

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

HCI Group, Inc.

Form: 8-K

Date Filed: 2021-02-26

Corporate Issuer CIK: 1400810

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported): February 26, 2021

HCI GROUP, INC.

(Exact name of registrant as specified in its charter)

Florida
(State or Other Jurisdiction
of Incorporation)

01-34126
(Commission
File Number)

20-5961396
(IRS Employer
Identification Number)

5300 West Cypress Street, Suite 100
Tampa, Florida 33607
(Address of Principal Executive Offices)

Registrant's telephone number, including area code:
(813) 405-3600

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrants under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	HCI	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§20.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 2.02. Results of Operations and Financial Condition.

On February 26, 2021, HCI Group, Inc. (the "Company") issued a press release announcing that its subsidiary, TypTap Insurance Group, Inc. ("TypTap"), entered into a \$100 million investment transaction with a fund affiliated with Centerbridge Partners, L.P. (the "Investment Transaction"). The Company also released a presentation deck providing information regarding the Investment Transaction and provided certain historical financial information regarding TypTap in such presentation deck. A copy of the press release is furnished as Exhibit 99.1, and a copy of the presentation deck is furnished as Exhibit 99.2.

The information furnished in this Item 2.02, including Exhibit 99.1 and Exhibit 99.2, is not deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section. This information will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

Item 7.01. Regulation FD Disclosure.

On February 26, 2021, HCI Group, Inc. (the "Company") issued the above-described press release announcing the Investment Transaction and released the above-described presentation deck. A copy of the press release is furnished as Exhibit 99.1, and a copy of the presentation deck is furnished as Exhibit 99.2.

The information in this Item 7.01 shall not be treated as filed for purposes of the Securities Exchange Act of 1934, as amended.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release, dated February 26, 2021.
99.2	Slide Deck, dated February 26, 2021.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

Forward-Looking Statements

This Current Report on Form 8-K may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements involve risks and uncertainty. Words such as "anticipate," "estimate," "expect," "intend," "plan," and "project" and other similar words and expressions are intended to signify forward-looking statements. Forward-looking statements are not guarantees of future results and conditions but rather are subject to various risks and uncertainties. Such statements are based on the Company's current expectations and are subject to a number of risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Investors are cautioned that there can be no assurance actual results or business conditions will not differ materially from those projected or suggested in such forward-looking statements as a result of various risks and uncertainties. Investors should refer to the risks detailed from time to time in the reports the Company files with the SEC, including the Company's Annual Report on Form 10-K for the year ended December 31, 2019, as well as other filings on Form 10-Q and periodic filings on Form 8-K, for additional factors that could cause actual results to differ materially from those stated or implied by such forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, unless required by law.

SIGNATURE

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

LENSAR, INC.

Date: February 26, 2021

By: /s/ Andrew J. Graham

Name: Andrew J. Graham

Title: General Counsel

Exhibit 99.1



Leading InsurTech Company TypTap Raises \$100 Million from Centerbridge

HCI and TypTap Management to Host Conference Call on Monday, March 1 at 8:00 AM ET

Tampa, Fla. – February 26, 2021 – HCI Group, Inc. (NYSE:HCI) subsidiary corporation, TypTap Insurance Group, Inc., is pleased to announce that a fund affiliated with Centerbridge Partners, L.P. has invested \$100 million in the company. The investment, representing about 11.75% of TypTap, implies a post-money valuation for TypTap of approximately \$850 million.

TypTap is an InsurTech company. Its rapidly growing, technology driven insurance operations provide homeowners and flood insurance in Florida. TypTap plans to expand its operations nationwide, having received regulatory approval in 10 additional states with approvals pending in an additional nine states.

In exchange for its investment, Centerbridge received from TypTap preferred shares with liquidation, dividend, redemption, and other rights and received from HCI a four-year warrant to purchase 750,000 HCI common shares at \$54.40 per share. The preferred shares automatically convert to common shares upon completion of an initial public offering meeting certain parameters. Terms of the investment also entitle Centerbridge to appoint one director to both the HCI and TypTap boards of directors.

"We are excited about our partnership with Centerbridge," said Paresh Patel, chief executive officer of HCI and TypTap. "This capital infusion will enable TypTap to pursue its national expansion plans rapidly and to continue developing innovative insurance-related technologies. We will immediately begin preparing TypTap for future growth. Centerbridge will be a valuable partner in all our efforts and we look forward to working with them."

Eric Hoffman, Managing Director at Centerbridge, commented: "We have been enthusiastically observing TypTap's growth trajectory and progress over the last couple of years and are particularly impressed by what the leadership team has been able to accomplish with respect to profitably scaling its InsurTech platform."

HCI will file one or more Forms 8-K with the Securities and Exchange Commission containing additional information regarding this transaction. The company has also made available a supplemental presentation that can be found in the Investor Information section of HCI Group's website.

J.P. Morgan Chase & Co. acted as sole placement agent on the transaction.

Foley & Lardner LLP acted as legal advisor for HCI Group.

Kirkland & Ellis LLP acted as legal advisor for Centerbridge.

Conference Call

HCI will hold a conference call on Monday, March 1, 2021 at 8:00 a.m. Eastern time (5:00 a.m. Pacific time) to discuss the transaction. A question-and-answer session will follow management's presentation.

Interested parties can listen to the live presentation by dialing the listen-only number below or by clicking the webcast link available on the Investor Information section of the company's website at www.hcigroup.com.

Date: Monday, March 1
Time: 8:00 a.m. Eastern time (5:00 a.m. Pacific time)
Listen-only toll-free number: 888-506-0062
Listen-only international number: 973-528-0011
Entry Code: 885514

Please call the conference telephone number 10 minutes before the start time. An operator will register your name and organization. If you have any difficulty connecting with the conference call, please contact Gateway Investor Relations at 949-574-3860.

A replay of the call will be available on the same day as the call and via the Investor Information section of the HCI Group website at www.hcigroup.com through April 1, 2021.

Toll-free replay number: 877-481-4010
International replay number: 919-882-2331
Replay Passcode: 40205

About Centerbridge Partners, L.P.

Centerbridge Partners, L.P. is a private investment management firm employing a flexible approach across investment disciplines—from private equity to credit and related strategies, and real estate—in an effort to find the most attractive opportunities for our investors and business partners. The Firm was founded in 2005 and as of December 31, 2020 has approximately \$28 billion in capital under management with offices in New York and London. Centerbridge is dedicated to partnering with world-class management teams across targeted industry sectors and geographies to help companies achieve their operating and financial objectives. For more information, please visit www.centerbridge.com.

About TypTap Insurance Group, Inc.

Funded by HCI Group, Inc. (NYSE:HCI), TypTap was founded in 2016 with the mission of utilizing technology, data, and data analytics to simplify the insurance experience. TypTap is a rapidly growing, technology-driven insurance company that provides homeowners and flood insurance in Florida with plans to expand its operations nationwide. TypTap uses its innovative, proprietary, online platform to quote and bind policies quickly and efficiently. It also has powerful algorithms, enabled by artificial intelligence, designed to identify policies that deliver profitable results while mitigating risk.

About HCI Group, Inc.

HCI Group, Inc. owns subsidiaries engaged in diverse, yet complementary business activities, including homeowners' insurance, reinsurance, real estate and information technology services. HCI's leading insurance operation, TypTap Insurance Company, is a rapidly growing, technology-driven insurance company that is expanding nationwide to provide homeowners and flood insurance. TypTap's operations are powered in large part by insurance-related information technology developed by HCI's software subsidiary, Exzeo USA, Inc. HCI's largest subsidiary, Homeowners Choice Property & Casualty Insurance Company, Inc., provides homeowners' insurance primarily in Florida. HCI's real estate subsidiary, Greenleaf Capital, LLC, owns and operates multiple properties in Florida, including office buildings, retail centers and marinas.

The company's common shares trade on the New York Stock Exchange under the ticker symbol "HCI" and are included in the Russell 2000 and S&P SmallCap 600 Index. HCI Group, Inc. regularly publishes financial and other information in the **Investor Information** section of the company's website. For more information about HCI Group and its subsidiaries, visit www.hcigroup.com.

Forward-Looking Statements

This press release includes forward-looking statements within the meaning of the federal securities laws. You can identify these statements by our use of words such as "anticipates," "assumes," "believes," "estimates," "expects," "intends," "plans," "projects," and similar expressions that do not relate to historical matters. All statements other than statements of historical fact are forward-looking statements. You should exercise caution in interpreting and relying on forward-looking statements because they involve known and unknown risks, uncertainties, and other factors which are, in some cases, beyond HCI's control and could materially affect actual results, performance, or achievements. Factors that could cause operating, financial and other results to differ are described in HCI's most recent Quarterly Report on Form 10-Q or Annual Report on Form 10-K filed with the Securities and Exchange Commission and available on the investor relations page of HCI's website at www.hcigroup.com and on the Securities and Exchange Commission's website at www.sec.gov.

All forward-looking statements in this press release are based on information available to HCI as of the date hereof, and HCI does not assume any obligation to update the forward-looking statements provided to reflect events that occur or circumstances that exist after the date on which they were made, except as required by law.

TypTap Company Contact:

Kevin Mitchell, President
TypTap Insurance Company
Tel (813) 405-3603
kmitchell@typtap.com

TypTap Media Contact:

Amber Brinkley
Kippen Communications
Tel (727) 466-7695
amber@kippencommunications.com

HCI Company Contact:

Rachel Swansiger, Esq.
HCI Group, Inc.
Tel (813) 405-3206
rswansiger@hcigroup.com

HCI Investor Relations Contact:

Matt Glover
Gateway Investor Relations
Tel (949) 574-3860
HCI@gatewayir.com



Leading Homeowners InsurTech

February 2021



Disclaimer

This presentation may contain forward-looking statements made pursuant to the Private Securities Litigation Reform Act of 1995. Words such as “anticipate,” “estimate,” “expect,” “intend,” “plan,” and “project” and other similar words and expressions are intended to signify forward-looking statements. Forward-looking statements are not guarantees of future results and conditions but rather are subject to various risks and uncertainties. For example, the company may not engage in a qualified public offering. Factors that could cause operating, financial and other results to differ are described in HCI Group Inc.’s most recent Quarterly Report on Form 10-Q or Annual Report on Form 10-K filed with the Securities and Exchange Commission and available on the investor relations page of HCI’s website at www.hcigroup.com and on the Securities and Exchange Commission's website at www.sec.gov. TypTap Insurance Group, Inc., together with its parent company HCI Group, Inc. (the “Company,” “TypTap,” “we” or “us” or when possessive “our”) disclaims all obligations to update any forward-looking statements.

Insurance
Simplified

TypTap is an **AI-enabled technology company** designed to identify homeowners policies that deliver **profitable results while mitigating risk**

 TypTap® at a glance

\$100M+

2020 ARR

~7x

growth
(2018-2020)

11

states with approvals
& licenses

\$105B+

U.S. homeowners
TAM

**Homeowners / flood
insurance**



**Scalable technology-
driven underwriting
platform**

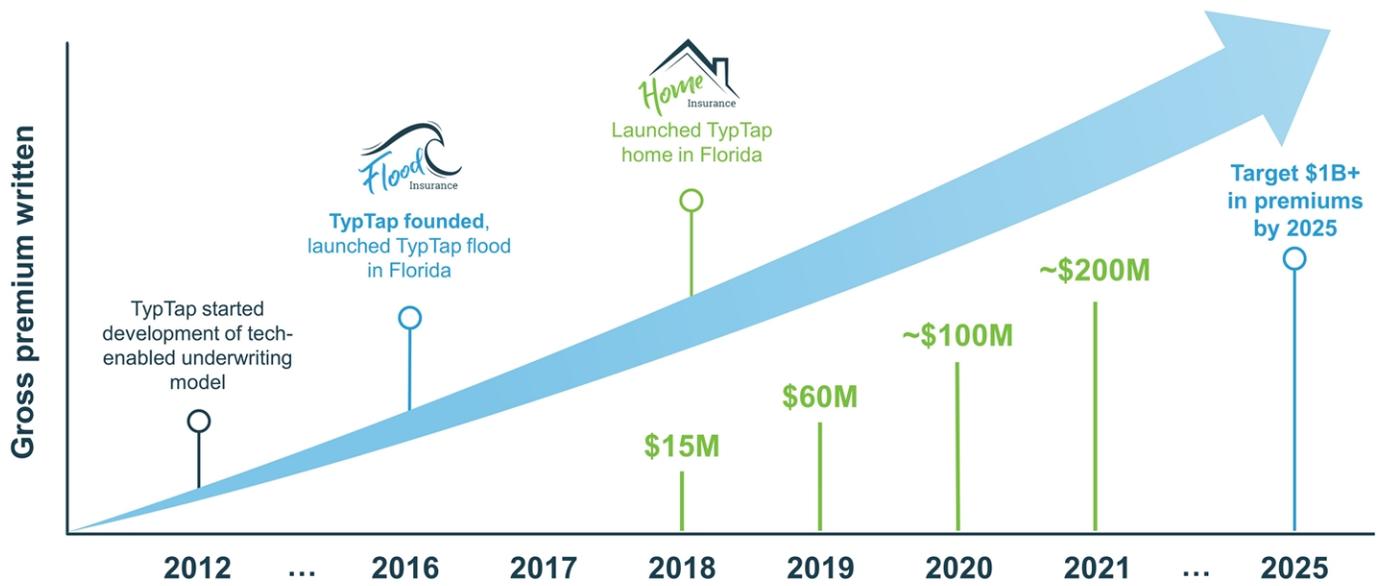
Transaction overview

Transaction highlights

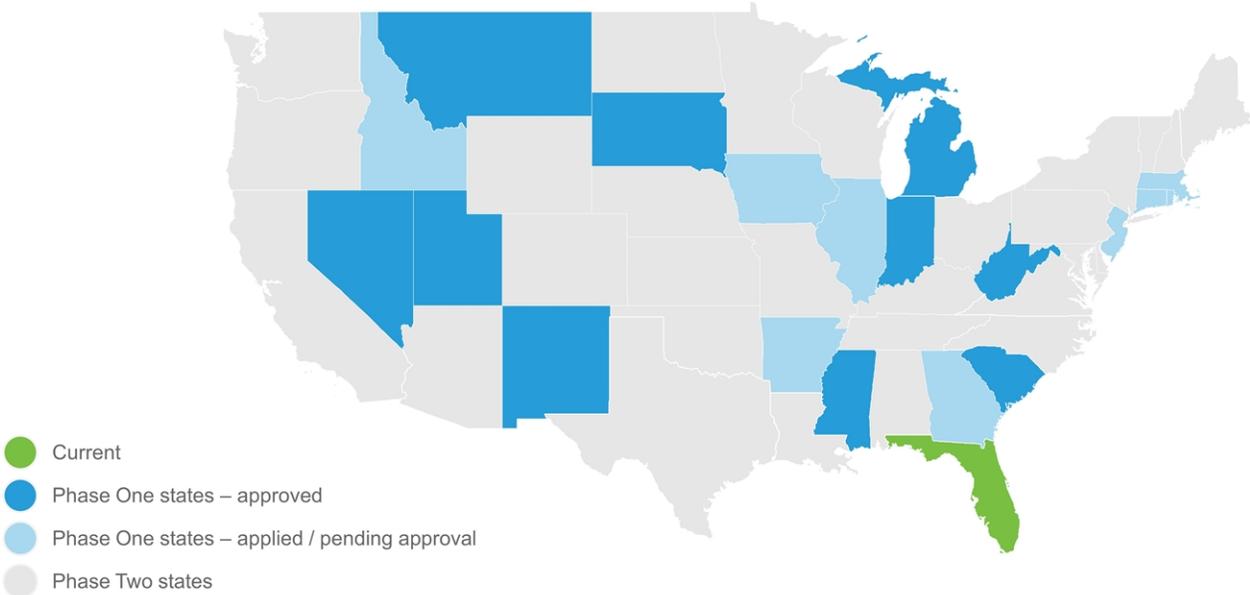
Transaction size¹	<ul style="list-style-type: none">• \$100 million Series A preferred stock purchase by Centerbridge Partners, L.P.
Valuation	<ul style="list-style-type: none">• Investment terms imply an approximate \$850 million post-money equity valuation• Strong valuation based on unique technology, profitable underwriting model, record growth, high value customers, and attractive market
Use of proceeds	<ul style="list-style-type: none">• Proceeds to be used for multi-state expansion
Ownership	<ul style="list-style-type: none">• Centerbridge to own ~12% of TypTap, post-investment• Centerbridge will appoint one director and will jointly with HCI appoint one independent director to TypTap's Board
Conversion features	<ul style="list-style-type: none">• Series A preferred stock converts to common stock at qualified initial public offering
Sole Placement Agent	<ul style="list-style-type: none">• J.P. Morgan

¹ Centerbridge to receive liquidation, dividend and other preferences and warrants to purchase 750,000 shares of HCI at a strike price of \$54.40 / share

TypTap® growth story



Looking forward – TypTap’s expansion plan



TypTap team and Centerbridge

TypTap: Management team



PARESH PATEL

**Chairman &
Chief Executive Officer**
TypTap, HCI Group

- HCI Group, Inc. Founder (2006)
- HCI Group IPO (2008)
- Oxbridge IPO (2014)
- Technology background with Global Crossing and AT&T Lucent
- Cambridge University Masters in Engineering



KEVIN MITCHELL

President
*TypTap Insurance
Company*

- HCI Group, Inc. SVP (2013 –2019)
- Previous insurance experience: Arthur J. Gallagher (NYSE: AJG), Oswald Companies
- 15+ years insurance experience

Centerbridge Partners

Private investment management firm employing a flexible approach across investment disciplines – from private equity to credit and related strategies, and real estate – in an effort to find the most attractive opportunities for our investors and business partners

- Founded in 2005
- \$28 billion in capital under management as of December 31, 2020
- Dedicated to partnering with management teams to help companies achieve their operating and financial objectives
- Centerbridge team has strong experience in the Insurance and InsurTech space

