (or by the terms of any security into which they are convertible or for which they are exchangeable) (a) require the payment of any cash dividends (other than dividends payable solely in shares of Qualified Capital Stock or, in the case of any pass through entity, in respect of taxes), (b) mature or are mandatorily redeemable or subject to mandatory repurchase or redemption or repurchase at the option of the holders thereof, in whole or in part and whether upon the occurrence of any event, pursuant to a sinking fund obligation, on a fixed date or otherwise, prior to the date that is ninety-one (91) days after the Revolving Commitment Termination Date or (c) are convertible or exchangeable, automatically or at the option of any holder thereof, into any Indebtedness other than Indebtedness otherwise permitted under Section 7.1.

"Dollar(s)" and the sign "$" shall mean lawful money of the United States of America.

"EBITDA" shall mean, on a consolidated basis, the amount of Borrower's earnings before interest, taxes, depreciation and amortization expense for the measurement period.

"Effective Date" shall mean the date hereof.

"Eligible Collateral" means Collateral reviewed and approved by Lender and meeting Lender's requirements under this Agreement. Eligible Collateral may include (i) securities issued by the U.S. Treasury and U.S. Government Agencies, (ii) corporate bonds, (iii) state, municipal and political sub, (iv) equity securities, (v) Unencumbered Real Estate, (vi) Encumbered Real Estate and (vii) Unimproved Raw Land. To be included in Eligible Collateral, (a) security collateral shall be restricted to publicly listed security instruments trading on a major exchange with a valid CUSIP, (b) Borrower shall have delivered Encumbered Real Property Security Documents with respect to any Encumbered Real Property, and (c) Borrower shall have delivered Real Property Security Documents with respect to any Unencumbered Real Property.

"Eligible Swap Counterparty" means Lender and any Affiliate of Lender that at any time it occupies such role or capacity (whether or not it remains in such capacity) enters into a Rate Contract permitted hereunder with Borrower or any Subsidiary of Borrower.

"Encumbered Real Estate" means any fee or leasehold interest of Borrower or a Subsidiary of Borrower in real property that is encumbered by a Lien in favor of a Party other than Lender.

"Encumbered Real Property Security Documents" shall mean:

(a) a fully executed and notarized Non-Taxable Agreement Not to Encumber encumbering the fee or leasehold interest of such Loan Party in such real property;

(b) if requested by Lender in its reasonable discretion, a current ALTA survey and a surveyor's certificate, in form and substance satisfactory to Lender, certified to Lender and to the title company that issues the title report required in subsection (c) hereof with respect thereto by a licensed professional surveyor reasonably satisfactory to Lender;

(c) an Ownership and Encumbrances Report or other title search acceptable to Lender;

(d) "life of loan" flood determination certificates evidencing (i) whether such real property is in an area designated by the Federal Emergency Management Agency as having special flood or mud slide hazards (a "Flood Hazard Property") and (ii) if such real property is a Flood Hazard Property, (A) whether the community in which such real property is located is participating in the National Flood Insurance Program, (B) the applicable Loan Party's written acknowledgment of receipt of written notification from Lender (1) as to the fact that such real property is a Flood Hazard Property and (2) as to whether the community in which each such Flood Hazard Property is located is participating in the National Flood Insurance Program and (C) copies of flood insurance policies under the National Flood Insurance Program (or private insurance endorsed to cause such private insurance to be fully compliant with the federal law as regards private placement insurance applicable to the National Flood Insurance Program, with financially sound and reputable insurance companies not Affiliates of Borrower) or certificates of insurance of Borrower and its Subsidiaries evidencing such flood insurance coverage in such amounts and with such deductibles as Lender may request and naming Lender and its successors and/or assigns as sole loss payee;

(e) if requested by Lender, (i) environmental questionnaires or (ii) Phase I Environmental Site Assessment Reports, consistent with American Society of Testing and Materials (ASTM) Standard E 1527-05, and applicable state requirements, on all of the owned real property, dated

no more than six (6) months prior to the Effective Date (or date of the applicable Mortgage if provided post-closing), prepared by environmental engineers satisfactory to Lender, all in form and substance satisfactory to Lender, and such environmental review and audit reports, including Phase II reports, with respect to the real property of any Loan Party as Lender shall have requested, in each case together with letters executed by the environmental firms preparing such environmental reports, in form and substance satisfactory to Lender, authorizing Lender to rely on such reports, and Lender shall be satisfied with the contents of all such environmental questionnaires or reports;

(f) if the owner of the Encumbered Real Estate is not a Guarantor, such Subsidiary shall become an additional Guarantor by executing and delivering to Lender a Guarantor Joinder Agreement in form and substance reasonably satisfactory to Lender, accompanied by (i) all other Loan Documents related thereto, and (ii) certified copies of Organization Documents, appropriate authorizing resolutions of such Subsidiaries, and, if required by Lender, opinions of counsel acceptable to Lender and such other documents as Lender may reasonably request; and

(g) Any other information, documentation or other materials requested by Lender.

"Environmental Indemnity" shall mean each environmental indemnity made by a Loan Party with real property required to be pledged as Collateral in favor of Lender, in each case in form and substance satisfactory to Lender.

"Environmental Laws" shall mean all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by or with any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, Release or threatened Release of any Hazardous Material or to health and safety matters.

"Environmental Liability" shall mean any liability, contingent or otherwise (including any liability for damages, costs of environmental investigation and remediation, costs of administrative oversight, fines, natural resource damages, penalties or indemnities), of Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) any actual or alleged violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) any actual or alleged exposure to any Hazardous Materials, (d) the Release or threatened Release of any Hazardous Materials or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor statute.

"Event of Default" shall have the meaning set forth in Article VIII.

"Excluded Swap Obligation" means any Swap Obligation that arises from any guaranty or collateral pledge with respect to the Obligations that becomes impermissible under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act at the time a Guaranty Agreement becomes effective with respect to such related Swap Obligation or, as to Borrower, as of the date of the Security Agreement.

"Fees" means any and all fees payable to Lender pursuant to this Agreement or any of the other Loan Documents.

"Fifth Third" means Fifth Third Bank, National Association.

"Fifth Third Lease Obligations" means any and all liabilities, obligations and other Indebtedness of any Loan Party owed to Fifth Third, Fifth Third Equipment Finance Company, or any other Affiliate of Fifth Third Bancorp of every kind and description, whether now existing or hereafter arising, including those owed by any Loan Party to others and acquired by Fifth Third or any Affiliate of Fifth Third Bancorp, by purchase, assignment or otherwise, whether direct or indirect, primary or as guarantor or surety, absolute or contingent, liquidated or unliquidated, matured or unmatured, related or unrelated, and howsoever and whensoever (whether now or hereafter) created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), in each case arising out of, pursuant to, in connection with or under any lease or other transfer of the right to possession and use of goods for a term in return for consideration.

"Fiscal Quarter" shall mean any fiscal quarter of Borrower.

"Fiscal Year" shall mean any fiscal year of Borrower.

"GAAP" shall mean generally accepted accounting principles in the United States applied on a consistent basis and subject to the terms of Section 1.2.

"Governmental Authority" shall mean the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Guarantee" of or by any Person (the "guarantor") shall mean any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly and including any obligation, direct or indirect, of the guarantor (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued in support of such Indebtedness or obligation; provided, that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which Guarantee is made or, if not so stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith. The term "Guarantee" used as a verb has a corresponding meaning.

"Guarantor Joinder Agreement" shall mean a joinder agreement in a form acceptable to Lender executed and delivered by a Subsidiary in accordance with the provisions of Section 5.10.

"Guarantors" shall mean, collectively, (a) each Subsidiary identified as a "Guarantor" on the signature pages hereto, and (b) each Person that joins as a Guarantor pursuant to Section 5.10 or otherwise.

"Guaranty" shall mean the Guaranty made by the Guarantors in favor of Lender pursuant to Article IX.

"Hazardous Materials" shall mean all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"HCPCIC" means Homeowners Choice Property & Casualty Company, Inc., a Florida corporation.

"Hostile Acquisition" shall mean the Acquisition of the Capital Stock of a Person through a tender offer or similar solicitation of the owners of such Capital Stock which has not been approved (prior to such Acquisition) by resolutions of the Board of Directors of such Person (or by similar action if such Person is not a corporation) or if such approval has been withdrawn.

"Indebtedness" of any Person shall mean, without duplication (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of such Person in respect of the deferred purchase price of property or services (other than trade payables incurred in the ordinary course of business, (d) all obligations of such Person under any conditional sale or other title retention agreement(s) relating to property acquired by such Person, (e) all Capital Lease Obligations of such Person, (f) all obligations, contingent or otherwise, of such Person in respect of letters of credit, acceptances or similar extensions of credit, (g) all obligations of such Person, contingent or otherwise, to purchase, redeem, retire or otherwise acquire for value any Disqualified Capital Stock of such Person, (h) Off-Balance Sheet Liabilities, (i) all Guarantees of such Person of the type of Indebtedness described in clauses (a) through (i) above and (j) all Indebtedness of a third party secured by any Lien on property owned by such Person, whether or not such Indebtedness has been assumed by such Person. The Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture in which such Person is a general partner or a joint venturer, except to the extent that the terms of such Indebtedness provide that such Person is not liable therefor. For purposes of this Agreement, the obligations of Borrower in connection with the Parent Guaranty shall be included as Indebtedness of Borrower.

"Index Floor" has the meaning given to such term in the definition of "Tranche Rate."

"Interest Payment Date" means, all as determined by Lender in accordance with the Loan Documents and Lender's loan systems and procedures periodically in effect (and subject to the terms of any BillPayer Service, as applicable), the first Business Day after the end of each December, March, June and September; *provided* that, in addition to the foregoing, each of (x) the date upon which the Revolving Loan Commitment has been terminated and the Advances have been paid in full and (y) the Revolving Commitment Termination Date shall be deemed to be an "Interest Payment Date" with respect to any interest that has then accrued under this Agreement.

"Interest Period" means, with respect to any Tranche Rate Loan, a period commencing on the date of such Tranche Rate Loan and ending on the numerically corresponding day in the calendar month that is one or three months thereafter, as designated by Borrower to Lender from time to time in a Notice of Borrowing or Notice of Conversion or as otherwise set pursuant to the terms of this Agreement, as

applicable, determined by Lender in accordance with this Agreement and Lender's loan systems and procedures periodically in effect, including in accordance with the following terms and conditions, as applicable:

(a) in the case of immediately successive Interest Periods with respect to a continued Tranche Rate Loan, each successive Interest Period shall commence on the day on which the immediately preceding Interest Period expires, with interest for such day to be calculated based upon the interest rate in effect for the new Interest Period;

(b) if an Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall end on the next succeeding Business Day; *provided* that, if the next succeeding Business Day falls in a new month, such Interest Period shall end on the immediately preceding Business Day; and

(c) if any Interest Period begins on a Business Day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period, then the Interest Period shall end on the last Business Day of the calendar month ending at the end of such Interest Period.

"Investments" shall mean, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) purchase or other acquisition of any Capital Stock of another Person, (b) a loan, advance, other evidence of indebtedness or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other indebtedness or equity participation or interest in, another Person, or (c) an Acquisition. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

"IRS" shall mean the United States Internal Revenue Service.

"Laws" or "Law" shall mean, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"Lender" shall mean Fifth Third Bank, National Association, and its successors and assigns.

"Letter Agreement" shall mean that certain Amended and Restated Letter Agreement between Borrower and Lender dated as of the Effective Date.

"Letters of Credit" means commercial or standby letters of credit issued for the account of Borrower by Lender.

"Lien" shall mean any mortgage, pledge, security interest, lien (statutory or otherwise), charge, encumbrance, hypothecation, assignment, deposit arrangement, or other arrangement having the practical effect of any of the foregoing or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any capital lease having the same economic effect as any of the foregoing).

"Loan Documents" shall mean, collectively, this Agreement, the Collateral Documents, the Management Fee Subordination Agreements, all Borrowing Base Certificates, all Compliance

Certificates, all UCC Financing Statements, all stock powers and similar instruments of transfer, the Note, including, without limitation, any Rate Management Agreement, together with all amendments, restatements, supplements and modifications thereof and any and all other instruments, agreements, documents and writings executed in connection with any of the foregoing.

"Loan Expenses" means (a) without limitation, any points, loan fees, service charges, commitment fees or other fees due to Lender in connection with the Loan; (b) all amounts due under any Rate Management Agreement; (c) all title examination, survey, escrow, filing, search, recording and registration fees and charges; (d) all reasonable fees and disbursements of architects, engineers and consultants engaged by Borrower and Lender; (e) all documentary stamp and other taxes and charges imposed by law on the issuance or recording of any of the Loan Documents; (f) all Collateral appraisal fees; (g) all title, casualty, liability, payment, performance or other insurance premiums; (h) all fees and disbursements of legal counsel engaged by Lender in connection with the Loan, including, without limitation, counsel engaged in connection with the enforcement, negotiation, preparation or administration of this Agreement or any of the Loan Documents; and (i) any costs or expenses required to be paid by Borrower under this Agreement, the Security Agreement or any Loan Document after the occurrence of an Event of Default.

"Loan Parties" shall mean, collectively, Borrower and each Guarantor.

"Management Agreement" shall mean any agreement made by (or on behalf of) any Loan Party with respect to any payment of fees for administrative services, management or consulting to an Affiliate or non-affiliated third party.

"Management Fees" shall have the meaning set forth in Section 5.14.

"Management Fee Subordination Agreement" shall mean each management fee subordination agreement entered into by the Person acting as manager or administrative services provider under any Management Agreement.

"Material Adverse Effect" shall mean, with respect to any event, act, condition or occurrence of whatever nature (including any adverse determination in any litigation, arbitration, or governmental investigation or proceeding), whether singularly or in conjunction with any other event or events, act or acts, condition or conditions, occurrence or occurrences whether or not related, resulting in a material adverse change in, or a material adverse effect on, (a) the business, results of operations, financial condition, assets, liabilities or prospects of Borrower and its Subsidiaries taken as a whole, (b) the ability of Borrower or any Guarantor to perform any of its respective obligations under the Loan Documents, (c) the rights and remedies of Lender under any of the Loan Documents or (d) the legality, validity or enforceability of any of the Loan Documents.

"Material Indebtedness" shall mean any Indebtedness (other than the Revolving Loan) of Borrower or any of its Subsidiaries, individually or in an aggregate, with a committed or outstanding principal amount exceeding $250,000.

"Moody's" shall mean Moody's Investors Service, Inc.

"Mortgaged Property" shall mean any real property that is owned or leased by a Loan Party and is subject to a Mortgage.

"Mortgages" shall mean the mortgages, deeds of trust or deeds to secure debt that purport to grant to Lender a security interest in the fee interests and/or leasehold interests of any Loan Party in any real property.

"Net Cash Proceeds" shall mean the aggregate cash or Cash Equivalents proceeds received by Borrower or any Subsidiary in respect of any Asset Sale, Recovery Event or any issuance of Indebtedness or equity securities net of (a) direct costs incurred in connection therewith (including legal, accounting and investment banking fees, and sales commissions), (b) taxes paid or payable as a result thereof and (c) in the case of any Asset Sale or any Recovery Event, the amount necessary to retire any Indebtedness secured by a Lien permitted by Section 7.2 (ranking senior to any Lien of Lender) on the related property.

"Non-Taxable Agreement Not to Encumber" shall mean any Non-Taxable Agreement Not to Encumber in a form approved by Lender executed by any Loan Party with respect to Encumbered Real Estate owned by such Loan Party and to be recorded in the Public Records of the county in which the Encumbered Real Estate is located.

"Note" shall mean that certain Renewed, Amended and Restated Revolving Credit Promissory Note dated of even date herewith from Borrower in favor of Lender in the amount of $50,000,000.00.

"Notice of Borrowing" shall mean a notice of borrowing with respect to any Advance hereunder, which notice shall be in form and substance, and delivered by Borrower to Lender in a manner, acceptable to Lender in its sole discretion.

"Notice of Conversion" shall mean a notice of conversion with respect to any Advance hereunder, which notice shall be in form and substance, and delivered by Borrower to Lender in a manner, acceptable to Lender in its sole discretion.

"Obligations" means all loans, advances, debts, liabilities and obligations for the performance of covenants, tasks or duties or for payment of monetary amounts (whether or not such performance is then required or contingent, or such amounts are liquidated or determinable) owing by any Loan Party to Lender, or any Affiliate of Lender, and all covenants and duties regarding such amounts, of any kind or nature, present or future, whether direct or indirect (including acquired by assignment), related or unrelated, absolute or contingent, due or to become due, now existing or hereafter arising and however acquired, and whether or not evidenced by any note, agreement, letter of credit agreement or other instrument. The term "Obligations" includes all principal, interest, Fees, expenses, reasonable attorneys' fees and any other sum chargeable to any Loan Party under, or arising out of, this Agreement, the Note, any of the other Loan Documents or any agreement entered into in respect of Bank Products, all Fifth Third Lease Obligations, and all Rate Contract Obligations (including all amounts that accrue after the commencement of any case or proceeding by or against any Loan Party in bankruptcy, whether or not allowed in such case or proceeding). Notwithstanding the foregoing, "Obligations" of a Guarantor shall not include Excluded Swap Obligations with respect to such Guarantor.

"OFAC" shall mean the U.S. Department of the Treasury's Office of Foreign Assets Control.

"Off-Balance Sheet Liabilities" of any Person shall mean (a) any repurchase obligation or liability of such Person with respect to accounts or notes receivable sold by such Person, (b) any liability of such Person under any sale and leaseback transactions that do not create a liability on the balance sheet of such Person, (c) any Synthetic Lease Obligation or (d) any obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the balance sheet of such Person.

"Organization Documents" shall mean, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

"OSHA" shall mean the Occupational Safety and Health Act of 1970, as amended from time to time, and any successor statute.

"Parent Guaranty" means that certain Parent Guaranty Agreement dated February 26, 2021 by and between Borrower and CB Snowbird Holdings, L.P., a Delaware limited partnership, whereby Borrower guaranteed certain obligations of TypTap.

"Permitted Encumbrances" shall mean:

(a) Liens imposed by Law for taxes not yet due or which are being contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves are being maintained in accordance with GAAP;

(b) statutory Liens of landlords, carriers, warehousemen, mechanics, materialmen and other Liens imposed by Law in the ordinary course of business for amounts not yet due or which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves are being maintained in accordance with GAAP;

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security Laws or regulations;

(d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) judgment and attachment liens not giving rise to a Default or an Event of Default or Liens created by or existing from any litigation or legal proceeding that are currently being contested in good faith by appropriate proceedings and with respect to which adequate reserves are being maintained in accordance with GAAP;

(f) customary rights of set-off, revocation, refund or chargeback under deposit agreements or under the Uniform Commercial Code or common law of banks or other financial institutions where Borrower or any of its Subsidiaries maintains deposits (other than deposits intended as cash collateral) in the ordinary course of business; and

(g) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by Law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or materially interfere with the ordinary conduct of business of Borrower and its Subsidiaries taken as a whole;

provided, that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness.

"Permitted Tax Distributions" shall mean cash distributions made by Borrower (with respect to any period for which Borrower is an entity disregarded as separate from its owner for federal income tax purposes, and its direct or indirect owner is a pass-through entity for federal income tax purposes) to the holders of its Capital Stock to solely provide such holders (or their direct or indirect owners) with funds sufficient to pay, at the highest marginal tax rate applicable for any holder, any federal, state or local income taxes for the current period as a result of the items of income, gain, loss and deduction of such Borrower allocated to such holders (net of all taxable losses allocated to such holders and not previously taken into account pursuant to this sentence and assuming the deductibility of state and local income taxes for federal income tax purposes). Such distributions shall not be made more frequently than quarterly with respect to each taxable year for which an installment of estimated tax is required to be paid by such holders.

"Person" shall mean any individual, partnership, firm, corporation, association, joint venture, limited liability company, trust or other entity, or any Governmental Authority.

"Prime Rate" means, as of any date, the greater of: (a) 3.0**%** or (b) the rate that Fifth Third publicly announces, publishes or designates from time to time as its index rate or prime rate, or any successor rate thereto, in effect at its principal office. Such rate is a reference rate and does not necessarily represent the lowest or best rate actually charged to any customer. Fifth Third may make commercial loans or other loans at rates of interest at, above or below its index rate or prime rate.

"Pro Forma Basis" shall mean, for purposes of calculating compliance with respect to any Asset Sale, Recovery Event, Restricted Payment or incurrence of Indebtedness, or any other transaction subject to calculation on a "Pro Forma Basis" as indicated herein, that such transaction shall be deemed to have occurred as of the first day of the period of four (4) Fiscal Quarters most recently ended for which Borrower have delivered financial statements pursuant to Section 5.1(a) or (b).

"Qualified Capital Stock" shall mean any Capital Stock other than Disqualified Capital Stock.

"Rate Contract" means any agreement, device or arrangement providing for payments which are related to fluctuations of commodities, currencies, or interest rates, exchange rates, forward rates, or equity prices, including Dollar denominated or cross currency interest rate exchange agreements, forward currency exchange agreements, interest rate cap or collar protection agreements, forward rate currency or interest rate options, puts and warrants, and any agreement pertaining to equity derivative transactions (*e.g.*, equity or equity index swaps, options, caps, floors, collars and forwards), including any ISDA Master Agreement (including the Existing ISDA), and any schedules, confirmations and documents and other confirming evidence between the parties confirming transactions thereunder, all whether now existing or hereafter arising, and in each case as amended, modified or supplemented from time to time.

"Rate Contract Obligations" means any and all obligations of a Loan Party to an Eligible Swap Counterparty, whether absolute, contingent or otherwise and howsoever and whensoever (whether now or hereafter) created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under or in connection with (a) any and all Rate Contracts between a Loan Party and an Eligible Swap Counterparty, and (b) any and all cancellations, buy-backs, reversals, terminations or assignments of any such Rate Contract.

"Rate Management Agreements" means any Rate Contract.

"Rate Management Obligations" means any Rate Contract Obligations.

"Real Property" means any and all Encumbered Real Estate, Unencumbered Real Estate and Unimproved Raw Land.

"Real Property Security Documents" shall mean:

(a) a fully executed and notarized Mortgage and a fully executed and notarized Assignment of Rents encumbering the fee or leasehold interest of such Loan Party in such real property;

(b) a current ALTA survey and a surveyor's certificate, in form and substance satisfactory to Lender, certified to Lender and to the title company that issues the title insurance policies required in subsection (c) hereof with respect thereto by a licensed professional surveyor reasonably satisfactory to Lender;

(c) an ALTA mortgagee title insurance policies issued by a title insurance company reasonably acceptable to Lender with respect to such real property, assuring Lender that the Mortgage covering such real property creates a valid and enforceable first priority mortgage lien on such real property, free and clear of all defects and encumbrances except Permitted Encumbrances, which title insurance policies shall otherwise be in form and substance satisfactory to Lender and shall include such endorsements as are requested by Lender;

(d) "life of loan" flood determination certificates evidencing (i) whether such real property is in an area designated by the Federal Emergency Management Agency as a Flood Hazard Property and (ii) if such real property is a Flood Hazard Property, (A) whether the community in which such real property is located is participating in the National Flood Insurance Program, (B) the applicable Loan Party's written acknowledgment of receipt of written notification from Lender (1) as to the fact that such real property is a Flood Hazard Property and (2) as to whether the community in which each such Flood Hazard Property is located is participating in the National Flood Insurance Program and (C) copies of flood insurance policies under the National Flood Insurance Program (or private insurance endorsed to cause such private insurance to be fully compliant with the federal law as regards private placement insurance applicable to the National Flood Insurance Program, with financially sound and reputable insurance companies not Affiliates of Borrower) or certificates of insurance of Borrower and its Subsidiaries evidencing such flood insurance coverage in such amounts and with such deductibles as Lender may request and naming Lender and its successors and/or assigns as sole loss payee;

(e) a duly executed Environmental Indemnity with respect thereto;

(f) if requested by Lender, (i) environmental questionnaires or (ii) Phase I Environmental Site Assessment Reports, consistent with American Society of Testing and Materials (ASTM) Standard E 1527-05, and applicable state requirements, on all of the owned real property, dated no more than six (6) months prior to the Effective Date (or date of the applicable Mortgage if provided post-closing), prepared by environmental engineers satisfactory to Lender, all in form and substance satisfactory to Lender, and such environmental review and audit reports, including Phase II reports, with respect to the real property of any Loan Party as Lender shall have requested, in each case together with letters executed by the environmental firms preparing such environmental reports, in form and substance satisfactory to Lender, authorizing Lender to rely on such reports, and Lender shall be satisfied with the contents of all such environmental questionnaires or reports;

(g) if requested by Lender, evidence satisfactory to Lender that such real property, and the uses of such real property, are in compliance in all material respects with all applicable zoning Laws (the evidence submitted as to which should include the zoning designation made for such real property, the permitted uses of such real property under such zoning designation and, if available, zoning requirements as to parking, lot size, ingress, egress and building setbacks);

(h) in the case of a leasehold interest of such Loan Party in such real property, (i) landlord consents from the landlords on such real property as may be required by Lender, which landlord consents shall be in the form and substance satisfactory to Lender and (ii) evidence that the applicable lease, a memorandum of lease with respect thereto, or other evidence of such lease in form and substance satisfactory to Lender, has been or will be recorded in all places to the extent necessary or desirable, in the judgment of Lender, so as to enable the Mortgage encumbering such leasehold interest to effectively create a valid and enforceable first priority lien (subject to Liens permitted by Section 7.2) on such leasehold interest in favor of Lender (or such other Person as may be required or desired under local law);

(i) an opinion of legal counsel to the Loan Party granting the Mortgage on such real property, addressed to Lender, in form and substance reasonably acceptable to Lender;

(j) if the owner of the Unencumbered Real Estate or Unimproved Raw Land is not a Guarantor, such Subsidiary shall become an additional Guarantor by executing and delivering to Lender a Guarantor Joinder Agreement in form and substance reasonably satisfactory to Lender, accompanied by (i) all other Loan Documents related thereto, and (ii) certified copies of Organization Documents, appropriate authorizing resolutions of such Subsidiaries, and, if required by Lender, opinions of counsel acceptable to Lender and such other documents as Lender may reasonably request; and

(k) Any other information, documentation or other materials requested by Lender.

"Recovery Event" shall mean any loss of, damage to or destruction of, or any condemnation or other taking for public use of, any property of Borrower or any Subsidiary.

"Regulation T" shall mean Regulation T of the Board of Governors of the Federal Reserve System, as the same may be in effect from time to time, and any successor regulations.

"Regulation U" shall mean Regulation U of the Board of Governors of the Federal Reserve System, as the same may be in effect from time to time, and any successor regulations.

"Related Parties" shall mean, with respect to any specified Person, such Person's Affiliates and the respective managers, administrators, trustees, partners, directors, officers, employees, agents, advisors, legal counsel, consultants or other representatives of such Person and such Person's Affiliates.

"Release" shall mean any release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into the environment (including ambient air, surface water, groundwater, land surface or subsurface strata) or within any building, structure, facility or fixture.

"Responsible Officer" shall mean, with respect to any Person, any of the president, the chief executive officer, the chief operating officer, the chief financial officer, the treasurer or a vice president of such Person or such other representative of such Person as may be designated in writing by any one of the foregoing with the consent of Lender; and, with respect to the financial covenants only, the chief financial officer or the treasurer of such Person.

"Restricted Payment" shall mean any dividend or other distribution (whether in cash, securities or other property) with respect to any Capital Stock of any Person, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, defeasance, acquisition, cancellation or termination of any such Capital Stock or on account of any return of capital to such Person's stockholders, partners or members (or the equivalent Person thereof).

"Revolving Commitment" shall mean the commitment of Lender to make Advances to Borrower in an aggregate principal amount not exceeding $50,000,000.00, as such commitment may subsequently be increased or decreased pursuant to terms hereof.

"Revolving Commitment Termination Date" shall mean the earliest of (i) December 31, 2024, (ii) the date on which the Revolving Commitment is terminated pursuant to Section 2.3 and (iii) the date on which all amounts outstanding under this Agreement have been declared or have automatically become due and payable (whether by acceleration or otherwise).

"Revolving Credit Exposure" shall mean, at any time, the outstanding principal amount of Advances.

"Revolving Loan" shall mean the loan made by Lender to Borrower in the amount of the Revolving Commitment. Any reference to the "Loan" in this Agreement or any other Loan Document shall mean the Revolving Loan.

"Revolving Loan Availability" shall have the meaning given such term in Section 2.1.

"S&P" shall mean Standard & Poor's Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc., and any successor thereto.

"Sanctioned Country" shall mean, at any time, a country or territory that is, or whose government is, the subject or target of any Sanctions.

"Sanctioned Person" shall mean, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC, the U.S. Department of State, the United Nations Security Council, the European Union or any European Union member state, (b) any Person located, organized or resident in a Sanctioned Country or (c) any Person controlled by any such Person.

"Sanctions" shall mean economic or financial sanctions or trade embargoes administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State or (b) the United Nations Security Council, the European Union or Her Majesty's Treasury of the United Kingdom.

"SEC" shall mean the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"Security Agreement" shall mean, collectively, the Security and Pledge Agreement dated as of December 5, 2018 executed in favor of Lender by each of the Loan Parties and the TD Ameritrade Account Security Agreement.

"Shareholders' Equity" shall mean total assets minus total liabilities.

"Social Security Act" shall mean the Social Security Act of 1965 as set forth in Title 42 of the United States Code, as amended, and any successor statute thereto, as interpreted by the rules and regulations issued thereunder, in each case, as in effect from time to time. References of sections of the Social Security Act shall be construed to refer to any successor sections.

"SOFR" means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate published by the Federal Reserve Bank of New York (or a successor administrator) on the administrator's website (or any successor source for the secured overnight financing rate identified as such by the administrator) at approximately 2:30 p.m. (New York City time) on the immediately succeeding Business Day.

"Spread Adjustment" means a mathematical or other adjustment to an alternate benchmark rate selected pursuant to Section 2.6(b) or 2.6(c) of this Agreement and such adjustment may be positive, negative, or zero, subject to the specific Spread Adjustments set forth in Section 2.6(c).

"Solvent" shall mean, with respect to any Person on a particular date, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including subordinated and contingent liabilities, of such Person; (b) the present fair saleable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts and liabilities, including subordinated and contingent liabilities as they become absolute and matured; (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature; (d) such Person is not engaged in a business or transaction, and is not about to engage in a business or transaction, for which such Person's property would constitute an unreasonably small capital; (e) such Person is able to pay its debts and other liabilities, contingent obligations and other commitments as they mature in the ordinary course of business; and (f) such Person does not intend, in any transaction, to hinder, delay or defraud either present or future creditors or any other person to which such Person is or will become, through such transaction, indebted. The amount of contingent liabilities (such as litigation, guaranties and pension plan liabilities) at any time shall be computed as the amount that, in light of all the facts and circumstances existing at the time, represents the amount that would reasonably be expected to become an actual or matured liability.

"Subsidiary" shall mean, with respect to any Person (the "parent"), any corporation, partnership, joint venture, limited liability company, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, (a) of which securities or other ownership interests representing more than fifty percent (50%) of the equity or more than fifty percent (50%) of the ordinary voting power, or in the case of a partnership, more than fifty percent (50%) of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent. Unless otherwise indicated, all references to "Subsidiary" hereunder shall mean a Subsidiary of Borrower.

"Successor Rate" means any successor index rate determined pursuant to Section 2.6(c) from time to time, including any applicable Spread Adjustment.

"Swap Obligation" means any Rate Management Obligation that constitutes a "swap" within the meaning of Section 1a(47) of the Commodity Exchange Act.

"Synthetic Lease" shall mean a lease transaction under which the parties intend that (a) the lease will be treated as an "operating lease" by the lessee pursuant to Accounting Standards Codification

Sections 840-10 and 840-20, as amended and (b) the lessee will be entitled to various tax and other benefits ordinarily available to owners (as opposed to lessees) of like property.

"Synthetic Lease Obligations" shall mean, with respect to any Person, the sum of (a) all remaining rental obligations of such Person as lessee under Synthetic Leases which are attributable to principal and, without duplication, (b) all rental and purchase price payment obligations of such Person under such Synthetic Leases assuming such Person exercises the option to purchase the lease property at the end of the lease term.

"Tangible Net Worth" shall mean as of any applicable date, the consolidated total assets of Borrower and its Subsidiaries minus, without duplication, (i) the sum of any amounts attributable to (a) goodwill, (b) intangible items such as unamortized debt discount and expense, patents, trade and service marks and names, copyrights and research and development expenses except prepaid expenses, and (c) all reserves not already deducted from assets, and (ii) total liabilities.

"Taxes" shall mean all present or future taxes, assessments, levies and charges imposed by any public or quasi-public authority having jurisdiction over the Collateral that are or may affect, or become a lien upon, the Collateral, or interest therein, or imposed by any Governmental Authority upon Borrower, any Loan Party or Lender by reason of their respective interests in the Collateral or by reason of any payment, or portion thereof, made to Lender hereunder or pursuant to any Obligation or any of the other Loan Documents, other than taxes which are measured by and imposed upon Lender's general net income.

"TD Ameritrade Account" means the Securities Account (as defined in the TD Ameritrade Account Security Agreement).

"TD Ameritrade Account Security Agreement" means that certain Security Agreement: Securities Account dated as of February 11, 2021 by and between Borrower and Lender.

"Term SOFR" means, with respect to a Tranche Rate Loan for any Interest Period, the forward-looking SOFR rate administered by CME Group, Inc. (or other administrator selected by Lender) and published on the applicable Bloomberg LP screen page (or such other commercially available source providing such quotations as may be selected by Lender), fixed by the administrator thereof two Business Days prior to the commencement of the applicable Interest Period (provided, however, that if Term SOFR is not published for such Business Day, then Term SOFR shall be determined by reference to the immediately preceding Business Day on which such rate is published), rounded upwards, if necessary, to the next 1/8th of 1% and adjusted for reserves if Lender is required to maintain reserves with respect to the relevant Advances, all as determined by Lender in accordance with this Agreement and Lender's loan systems and procedures periodically in effect.

"Trading with the Enemy Act" shall mean the Trading with the Enemy Act of the United States of America (50 U.S.C. App. §§ 1 *et seq*.), as amended and in effect from time to time.

"Tranche Rate" means, with respect to any Interest Period, the greater of (a) 0% (the "Index Floor") and (b) Term SOFR relating to quotations for 1 or 3 months, as selected by Borrower in its Notice of Borrowing or Notice of Conversion, or as otherwise set pursuant to the terms of this Agreement, as applicable, in each case plus a 0.10% Spread Adjustment. Each determination by Lender of the Tranche Rate shall be conclusive and binding in the absence of manifest error. Notwithstanding anything to the contrary contained in this Agreement, at any time during which a Rate Contract is then in effect with respect to all or a portion of the Obligations bearing interest based upon the Tranche Rate or any

Successor Rate, the provision that rounds up the Tranche Rate to the next 1/8th of 1% shall be disregarded and no longer of any force and effect with respect to such portion of the Obligations that are subject to such Rate Contract.

"Tranche Rate Loans" means any Advances that accrue interest by reference to the Tranche Rate for an Interest Period elected by Borrower in accordance with Section 2.6(a) of this Agreement and the other terms of this Agreement.

"TypTap" means TypTap Insurance Group, Inc., a Florida corporation.

"TypTap Articles" means the Amended and Restated Articles of Incorporation of TypTap Insurance Group, Inc. dated February 26, 2021.

"UCC" shall mean the Uniform Commercial Code (or any similar or equivalent legislation) as in effect in the State of Florida (or any other applicable jurisdiction, as the context may require).

"Unencumbered Real Estate" means any fee or leasehold interest of Borrower or a Subsidiary of Borrower in real property that is not encumbered by a Lien (except for a Lien in favor of Lender).

"Unimproved Raw Land" means any fee or leasehold interest of Borrower or a Subsidiary of Borrower in unimproved real property that is not encumbered by a Lien (except for a Lien in favor of Lender).

"United States" or "U.S." shall mean the United States of America.

"U.S. Person" shall mean any Person that is a "United States person" as defined in Section 7701(a)(30) of the Code.

Section 1.2 Accounting Terms and Determination.

(a) Unless otherwise defined or specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared, in accordance with GAAP as in effect from time to time, applied on a basis consistent with the most recent audited consolidated financial statements of Borrower delivered pursuant to Section 5.1(a); provided, that if Borrower notifies Lender that Borrower wishes to amend any covenant in Article VI to eliminate the effect of any change in GAAP on the operation of such covenant (or if Lender notifies Borrower that Lender wishes to amend Article VI for such purpose), then Borrower's compliance with such covenant shall be determined on the basis of GAAP in effect immediately before the relevant change in GAAP became effective, until either such notice is withdrawn or such covenant is amended in a manner satisfactory to Borrower and Lender.

(b) Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any election under Accounting Standards Codification Section 825-10 (or any other Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of any Loan Party or any Subsidiary of any Loan Party at "fair value", as defined therein. Without limiting the foregoing, leases shall continue to be classified and accounted for on a basis consistent with how such leases were classified and accounted for on the Effective Date for all purposes of this Agreement,

notwithstanding any change in GAAP relating thereto, unless the parties hereto shall enter into a mutually acceptable amendment addressing such changes, as provided for above.

(c) As used herein, unless context requires otherwise, the terms "consolidated basis", "consolidated balance sheet", "consolidated statements" and "consolidated financial statements" shall be a reference to Borrower and its Subsidiaries on a consolidated basis in accordance with GAAP.

(d) Notwithstanding the above, the parties hereto acknowledge and agree that all calculations of the financial covenants in Article VI (including for purposes of determining the Applicable Margin and any transaction that by the terms of this Agreement requires that any financial covenant contained in Article VI be calculated on a Pro Forma Basis) shall be made on a Pro Forma Basis with respect to any Asset Sale, Recovery Event or Acquisition occurring during such period.

Section 1.3 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the word "to" means "to but excluding". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as it was originally executed or as it may from time to time be amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns, (c) the words "hereof", "herein" and "hereunder" and words of similar import shall be construed to refer to this Agreement as a whole and not to any particular provision hereof, (d) all references to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles, Sections, Exhibits and Schedules to this Agreement and (e) all references to a specific time shall be construed to refer to the time in the city and state of Lender's principal office, unless otherwise indicated.

Section 1.4 Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

ARTICLE II

AMOUNT AND TERMS OF THE COMMITMENT

Section 2.1 General Description of Facility. Subject to and upon the terms and conditions herein set forth, Lender hereby establishes in favor of Borrower the Revolving Loan pursuant to which Lender agrees to make Advances to Borrower in accordance with this Section 2.1 on a revolving basis upon Borrower's request. Subject to the terms and conditions set forth herein, Lender agrees to make Advances to Borrower from time to time during the Availability Period, in an aggregate principal amount outstanding at any time that will not result in Lender's Revolving Credit Exposure exceeding the lesser of (i) the Revolving Commitment and (ii) the Borrowing Base (the "Revolving Loan Availability"). During the Availability Period, Borrower shall be entitled to borrow, prepay and reborrow the Revolving Loan in accordance with the terms and conditions of this Agreement and the Note; provided, that Borrower may not borrow or reborrow should there exist a Default or Event of Default and provided further that if the

Revolving Loan Availability shall at any time be less than zero dollars (such condition being an "Overadvance"), Borrower shall, within three (3) Business Days, without demand or notice, or within one (1) Business Day if demand or notice has been given, reduce the then outstanding principal balance of the Revolving Loan so that such Overadvance shall no longer exist. Any such prepayment shall be applied in accordance with Section 2.1(iii).

(i) Borrower shall deliver to Lender a Notice of Borrowing with respect to each proposed borrowing of an Advance. Once given, a Notice of Borrowing shall be irrevocable and Borrower shall be bound thereby.

(ii) Borrower hereby authorizes Lender to make Advances based on telephonic or electronic notices made by any Person which Lender, in good faith, believes to be acting on behalf of Borrower, in accordance with procedures established by or otherwise acceptable to Lender from time to time in its sole discretion (including Lender's confirmation of such notices).

(iii) So long as no Event of Default has occurred and is continuing, any prepayments made by Borrower pursuant to Section 2.1 shall be applied as follows: first to pay any Overadvances that may be outstanding, and second to prepay the remaining Advances without a corresponding reduction in the Revolving Loan Commitment. If any Event of Default has occurred and is continuing, such amounts shall be applied as provided in Section 8.2. All prepayments made pursuant to Section 2.1 must be accompanied by payment of any Tranche Rate funding breakage costs in accordance with Section 2.6(e).

(iv) Any prepayment of a Tranche Rate Loan on a day other than the last day of an Interest Period therefor shall include interest on the principal amount being repaid and shall be subject to Section 2.6(e). All prepayments of an Advance shall be applied first to that portion of such Advance comprised of Base Rate Loans and then to that portion of such Advance comprised of Tranche Rate Loans, in direct order of Interest Period maturities.

Section 2.2 Funding of Advances. All Advances of the Revolving Loan shall initially be made upon request of Borrower in writing, by crediting the operating account of Borrower maintained with Lender or an Affiliate of Lender. In addition to Advances under the Revolving Loan made according to the preceding sentence, Lender will make Advances under the Revolving Loan via wire transfers or ACH payments so long as Borrower has given Lender written notice, via facsimile transmission, electronic mail or otherwise, no later than 1:00 p.m. Cincinnati, Ohio time on the date Borrower shall request such Advance in the case of wire transfers and any other deadline imposed by Lender from time to time for ACH payments. Each request for an Advance shall: (i) be signed by a Responsible Officer of Borrower; (ii) specify the principal amount requested; (iii) specify the date on which Borrower wants the Advance to be made, and (iv) be accompanied by a Borrowing Base Certificate in the event that the Eligible Collateral included in the Borrowing Base Certificate has changed since the date of the most recent Borrowing Base Certificate submitted to Lender. Advances shall be limited to the Advance Rates, as determined by Lender. The making of each Advance under the Revolving Loan (including the conversion or continuation of a Tranche Rate Loan) will be deemed to be a representation by Borrower that (i) the Advance will not violate the terms of Section 2.1 and (ii) all Eligible Collateral then comprising the Borrowing Base meets all of Lender's criteria for Eligible Collateral.

Section 2.3 Termination of Commitment. Unless previously terminated, the Revolving Commitment shall terminate on the Revolving Commitment Termination Date. Upon at least three (3)

Business Days' prior written notice (or telephonic notice promptly confirmed in writing) to Lender (which notice shall be irrevocable), Borrower may terminate the Revolving Commitment in whole without penalty. Notwithstanding the foregoing, Borrower shall be responsible for any termination fees, costs and expenses associated with an early termination of any Rate Management Agreement. Any voluntary termination of the Revolving Loan Commitment must be accompanied by payment of any Tranche Rate funding breakage costs in accordance with Section 2.6(e).

Section 2.4 Repayment of Revolving Loan. The outstanding principal amount of the Revolving Loan shall be due and payable (together with accrued and unpaid interest thereon) on the Revolving Commitment Termination Date. For the avoidance of doubt, amounts repaid on the Revolving Loan may be reborrowed subject to the terms of the Note and this Agreement.

Section 2.5 Interest and Applicable Margins; Fees.

(a) Subject to Sections 2.5(c), 2.5(d) and 2.6, each Advance shall bear interest on the outstanding principal amount thereof from the date when made at a rate per annum equal to the Tranche Rate or the Base Rate, as the case may be, plus the Applicable Margin. Each determination of an interest rate by Lender shall be conclusive and binding on Borrower in the absence of manifest error. All computations of Fees and interest payable under this Agreement shall be made on the basis of a 360-day year and actual days elapsed, which results in more interest charged than if interest were calculated based on a 365-day year. Interest and Fees shall accrue during each period during which interest or such Fees are computed from (and including) the first day thereof to (and including) the last day thereof.

(b) All as determined by Lender in accordance with the Loan Documents and Lender's loan systems and procedures periodically in effect, interest shall be paid in arrears (i) on each Interest Payment Date and (ii) on the date of each payment or prepayment of Advances on and after the Revolving Commitment Termination Date. Lender may estimate the amount of interest that Borrower will owe on Borrower's periodic statements and Lender may adjust the amount of interest owed on each subsequent statement provided to Borrower to reflect any differential between the estimated amount of interest shown on Borrower's preceding statement and the actual amount of interest determined to have been due by Lender on the preceding Interest Payment Date. Borrower agrees to pay the amount shown due on the Interest Payment Date on each of Borrower's periodic statements on each Interest Payment Date.

(c) At the election of Lender while any Event of Default exists (or automatically while any Event of Default under Section 9.1(g), 9.1(h) or 9.1(i) exists), interest (after as well as before entry of judgment thereon to the extent permitted by Law) on the Advances shall increase, from and after the date of occurrence of such Event of Default, to a rate per annum which is determined by adding 3.0% per annum to the Applicable Margin then in effect for such Advances (plus the Tranche Rate or the Base Rate, as the case may be) (the "Default Rate"). All such interest shall be payable on demand of Lender.

(d) Anything herein to the contrary notwithstanding, the obligations of Borrower hereunder shall be subject to the limitation that payments of interest shall not be required, for any period for which interest is computed hereunder, to the extent (but only to the extent) that contracting for or receiving such payment by Lender would be contrary to the provisions of any Law applicable to Lender limiting the highest rate of interest that may be lawfully contracted for, charged or received by Lender, and in such event Borrower shall pay Lender interest at the highest rate permitted by applicable Law ("Maximum Lawful Rate") for such period; *provided*, that if at any time thereafter the rate of interest payable hereunder is less

than the Maximum Lawful Rate, Borrower shall continue to pay interest hereunder at the Maximum Lawful Rate until such time as the total interest received by Lender is equal to the total interest that would have been received had the interest payable hereunder been (but for the operation of this paragraph) the interest rate payable since the Effective Date as otherwise provided in this Agreement.

(e) Fees. In addition to, and without limiting, any other provision of this Agreement or the other Loan Documents, Lender may impose a non-sufficient funds fee for any check that is presented for payment that is returned for any reason.

Section 2.6 Tranche Rate Provisions.

(a) Tranche Rate Election. Subject to the provisions of this Agreement, the Advances permitted to be made hereunder shall be Tranche Rate Loans and Borrower may request that outstanding portions of Advances made hereunder be converted to Tranche Rate Loans. Any request with respect to a new Advance will be made by submitting a Notice of Borrowing to Lender. Once given, and except as provided in clauses (b)-(f) below, a Notice of Borrowing shall be irrevocable and Borrower shall be bound thereby. In the case of any conversion of a Base Rate Loan to a Tranche Rate Loan, any conversion of an existing Tranche Rate Loan to a new Tranche Rate Loan with a different Interest Period, or any conversion of a Tranche Rate Loan to a Base Rate Loan, such election must be made pursuant to a Notice of Conversion. In addition to the other provisions of this Agreement, as a condition to any Tranche Rate election hereunder, on or before the date on which the applicable Tranche Rate Loan is to be advanced or converted hereunder, in each case in accordance with Lender's loan policies and procedures periodically in effect, Borrower shall notify Lender of each of the following: (i) the requested amount of such Tranche Rate Loan, (ii) the Interest Period that Borrower has elected to apply to such Tranche Rate Loan, and (iii) the date of the requested advance or conversion. In the absence of a Notice of Conversion submitted to Lender not later than noon Cincinnati, Ohio time (or such later time acceptable to Lender in its sole discretion) on the Business Day on which such Interest Period expires, Borrower will be deemed to have requested that the Tranche Rate Loan then maturing be continued as a Tranche Rate Loan for the same Interest Period commencing on the date on which such expiring Interest Period ends. If Borrower requests a new Advance but fails to submit a Notice of Borrowing as required by this paragraph, and if Borrower would otherwise be entitled to elect a Tranche Rate Loan under the terms of this Agreement, Borrower will be deemed to have elected to have such principal amount bear interest as a Tranche Rate Loan with a Tranche Interest Period of one month, commencing on the date of the advance. Unless otherwise permitted by Lender in its sole discretion: (A) in no event may the last day of any Interest Period exceed the Revolving Commitment Termination Date, and (B) in no event may any new Interest Period commence with respect to any Tranche Rate Loan requested to be converted hereunder prior to the expiration of the applicable Interest Period then in effect with respect to such Tranche Rate Loan.

(b) Temporary Replacement of the Tranche Rate and Tenor Replacement. In the event, prior to commencement of any Interest Period relating to a Tranche Rate Loan, Lender shall determine either: (i) the Tranche Rate is unavailable, unrepresentative, or unreliable, (ii) the Tranche Rate as determined by Lender will not adequately and fairly reflect the cost to Lender of funding the Tranche Rate Loans for such Interest Period, or (iii) the making or funding of Tranche Rate Loans has become impracticable; then, in any such case, Lender shall promptly provide notice of such determination to Borrower (which shall be conclusive and binding on Borrower absent manifest error), and (A) any request for a Tranche Rate Loan or for a conversion to or continuation of a Tranche Rate Loan shall be automatically withdrawn and shall be deemed

a request for a Base Rate Loan, (B) each Tranche Rate Loan will automatically, on the last day of the then current Interest Period relating thereto, become a Base Rate Loan, and (C) the obligations of Lender to make Tranche Rate Loans shall be suspended until Lender determines that the circumstances giving rise to such suspension no longer exist, in which event Lender shall so notify Borrower.

At any time (including in connection with the implementation of a Successor Rate), Lender may remove any tenor of a Tranche Rate that is unavailable, non-representative, or not in compliance with or aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks, in Lender's sole discretion, for Tranche Rate settings; provided however that Lender may reinstate such previously removed tenor for Tranche Rate settings, if Lender determines in its sole discretion that such tenor has become available and representative again.

(c) Tranche Rate Replacement.

(i) Notwithstanding anything to the contrary herein or in any other Loan Document (and any Rate Contract shall be deemed not to be a "Loan Document" for purposes of this Section 2.5(c)), but without limiting Section 2.6(b) above, if Lender determines (which determination shall be conclusive and binding on Borrower absent manifest error) that any of the circumstances described in Section 2.6(b)(i)-(iii) has occurred and is unlikely to be temporary or the administrator of the Tranche Rate or a Governmental Authority having or purporting to have jurisdiction over Lender has made a public statement identifying a specific date (the "Scheduled Unavailability Date") after which the Tranche Rate will no longer be representative or made available or used for determining the interest rate of loans or otherwise cease or no longer be in compliance or aligned with the International Organization of Securities Commissions (IOSCO) Principles for Benchmarks, and there is no successor administrator satisfactory to Lender, then on a date and time determined by Lender, but no later than the Scheduled Unavailability Date, the Tranche Rate will be replaced hereunder and under any other Loan Document with Daily Simple SOFR.

(ii) Notwithstanding anything to the contrary herein, if Lender determines that the Successor Rate designated in Section 2.6(c)(i) above is not available or administratively feasible, or if any of the circumstances described in Section 2.6(c)(i) with regard to the Tranche Rate has occurred with respect to a Successor Rate then in effect, Lender may replace the Tranche Rate or any then current Successor Rate in accordance with this Section 2.6(c) with another alternative benchmark rate and a Spread Adjustment, giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated credit facilities and any recommendations of a relevant Governmental Authority, and which Spread Adjustment or method for calculating such Spread Adjustment shall be published on an information service as selected by Lender from time to time in its reasonable discretion.

(iii) If the Successor Rate is based on Daily Simple SOFR, interest shall be due and payable on a quarterly basis.

(iv) Any such alternative benchmark rate and Spread Adjustment shall constitute a Successor Rate hereunder. Any Successor Rate shall become effective on the date set forth in a written notice provided by Lender to Borrower (such date to be five or more Business Days after the date of such notice), and, for the avoidance of doubt, from and after such date (i) all Tranche Rate Loans shall bear interest at the Successor Rate plus the Applicable Margin; and

(ii) all references herein and in any other Loan Documents to "Tranche Rate" shall mean and refer to the Successor Rate.

(v)Notwithstanding anything to the contrary herein, if the Successor Rate would be less than the Index Floor, the Successor Rate will be deemed to be the Index Floor for the purposes of this Agreement and the other Loan Documents. Further, if the interest rate to be replaced is rounded upwards to the next 1/8th of 1% under the terms of this Agreement or any Loan Document, the Successor Rate shall also be rounded up to the next 1/8th; provided further that this provision governing rounding shall not apply if Borrower has a Rate Contract in effect with respect to all or part of an Advance.

(vi)Lender does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission, or any other matter related to the Tranche Rate or any Successor Rate, including the selection of such rate, any related Spread Adjustment, or any Conforming Changes, or whether the composition or characteristics of any Successor Rate and Spread Adjustment or Conforming Changes will be similar to, or produce the same value or economic equivalence of, the initial Tranche Rate.

(vii) Notwithstanding anything to the contrary contained herein, if, after the Effective Date, Borrower enters into a Rate Contract with respect to all or part of a Tranche Rate Loan and the floating interest rate under the Rate Contract is Daily Simple SOFR, Lender may replace the Tranche Rate hereunder with Daily Simple SOFR and a Spread Adjustment without the consent of any other party hereto; provided further that, if subsequent thereto, Lender and Borrower amend such Rate Contract to include, or terminate such Rate Contract and enter into a new Rate Contract with, a floating interest rate thereunder of the original Tranche Rate, then Lender may further replace Daily Simple SOFR hereunder with the original Tranche Rate (and a Spread Adjustment, if applicable) hereunder without the consent of any other party hereto; and, in either such event, (A) such rate shall be a Successor Rate hereunder, and (B) Lender shall provide written notice thereof to Borrower.

(d)Illegality. Notwithstanding any other provisions hereof, if any Law shall make it unlawful for Lender to make, fund or maintain Tranche Rate Loans, Lender shall promptly give notice of such circumstances to Borrower. In such an event, (i) the commitment of Lender to make Tranche Rate Loans, continue Tranche Rate Loans as Tranche rate Loans or convert Base Rate Loans to Tranche Rate Loans shall be immediately suspended and (ii) all outstanding Tranche Rate Loans shall be converted automatically to Base Rate Loans on the last day of the Interest Period thereof or at such earlier time as may be required by Law.

(e)Tranche Rate Breakage Fee. Upon (i) any default by Borrower in making any borrowing of, conversion into or conversion of any Tranche Rate Loan following Borrower's delivery to Lender of any applicable Notice of Borrowing or Notice of Conversion or (ii) any payment of a Tranche Rate Loan on any day that is not the last day of the Interest Period applicable thereto (regardless of the source of such prepayment and whether voluntary, by acceleration or otherwise), Borrower shall promptly pay Lender an amount equal to the amount of any losses, expenses and liabilities (including any loss (including interest paid) in connection with the re-employment of such funds) that Lender sustains as a result of such default or such payment.

(f)Increased Costs. If, after the Effective Date, any Change in Law: (i) shall impose, modify or deem applicable any reserve (including any reserve imposed by the Board of Governors of the Federal Reserve System, or any successor thereto, but excluding any reserve

included in the determination of the Tranche Rate pursuant to the provisions of this Agreement), special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by Lender, or (ii) shall impose on Lender any other condition affecting its Tranche Rate Loans, any of its notes issued pursuant hereto (if any) or its obligation to make Tranche Rate Loans; and the result of anything described in these clauses (i) and (ii) above is to increase the cost to (or to impose a cost on) Lender of making or maintaining any Tranche Rate Loan, or to reduce the amount of any sum received or receivable by Lender under this Agreement or under any of its notes issued pursuant hereto (if any) with respect thereto, then upon demand by Lender, Borrower shall promptly pay directly to Lender such additional amount as will compensate Lender for such increased cost or such reduction.

(g) Conforming Changes. In connection with the use, implementation, or administration of the Tranche Rate, including any temporary or permanent replacement for the Tranche Rate, Lender will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document. Lender will promptly notify Borrower of the effectiveness of any Conforming Changes in connection with the use, implementation, or administration of the Tranche Rate, or any temporary or permanent replacement of the Tranche Rate.

Section 2.7 Releases. Borrower may request a release of Real Property from the Collateral so long as (a) no Default or Event of Default exists immediately before or immediately after giving effect thereto and (b) Borrower submits a Borrowing Base Certificate to Lender reflecting that after such release, the Revolving Loan will be in compliance with Section 2.1 of this Agreement and, to the extent necessary, Borrower shall reduce the then outstanding principal balance of the Revolving Loan so that no Overadvance exists after such release. In connection with the release of any Real Property from the Collateral, Lender shall take such action, and execute and deliver all such instruments of release and agreements, as may reasonably be requested by Borrower, all at Borrower's sole cost and expense.

Section 2.8 Appraisals.

(a) In the event that (i) Borrower requests a release under Section 2.7 hereof, (ii) the occurrence of a Material Adverse Effect or a material adverse change in the value of any facilities of any Loan Party or the market conditions or (iii) an Event of Default has occurred and is continuing, then Lender may, in its discretion, select and engage an appraiser to perform appraisals or updates thereof of the Collateral on a basis satisfactory to Lender, with such appraisals and updates to include, without limitation, information required by applicable law and regulations.

(b) If, in order for Lender to comply with applicable laws (including without limitation any requirement of any Governmental Authority with regulatory authority of Lender) a new or updated appraisal with respect to any Collateral is required, Lender shall notify Borrower of the need for such new or updated appraisal, and Lender promptly shall select and engage an appraiser to perform appraisals and updates thereof of the Collateral on a basis satisfactory to Lender that also satisfies the requirements of such applicable laws or requirement.

(c) Any appraisals obtained by Lender in accordance with this Agreement shall be at the sole cost and expense of Borrower.

ARTICLE III

CONDITIONS PRECEDENT TO LOAN

Section 3.1 Conditions To Effectiveness. This Agreement and the obligations of Lender to make Advances hereunder shall be effective upon satisfaction of the following conditions precedent in each case in form and substance satisfactory to Lender:

(a) Loan Documents. Receipt by Lender of a counterpart of this Agreement and the other Loan Documents signed by or on behalf of each party hereto or thereto or written evidence satisfactory to Lender (which may include telecopy transmission of such signed signature page) that such party has signed a counterpart of this Agreement and the other Loan Documents to which such party is a party.

(b) Organization Documents; Resolutions and Certificates. Receipt by Lender of:

(i) a certificate of the manager, secretary or assistant secretary of each Loan Party, attaching and certifying copies of such Loan Party's Organization Documents and resolutions of its board of directors (or equivalent governing body), authorizing the execution, delivery and performance of the Loan Party to which it is a party and certifying the name, title and true signature of each officer of such Loan Party executing the Loan Documents to which it is a party; and

(ii) certified copies of the articles or certificate of incorporation, certificate of organization or limited partnership, or other registered organizational documents of each Loan Party, together with certificates of good standing or existence, as may be available from the Secretary of State of the jurisdiction of organization of such Loan Party.

(c) Required Consents and Approvals. The Loan Parties shall have received all consents (including Hart-Scott-Rodino clearance and other necessary governmental consents, if applicable), approvals, authorizations, registrations and filings and orders required or advisable to be made or obtained under any applicable Law, the Organization Documents of any Loan Party or by any Contractual Obligation of any Loan Party, in connection with the execution, delivery, performance, validity and enforceability of the Loan Documents or any of the transactions contemplated thereby, and such consents, approvals, authorizations, registrations, filings and orders shall be in full force and effect and all applicable waiting periods shall have expired, and no investigation or inquiry by any Governmental Authority regarding the Loan Documents or any other transaction being financed with the proceeds thereof shall be ongoing.

(d) Insurance. If required by Lender, receipt by Lender of certificates of insurance issued on behalf of insurers of Borrower and its Subsidiaries, describing in reasonable detail the types and amounts of insurance (property and liability) maintained by Borrower and its Subsidiaries, and endorsements naming Lender as additional insured on liability policies and lender's loss payee on property and casualty policies.

(e) Refinancing of Existing Indebtedness. Receipt by Lender of copies of duly executed payoff letters in form and substance satisfactory to Lender, executed by each of Borrower's existing lenders or the agent thereof, together with (i) evidence of payment in full of such Indebtedness, (ii) UCC-3 or other appropriate termination statements, in form and substance satisfactory to Lender, releasing all liens of any existing lenders or agent upon any of the personal

property of Borrower and its Subsidiaries, (iii) cancellations and releases, in form and substance satisfactory to Lender, releasing all liens of any existing lenders or agent under such Indebtedness upon any of the real property of Borrower and its Subsidiaries, and (iv) any other releases, terminations or other documents reasonably required by Lender to evidence the payoff of Indebtedness.

(f) Patriot Act; Anti-Money Laundering Laws. The provision by the Loan Parties of all documentation and other information that Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act.

(g) Management Fee Subordination Agreements. Receipt by Lender of a fully executed Management Fee Subordination Agreement with respect to all Management Fees existing as of the Effective Date.

(h) Financial Information. Receipt by Lender of all such financial information as Lender may request.

(i) Intentionally Deleted.

(j) Organizational Chart. Receipt by Lender of a reasonably detailed organizational chart of the Loan Parties as of the Effective Date.

(k) Fees and Expenses. Receipt by Lender of all Loan Expenses.

Section 3.2 Each Advance. The obligation of Lender to make any Advance or convert or continue any Advance as a Tranche Rate Loan is subject to the satisfaction of the following conditions:

(a) No Default. At the time of and immediately after giving effect to such Advance, no Default or Event of Default shall exist.

(b) Representations and Warranties. At the time of and immediately after giving effect to such Advance, all representations and warranties of each Loan Party set forth in the Loan Documents shall be true and correct in all material respects, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date.

(c) Unencumbered Real Estate Collateral. Receipt by Lender of Real Property Security Documents for the Unencumbered Real Estate and Unimproved Raw Land being added to the Collateral, together with evidence that upon filing of a Mortgage, Lender shall have a valid, first priority security interest in the real property and improvements associated with such Unencumbered Real Estate and Unimproved Raw Land.

(d) Encumbered Real Estate Collateral. Receipt by Lender of Encumbered Real Property Security Documents for the Encumbered Real Estate being added to the Collateral.

(e) Real Property Related Deliverables. With respect to any Real Property being added to the Collateral, receipt by Lender of each of the following: (i) a copy of the certificate of occupancy for each building comprising such Real Property, and (ii) appraisals of the real property and improvements associated with such Real Property, which shall be in form and

substance reasonably satisfactory to Lender and completed by auditors and/or appraisers selected by Lender.

(f) Personal Property Collateral.

(i)Searches of Uniform Commercial Code filings in the jurisdiction of formation of each Loan Party;

(ii)Uniform Commercial Code financing statements for each appropriate jurisdiction as is necessary, in Lender's reasonable discretion, to perfect Lender's security interest in the Collateral;

(iii)All certificates evidencing any certificated Capital Stock pledged to Lender pursuant to the Security Agreement or any other pledge agreement, together with duly executed in blank, undated stock powers attached thereto;

(iv)If required by Lender, searches of ownership of, and Liens on, United States registered intellectual property owned by each Loan Party in the appropriate governmental offices;

(v)If required by Lender, duly executed notices of grant of security interest in the form required by any security agreement as are necessary, in Lender's reasonable discretion, to perfect Lender's security interest in the United States registered intellectual property owned by the Loan parties (if and to the extent perfection may be achieved in the United States Patent and Trademark Office or the United States Copyright Office by such filings);

(vi) With respect to any securities being added to the Collateral, receipt by Lender of a securities account control agreement in a form acceptable to Lender; and

(vii)Any other instruments, documents or agreements Lender may reasonably require for the purpose of confirming and perfecting Lender's security interest in all or any portion of the Collateral.

(g) Loan to Value Requirements. Receipt by Lender of a certificate of a Responsible Officer of Borrower certifying after giving effect to each requested Advance, such amount does not exceed the Revolving Loan Availability.

(h) Insurance. Receipt by Lender of evidence of insurance covering the Collateral satisfactory to Lender.

Each Advance (including the conversion or continuance of any Advance as a Tranche Rate Loan) shall be deemed to constitute a representation and warranty by Borrower on the date thereof as to the matters specified in clauses (a) and (b) of this Section 3.2.

Section 3.3 Delivery of Documents. All of the Loan Documents, certificates, legal opinions and other documents and papers referred to in this Article III, unless otherwise specified, shall be delivered to Lender and shall be in form and substance satisfactory in all respects to Lender.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Each Loan Party represents and warrants to Lender as follows:

Section 4.1 Existence; Power. Borrower and each of its Subsidiaries (a) is duly organized, validly existing and in good standing as a corporation, partnership or limited liability company under the Laws of the jurisdiction of its organization, (b) has all requisite power and authority to carry on its business as now conducted, and (c) is duly qualified to do business, and is in good standing, in each jurisdiction where such qualification is required, except where a failure to be so qualified could not reasonably be expected to result in a Material Adverse Effect.

Section 4.2 Organizational Power; Authorization. The execution, delivery and performance by each Loan Party of the Loan Documents to which it is a party are within such Loan Party's organizational powers and have been duly authorized by all necessary organizational, and if required, shareholder, partner or member, action. This Agreement has been duly executed and delivered by each Loan Party, and constitutes, and each other Loan Document to which any Loan Party is party, when executed and delivered by such Loan Party, will constitute a legal, valid and binding obligation of each Loan Party, enforceable against such Loan Party thereto, in accordance with their respective terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

Section 4.3 Governmental Approvals; No Conflicts. The execution, delivery and performance by each Loan Party of this Agreement and by each Loan Party of the other Loan Documents to which it is a party (a) do not require any consent or approval of, registration or filing with, or any action by, any Governmental Authority, except (i) those as have been obtained or made and are in full force and effect and (ii) filings necessary to perfect and maintain the perfection of the Liens created by the Collateral Documents, (b) will not violate the Organization Documents of any Loan Party or any Law applicable to Borrower or any of its Subsidiaries or any judgment, order or ruling of any Governmental Authority, (c) will not violate or result in a default under any indenture, agreement or other instrument binding on Borrower or any of its Subsidiaries or any of its assets or give rise to a right thereunder to require any payment to be made by Borrower or any of its Subsidiaries and (d) will not result in the creation or imposition of any Lien on any asset of Borrower or any of its Subsidiaries, except Liens (if any) created under the Loan Documents.

Section 4.4 Financial Statements. The financial statements delivered pursuant to Section 5.1 have been prepared in accordance with GAAP and present fairly (on the basis disclosed in the footnotes to such financial statements) the consolidated and consolidating financial condition, results of operations and cash flows of Borrower and its Subsidiaries as of the dates thereof and for the periods covered thereby. Since the Effective Date, there have been no changes with respect to Borrower and its Subsidiaries which have had or could reasonably be expected to have, singly or in the aggregate, a Material Adverse Effect.

Section 4.5 Litigation and Environmental Matters.

(a) No litigation, investigation or proceeding of or before any arbitrators or Governmental Authorities is pending against or, to Borrower's knowledge, threatened against or affecting Borrower or any of its Subsidiaries (i) as to which there is a reasonable possibility of an adverse determination that could reasonably be expected to have, either individually or in the

aggregate, a Material Adverse Effect or (ii) which in any manner draws into question the validity or enforceability of this Agreement or any other Loan Document.

(b) Neither Borrower nor any of its Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

Section 4.6 Compliance with Laws and Agreements. Borrower and its Subsidiaries are in compliance with (i) all Laws and all judgments, decrees and orders of any Governmental Authority, and (ii) all indentures, agreements or other instruments binding upon it or its properties, in each case except where non-compliance, either individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect. No officer or other member of management of Borrower or any Subsidiary who may reasonably be expected to have individual culpability for matters under investigation by any Governmental Authority continues to be employed by Borrower or any Subsidiary unless such officer or other member of management has been either suspended or removed from positions of responsibility related to those activities under challenge by the Governmental Authority promptly after discovery of such actual or potential culpability.

Section 4.7 No Default.

(a)None of Borrower or any Subsidiary is in default under or with respect to any Contractual Obligation that could reasonably be expected to have a Material Adverse Effect.

(b)No Default has occurred and is continuing.

Section 4.8 Investment Company Act, Etc. None of the Loan Parties is (a) an "investment company" or is "controlled" by an "investment company", as such terms are defined in, or subject to regulation under, the Investment Company Act of 1940, as amended, or (b) otherwise subject to any other regulatory scheme limiting its ability to incur debt or requiring any approval or consent from or registration or filing with, any Governmental Authority in connection therewith.

Section 4.9 Taxes. Borrower and its Subsidiaries and each other Person for whose taxes Borrower or any Subsidiary could become liable have timely filed or caused to be filed all federal, state and other material tax returns required to be filed by them, and have paid all federal, state and other material taxes, assessments made against it or its property and all other taxes, fees or other charges imposed on it or any of its property by any Governmental Authority, except where the same are currently being contested in good faith by appropriate proceedings and for which such Borrower or such Subsidiary, as the case may be, has set aside on its books adequate reserves in accordance with GAAP. The charges, accruals and reserves on the books of Borrower and its Subsidiaries in respect of such taxes are adequate, and no tax liabilities that could be materially in excess of the amount so provided are anticipated.

Section 4.10 Margin Regulations. None of the proceeds of any of the Loan will be used, directly or indirectly, for "purchasing" or "carrying" any "margin stock" with the respective meanings of each of such terms under Regulation U or for any purpose that violates the provisions of the Regulation T, U or X. None of Borrower or any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying "margin stock."

Section 4.11 ERISA. Borrower is not and will not be an "employee benefit plan" as defined in Section 3(3) of ERISA, which is subject to Title I of ERISA. The assets of Borrower do not and will not constitute "plan assets" of one or more such plans within the meaning of 29 C.F.R. Sec. 2510.3-101. Borrower is not and will not be a "governmental plan" within the meaning of Section 3(32) of ERISA. Transactions by or with Borrower are not and will not be subject to any state or other statute, regulation or other restriction regulating investments of, or fiduciary obligations with respect to, governmental plans within the meaning of Section 3(32) of ERISA which is similar to the provisions of Section 406 of ERISA or Section 4975 of the Code and which prohibit or otherwise restrict the transactions contemplated by this Agreement, including but not limited to the exercise by Lender of any of its rights under the Loan Documents. Neither Borrower, nor any member of a "controlled group of corporations" (within the meaning of Section 414 of the Code) maintains, sponsors or contributes to a "defined benefit plan" (within the meaning of Section 3(35) of ERISA) or a "multiemployer pension plan" (within the meaning of Section 3(37)(A) of ERISA).

Section 4.12 Ownership of Property; Insurance.

(a) Each of Borrower and its Subsidiaries has good title to, or valid leasehold interests in, all of its real and personal property material to the operation of its business, in each case free and clear of Liens not permitted by this Agreement. All leases that individually or in the aggregate are material to the business or operations of Borrower and its Subsidiaries are valid and subsisting and are in full force.

(b) Each of Borrower and its Subsidiaries owns, or is licensed, or otherwise has the right to use, all patents, trademarks, service marks, trade names, copyrights and other intellectual property material to its business, and the use thereof by Borrower and its Subsidiaries does not infringe in any material respect on the rights of any other Person.

(c) The properties of Borrower and its Subsidiaries are insured with financially sound and reputable insurance companies which are not Affiliates of Borrower, in such amounts with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where Borrower or any applicable Subsidiary operates.

Section 4.13 Disclosure. Each Loan Party has disclosed to Lender all agreements, instruments, and corporate or other restrictions to which it or any of its Subsidiaries is subject, and all other matters known to any of them, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. None of the reports (including without limitation all reports that any Loan Party is required to file with the SEC), financial statements, certificates or other information furnished by or on behalf of any Loan Party to Lender in connection with the negotiation of this Agreement or any other Loan Document or delivered hereunder or thereunder (as modified or supplemented by any other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, taken as a whole, in light of the circumstances under which they were made, not misleading.

Section 4.14 Labor Relations. There are no strikes, lockouts or other material labor disputes or grievances against Borrower or any of its Subsidiaries, or, to Borrower's knowledge, threatened against or affecting Borrower or any of its Subsidiaries, and no significant unfair labor practice, charges or grievances are pending against Borrower or any of its Subsidiaries, or to the knowledge of a Responsible Officer of Borrower, threatened against any of them before any Governmental Authority. All payments due from Borrower or any of its Subsidiaries pursuant to the provisions of any collective bargaining

agreement have been paid or accrued as a liability on the books of Borrower or any such Subsidiary, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

Section 4.15 Subsidiaries. The organizational chart of the Borrower included in Schedule 4.15 sets forth the name of, the ownership interest of each Loan Party in, the jurisdiction of incorporation or organization of, and the type of, each Subsidiary, in each case as of the Effective Date.

Section 4.16 Solvency. After giving effect to the execution and delivery of the Loan Documents and the making of the Revolving Loan under this Agreement, Borrower is Solvent and the Loan Parties are Solvent on a consolidated basis.

Section 4.17 Business Locations; Taxpayer Identification Number. Set forth on Schedule 4.17-1 is a list of all real property located in the United States that is owned or leased by any Loan Party as of the Effective Date (identifying whether such real property is owned or leased and which Loan Party owns or leases such real property). Set forth on Schedule 4.17-2 is the chief executive office, U.S. tax payer identification number and organizational identification number of each Loan Party as of the Effective Date. The exact legal name and state of organization of each Loan Party as of the Effective Date is as set forth on the signature pages hereto. No Loan Party has during the five (5) years preceding the Effective Date (a) changed its legal name, (b) changed its state of formation, or (c) been party to a merger, consolidation or other change in structure.

Section 4.18 Intentionally Deleted.

Section 4.19 Anti-Corruption Laws and Sanctions. Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance in all material respects by Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and Borrower, its Subsidiaries and their respective directors, officers and employees and to the knowledge of Borrower its agents, are in compliance with Anti-Corruption Laws and applicable Sanctions. None of (a) Borrower, any Subsidiary or any of their respective directors, officers or employees, or (b) to the knowledge of Borrower, any agent of Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facilities established hereby, is a Sanctioned Person. No Advance, use of proceeds or other transactions will violate Anti-Corruption Laws or applicable Sanctions.

Section 4.20 Perfection of Security Interests in the Collateral. The Collateral Documents create valid security interests in, and Liens on, the property described in and subject to the lien-granting provisions of the Collateral Documents, which security interests and Liens are currently perfected security interests and Liens, prior to all other Liens other than Liens permitted under this Agreement.

Section 4.21 Licensing and Accreditation. Borrower and each of its Subsidiaries has obtained and maintains, and each of their respective employees and contractors required to be licensed have obtained and maintains, and each of their respective employees and contractors required to be licensed have obtained and maintains, in good standing all required licenses, permits, authorizations, registrations and approvals of each Governmental Authority necessary to the conduct of its business.

Section 4.22 No Other Broker's Fees. None of the Loan Parties owes to any Person other than Lender and its affiliates, or otherwise has any obligation in respect of any finder's fees, broker's fees, investment banker's fees or other similar fees in connection with the transactions contemplated in this Agreement and the other Loan Documents.

ARTICLE V

AFFIRMATIVE COVENANTS

Each Loan Party covenants and agrees that so long as the Revolving Loan Commitment has not expired or been terminated or any Obligation remains unpaid or outstanding, such Loan Party shall and shall cause each Subsidiary to:

Section 5.1 Financial Statements and Other Information. Deliver to Lender, in form and substance reasonably acceptable to Lender:

(a)as soon as available and in any event within one hundred twenty (120) days after the end of each Fiscal Year, commencing with the Fiscal Year ending December 31, 2023, a copy of the audited financial statements for such Fiscal Year for Borrower and its Subsidiaries, containing a consolidated and consolidating balance sheet of Borrower and its Subsidiaries as of the end of such Fiscal Year and the related consolidated and consolidating statements of income or operations, changes in stockholders' equity and cash flows (together with all footnotes thereto) of Borrower and its Subsidiaries for such Fiscal Year, which must include a year-end liquidity analysis of Borrower, setting forth in each case in comparative form the figures for the previous Fiscal Year, all in reasonable detail and audited by independent certified public accounts reasonably acceptable to Lender (without a "going concern" or like qualification, exception or explanation and without any qualification or exception as to scope of such review) to the effect that such financial statements present fairly in all material respects the financial condition and the results of operations of Borrower and its Subsidiaries for such Fiscal Year on a consolidated and consolidating basis in accordance with GAAP and that the examination by such accountants in connection with such consolidated financial statements has been made in accordance with generally accepted auditing standards;

(b) as soon as available and in any event within forty-five (45) days after the end of each Fiscal Quarter, an unaudited consolidated and consolidating balance sheet of Borrower and its Subsidiaries as of the end of such Fiscal Quarter and the related unaudited consolidated and consolidating statements of income or operations, changes in stockholders' equity and cash flows of Borrower and its Subsidiaries for such Fiscal Quarter and the then elapsed portion of such Fiscal Year, setting forth in each case in comparative form the figures for the corresponding quarter and the corresponding portion of Borrower's previous Fiscal Year, which must include a liquidity analysis of Borrower, all in reasonable detail and prepared in accordance with GAAP, such consolidated statements to be certified by the chief executive officer, chief financial officer, treasurer or controller of Borrower as presenting fairly the financial condition, results of operations, stockholders' equity and cash flows of Borrower and its Subsidiaries in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes and, in the case of such consolidating statements, certified by the chief executive officer, chief financial officer, treasurer or controller of Borrower to the effect that such statements are fairly stated in all material respects when considered in relation to the consolidated financial statements of Borrower and its Subsidiaries;

(c) concurrently with the delivery of the financial statements referred to in clauses (a) and (b) above, a Compliance Certificate signed by the principal executive officer or the principal financial officer of Borrower (i) certifying as to whether there exists a Default or Event of Default on the date of such certificate, and if a Default or an Event of Default then exists, (ii) setting forth in reasonable detail calculations demonstrating compliance with the financial covenants set forth in Article VI, (iii) certifying that as of the date thereof, all representations and

warranties of each Loan Party set forth in the Loan Documents are true and correct in all material respects, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects as of such earlier date, (iv) stating whether any change in GAAP or the application thereof has occurred since the Effective Date, and if any change has occurred, specifying the effect of such change on the financial statements accompanying such Compliance Certificate, (v) specifying any change in the identity of the Subsidiaries as of the end of such Fiscal Year or Fiscal Quarter from the Subsidiaries identified to Lender on the Effective Date or as of the most recent Fiscal Year or Fiscal Quarter, as the case may be, and (vi) including an account statement for the TD Ameritrade Account;

(d) within forty-five (45) days after the end of each calendar quarter, a Borrowing Base Certificate and any related documents required by Lender;

(e) within ten (10) days after the required filing date, copies of any annual and quarterly statutory statements required to be filed with an insurance regulatory authority by HCPCIC or TypTap; and

(f) promptly following any request therefor, such other information regarding the results of operations, business affairs and financial condition of Borrower or any Subsidiary as Lender may reasonably request.

If at any time Borrower is required to file periodic reports under Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended, Borrower may satisfy its obligation to deliver the financial statements referred to in clauses (a) and (b) above by delivering such financial statements by electronic mail to such e-mail addresses as Lender shall have provided to Borrower from time to time.

Section 5.2 Notices of Material Events. Furnish to Lender prompt written notice of the following:

(a) the occurrence of any Default or Event of Default;

(b) the filing or commencement of, or any material development in, any action, suit, investigation or proceeding by or before any arbitrator or Governmental Authority against or, to the knowledge of Borrower, affecting Borrower or any Subsidiary which, if adversely determined, could reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any event or any other development by which Borrower or any of its Subsidiaries (i) fails to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) becomes subject to any Environmental Liability, (iii) receives notice of any claim with respect to any Environmental Liability, or (iv) becomes aware of any basis for any Environmental Liability and in each of the preceding clauses, which individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect;

(d) the occurrence of any default or event of default, or the receipt by Borrower or any of its Subsidiaries of any written notice of an alleged default or event of default, with respect to any Indebtedness of Borrower or any of its Subsidiaries;

(e) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect; and

(f) promptly and in any event at least thirty (30) days prior thereto, notice of any change (i) in any Loan Party's legal name, (ii) in any Loan Party's chief executive office, its principal place of business, any office in which it maintains books or records or any office or facility at which Collateral owned by it is located (including the establishment of any such new office or facility), (iii) in any Loan Party's identity or legal structure, (iv) in any Loan Party's federal taxpayer identification number or organizational number or (v) in any Loan Party's jurisdiction of organization.

Each notice delivered under this Section 5.2 shall be accompanied by a written statement of a Responsible Officer setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

Section 5.3 Existence; Conduct of Business.

(a)Do or cause to be done all things necessary to preserve, renew and maintain in full force and effect its legal existence and its respective rights, licenses, permits, privileges, franchises, patents, copyrights, trademarks and trade names material to the conduct of its business; provided, that nothing in this Section 5.3 shall prohibit any merger, consolidation, liquidation or dissolution permitted under Section 7.3; and

(b) Engage in the business of the type conducted by Borrower and its Subsidiaries on the date hereof and businesses reasonably related thereto.

Section 5.4 Compliance with Laws, Etc. (a) Maintain their respective business operations and property owned or used in connection therewith in compliance with all applicable Laws, regulations, rules, guidelines, ordinances, decrees, orders and other requirements of Law, and (ii) all material licenses, accreditations, franchises, indentures, deeds of trust and mortgages, to which any of Borrower or any of its Subsidiaries are parties or by which any of them or any of their respective properties are bound, and (b) maintain in effect and enforce policies and procedures reasonably designed to promote and achieve compliance by Borrower, its Subsidiaries and their respective directors, officers, employees and agents which are acting or benefitting in any capacity in connection with this Agreement with Anti-Corruption Laws and applicable Sanctions. Without limiting the foregoing, Borrower and each of its Subsidiaries shall ensure that it will obtain and maintain all licenses, permits, certifications, registrations and approvals of all applicable Governmental Authorities as are required for the conduct of its business as currently conducted and herein contemplated.

Section 5.5 Payment of Obligations. Pay and discharge at or before maturity, all of its obligations and liabilities (including without limitation all taxes, assessments and other governmental charges, levies and all other claims that could result in a statutory Lien) before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) Borrower or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect.

Section 5.6 Books and Records. Keep proper books of record and account in which full, true and correct entries shall be made of all dealings and transactions in relation to its business and activities to the extent necessary to prepare the consolidated financial statements of Borrower and its Subsidiaries in conformity with GAAP.

Section 5.7 Visitation, Inspection, Etc. Permit any representative of Lender to visit and inspect its properties, to examine its books and records and to make copies and take extracts therefrom,

and to discuss its affairs, finances and accounts with any of its officers and with its independent certified public accountants, all at such reasonable times and as often as Lender may reasonably request after reasonable prior notice to Borrower; provided, if a Default or an Event of Default has occurred and is continuing, no prior notice shall be required.

Section 5.8 Maintenance of Properties; Insurance.

(a)Keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted;

(b)Maintain with financially sound and reputable insurance companies not Affiliates of Borrower, insurance with respect to its properties and business, and the properties and business of its Subsidiaries, against loss or damage of the kinds customarily insured against by companies in the same or similar businesses operating in the same or similar locations in such amounts and with such deductibles as Lender may request;

(c)At all times name Lender as additional insured on all liability policies and as loss payee on all property or casualty polices of Borrower and its Subsidiaries (which policies shall be endorsed or otherwise amended to include a customary lender's loss payable endorsement and to name Lender as additional insured or loss payee, in form and substance reasonably satisfactory to Lender); and

(d)Cause all Real Property that constitutes Flood Hazard Property to be covered by flood insurance provided under the National Flood Insurance Program (or with private insurance endorsed to cause such private insurance to be fully compliant with the federal law as regards private placement insurance applicable to the National Flood Insurance Program, with financially sound and reputable insurance companies not Affiliates of Borrower), in such amounts and with such deductibles as Lender may request.

Section 5.9 Use of Proceeds. Use the proceeds of the Revolving Loan solely to provide financing for general corporate purposes, including acquiring investment assets, share buybacks and working capital; provided, however, that so long as there is no existing or expected future Default or Event of Default, up to $25,000,000.00 of the proceeds of the Revolving Loan may be used to fund growth capital of Borrower's insurance Subsidiaries. Without Lender's prior written consent, the Revolving Loan proceeds may not be used to meet any statutory reserve requirements for payments of claims or for the purchase of insurance policies.

Section 5.10 Additional Subsidiaries. If any Subsidiary is acquired or formed after the Effective Date, promptly notify Lender thereof and, if required by Lender for any material Subsidiary (as reasonably determined by Lender), (x) on the date of any such Acquisition of a Person constituting a Subsidiary and (y) within ten (10) Business Days (or such later date as Lender may agree in its sole discretion) after any such Subsidiary is formed, cause such Subsidiary to become a Guarantor. A Subsidiary shall become an additional Guarantor by executing and delivering to Lender a Guarantor Joinder Agreement in form and substance reasonably satisfactory to Lender, accompanied by (a) all other Loan Documents related thereto, and (b) certified copies of Organization Documents, appropriate authorizing resolutions of such Subsidiaries, and, if required by Lender, opinions of counsel acceptable to Lender and such other documents as Lender may reasonably request.

Section 5.11 Further Assurances.

(a) Capital Stock. Cause one hundred percent (100%) of the issued and outstanding

Capital Stock in each Subsidiary owned by Borrower that owns Encumbered Real Estate that is Collateral to be subject at all times to a first priority, perfected Lien in favor of Lender pursuant to the terms of the applicable Collateral Documents (subject to Liens permitted by Section 7.2) and, in connection with the foregoing, deliver to Lender such other documentation as Lender may reasonably request, including any filings and deliveries to perfect such Liens, Organization Documents, resolutions and opinions of counsel, all in form, content and scope reasonably satisfactory to Lender.

(b)Personal Property. Cause all personal property owned by each Loan Party to be subject at all times to first priority, perfected Liens in favor of Lender to secure the Obligations as required by the Collateral Documents (subject to Liens permitted by Section 7.2) and, in connection with the foregoing, deliver to Lender such other documentation as Lender may reasonably request including filings and deliveries necessary to perfect such Liens, Organization Documents, resolutions and favorable opinions of counsel to such Person, all in form, content and scope reasonably satisfactory to Lender, provided that the pledge of Capital Stock in any Subsidiary shall be governed pursuant to the terms of Section 5.11(a).

(c)Control Agreements. Cause each deposit account, disbursement account, investment account, cash management account, lockbox account or other account that is Collateral to be subject to a "with activation" or "springing" account control agreement in form and substance reasonably satisfactory to Lender (it being understood and agreed that Borrower shall have up to sixty (60) days after the Effective Date (or such later date as Lender may agree in its sole discretion) to cause any such accounts existing as of the Effective Date to become subject to such an account control agreement).

(d)Real Property. Cause all Unencumbered Real Estate and Unimproved Raw Land that is Collateral and all Real Property acquired with proceeds of the Revolving Loan to be subject at all times to a valid and, subject to any filing and/or recording referred to herein, enforceable Lien in favor of Lender on, and security interest in, real property that is prior and superior in right to any other Lien in favor of Lender to secure the Obligations as required by the Collateral Documents (subject to Liens permitted by Section 7.2) and, in connection with the foregoing, deliver to Lender such documentation as Lender may reasonably request including filings and deliveries necessary to perfect such Liens, Organization Documents, resolutions, Real Property Security Documents and favorable opinions of counsel to such Person, all in form, content and scope reasonably satisfactory to Lender.

(e)Landlord Consents. Within sixty (60) days (or such later date as Lender may agree in its sole discretion) of (i) the Effective Date, with respect to leased office space locations of the Loan Parties existing on the Effective Date and (ii) the date a new leasehold interest in real property of office space is acquired by a Loan Party (or an existing lease is renewed or extended), use commercially reasonable efforts to deliver or cause to be delivered to Lender a duly executed landlord consent with respect to each leased location where material corporate books and records of any of the Loan Parties are maintained, which consents shall be in form and substance reasonably acceptable to Lender.

Section 5.12 Casualty and Condemnation. (a) Furnish to Lender prompt written notice of any casualty or other insured damage to any material portion of any Collateral or the commencement of any action or preceding for the taking of any material portion of any Collateral or any part thereof or interest therein under power of eminent domain or by condemnation or similar proceeding and (b) ensure that the Net Cash Proceeds of any such event (whether in the form of insurance proceeds, condemnation awards or otherwise) are collected and applied as directed by Lender.

Section 5.13 Cash Management. Maintain all primary depository accounts and treasury management services of Borrower with Lender. In addition, Borrower shall collectively maintain a minimum average quarterly aggregate deposit balance with Lender in an amount equal to at least Fifty Million and No/100 Dollars ($50,000,000.00), to be tested quarterly for each previous quarterly period. Such balance will be calculated as including demand deposit and money market accounts of Borrower but shall not include certificates of deposit owned by Borrower.

Section 5.14 Subordination of Management Fees. Cause the payment of any and all management, consulting, operating partner or similar fees (collectively, the "Management Fees") payable by any Loan Party to any Person to be subordinated to the payment in full of the Obligations pursuant to a Management Fee Subordination Agreement in form and substance satisfactory to Lender.

ARTICLE VI

FINANCIAL COVENANTS

Borrower covenants and agrees, on a consolidated basis, that so long as the Revolving Loan Commitment has not expired or been terminated or any Obligation remains unpaid or outstanding, Borrower shall not:

Section 6.1 Minimum Tangible Net Worth. Permit Borrower's Minimum Tangible Net Worth as of the end of any Fiscal Quarter, commencing with the Fiscal Quarter ending December 31, 2022, to be less than $135,541,000.00 plus 50% of aggregate quarterly net income (determined on a consolidated basis without duplication in accordance with GAAP and for which purpose any net loss shall be deemed to be a net income of zero) of Borrower and its Subsidiaries for the Fiscal Quarter then ending.

Section 6.2 Debt-To-Capital Ratio. Permit Borrower's Debt-To-Capital Ratio to be greater than (i) 67.5% at the end of the Fiscal Quarter ending December 31, 2022 or at the end of any Fiscal Quarter thereafter through and including December 31, 2023 or (ii) 65% at the end of the Fiscal Quarter ending March 31, 2024 or at the end of any Fiscal Quarter thereafter through and including December 31, 2024.

Section 6.3 Authorized Control Level Risk Based Capital Ratio. Permit the Authorized Control Level Risk Based Capital Ratio of HCPCIC and TypTap to be less than 300% at the end of the Fiscal Year ending December 31, 2023 or at the end of any other Fiscal Year thereafter.

ARTICLE VII

NEGATIVE COVENANTS

Each Loan Party covenants and agrees that so long as the Revolving Loan Commitment has not expired or been terminated or any Obligation remains unpaid or outstanding, no Loan Party shall, directly or indirectly:

Section 7.1 Indebtedness and Preferred Equity. Create, incur, assume or suffer to exist any Indebtedness, except:

(a) Indebtedness created pursuant to the Loan Documents;

(b) Indebtedness of Borrower or any Loan Party existing on the date hereof and set forth on Schedule 7.1 and extensions, renewals and replacements of any such Indebtedness that

do not increase the outstanding principal amount thereof (immediately prior to giving effect to such extension, renewal or replacement) or shorten the maturity or the weighted average life thereof;

(c) Guarantees by (i) Borrower of Indebtedness of Borrower or any Loan Party and (ii) by any Loan Party of Indebtedness of Borrower or any other Loan Party;

(d) Other unsecured Indebtedness of Borrower or its Subsidiaries incurred from and after the Effective Date in an aggregate amount not to exceed $20,000,000.00 (the "Unsecured Indebtedness Cap"). For the avoidance of doubt, the Unsecured Indebtedness Cap will be in addition to any amount borrowed under the Revolving Loan, up to the maximum amount of the Revolving Loan; and

(e) The Centerbridge Permitted Refinancing Indebtedness.

Section 7.2 Negative Pledge. Create, incur, assume or suffer to exist any Lien on any of its assets or property now owned or hereafter acquired, except:

(a) Liens securing the Obligations pursuant to the Loan Documents;

(b) Permitted Encumbrances;

(c) any Liens on any property or assets of Borrower or any Loan Party existing on the Effective Date set forth on Schedule 7.2; provided, that such Lien shall not apply to any other property or asset of Borrower or any other Loan Party;

(d) other Liens securing Indebtedness outstanding in an aggregate principal amount not to exceed $250,000 at any time; provided that no such Lien shall extend to or cover any Collateral except Liens on Encumbered Real Estate that have been approved by Lender.

Section 7.3 Fundamental Changes. Merge into or consolidate into any other Person, or permit any other Person to merge into or consolidate with it, or sell, lease, transfer or otherwise dispose of (in a single transaction or a series of transactions) all or substantially all of its assets (in each case, whether now owned or hereafter acquired) or any line of business or all or substantially all of the stock of any of its Subsidiaries (in each case, whether now owned or hereafter acquired) or liquidate or dissolve; provided, that if at the time thereof and immediately after giving effect thereto, no Default or Event of Default shall have occurred and be continuing (i) Borrower or any Subsidiary may merge with a Person pursuant to an Acquisition if Borrower (or such Subsidiary if Borrower is not party to such merger) is the surviving Person, (ii) any Subsidiary may merge into another Subsidiary; provided that (x) if any party to such merger is a Guarantor, the Guarantor shall be the surviving Person and (y) any such merger involving a Person that is not a wholly-owned Subsidiary immediately prior to such merger shall not be permitted unless also permitted by Section 7.3, and (iii) Borrower or any of its Subsidiaries may sell, transfer, lease or otherwise dispose of all or substantially all of its assets to any other Loan Party.

Section 7.4 Intentionally Deleted.

Section 7.5 Restricted Payments. Declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment except that:

(a) so long as no Default or Event of Default has occurred and is continuing at the time of such Restricted Payment or would result therefrom, Borrower may declare or make, directly or indirectly: (i) dividends payable by Borrower solely in shares of any class of its common stock, (ii) Restricted Payments made by any Subsidiary to Persons that own Capital Stock in such Subsidiary, on a pro rata basis according to their respective holdings of the type of Capital Stock in respect of which such Restricted Payment is being made with any other shareholders if such Subsidiary is not wholly owned by Borrower and other wholly owned Subsidiaries and (iii) other Restricted Payments; provided, that, with respect to this clause (a)(iii) only, after giving effect to any such Restricted Payment on a Pro Forma Basis, Borrower and its Subsidiaries would be in compliance with the financial covenants in Article VI measured as of the last day of the most recently ended Fiscal Quarter for which financial statements are required to have been delivered hereunder;

(b) Borrower may make Permitted Tax Distributions.

Section 7.6 Intentionally Deleted.

Section 7.7 Transactions with Affiliates. Sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (a) in the ordinary course of business at prices and on terms and conditions not less favorable to such Borrower or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (b) transactions between or among the Loan Parties, and (c) any Restricted Payment permitted by Section 7.5.

Section 7.8 Restrictive Agreements. Enter into, incur or permit to exist any agreement that prohibits, restricts or imposes any condition upon the ability of Borrower or any of its Subsidiaries to create, incur or permit any Lien upon any of its assets or properties, whether now owned or hereafter acquired.

Section 7.9 Sale and Leaseback Transactions. Enter into any arrangement, directly or indirectly, whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereinafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property sold or transferred.

Section 7.10 Legal Name, State of Formation and Form of Entity. Without providing ten (10) days prior written notice to Lender (or such lesser period as Lender may agree), change its name, state of formation or form of organization.

Section 7.11 Amendment to Organizational Documents. Amend, modify or waive any of its rights in a manner materially adverse to Lender or any Loan Party under its Organization Documents, except in any manner that would not have an adverse effect on Lender, Borrower or any of its Subsidiaries.

Section 7.12 Accounting Changes. Make any material change in accounting treatment or reporting practices, except as required by GAAP.

Section 7.13 Government Regulation. (a) Be or become subject at any time to any law, regulation or list of any Governmental Authority of the United States (including, without limitation, the OFAC list) that prohibits or limits Lender from making any advance or extension of credit to Borrower or from otherwise conducting business with the Loan Parties, or (b) fail to provide documentary and other evidence of the identity of the Loan Parties as may be requested by Lender at any time to enable Lender

to verify the identity of the Loan Parties or to comply with any applicable Law or regulation, including, without limitation, Section 326 of the Patriot Act at 31 U.S.C. Section 5318.

Section 7.14 Ownership of Loan Parties. Notwithstanding any other provisions of this Agreement to the contrary, Borrower will not, nor will Borrower permit any of the Loan Parties to (a) permit any Person (other than Borrower or any wholly owned Subsidiary) to own any Capital Stock of any Loan Party, except to qualify directors if required by applicable Law or (b) permit any Loan Party to issue or have outstanding any shares of preferred Capital Stock.

Section 7.15 Use of Proceeds.

(a)Use any part of the proceeds of any Loan, whether directly or indirectly, for any purpose that would violate any rule or regulation of the Board of Governors of the Federal Reserve System, including Regulations T, U or X.

(b) Request any Advance, or use or allow its respective directors, officers, employees and agents to use, the proceeds of any Advance (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country or (iii) in any manner that would result in the violation of any Sanctions applicable to any party.

Section 7.16 Parent Guaranty. Amend the Parent Guaranty in any material respect or cause or permit the TypTap Articles to be amended in any material respect.

ARTICLE VIII

EVENTS OF DEFAULT

Section 8.1 Events of Default. If any of the following events (each an "Event of Default") shall occur:

(a)any Loan Party shall fail to pay any principal of or interest on the Revolving Loan within ten (10) days after the date when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment or otherwise; or

(b)any Loan Party shall fail to pay any fee or any other amount payable under this Agreement or any other Loan Document (other than principal and interest as discussed in Section 8.1(a)), when and as the same shall become due and payable, and such failure shall continue unremedied for a period of ten (10) days; or

(c)any representation or warranty made or deemed made by or on behalf of Borrower or any Loan Party in or in connection with this Agreement or any other Loan Document (including the Schedules attached thereto) and any amendments or modifications hereof or waivers hereunder, or in any certificate, report, financial statement or other document submitted to Lender by any Loan Party, or any representative of any Loan Party pursuant to or in connection with this Agreement or any other Loan Document shall prove to be incorrect in any material respect when made or deemed made or submitted; or

(d)any Loan Party shall fail to observe or perform any covenant or agreement contained in Sections 5.1, 5.2, 5.3, 5.7, 5.8, 5.9, 5.10, 5.11, 5.13, 5.17 or 5.18; or

(e)any Loan Party shall fail to observe or perform any covenant or agreement contained in this Agreement (other than those referred to in clauses (a), (b) and (d) above) or any other Loan Document, and such failure shall remain unremedied for thirty (30) days after the earlier of (i) any officer of any Loan Party becomes aware of such failure, or (ii) notice thereof shall have been given to any Loan Party by Lender; provided, however, that if Borrower commences to cure such failure during the applicable cure period and is diligently and in good faith attempting to effect such cure, the cure period shall be extended for thirty (30) additional days, but in no event shall the cure period be longer than sixty (60) days in the aggregate (except that, notwithstanding the foregoing to the contrary, the cure period related to a breach of the financial covenants included in Article VI shall be sixty (60) days); or

(f)Borrower or any other Loan Party (whether as primary obligor or as guarantor or other surety) shall fail to pay any principal of, or premium or interest on, any Material Indebtedness that is outstanding, when and as the same shall become due and payable (whether at scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument evidencing or governing such Indebtedness; or any other event shall occur or condition shall exist under any agreement or instrument relating to such Indebtedness and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or permit the acceleration of, the maturity of such Indebtedness; or any such Indebtedness shall be declared to be due and payable, or required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), purchased or defeased, or any offer to prepay, redeem, purchase or defease such Indebtedness shall be required to be made, in each case prior to the stated maturity thereof; or

(g) Borrower or any Subsidiary shall (i) commence a voluntary case or other proceeding or file any petition seeking liquidation, reorganization or other relief under any federal, state or foreign bankruptcy, insolvency or other similar Law now or hereafter in effect or seeking the appointment of a custodian, trustee, receiver, liquidator or other similar official of it or any substantial part of its property, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Section 8.1, (iii) apply for or consent to the appointment of a custodian, trustee, receiver, liquidator or other similar official for Borrower, any such Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take any action for the purpose of effecting any of the foregoing; or

(h)an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of Borrower or any Subsidiary or its debts, or any substantial part of its assets, under any federal, state or foreign bankruptcy, insolvency or other similar Law now or hereafter in effect or (ii) the appointment of a custodian, trustee, receiver, liquidator or other similar official for Borrower, any Subsidiary or for a substantial part of its assets, and in any such case, such proceeding or petition shall remain undismissed for a period of sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered; or

(i)Borrower or any Subsidiary shall become unable to pay, shall admit in writing its inability to pay, or shall fail to pay, its debts as they become due; or

(j) any judgment or order for the payment of money in excess of $250,000, individually or in the aggregate, shall be rendered against Borrower or any Loan Party, and either (x) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (y) there shall be a period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(k) any non-monetary judgment or order shall be rendered against Borrower or any Loan Party that could reasonably be expected to have a Material Adverse Effect, and there shall be a period of thirty (30) consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(l) the occurrence of a default under any Rate Management Agreement; or

(m) any provision of any Collateral Document shall cease to be valid and binding on, or enforceable against, any Loan Party, or Lender shall not have or cease to have a valid and perfected Lien in the Collateral purported to be covered by the Collateral Documents; or

(n) any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations, ceases to be in full force and effect or ceases to give Lender any material part of the Liens purported to be created thereby; or any Loan Party or any other Person contests in any manner the validity or enforceability of any Loan Document; or any Loan Party denies that it has any or further liability or obligation under any Loan Document, or purports to revoke, terminate or rescind any Loan Document; or

(o) any breach, violation or default under the Parent Guaranty or the occurrence of a "Liquidation Event" or a "Deemed Liquidation Event" with respect to Borrower or TypTap pursuant to Article 11 of the Parent Guaranty;

then, and in every such event (other than an event with respect to Borrower or any Subsidiary described in clause (g) or (h) of this Section 8.1) and at any time thereafter during the continuance of such event, Lender may, take any or all of the following actions, at the same or different times: (i) terminate the Revolving Commitment, whereupon the Revolving Commitment shall terminate immediately, (ii) declare the principal of and any accrued interest on the Revolving Loan, and all other Obligations owing hereunder, to be, whereupon the same shall become, due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by Borrower, (iii) exercise all remedies contained in any other Loan Document, and (iv) exercise any other remedies available at Law or in equity; and that, if an Event of Default specified in either clause (g) or (h) shall occur, the Revolving Commitment shall automatically terminate and the principal of the Revolving Loan then outstanding, together with accrued interest thereon, and all fees, and all other Obligations shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by Borrower.

At the election of Lender, after the occurrence of an Event of Default and for so long as it continues, the Tranche Rate election will not be available to Borrower and as the Interest Periods for Tranche Rate Loans then in effect expire, such Advances shall be converted into Base Rate Loans.

Section 8.2 Application of Funds.

After the exercise of remedies provided for in Section 8.1 (or immediately after an Event of Default specified in either clause (g) or (h) of Section 8.1), any amounts received on account of the

Obligations shall be applied by Lender in the following order:

(a) first, to the reimbursable expenses of Lender incurred in connection with such sale or other realization upon the Collateral, until the same shall have been paid in full;

(b) second, to the fees and other reimbursable expenses of Lender then due and payable pursuant to any of the Loan Documents, until the same shall have been paid in full;

(c) third, to the fees and interest then due and payable under the terms of this Agreement, until the same shall have been paid in full;

(d) fourth, to the aggregate outstanding principal amount of the Revolving Loan and the Obligations, until the same shall have been paid in full; and

(e) to the extent any proceeds remain, to Borrower or other parties lawfully entitled thereto.

Excluded Swap Obligations with respect to any Guarantor shall not be paid with amounts received from such Guarantor or its assets, but appropriate adjustments shall be made with respect to payments from other Loan Parties to preserve the allocation to Obligations otherwise set forth above in this Section.

ARTICLE IX

THE GUARANTY

Section 9.1 The Guaranty. Each of the Guarantors hereby jointly and severally guarantees to Lender, as primary obligor and not as surety, the prompt payment of the Obligations in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise) strictly in accordance with the terms thereof. Each Guarantor hereby further agrees that if any of the Obligations is not paid in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise), the Guarantors will, jointly and severally, promptly pay the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Obligations, the same will be promptly paid in full when due (whether at extended maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise) in accordance with the terms of such extension or renewal.

Notwithstanding any provision to the contrary contained herein or in any other of the Loan Documents or the other documents relating to the Obligations, the obligations of each Guarantor under this Agreement and the other Loan Documents shall not exceed an aggregate amount equal to the largest amount that would not render such obligations subject to avoidance under applicable Debtor Relief Laws.

Section 9.2 Obligations Unconditional. The obligations of the Guarantors under Section 9.1 are joint and several, absolute and unconditional, irrespective of the value, genuineness, validity, regularity or enforceability of any of the Loan Documents or other documents relating to the Obligations, or any substitution, release, impairment or exchange of any other guarantee of or security for any of the Obligations, and, to the fullest extent permitted by applicable Law, irrespective of any other circumstance whatsoever which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, it being the intent of this Section 9.2 that the obligations of the Guarantors hereunder shall be absolute and unconditional under any and all circumstances. Each Guarantor agrees that such Guarantor

shall have no right of subrogation, indemnity, reimbursement or contribution against Borrower or any other Guarantor for amounts paid under this Article IX until such time as the Obligations have been paid in full and the Revolving Commitment has expired or terminated. Without limiting the generality of the foregoing, it is agreed that, to the fullest extent permitted by Law, the occurrence of any one or more of the following shall not alter or impair the liability of any Guarantor hereunder, which shall remain absolute and unconditional as described above:

(a) at any time or from time to time, without notice to any Guarantor, the time for any performance of or compliance with any of the Obligations shall be extended, or such performance or compliance shall be waived;

(b) any of the acts mentioned in any of the provisions of any of the Loan Documents or any other document relating to the Obligations shall be done or omitted;

(c) the maturity of any of the Obligations shall be accelerated, or any of the Obligations shall be modified, supplemented or amended in any respect, or any right under any of the Loan Documents or any other document relating to the Obligations shall be waived or any other guarantee of any of the Obligations or any security therefor shall be released, impaired or exchanged in whole or in part or otherwise dealt with;

(d) any Lien granted to, or in favor of, Lender or any other holder of the Obligations as security for any of the Obligations shall fail to attach or be perfected; or

(e) any of the Obligations shall be determined to be void or voidable (including for the benefit of any creditor of any Guarantor) or shall be subordinated to the claims of any Person (including any creditor of any Guarantor).

With respect to its obligations hereunder, each Guarantor hereby expressly waives diligence, presentment, demand of payment, protest and all notices whatsoever and any requirement that Lender or any other holder of the Obligations exhaust any right, power or remedy or proceed against any Person under any of the Loan Documents or any other document relating to the Obligations or against any other Person under any other guarantee of, or security for, any of the Obligations.

Section 9.3 Reinstatement. The obligations of each Guarantor under this Article IX shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of any Person in respect of the Obligations is rescinded or must be otherwise restored by any holder of any of the Obligations, whether as a result of any Debtor Relief Law or otherwise, and each Guarantor agrees that it will indemnify Lender and each other holder of the Obligations on demand for all reasonable costs and expenses (including the fees, charges and disbursements of counsel) incurred by Lender or such holder of the Obligations in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any Debtor Relief Law.

Section 9.4 Certain Additional Waivers. Each Guarantor agrees that such Guarantor shall have no right of recourse to security for the Obligations, except through the exercise of rights of contribution pursuant to Section 9.6.

Section 9.5 Remedies. The Guarantors agree that, to the fullest extent permitted by Law, as between the Guarantors, on the one hand, and Lender on the other hand, the Obligations may be declared to be forthwith due and payable as specified in Section 8.1 (and shall be deemed to have become automatically due and payable in the circumstances specified in Section 8.1) for purposes of Section 9.1

notwithstanding any stay, injunction or other prohibition preventing such declaration (or preventing the Obligations from becoming automatically due and payable) as against any other Person and that, in the event of such declaration (or the Obligations being deemed to have become automatically due and payable), the Obligations (whether or not due and payable by any other Person) shall forthwith become due and payable by the Guarantors for purposes of Section 9.1. The Guarantors acknowledge and agree that their obligations hereunder are secured in accordance with the terms of the Collateral Documents and that the holders of the Obligations may exercise their remedies thereunder in accordance with the terms thereof.

Section 9.6 Rights of Contribution. The Guarantors agree among themselves that, in connection with payments made hereunder, each Guarantor shall have contribution rights against the other Guarantors as permitted under applicable Law. Such contribution rights shall be subordinate and subject in right of payment to the obligations of such Guarantor under the Loan Documents and no Guarantor shall exercise such rights of contribution until the Obligations have been paid in full and the Revolving Commitment has terminated.

Section 9.7 Guarantee of Payment; Continuing Guarantee. The guarantee in this Article IX is a guaranty of payment and not of collection, is a continuing guarantee, and shall apply to the Obligations whenever arising.

Section 9.8 Credit Bids. The Guarantors agree that any judgment by Lender against Borrower in connection with the Loan Documents shall only be reduced by the amount of proceeds realized from the Collateral for the Revolving Loan that are actually received at any foreclosure sale of such Collateral, including but not limited to, amounts that may be credit-bid by Lender.

ARTICLE X

MISCELLANEOUS

Section 10.1 Notices.

(a) Written Notices. Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications to any party herein to be effective shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

To any Loan Party: HCI Group, Inc.
5300 W. Cypress Street, Suite 100
Tampa, Florida 33607
Attention: Gil Simon and Andrew Jakubowicz

With a copy to:

Brook Baker, Esquire
5300 W. Cypress Street, Suite 100
Tampa, Florida 33607

To Lender: Fifth Third Bank, National Association
38 Fountain Square Plaza
MD 1090RF

Cincinnati, Ohio 45202
Attention: Michael Schaltz, Managing Director & SVP
Email: Michael.Schaltz@53.com

With a copy to:

Fifth Third Bank, National Association
222 South Riverside Plaza
Chicago, Illinois 60606
Attn: Dave Meier
Email: david.meier@53.com

And a copy to:

Bradley Arant Boult Cummings LLP
100 N. Tampa Street, Suite 2200
Tampa, Florida 33602
Attn: Stephanie Kane
Email: skane@bradley.com

Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All such notices and other communications shall be effective upon actual receipt by the relevant Person or, if delivered by overnight courier service, upon the first Business Day after the date deposited with such courier service for overnight (next-day) delivery or, if sent by telecopy, upon transmittal in legible form by facsimile machine or, if mailed, upon the third Business Day after the date deposited into the mail or, if delivered by hand, upon delivery; provided that notices delivered to Lender shall not be effective until actually received by such Person at its address specified in this Section. Any agreement of Lender herein to receive certain notices by telephone or facsimile is solely for the convenience and at the request of Borrower. Lender shall be entitled to rely on the authority of any Person purporting to be a Person authorized by Borrower to give such notice and Lender shall not have any liability to Borrower or other Person on account of any action taken or not taken by Lender in reliance upon such telephonic or facsimile notice. The obligation of Borrower to repay the Loan and all other Obligations hereunder shall not be affected in any way or to any extent by any failure of Lender to receive written confirmation of any telephonic or facsimile notice or the receipt by Lender of a confirmation which is at variance with the terms understood by Lender to be contained in any such telephonic or facsimile notice.

(b) Electronic Communications. Notices and other communications to Lender hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by Lender, provided that the foregoing shall not apply to notices to Lender pursuant to Article II unless Lender has agreed to receive notices under such Section by electronic communication and has agreed to the procedures governing such communications. Lender or Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications. Unless Lender otherwise prescribes, notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement); provided that if such notice or other communication is not sent during the normal business hours of the recipient, such

notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient.

Section 10.2 Waiver; Amendments.

(a)No failure or delay by Lender in exercising any right or power hereunder or under any other Loan Document, and no course of dealing between any Loan Party and Lender, shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power or any abandonment or discontinuance of steps to enforce such right or power, preclude any other or further exercise thereof or the exercise of any other right or power hereunder or thereunder. The rights and remedies of Lender hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies provided by Law. No waiver of any provision of this Agreement or any other Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by clause (b) of this Section 10.2, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default or Event of Default, regardless of whether Lender may have had notice or knowledge of such Default or Event of Default at the time.

(b)No amendment or waiver of any provision of this Agreement or the other Loan Documents, nor consent to any departure by Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by Borrower and Lender and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

(c)Upon notice to Borrower of the loss, theft, destruction or mutilation of the Note, Borrower will execute and deliver, in lieu thereof, a replacement note, identical in form and substance to the Note and dated as of the date of the Note and upon such execution and delivery all references in any of the Loan Documents to the Note shall be deemed to refer to such replacement note.

Section 10.3 Expenses; Indemnification.

(a)Borrower shall pay (i) all reasonable, out-of-pocket costs and expenses of Lender, including the reasonable fees, charges and disbursements of counsel for Lender, in connection with the preparation and administration of the Loan Documents and any amendments, modifications or waivers thereof (whether or not the transactions contemplated in this Agreement or any other Loan Document shall be consummated), including the reasonable fees, charges and disbursements of counsel for Lender and (ii) all out-of-pocket costs and expenses (including, without limitation, the reasonable fees, charges and disbursements of outside counsel and the allocated cost of inside counsel) incurred by Lender in connection with the enforcement or protection of its rights in connection with this Agreement and the other Loan Documents, including its rights under this Section 10.3, or in connection with the Revolving Loan, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Revolving Loan.

(b) Borrower shall indemnify Lender, and each related party of Lender (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities, penalties and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), incurred by any Indemnitee or asserted

against any Indemnitee by any third party or by Borrower or any other Loan Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) the Revolving Loan or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or Release of Hazardous Materials on or from any property owned or operated by Borrower or any of its Subsidiaries, or any actual or alleged Environmental Liability related in any way to Borrower or any of its Subsidiaries, (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by Borrower or any other Loan Party, and regardless of whether any Indemnitee is a party thereto, (v) any Taxes (including, without limitation, ad valorem taxes, sales taxes, documentary stamp taxes and intangible taxes), assessments, impositions and other charges imposed in respect of all or any portion of the Collateral, the Real Property, the Revolving Loan or the Loan Documents; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities, penalties or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted (x) from the gross negligence or willful misconduct of such Indemnitee or (y) solely from a claim brought by Borrower or any other Loan Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document.

(c)To the extent permitted by applicable Law, Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to actual or direct damages) arising out of, in connection with or as a result of, this Agreement or any agreement or instrument contemplated hereby, the transactions contemplated therein, the Revolving Loan or the use of proceeds thereof.

(d)All amounts due under this Section 10.3 shall be payable promptly after written demand therefor.

Section 10.4 Assignments; Participations.

(a)Without obtaining any consent of any of the Loan Parties, Lender (and any subsequent assignee of Lender) may (i) transfer and assign all or any of its rights or delegate any or all of its duties under this Agreement and/or the other Loan Documents, or (ii) grant participations in the Advances to Participants in accordance with Section 10.4(b). Lender may, without obtaining any consent of any of the Loan Parties, disclose to all prospective and actual assignees and Participants all financial, business and other information about the Loan Parties which Lender may possess at any time. For the avoidance of doubt, Lender may, without obtaining any consent of any of the Loan Parties, at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided, that no such pledge or assignment shall release Lender from any of its obligations hereunder or substitute any such pledgee or assignee for Lender as a party hereto.

(b) Lender may at any time, without the consent of, or notice to, Borrower, sell to one or more Persons participating interests in its Advances, commitments or other interests hereunder (any such Person, a "Participant"). In the event of a sale by Lender of a participating interest to a Participant, (i) Lender's obligations hereunder shall remain unchanged for all purposes, (ii) Borrower shall continue to deal solely and directly with Lender in connection with Lender's rights and obligations hereunder, and (iii) all amounts payable by Borrower shall be

determined as if Lender had not sold such participation and shall be paid directly to Lender, provided, however, notwithstanding the foregoing, Borrower hereby agrees that each Participant shall be entitled to the benefits of Section 2.6(f); provided, further, a Participant shall not be entitled to receive any greater payment under Section 2.6(f), with respect to any participation, than Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a change in Law, regulation ruling, treaty or other action or doctrine of a Governmental Authority that occurs after the date the Participant acquired the applicable participation. Borrower agrees that if amounts outstanding under this Agreement are due and payable (as a result of acceleration or otherwise), each Participant shall be deemed to have the right of set-off in respect of its participating interest in amounts owing under this Agreement and with respect to any letter of credit to the same extent as if the amount of its participating interest were owing directly to it as Lender under this Agreement. If Lender sells a participation to a Participant as provided under this Section 10.4(b), it shall, acting solely for this purpose as a non-fiduciary agent of Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Advances or other obligations under the Loan Documents (the "Participant Register"); provided, that Lender shall not have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive and binding absent manifest error, and Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, Lender shall have no responsibility for maintaining a Participant Register.

(c) None of the Loan Parties may assign, delegate or otherwise transfer any of their rights or other obligations hereunder or under any other Loan Document without the prior written consent of Lender.

Section 10.5 Governing Law; Jurisdiction; Consent to Service of Process.

(a) This Agreement and the other Loan Documents and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement or any other Loan Document (except, as to any other Loan Document, as expressly set forth therein) and the transactions contemplated hereby and thereby shall be construed in accordance with and be governed by the Law (without giving effect to the conflict of law principles thereof) of the State of Florida.

(b) Each Loan Party hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the United States District Court of the Middle District of Florida, and of any state court of the State of Florida and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document or the transactions contemplated hereby or thereby, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such District Court or Florida state court or, to the extent permitted by applicable Law, such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law. Nothing in this Agreement or any other Loan Document shall

affect any right that Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Loan Party or its properties in the courts of any jurisdiction.

(c)Each Loan Party irrevocably and unconditionally waives any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding described in clause (b) of this Section 10.5 and brought in any court referred to in clause (b) of this Section 10.5. Each of the parties hereto irrevocably waives, to the fullest extent permitted by applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to the service of process in the manner provided for notices in Section 10.1. Nothing in this Agreement or in any other Loan Document will affect the right of any party hereto to serve process in any other manner permitted by Law.

Section 10.6 WAIVER OF JURY TRIAL. EACH PARTY HERETO IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 10.7 Right of Setoff. In addition to any rights now or hereafter granted under applicable Law and not by way of limitation of any such rights, Lender shall have the right, at any time or from time to time upon the occurrence and during the continuance of an Event of Default, without prior notice to Borrower, any such notice being expressly waived by Borrower to the extent permitted by applicable Law, to set off and apply against all deposits (general or special, time or demand, provisional or final) of Borrower at any time held or other obligations at any time owing by Lender to or for the credit or the account of Borrower against any and all Obligations held by Lender irrespective of whether Lender shall have made demand hereunder and although such Obligations may be unmatured.

Section 10.8 Counterparts; Integration. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by telecopy), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. This Agreement and the other Loan Documents constitute the entire agreement among the parties hereto and thereto and their affiliates regarding the subject matters hereof and thereof and supersede all prior agreements and understandings, oral or written, regarding such subject matters. Delivery of an executed counterpart of a signature page of this Agreement and any other Loan Document by facsimile transmission or by any other electronic imaging means (including .pdf), shall be effective as delivery of a manually executed counterpart of this Agreement or such other Loan Document.

Section 10.9 Survival. All covenants, agreements, representations and warranties made by any Loan Party herein, in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other

parties hereto and shall survive the execution and delivery of this Agreement and the making of any Advances, regardless of any investigation made by any such other party or on its behalf and notwithstanding that Lender may have had notice or knowledge of any Default or Event of Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid and so long as the Revolving Commitment has not expired or terminated. The provisions of Section 10.3 and Article IX shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Advances and the Revolving Commitment or the termination of this Agreement or any provision hereof. All representations and warranties made herein, in the Loan Documents, in the certificates, reports, notices, and other documents delivered pursuant to this Agreement shall survive the execution and delivery of this Agreement and the other Loan Documents, and the making of the Revolving Loan.

Section 10.10 Severability. Any provision of this Agreement or any other Loan Document held to be illegal, invalid or unenforceable in any jurisdiction, shall, as to such jurisdiction, be ineffective to the extent of such illegality, invalidity or unenforceability without affecting the legality, validity or enforceability of the remaining provisions hereof or thereof; and the illegality, invalidity or unenforceability of a particular provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 10.11 Intentionally Deleted.

Section 10.12 Waiver of Effect of Corporate Seal. Each Loan Party represents and warrants to Lender that neither it nor any other Loan Party is required to affix its corporate seal to this Agreement or any other Loan Document pursuant to any Law, agrees that this Agreement is delivered by Borrower under seal and waives any shortening of the statute of limitations that may result from not affixing the corporate seal to this Agreement or such other Loan Documents.

Section 10.13 Patriot Act. Lender hereby notifies the Loan Parties that, pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of such Loan Party and other information that will allow Lender to identify such Loan Party in accordance with the Patriot Act.

Section 10.14 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), Borrower and each other Loan Party acknowledges and agrees and acknowledges its Affiliates' understanding that: (a) (i) the services regarding this Agreement provided by Lender are arm's-length commercial transactions between Borrower, each other Loan Party and their respective Affiliates, on the one hand, and Lender, on the other hand, (ii) Borrower and the other Loan Parties have consulted their own legal, accounting, regulatory and tax advisors to the extent they have deemed appropriate, and (iii) Borrower and each other Loan Party is capable of evaluating and understanding, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (b) (i) Lender is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary, for Borrower, any other Loan Party, or any of their respective Affiliates, or any other Person and (ii) Lender has no obligation to Borrower, any other Loan Party or any of their Affiliates with respect to the transaction contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (c) Lender and its Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of Borrower, the other Loan Parties and their respective Affiliates, and Lender has no obligation to disclose any of such

interests to Borrower, any other Loan Party of any of their respective Affiliates. To the fullest extent permitted by Law, Borrower and the other Loan Parties hereby waive and release, any claims that it may have against Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

Section 10.15 Electronic Execution of Assignments and Certain Other Documents. The words "execution," "signed," "signature," and words of like import in any amendment or other modification hereof (including waivers and consents) shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Law.

Section 10.16 Amendment Provisions.

(a)Reaffirmation. Each of Borrower and each Guarantor (i) acknowledges and consents to all of the terms and conditions of this Agreement, (ii) agrees that this Agreement and all documents executed in connection herewith do not operate to reduce or discharge its obligations under the Loan Documents or any certificates, documents, agreements and instruments executed in connection therewith, (iii) affirms all of its obligations under the Loan Documents, (iv) agrees that this Agreement shall in no manner impair or otherwise adversely affect any of the liens granted in or pursuant to the Loan Documents and (v) affirms that each of the liens granted in or pursuant to the Loan Documents are valid and subsisting.

(b) Release of Claims. Borrower, Guarantors, and any other obligors, on behalf of themselves and their respective successors and assigns (collectively and individually, "Borrower Parties"), hereby fully, finally and completely RELEASE AND FOREVER DISCHARGE Lender and its successors, assigns, affiliates, subsidiaries, parents, officers, shareholders, directors, employees, servicers, attorneys, agents and properties, past, present and future, and their respective heirs, successors and assigns (collectively and individually, "Lender Parties"), of and from any and all claims, controversies, disputes, liabilities, obligations, demands, damages, debts, liens, actions and causes of action of any and every nature whatsoever, known or unknown, whether at law, by statute or in equity, in contract or in tort, under state or federal jurisdiction, and whether or not the economic effects of such alleged matters arise or are discovered in the future, which Borrower Parties have as of the date of this Agreement or may claim to have against Lender Parties arising out of or with respect to any and all transactions relating to the Loan or the Loan Documents occurring on or before the date of this Agreement, including any loss, cost or damage of any kind or character arising out of or in any way connected with or in any way resulting from the acts, actions or omissions of Lender Parties occurring on or before the date of this Agreement. The foregoing release is intended to be, and is, a full, complete and general release in favor of Lender Parties with respect to all claims, demands, actions, causes of action and other matters described therein, including specifically, without limitation, any claims, demands or causes of action based upon allegations of breach of fiduciary duty, breach of any alleged duty of fair dealing in good faith, economic coercion, usury, or any other theory, cause of action, occurrence, matter or thing which might result in liability upon Lender Parties arising or occurring on or before the date of this Agreement. Borrower Parties understand and agree that the foregoing general release is in consideration for the agreements of Lender contained herein and that they will receive no further consideration for such release.

(c)Further Assurances. Borrower and Guarantors agree to cooperate, adjust, initial, re-execute and redeliver any and all documents including, but not limited to, any notes, loan documents, security agreements, financing statements, guarantees, deeds, affidavits and closing

statements deemed necessary in the reasonable discretion of Lender to consummate or complete the transactions contemplated herein, to correct errors or to perfect Lender's liens or security interests.

(d) Ratification. Except as expressly modified hereby, the terms and conditions of the Loan Documents shall remain in full force and effect and are hereby ratified and confirmed. All of the Collateral shall remain in all respects subject to the lien, charge and encumbrance of the Loan Documents, and, nothing herein contained and nothing done pursuant hereto shall affect the lien, charge or encumbrance of the Loan Documents or the priority thereof with respect to other liens, charges, encumbrances or conveyances, or release or affect the liability of any party or parties whomsoever who may now or hereafter be liable under or on account of the Loan Documents.

(Signature pages follow)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

Signature Page to Amended and Restated Credit Agreement — Borrower

BORROWER:

HCI GROUP INC.,
a Florida corporation

By: /s/ James Mark Harmsworth
James Mark Harmsworth
Chief Financial Officer

Signature Page to Amended and Restated Credit Agreement — Borrower

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

GUARANTORS:

HOMEOWNERS CHOICE MANAGERS, INC.,
a Florida corporation
GREENLEAF CAPITAL, LLC,
a Florida limited liability company
OMEGA INSURANCE AGENCY, INC.,
a Florida corporation
SOUTHERN ADMINISTRATION, INC.,
a Florida corporation
ENCLAVE SERVICES, INC.,
a Florida corporation
GATORS ON THE PASS HOLDINGS LLC,
a Florida limited liability company
JOHN'S PASS MARINA INVESTMENT HOLDINGS LLC,
a Florida limited liability company
PASS INVESTMENT HOLDINGS LLC,
a Florida limited liability company
TV INVESTMENT HOLDINGS LLC,
a Florida limited liability company
SILVER SPRINGS PROPERTY INVESTMENTS, LLC,
a Florida limited liability company
GRISTON CLAIM SERVICES, INC.,
a Florida corporation
HCPCI HOLDINGS, LLC,
a Florida limited liability company
BIG BEND LINCOLN SWC, LLC,
a Florida limited liability company
FMKT MEL OWNER LLC,
a Florida limited liability company
SORRENTO PBX, LLC,
a Florida limited liability company
CENTURY PARK HOLDINGS, LLC,
a Florida limited liability company
GULF TO BAY LM, LLC,
a Florida limited liability company
JP BEACH HOLDINGS LLC,
a Florida limited liability company
HCI INSURANCE ADMINISTRATION SERVICES, INC.,
a Florida corporation
WESTVIEW HOLDINGS, LLC,
a Florida limited liability
GRISTON CLAIM MANAGEMENT, INC.,
a Florida corporation
SAGE PROPERTY ADVISORS, LLC,
a Florida limited liability company

By: /s/ James Mark Harmsworth
James Mark Harmsworth
Chief Financial Officer

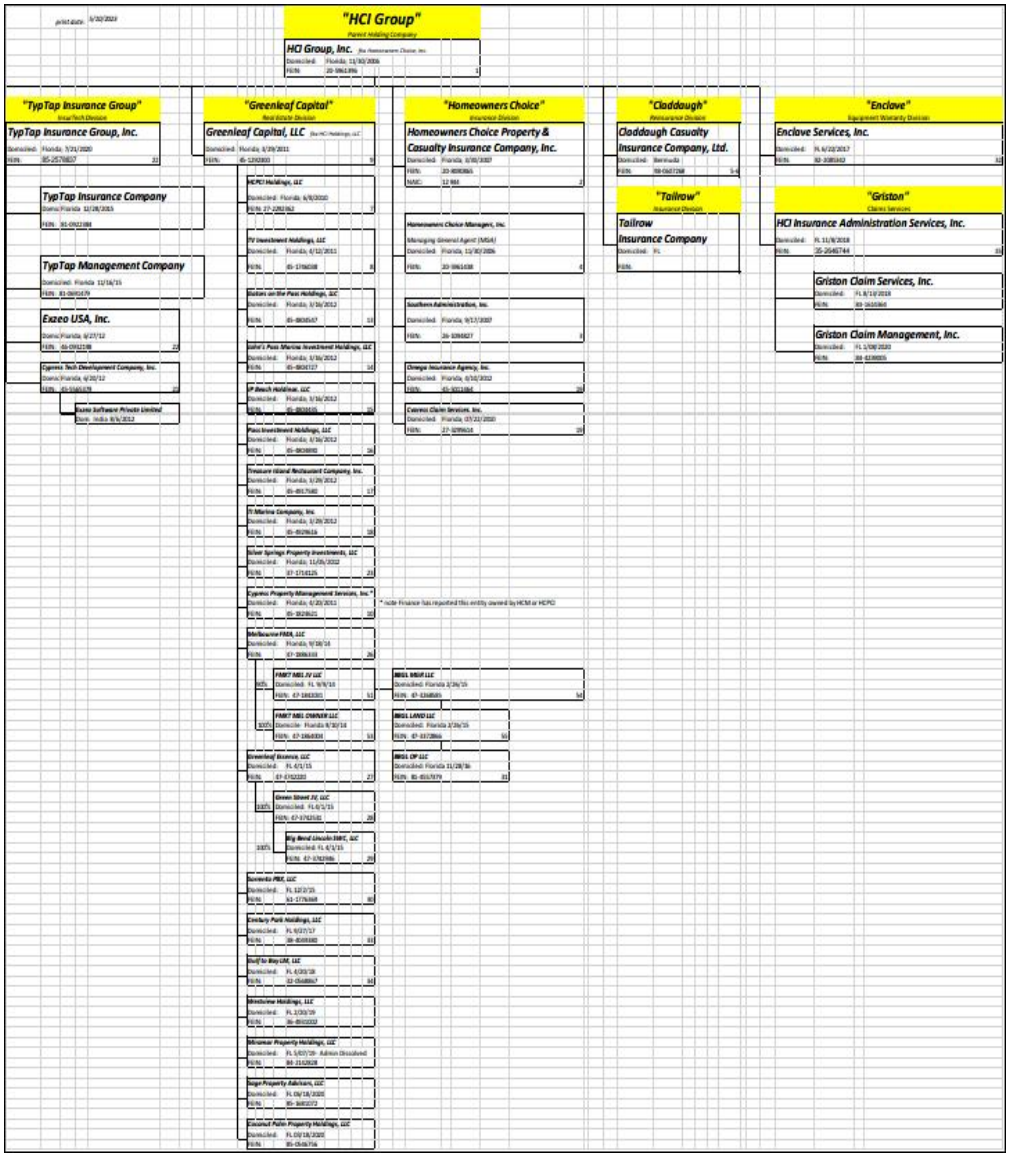
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

LENDER:

FIFTH THIRD BANK,
NATIONAL ASSOCIATION

By: /s/ Michael J. Schaltz
Michael J. Schaltz, Jr., its Managing
Director & Senior Vice President

SCHEDULE 4.15
SUBSIDIARIES



Schedule 4.1

SCHEDULE 4.17-1
REAL PROPERTY

Location Address	Parcel #	Acreage	Owner Entity
TREASURE ISLAND NORTH - PINELLAS COUNTY			
EAST SIDE (BOCA CIEGA) PROPERTIES			
12795 Kingfish Drive Treasure Island FL	15-31-15-00000-440-0100	1.42	John's Pass Marina Investment Holdings, LLC
12783 Kingfish Drive Treasure Island FL	15-31-15-00000-440-0300	0.69	Gators On The Pass Holdings, LLC
12781 Kingfish Drive Treasure Island FL	15-31-15-00000-440-0400	2.38	Gators On The Pass Holdings, LLC
12766 Kingfish Drive Treasure Island FL	15-31-15-17825-001-0010	0.89	Gators On The Pass Holdings, LLC
12725 Kingfish Drive Treasure Island FL	15-31-15-17784-003-0080	0.67	Pass Investment Holdings, LLC
12714 Lagoon Lane Treasure Island FL	15-31-15-17784-003-0110	0.18	Pass Investment Holdings, LLC
12712 Lagoon Lane Treasure Island FL	15-31-15-17784-003-0120	0.12	Pass Investment Holdings, LLC
12708 Lagoon Lane Treasure Island FL	15-31-15-17784-003-0130	0.12	Pass Investment Holdings, LLC
12704 Lagoon Lane Treasure Island FL	15-31-15-17784-003-0140	0.12	Pass Investment Holdings, LLC
12700 Lagoon Lane Treasure Island FL	15-31-15-17784-003-0150	0.11	Pass Investment Holdings, LLC
110 127th Avenue Treasure Island FL	15-31-15-17784-003-0170	0.08	Pass Investment Holdings, LLC
112 127th Avenue Treasure Island, FL	15-31-15-17784-003-0160	0.15	Pass Investment Holdings, LLC
121 127th Avenue Treasure Island FL	15-31-15-17784-005-0100	0.08	JP Beach Holdings, LLC
12609 Gulf Blvd Treasure Island FL	15-31-15-17790-001-0010	0.19	Pass Investment Holdings, LLC
12601 Gulf Blvd Treasure Island FL	15-31-15-17784-005-0010	0.11	Pass Investment Holdings, LLC
127 126th E Avenue Treasure Island FL	15-31-15-17784-007-0050	0.07	Pass Investment Holdings, LLC
12531 Gulf Blvd Treasure Island FL	15-31-15-17784-007-0040	0.08	Pass Investment Holdings, LLC
12505 Gulf Blvd Treasure Island FL	15-31-15-17784-007-0020	0.19	Pass Investment Holdings, LLC
12501 Gulf Blvd Treasure Island FL	15-31-15-17784-007-0010	0.09	Pass Investment Holdings, LLC
WEST SIDE (GULFSI DE) PROPERTIES			
12765 Sunshine Lane Treasure Island FL	15-31-15-76240-000-0000	0.84	JP Beach Holdings, LLC
TIERRA VERDE GATEWAY - PINELLAS COUNTY			
HIGH & DRY / RETAIL CENTER			
100 Pinellas Bayway S. St. Petersburg FL	17-32-16-90828-000-0040	2.82	TV Investment Holdings, LLC
128 Pinellas Bayway S. St. Petersburg FL	17-32-16-90828-023-0010	4.26	TV Investment Holdings, LLC
CLEARWATERS LUCKY'S MARKET - PINELLAS COUNTY			
2170 Gulf to Bay Blvd Clearwater FL	13-29-15-00000-140-0500	6.09	Gulf to Bay LM, LLC
CENTURY PARK - HILLSBOROUGH COUNTY			
1000 Century Park Dr Tampa FL	A-17-29-18-3JY-000001-00055.0	5.24	Century Park Holdings, LLC
RIVERVIEW STATION - HILLSBOROUGH COUNTY			
10165 Big Bend Rd Riverview FL	U-18-31-20-ZZZ-000003-15100.2	1.42	Big Bend Lincoln SWC, LLC
10185 Big Bend Rd Riverview FL	U-18-31-20-ZZZ-000003-15100.3	1.15	Big Bend Lincoln SWC, LLC
SILVER SPRINGS - MARION COUNTY			
3001 Maricamp Rd Ocala FL	29505-010-01	1.57	Silver Springs Property Investments, LLC

WESTVIEW - HILLSBOROUGH COUNTY				
402 N. Reo St. Tampa, FL	A-19-29-18-3K5-000003-00001.0		8	Westview Holdings, LLC
402 N. Reo St. Tampa, FL	A-19-29-18-ZZZ-000005-49390.0	1.05		Westview Holdings, LLC

SCHEDULE 4.17-2

	Company Name	Jurisdiction of Incorporation	Chief Executive Office	FEIN	Organizational ID Number
Borrower	HCI Group, Inc.	Florida	3802 Coconut Palm Drive, Tampa, FL 33619	20-5961396	P06000148652
Corporate Guarantors	Homeowners Choice Managers, Inc.	Florida	3802 Coconut Palm Drive, Tampa, FL 33619	20-5961438	P06000148654
	Omega Insurance Agency, Inc.	Florida	3802 Coconut Palm Drive, Tampa, FL 33619	45-5011464	P12000033237
	Southern Administration, Inc.	Florida	3802 Coconut Palm Drive, Tampa, FL 33619	26-1094827	P07000103564
	Enclave Services, Inc.	Florida	3802 Coconut Palm Drive, Tampa, FL 33619	82-2085342	P17000054843
	HCI Insurance Administration Services, Inc.	Florida	3802 Coconut Palm Drive, Tampa, FL 33619	35-2646744	
	Griston Claim Management, Inc.	Florida	3802 Coconut Palm Drive, Tampa, FL 33619	84-4239005	
	Griston Claim Services, Inc.	Florida	3802 Coconut Palm Drive, Tampa, FL 33619	83-1614364	P18000069373
LLC Guarantors	Greenleaf Capital, LLC	Florida	3802 Coconut Palm Drive, Tampa, FL 33619	45-1292300	L11000037797
	Gators on the Pass Holdings LLC	Florida	3802 Coconut Palm Drive, Tampa, FL 33619	45-4804547	L12000037365
	John's Pass Marina Investment Holdings LLC	Florida	3802 Coconut Palm Drive, Tampa, FL 33619	45-4804727	L12000037376
	Pass Investment Holdings LLC	Florida	3802 Coconut Palm Drive, Tampa, FL 33619	45-4804890	L12000037370
	TV Investment Holdings LLC	Florida	3802 Coconut Palm Drive, Tampa, FL 33619	45-1746038	L11000043412
	Silver Springs Property Investments, LLC	Florida	3802 Coconut Palm Drive, Tampa, FL 33619	37-1714125	L12000140324
	HCPCI Holdings LLC	Florida	3802 Coconut Palm Drive, Tampa, FL 33619	27-2292362	L10000037693
	Big Bend Lincoln SWC, LLC	Florida	3802 Coconut Palm Drive, Tampa, FL 33619	47-3742946	L15000057930
	FMKT Mel Owner LLC	Florida	3802 Coconut Palm Drive, Tampa, FL 33619	47-1864004	L14000141683
	Sorrento PBX, LLC	Florida	3802 Coconut Palm Drive, Tampa, FL 33619	61-1776369	L15000201752
	Century Park Holdings, LLC	Florida	3802 Coconut Palm Drive, Tampa, FL 33619	38-4049380	L17000200125
	Gulf to Bay LM, LLC	Florida	3802 Coconut Palm Drive, Tampa, FL 33619	38-0568867	L18000100536
	JP Beach Holdings LLC	Florida	3802 Coconut Palm Drive, Tampa, FL 33619	45-4804435	L12000037362
	Sage Property Advisors, LLC	Florida	3802 Coconut Palm Drive, Tampa, FL 33619	85-1681072	L20000170149
	Westview Holdings, LLC	Florida	3802 Coconut Palm Drive, Tampa, FL 33619	36-4931002	L19000050647

SCHEDULE 7.1

INDEBTEDNESS

Loan Party	Maturity Date	Face Value
4.25% Convertible senior notes	March 1, 2037	~$20,000,000 outstanding
4.75% Convertible senior notes	March 1, 2042	$172,500,000
4.55% Promissory note	August 1, 2036	$6,000,000

SCHEDULE 7.2

LIENS

Lien	Maturity Date	Face Value
Mortgage, Security Agreement, Absolute Assignment of Leases and Rents and Fixture Filing by and between Century Park Holdings, LLC and Woodmen of the World Life Insurance Society	August 1, 2036	$6,000,000

Exhibit 31.1

Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Paresh Patel, certify that:

1. I have reviewed this quarterly report on Form 10-Q of HCI Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Paresh Patel

August 9, 2023

Paresh Patel
Chief Executive Officer
(Principal Executive Officer)

A signed original of this document has been provided to HCI Group, Inc. and will be retained by HCI Group, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 31.2

Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, James Mark Harmsworth, certify that:

1. I have reviewed this quarterly report on Form 10-Q of HCI Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ James Mark Harmsworth

August 9, 2023

James Mark Harmsworth
Chief Financial Officer
(Principal Financial and Accounting Officer)

A signed original of this document has been provided to HCI Group, Inc. and will be retained by HCI Group, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.1

Written Statement of the Chief Executive Officer

Pursuant to 18 U.S.C. Section 1350

Solely for the purposes of complying with 18 U.S.C. ss.1350, I, the undersigned Chief Executive Officer of HCI Group, Inc. (the “Company”), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2023 as filed with the Securities and Exchange Commission on August 9, 2023 (the “Report”), fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Paresh Patel
Paresh Patel
Chief Executive Officer
August 9, 2023

A signed original of this document has been provided to HCI Group, Inc. and will be retained by HCI Group, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

Written Statement of the Chief Financial Officer

Pursuant to 18 U.S.C. Section 1350

Solely for the purposes of complying with 18 U.S.C. ss.1350, I, the undersigned Chief Financial Officer of HCI Group, Inc. (the “Company”), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2023 as filed with the Securities and Exchange Commission on August 9, 2023 (the “Report”), fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ James Mark Harmsworth
James Mark Harmsworth
Chief Financial Officer
August 9, 2023

A signed original of this document has been provided to HCI Group, Inc. and will be retained by HCI Group, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.