

UNITED INSURANCE HOLDINGS CORP.
Form PREM14A
October 05, 2016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
(Rule 14A-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to § 240.14a-12

United Insurance Holdings Corp.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

Common stock, \$0.0001 par value per share, of United Insurance Holdings Corp. (UIHC common stock)

(2) Aggregate number of securities to which transaction applies:

20,956,355 shares of UIHC common stock.

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

The merger agreement sets forth a maximum exchange ratio of 209,563.55 shares of UIHC common stock for each of the 100 outstanding shares of common stock of AmCo Holding Company (AmCo common stock). The average of the high and low price of UIHC common stock on the NASDAQ Global Select Market on October 4, 2016 was \$16.18. As a result, the proposed maximum aggregate transaction value was determined based on the product of the maximum exchange ratio multiplied by the 100 outstanding shares of AmCo common stock, multiplied by \$16.18. The filing fee was determined by multiplying 0.0001159 by a maximum aggregate value of the transaction of \$339,073,823.90.

(4) Proposed maximum aggregate value of transaction:

\$339,073,823.90

(5) Total fee paid:

\$39,298.66

Fee paid previously with preliminary materials:

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2), and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number or the form or schedule and the date of its filing.

- (1) Amount previously paid:

- (2) Form, Schedule or Registration Statement No.:

- (3) Filing Party:

- (4) Date Filed:

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PRELIMINARY PROXY STATEMENT, SUBJECT TO COMPLETION,

DATED OCTOBER 5, 2016

UNITED INSURANCE HOLDINGS CORP.

800 2nd Avenue S.

St. Petersburg, FL 33701

YOUR VOTE IS IMPORTANT

To the stockholders of United Insurance Holdings Corp.:

On August 17, 2016, United Insurance Holdings Corp., a Delaware corporation (*UIHC* , we or Parent) entered into an Agreement and Plan of Merger (the merger agreement) with Kilimanjaro Corp., a North Carolina corporation and a wholly-owned subsidiary of UIHC (Merger Sub), Kili LLC, a Delaware limited liability company and a wholly-owned subsidiary of UIHC (Merger LLC), RDX Holding, LLC, a Delaware limited liability company (*RDX*), R. Daniel Peed, an individual residing in Texas (Mr. Peed), Peed FLP1, Ltd., L.L.P., a Texas limited liability partnership that is wholly-owned by Mr. Peed (Peed FLP1), and AmCo Holding Company, a North Carolina corporation and a wholly-owned subsidiary of RDX (AmCo), pursuant to which, subject to the satisfaction or waiver of the conditions set forth in the merger agreement, we will acquire AmCo by way of a series of mergers and each share of AmCo common stock issued and outstanding immediately prior to the transactions will be converted into a number of shares of UIHC common stock (the merger consideration) equal to 209,563.55 multiplied by the lesser of (i) one and (ii) a fraction, the numerator of which is 130% of \$14.81 and the denominator of which is the thirty trading day trailing volume-weighted average closing stock price of UIHC common stock as of the day of the closing of the mergers (the closing). Immediately following the closing, RDX will distribute to its members all of the merger consideration.

UIHC expects to issue approximately 20,956,355 shares of UIHC common stock pursuant to the merger agreement. Based on the number of shares of common stock of AmCo and UIHC outstanding at the close of business on [], 2016 (being the record date for UIHC s special meeting of stockholders, the record date), immediately following the consummation of the mergers, current UIHC stockholders and RDX members would own approximately 51% and 49% of the outstanding shares of UIHC common stock, respectively.

The proxy statement attached to this letter contains detailed information concerning UIHC, AmCo and the mergers and a more thorough explanation of the views of the board of directors of UIHC (the UIHC board) regarding the mergers. PLEASE READ THIS DOCUMENT CAREFULLY, INCLUDING THE SECTION TITLED *RISK FACTORS* BEGINNING ON PAGE [], WHICH DESCRIBES SOME OF THE RISKS THAT YOU SHOULD CONSIDER IN EVALUATING THE MERGERS AND THE SHARE ISSUANCE PROPOSAL (AS DEFINED BELOW).

UIHC is asking its stockholders to approve (i) the issuance of shares of common stock, \$0.0001 par value per share, of UIHC as the merger consideration pursuant to the merger agreement (which we refer to as the share issuance proposal) and (ii) the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in support of the share issuance proposal (which we refer to as the

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adjournment proposal and, together with the share issuance proposal, the proposals). **The UIHC board has unanimously determined that the mergers, the issuance of shares of UIHC common stock pursuant to the merger agreement, and the other transactions contemplated by the merger agreement are advisable and in the best interest of UIHC and its stockholders and unanimously recommends that UIHC stockholders vote FOR the share issuance proposal and FOR the adjournment proposal.**

The proposals are being presented to the stockholders of UIHC at a special meeting to be held on [], 2016 at [] (local time) at our offices at 800 2nd Avenue S., St. Petersburg, Florida, 33701 (such meeting, the special meeting).

Your vote is important. We cannot complete the mergers unless the share issuance proposal is approved by the affirmative vote of a majority of the shares entitled to vote and present in person or represented by proxy at the special meeting. We encourage you to read the proxy statement, which includes important information about UIHC, AmCo, the mergers and the proposals related to the mergers. **Whether or not you plan to attend the UIHC special meeting, please take the time to vote by completing and mailing the enclosed proxy card promptly. You may also vote your shares over the Internet according to the instructions on the proxy card.**

John Forney, CFA
President and Chief Executive Officer
United Insurance Holdings Corp.

This proxy statement is dated [], 2016 and is first being mailed to UIHC stockholders on or about [].

THE SECURITIES TO BE ISSUED AS THE MERGER CONSIDERATION HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROXY STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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PRELIMINARY PROXY STATEMENT, SUBJECT TO COMPLETION,

DATED OCTOBER 5, 2016

UNITED INSURANCE HOLDINGS CORP.

800 2nd Avenue S.

St. Petersburg, FL 33701

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS OF

UNITED INSURANCE HOLDINGS CORP.

TO BE HELD ON [], 2016

To the stockholders of United Insurance Holdings Corp.:

Notice is hereby given that a special meeting of the stockholders of United Insurance Holdings Corp., a Delaware corporation (UIHC), will be held at [**a.m. / p.m.**] local time at 800 2nd Avenue S., St. Petersburg, Florida, 33701 on [], 2016, for the following purposes:

- a) To consider and vote on a proposal to approve the issuance of shares of UIHC common stock (the share issuance proposal) as contemplated by that certain Agreement and Plan of Merger, dated as of August 17, 2016 (the merger agreement), by and among UIHC, Kilimanjaro Corp., a North Carolina corporation and a wholly-owned subsidiary of UIHC, Kili LLC, a Delaware limited liability company and a wholly-owned subsidiary of UIHC, RDX Holding, LLC, a Delaware limited liability company, R. Daniel Peed, an individual residing in Texas, Peed FLP1, Ltd., L.L.P., a Texas limited liability partnership that is wholly-owned by Peed, and AmCo Holding Company, a North Carolina corporation and wholly-owned subsidiary of RDX Holding, LLC; and

- b) To transact any other business as may properly come before the special meeting and the adjournment or postponement of the special meeting to solicit additional proxies (the adjournment proposal).

The board of directors of UIHC (the UIHC board) has fixed the close of business on [], 2016 as the record date for the determination of stockholders entitled to notice of, and to vote at, the special meeting and at any adjournment or postponement thereof. Only UIHC stockholders of record at the close of business on the record date for the special meeting are entitled to notice of and to vote at the special meeting and any adjournments or postponements of such

special meeting. **The UIHC board has unanimously determined that the mergers, the issuance of shares of UIHC common stock pursuant to the merger agreement and the other transactions contemplated by the merger agreement are advisable and in the best interest of UIHC and its stockholders and unanimously recommends that UIHC stockholders vote FOR both proposals.**

Your vote at the special meeting is important. We cannot complete the mergers unless the share issuance proposal is approved by the holders of a majority of the shares of UIHC common stock entitled to vote and present in person or represented by proxy at the special meeting. It is therefore important that your stock be represented and voted whether or not you plan to attend the special meeting in person. Instructions regarding the different methods for voting your shares are provided under the section titled *Questions and Answers About the Mergers and the Special Meeting* beginning on page 1.

By Order of the Board of Directors,

Gregory C. Branch
Chairman of the Board of Directors

St. Petersburg, FL

[], 2016

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QUESTIONS AND ANSWERS ABOUT THE MERGERS AND THE SPECIAL MEETING

The following questions and answers are intended to address briefly some commonly asked questions regarding the special meeting to be held for the purpose of voting on proposals addressing (i) the issuance of shares of common stock of United Insurance Holdings Corp. (UIHC), \$0.0001 par value per share (which we refer to as the share issuance proposal), contemplated by that certain Agreement and Plan of Merger, dated as of August 17, 2016 (the merger agreement), by and among UIHC, Kilimanjaro Corp., a North Carolina corporation and a wholly-owned subsidiary of UIHC (Merger Sub), Kili LLC, a Delaware limited liability company and a wholly-owned subsidiary of UIHC (Merger LLC), RDX Holding, LLC, a Delaware limited liability company (RDX), R. Daniel Peed, an individual residing in Texas (Mr. Peed), Peed FLP1, Ltd., L.L.P., a Texas limited liability partnership that is wholly-owned by Mr. Peed (Peed FLP1), and AmCo Holding Company, a North Carolina corporation and a wholly-owned subsidiary of RDX (AmCo); and (ii) the transaction of such other business as may properly come before the special meeting and the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies (which we refer to as the adjournment proposal). These questions and answers do not address all questions that may be important to you as a UIHC stockholder. Please refer to the more detailed information contained elsewhere in this proxy statement, the annexes to this proxy statement and the documents referred to or incorporated by reference in this proxy statement.

Q: Why am I receiving this proxy statement?

A: You are receiving this proxy statement because the board of directors of UIHC (which we refer to as the UIHC board) is soliciting proxies for use at the special meeting being held to consider and vote upon the share issuance proposal and the adjournment proposal.

Q: When and where will the special meeting of the UIHC stockholders be held?

A: The special meeting will take place at our offices at 800 2nd Avenue S., St. Petersburg, Florida 33701 on [], [], 2016, at [**p.m. / a.m.**] local time.

Q: Who can attend and vote at the special meeting?

A: Holders of record of outstanding shares of UIHC common stock as of the close of business on [], 2016 (which we refer to as the record date) are entitled to receive notice of, attend and vote or be represented by proxy at the special meeting and any adjournment or postponement of the special meeting. Each share of UIHC common stock outstanding as of the close of business on the record date is entitled to one vote on each matter properly brought before the special meeting.

Q: What constitutes a quorum?

- A: The presence in person or by proxy of holders of a majority of the shares of UIHC common stock entitled to vote at the special meeting will be necessary, and will constitute a quorum, for the transaction of business at the special meeting. If you are a UIHC stockholder as of the close of business on the record date and you vote by mail, through the Internet or in person at the special meeting, you will be considered part of the quorum. If your shares are held by your broker, bank or other nominee (which we refer to as holding shares in street name) and you provide your bank, broker or other nominee with voting instructions, then your shares will be counted in determining the presence of a quorum. If your shares are held in street name and you do not provide your bank, broker or other nominee with voting instructions, then your shares will not be counted in determining the presence of a quorum.

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If a quorum is not present or represented by proxy at the special meeting, the holders of a majority of the shares of UIHC common stock entitled to vote at the special meeting who are present in person or represented by proxy may adjourn the special meeting.

Q: What vote is required to approve the share issuance proposal and the adjournment proposal?

A: The approval by the holders of a majority of the shares of UIHC common stock entitled to vote and present in person or represented by proxy at the special meeting is required to approve the share issuance proposal. The approval by the holders of a majority of the shares of UIHC common stock entitled to vote and present in person or represented by proxy at the special meeting is required to approve the adjournment proposal. In addition, even if a quorum is not present at the special meeting, the approval by the holders of a majority of the shares of UIHC common stock entitled to vote and present in person or represented by proxy at the special meeting may adjourn the special meeting.

Q: How does the UIHC board recommend that I vote on the share issuance proposal and the adjournment proposal?

A: The UIHC board unanimously recommends that our stockholders vote **FOR** the share issuance proposal and **FOR** the adjournment proposal. For a discussion of the factors that the UIHC board considered in determining to recommend the share issuance proposal, please see the section of this proxy statement titled *The Mergers Recommendation of the UIHC Board and Reasons for Recommendation* beginning on page 46.

Q: How do I vote my shares of UIHC common stock?

A: If you are a holder of record of UIHC common stock as of the close of business on the record date, you may vote by:

authorizing a proxy to vote your shares at the special meeting by completing, signing and dating each proxy card you receive and returning it by mail in the enclosed pre-addressed, postage-paid envelope;

submitting your proxy through the Internet voting instructions printed on each proxy card you receive; or

appearing in person at the special meeting and voting by ballot.

Proxies submitted through the Internet must be received by 11:59 p.m. Eastern Time on the day before the special meeting.

Submitting your proxy by mail or through the Internet will not prevent you from voting in person at the special meeting. You are encouraged to submit a proxy by mail or through the Internet even if you plan to attend the special meeting in person to ensure that your shares of UIHC common stock are represented at the special meeting.

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If you return your signed and dated proxy card, but do not mark the boxes showing how you wish to vote, your shares will be voted **FOR** the share issuance proposal and **FOR** the adjournment proposal.

Q: What happens if I abstain from voting or fail to vote?

A: With respect to the share issuance proposal, if you attend the meeting in person or by proxy but abstain from voting, it will have the same effect as a vote against the share issuance proposal. If you fail to cast your vote in person or by proxy, or if your shares are held in street name and you fail to give voting instructions to your broker, bank or other nominee on how to vote your shares, it will have no effect on the share issuance proposal, assuming a quorum is present.

With respect to the adjournment proposal, if you attend the meeting in person or by proxy but abstain from voting, it will have the same effect as a vote against the adjournment proposal. If you fail to cast your vote in person or by proxy, or if your shares are held in street name and you fail to give voting instructions to your broker, bank or other nominee on how to vote your shares, it will not have any effect on the outcome of the vote on the adjournment proposal.

Q: How do I cast my vote if my shares of UIHC common stock are held of record in street name?

A: If you hold your shares of UIHC common stock in street name, your broker, bank or nominee will not vote your shares unless you provide instructions on how to vote. You should receive a voting instruction form from the broker, bank or other nominee that is the record holder of your shares. You must follow the directions on the voting instruction form to provide your broker, bank or other nominee with instructions on how to vote your shares. Although the inability of your broker, bank or other nominee to vote your shares will have no effect on the share issuance proposal (assuming a quorum is present) and will have no effect on the adjournment proposal, you are encouraged to have your voice heard in regard to these important matters by voting your shares in accordance with such voting instruction form. If your shares are held in street name, please refer to the voting instruction form used by your broker, bank or other nominee, or contact them directly, to see if you may submit voting instructions using the Internet or telephone.

Q: How will proxy holders vote my shares of common stock?

A: If you properly authorize a proxy prior to the special meeting, your shares of UIHC common stock will be voted as you direct. **If you authorize a proxy but no direction is otherwise made, your shares of common stock will be voted FOR the share issuance proposal and FOR the adjournment proposal. The proxy holders will vote in their discretion upon such other matters as may properly come before the special meeting by or at the direction of the UIHC board or any adjournment or postponement of the special meeting.**

Q: Can I change my vote after I have voted?

- A: You may revoke your proxy or change your vote at any time before it is voted at the special meeting. You may revoke your proxy by delivering a signed written notice of revocation stating that the proxy is revoked and bearing a date later than the date of the proxy to our Corporate Secretary at 800 2nd Avenue S., St. Petersburg, Florida 33701. You may also revoke your proxy or change your vote by submitting another proxy through the Internet in accordance with the instructions on the enclosed proxy card prior to 11:59 p.m. Eastern Time on the day before the special meeting. Only your latest vote will be counted at the special meeting. You may also

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submit a later-dated proxy card relating to the same shares of UIHC common stock. If you voted by completing, signing, dating and returning the enclosed proxy card, you should retain a copy of the voter control number found on the proxy card in the event that you later decide to revoke your proxy or change your vote through the Internet. Alternatively, your proxy may be revoked or changed by attending the special meeting and voting in person. However, simply attending the special meeting without voting will not revoke or change your proxy. Holders of shares of UIHC common stock in street name should contact their bank, broker or other nominee to obtain instructions as to how to revoke or change their proxies.

If you have instructed a bank, broker or other nominee to vote your shares, you must follow the instructions received from your bank, broker or other nominee to change your vote.

All properly submitted proxies received by us before the special meeting that are not revoked or changed prior to being exercised at the special meeting will be voted at the special meeting in accordance with the instructions indicated on the proxies or, if no instructions were provided, **FOR** each of the proposals.

Once your shares have been voted, whether in person or by proxy, at the special meeting, your vote cannot be changed.

Q: What does it mean if I receive more than one proxy card?

A: If you receive more than one proxy card, it means that you hold shares of UIHC common stock that are registered in more than one account. For example, if you own your shares in various registered forms, such as jointly with your spouse, as trustee of a trust or as custodian for a minor, you will receive, and you will need to sign and return, a separate proxy card for those shares because they are held in a different form of record ownership. Therefore, to ensure that all of your shares are voted, you will need to submit your proxies by properly completing and mailing each proxy card you receive or by submitting your proxies through the Internet by using the different voter control number(s) located on each proxy card received.

Q: When does UIHC expect to complete the mergers?

A: We and AmCo are working toward completing the mergers as quickly as possible. We currently anticipate that the mergers will be completed during the first calendar quarter of 2017, but we cannot be certain when or if the conditions to the mergers will be satisfied or, to the extent permitted, waived. The mergers cannot be completed until the conditions to closing are satisfied (or, to the extent permitted, waived), including the approval of the share issuance proposal by our stockholders and the receipt of certain regulatory approvals. For additional information, see the section titled *Merger Agreement Conditions to Completion of the Mergers* beginning on page 82.

Q: What happens if the mergers are not completed?

A: If the share issuance proposal is not approved by the holders of a majority of the shares of UIHC common stock entitled to vote and present in person or represented by proxy at the special meeting, or if the mergers are not

completed for any other reason, we expect that our management will operate our business in a manner similar to that in which it is being operated today and that holders of shares of UIHC common stock will continue to be subject to the same risks and opportunities to which they are currently subject with respect to their ownership of UIHC common stock. Under certain circumstances, if the mergers are not completed, we may be obligated to pay a termination fee. For additional information, see the section titled *Merger Agreement Transaction and Termination Fees and Expenses* beginning on page 85.

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Q: Are there any requirements if I plan to attend the special meeting?

A: If you wish to attend the special meeting, you may be asked to present valid photo identification. Please note that, if you hold your shares in street name, you will need to bring a copy of your voting instruction card or brokerage statement reflecting your ownership of UIHC common stock as of the record date and check in at the registration desk at the meeting. Cameras, sound or video recording devices or any similar equipment, or the distribution of any printed materials, will not be permitted at the meeting without our approval.

Q: Where can I find more information about UIHC?

A: We file periodic reports, proxy statements and other information with the United States Securities and Exchange Commission (which we refer to as the SEC). You may read and copy any document we file at the SEC's public reference facilities located at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our SEC filings are also available to the public at the SEC's website at www.sec.gov and on our website at <http://investors.upcinsurance.com>. For a more detailed description of the information available, see the section titled *Where You Can Find More Information* beginning on page 127.

Q: Who can help answer my questions about the mergers and the special meeting?

A: If you have more questions about the special meeting or the mergers, you should contact our proxy solicitation agent, MacKenzie Partners, Inc., as follows:

MacKenzie Partners, Inc.
105 Madison Avenue
New York, New York 10016
proxy@mackenziepartners.com
Call Collect: (212) 929-5500

or

Toll-Free (800) 322-2885

Email: proxy@mackenziepartners.com

If you hold your shares through a broker, bank or other nominee, you should call your broker, bank or other nominee for additional information.

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SUMMARY

The following is only a summary of material information contained in this proxy statement. To understand the share issuance proposal and the adjournment proposal, you must review all the information in this proxy statement, along with the annexes and the information incorporated by reference. You may obtain the information incorporated by reference into this proxy statement without charge by following the instructions in the section titled *Where You Can Find More Information* beginning on page 127. The merger agreement, a copy of which is attached as Annex A to this proxy statement, the stockholders agreement, a copy of which is attached as Annex B to this proxy statement, the fairness opinion of Raymond James & Associates, Inc., a copy of which is attached as Annex C to this proxy statement, the audited annual financial statements of AmCo and related notes, a copy of which is attached as Annex D-1 to this proxy statement, the unaudited interim financial statements of AmCo and related notes, a copy of which is attached as Annex D-2 to this proxy statement, and the financial statement schedules of AmCo, a copy of which is attached as Annex D-3 to this proxy statement, each form a part of this proxy statement. You should refer to the merger agreement for a complete statement of the terms and conditions of the mergers.

The Parties to the Mergers (see page 38)

UIHC. UIHC, which we also refer to as *we* or *Parent*, is primarily engaged in the homeowners property and casualty insurance business in the United States. UIHC serves as the holding company for United Property & Casualty Insurance Company and its affiliated companies, and conducts its business primarily through its wholly-owned operating subsidiaries. Collectively, including UIHC, these entities are referred to as *UPC Insurance*. *UPC Insurance* currently writes in Connecticut, Florida, Georgia, Hawaii, Louisiana, Massachusetts, New Jersey, New York, North Carolina, Rhode Island, South Carolina and Texas, and is licensed to write in Alabama, Delaware, Maryland, Mississippi, New Hampshire and Virginia. Its target market currently consists of areas where the perceived threat of natural catastrophe has caused large national insurance carriers to reduce their concentration of policies. UIHC common stock is traded on the NASDAQ Global Select Market (which we refer to as *Nasdaq*) under the symbol *UIHC*. UIHC's principal executive offices are located at 800 2nd Avenue S., St. Petersburg, Florida 33701.

Merger Sub. Merger Sub is a North Carolina corporation and a wholly-owned subsidiary of UIHC that was formed solely for the purpose of facilitating UIHC's acquisition of AmCo. Merger Sub has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the transactions contemplated by the merger agreement. Upon consummation of the first merger (as defined below), Merger Sub will merge with and into AmCo and will cease to exist.

Merger LLC. Merger LLC is a Delaware limited liability company and a wholly-owned subsidiary of UIHC that was formed solely for the purpose of facilitating UIHC's acquisition of AmCo. Merger LLC has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the transactions contemplated by the merger agreement. Upon consummation of the second merger (as defined below), AmCo will merge with and into Merger LLC, with Merger LLC (which will be renamed *AmCo Holding Company* (or a similar name) shortly thereafter) surviving the second merger as a wholly-owned subsidiary of UIHC.

AmCo. AmCo is a North Carolina corporation, an insurance holding company and the sole shareholder of American Coastal Insurance Company (which we refer to as *American Coastal*). American Coastal is engaged in the commercial residential property and casualty insurance business and writes coverage for Florida condominiums, homeowners associations, apartments and townhomes through AmRisc, LLC, its managing general agent (which we refer to as *AmRisc*). American Coastal has been operating

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continuously in Florida since 2007, and has successfully managed its business through a number of changes in the commercial residential market in Florida. AmCo is also the owner of BlueLine Cayman Holdings, a Cayman Islands holding company that owns BlueLine Re. BlueLine Re is a protected ce