

FAQ FOR INSUREDS

Why are you cancelling my policy?

We regret having to take this action. This cancellation has been issued as part of a financial restructuring plan by FedNat Insurance Company (“FNIC”), Monarch National Insurance Company (“MNIC”) and Maison Insurance Company (“MIC”) collectively called the “Companies” to reduce their exposure in Florida. The plan includes the cancellation of approximately 68,200 policies that pose an inordinate risk to the Companies financial condition. FNIC’s financial stability rating from Demotech was downgraded from “A” to “S” which is expected to prevent FNIC from obtaining catastrophe reinsurance in the private reinsurance market. FNIC’s current catastrophe reinsurance program expires on June 30, 2022.

Are all Florida policies being cancelled by the Companies?

No. Approximately 68,200 policies, including DP-3, HO-3, HO-4, HO-6, HW-2 and HW-6 policy types in Florida are affected by these cancellations.

When were cancellation notices sent?

Cancellation notices were issued on or around May 16, 2022.

Why are you only giving me 45 days’ notice of cancellation?

The Companies are permitted to cancel your policy with less than 120 days’ notice, but at least 45 days’ notice, pursuant to Section 627.4133(2)(b)6., Florida Statutes. The Companies have obtained regulatory approval to issue early cancellations.

Can I get a copy of the 45-day notice of cancellation?

Notices were sent to affected insureds and agents on or around May 16, 2022.

Is there any option to reverse this cancellation?

Unfortunately, no. This cancellation has been issued as part of a financial restructuring plan by the Companies to reduce their exposure in Florida. The plan includes the cancellation of approximately 68,200 policies that pose an inordinate risk to the Companies financial condition.

Can I get replacement coverage with the Companies?

No, your policy is not eligible for replacement with the Companies

I received notice of renewal for my policy. Does that mean my policy is not going to be cancelled?

The notice of cancellation takes precedence and will apply regardless of whether your policy has been renewed during the 45-day cancellation notice period. All affected policies, including those renewed, will be cancelled effective 11:59 p.m. Local Time on June 29, 2022.

How do I secure replacement coverage?

Please contact your agent immediately to discuss your options. Your agent's contact information is in the cancellation notice you received. You will have no coverage with the Companies after June 29, 2022, so you need to secure replacement coverage effective no later than June 30, 2022.

What if I have a premium payment due to the company?

If you have not already paid all premiums due for coverage provided through the June 29, 2022 cancellation date, the premium payment must be made pursuant to the latest premium invoice or payment plan. Any premiums paid for coverage beyond the cancellation date will be returned to you or premium finance company, as applicable.

When will my premiums be refunded?

You will receive a refund based upon the amount you have paid for coverage beyond the June 29, 2022 cancellation date. We are making every effort to issue your refund by June 15, 2022 to help you pay for replacement coverage, but in no event will your refund be issued later than July 1, 2022.

How are claims being handled?

The Companies will continue to handle claims arising under the cancelled policies for dates of loss prior to the effective date of cancellation.

Are the Companies going out of business?

No, the Companies are shrinking under a plan being reviewed by the Florida Office of Insurance Regulation. These cancellations have been issued as part of a financial restructuring plan by the Companies to reduce their exposure in Florida and maintain the financial stability of the Companies. The plan includes the cancellation of approximately 68,200 policies that pose an inordinate risk to the Companies financial condition. FNIC's financial stability rating from Demotech was downgraded from "A" to "S" which is expected to prevent FNIC from obtaining catastrophe reinsurance in the private reinsurance market. FNIC's current catastrophe reinsurance program expires on June 30, 2022. You need to contact your agent immediately to obtain replacement coverage to be effective no later than June 30, 2022.