

McCahill Francis Xavier III
 Form 4
 June 28, 2011

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 McCahill Francis Xavier III

(Last) (First) (Middle)
 5300 W. CYPRESS STREET, SUITE 100
 (Street)

TAMPA, FL 33607

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 Homeowners Choice, Inc. [HCII]

3. Date of Earliest Transaction (Month/Day/Year)
 06/24/2011

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
 President and CEO

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common stock | | | | | 2,000 | D | (1) |
| Common stock | 06/24/2011 | | M | | 125,200 | A | \$ 2.5 |
| Common stock | 06/27/2011 | | D | | 85,200 (2) | D | \$ 2.5 |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|---------------------|---|--|---|
| | | | | Code V (A) (D) | | Date Exercisable Expiration Date | Title Amount or Number of Shares |
| Stock Warrant (Right to Buy) | \$ 9.1 ⁽³⁾ | | | | | 07/30/2008 07/30/2013 | Common 500 ⁽³⁾ |
| Stock Option (Right to Buy) ⁽⁴⁾ | \$ 2.5 | 06/24/2011 | | M | 26,000 | 06/01/2007 ⁽⁵⁾ 05/31/2017 | Common 26,000 |
| Stock Option (Right to Buy) ⁽⁴⁾ | \$ 2.5 | 06/24/2011 | | M | 99,200 | ⁽⁶⁾ 05/31/2017 | Common 99,200 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------|-------|
| | Director | 10% Owner | Officer | Other |
| McCahill Francis Xavier III 5300 W. CYPRESS STREET SUITE 100 TAMPA, FL 33607 | X | | President and CEO | |

Signatures

/s/ Cathy J. Welch as Attorney-in-fact for Francis X. McCahill III
06/28/2011
**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Shares are held jointly with spouse.

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- (2) These shares were redeemed by the issuer at a price of \$6.50 per share on June 27, 2011. Such redemption was required under the terms of a voluntary separation agreement between Mr. McCahill and Homeowners Choice, Inc.

In connection with the Homeowners Choice, Inc. initial public offering ("IPO"), 1,000 units were purchased on 7/30/08 at a price of \$7.00 per unit, with each unit consisting of one share of common stock and one warrant. Two warrants may be exercised to acquire one share of common stock at an exercise price equal to \$9.10 per share. The warrants may be exercised any time after the closing of the IPO up to five years after the IPO closing date.
- (3) The options were granted pursuant to the Homeowners Choice, Inc. 2007 Stock Option and Incentive Plan.
- (4) These options fully vested effective with the June 1, 2007 grant date.
- (5) Commencing on May 1, 2008 and continuing on the same day of each calendar year thereafter through and including May 1, 2012, the amount of 24,800 options will vest and become exercisable on each such annual vesting date.
- (6)

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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