

SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS

THIS SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS ("Settlement Agreement") is entered into by and between UNIVERSAL PROPERTY & CASUALTY INSURANCE COMPANY ("UPCIC"), and the STATE OF FLORIDA ("State").

Preamble and Summary

WHEREAS, on or about February 18, 2020, an action (the "Action") captioned *State of Florida ex rel. v. Universal Property & Casualty Insurance Company*, Case No. 2020 CA 323 was filed in Leon County, Florida, pursuant to sections 68.081-68.092, Florida Statutes (the "Act"), by a former employee of a related entity alleging that UPCIC submitted 2018 interim proof of loss reports ("Interim Reports") to the Florida Hurricane Catastrophe Fund ("FHCF") that included certain losses not caused by Hurricane Irma ("Irma"); and

WHEREAS, UPCIC maintains that the Action lacks merit and denies any allegation of wrongdoing; and

WHEREAS, the State has determined that the issues described above related to Interim Reports have been addressed through UPCIC's periodic interim loss reports and by the final determination of its reimbursable losses through commutation; and

WHEREAS, UPCIC fully and completely cooperated with the State and provided requested information; and

WHEREAS, the Parties believe it is more efficient and valuable to each of them to avoid the costs of litigation and instead to resolve the Action through a cooperative and mutually beneficial settlement; and

WHEREAS, the Parties agree that neither this agreement nor any statement made in the negotiation hereof shall be deemed or construed as an admission, concession of any claim, or evidence of any liability or wrongdoing;

NOW THEREFORE, in consideration of the foregoing and the mutual promises and obligations of this Settlement Agreement, the Parties agree as follows:

1. Within ten (10) calendar days following the Effective Date (defined below), UPCIC or its designee agrees to pay the State the total sum of six-million-five-hundred-thousand dollars (\$6,500,000.00), which includes a payment of two-million-four-hundred-thousand dollars (\$2,400,000.00) to the Legal Affairs Revolving Trust Fund for the State's reasonable expenses, attorney's fees and costs, pursuant to wire instructions previously provided to UPCIC's counsel. Within 30 calendar days after the payments are received by the State, the State shall dismiss the Action with prejudice.

2. In consideration of and subject to the obligations and representations of UPCIC in this Settlement Agreement, and conditioned upon UPCIC's satisfaction of its obligation under Section I, the State, together with its agencies, officers, employees, servants, attorneys, and agents, fully and finally releases UPCIC, together with its current and former parent corporations, direct

and indirect subsidiaries, divisions, current or former owners, officers, directors, agents, employees, and affiliates, and the successors and assigns of any of them from any known civil claims arising under the Act that the State has asserted, could have asserted or may assert in the future relating to the allegations in the Action.

3. Notwithstanding any term of this Settlement Agreement, the State specifically does not release any person or entity from any liability based upon such obligations as are created by this Settlement Agreement nor any liability to the State (or its agencies) for any conduct other than that arising from or related to the allegations presented in the Action.

4. UPCIC, together with its current and former parent corporations, direct and indirect subsidiaries, divisions, current or former owners, officers, directors, agents, employees, and affiliates, and the successors and assigns of any of them, fully and finally releases the State, its agencies, officers, employees, servants, attorneys, and agents, from any claims (including claims for attorney's fees, costs and expenses of every kind and however denominated) that UPCIC has asserted, could have asserted or may assert in the future against the State, its agencies, officers, employees, servants, attorneys, agents, and assigns arising from the allegations in the Action or from the State's examination of those allegations.

5. UPCIC has provided to the State its written procedures regarding the assignment of property insurance claims to a particular weather event. Although each claim may involve unique considerations, the procedures identify examples of considerations related to initial assignments and subsequent reviews of the causes and/or dates of loss for claims.

6. UPCIC has provided to the State a workflow that includes supervisor review and approval of revisions to a claim's cause of loss after initial assignment. The workflow applies on an individual claim basis and includes information about the reason for the revision and a record of the disposition of the supervisor review.

7. UPCIC conducts training and will continue to conduct training into the foreseeable future related to the procedures and workflow described at Sections 5 and 6 above to personnel who are responsible for evaluating or reviewing cause of loss.

8. This Settlement Agreement contains the entire agreement between UPCIC and the State with respect to the matters addressed herein. All negotiations and representations leading to the execution of this Settlement Agreement have been merged into the terms hereof and shall not be binding unless contained in the written terms of this document. Further, all parties agree that if any provision herein is declared invalid by a court of competent jurisdiction, such invalidation shall not affect the remaining provisions of this Settlement Agreement, which shall remain in full force and effect. This Settlement Agreement may not be amended except by a writing signed by all parties to this Agreement.

9. This Settlement Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original and it shall not be necessary in making proof of this Settlement Agreement to produce or account for more than one such counterpart. The execution and delivery of this Settlement Agreement by either facsimile or electronic mail in PDF format shall be binding on the party who so executes and on whose behalf

the document is transmitted.

10. The "Effective Date" shall be March 31, 2025.

In Witness Whereof, UPCIC and State have affixed their respective signatures on the following page as of the date set forth beneath their names.

UNIVERSAL PROPERTY & CASUALTY INSURANCE COMPANY

By: Steve Donaghy March 27, 2025
Steve Donaghy, Chief Executive Officer Date
Universal Property & Casualty Insurance Company
1110 W. Commercial Blvd.
Fort Lauderdale, FL 33309

STATE OF FLORIDA, OFFICE OF THE ATTORNEY GENERAL

By: John M. Guard 03/28/2025
John M. Guard, Chief Deputy Attorney General Date
State of Florida, Office of the Attorney General
The Capitol, PL-01
Tallahassee, Florida 32399-1050

John Guard

E-signed 2025-03-28 08:36PM EDT

john.guard@myfloridalegal.com

