Homeowners Choice, Inc. Form 4

March 29, 2011

FORM 4

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

Check this box if no longer subject to

Section 16. Form 4 or Form 5

obligations may continue. See Instruction

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(b).

(Last)

(City)

Common

stock

1. Name and Address of Reporting Person * TRABER MARTIN A

(First)

(Middle)

(Zip)

2340 DREW STREET, SUITE 200

(State)

(Street)

CLEARWATER, FL 33765

2. Issuer Name and Ticker or Trading

Symbol

Homeowners Choice, Inc. [HCII] 3. Date of Earliest Transaction

(Month/Day/Year) 03/25/2011

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

6. Individual or Joint/Group Filing(Check

X_ Director

Officer (give title

Issuer

below)

Person

5. Amount of

Beneficially

Securities

Following

Owned

Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting

5. Relationship of Reporting Person(s) to

(Check all applicable)

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

1.Title of 2. Transaction Date 2A. Deemed Security (Month/Day/Year) Execution Date, if (Instr. 3)

(Month/Day/Year)

4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 8)

(Instr. 3, 4 and 5)

Reported (A) Transaction(s) or (Instr. 3 and 4)

Code V Amount (D) Price

80,000 D

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

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

10% Owner

6. Ownership 7. Nature of

Indirect

Beneficial

Ownership

(Instr. 4)

Form: Direct

(D) or

Indirect (I)

(Instr. 4)

Other (specify

3235-0287

January 31,

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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. Transac Code (Instr. 8		5. Numb on Deriv Securitic Acquire (A) or Dispose (D) (Instr. 3 and 5)	vative es d	(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 Share
Stock Option (Right to Buy) (1)	\$ 2.5							<u>(2)</u>	05/31/2017	Common	20,00
Stock Option (Right to Buy) (1)	\$ 2.5							<u>(3)</u>	05/31/2017	Common	30,00
Series A Cumulative Redeemable Preferred Stock, no par value (4)	\$ 10	03/25/2011		P		5,000		03/25/2011	<u>(5)</u>	Common	5,000

Reporting Owners

Reporting Owner Name / Address	Relationships							
· · · · · · · · · · · · · · · · · · ·	Director	10% Owner	Officer	Other				
TRABER MARTIN A 2340 DREW STREET SUITE 200 CLEARWATER, FL 33765	X							

Signatures

/s/ Cathy J. Welch as Attorney-in-fact for Martin A.

Traber

03/29/2011

**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) The options were granted pursuant to the Homeowners Choice, Inc. 2007 Stock Option and Incentive Plan.
- (2) Commencing on June 1, 2007 and continuing on the first day of each calendar month thereafter through and including January 1, 2010, the amount of 5,000 options will vest and become exercisable on each such monthly vesting date.

Reporting Owners 2

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- (3) Commencing on May 1, 2008 and continuing on the same day of each calendar year thereafter through and including May 1, 2010, the amount of 10,000 options will vest and become exercisable on each such annual vesting date.
- Shares were purchased in connection with Homeowners Choice, Inc.'s ("HCI") offering of its 7% Series A Cumulative Redeemable

 Preferred Stock ("Series A Preferred"), which was completed on March 25, 2011. Each share of the Series A Preferred will be convertible, at the holder's option at any time, initially into one share of HCI's common stock based upon an initial conversion price of \$10.00 per share.
- HCI may terminate this conversion right on or after March 31, 2014, if, for at least twenty trading days within any period of thirty consecutive trading days, the market price of HCI's common stock exceeds the conversion price of the Series A Preferred by more than 20% and HCI's common stock is then traded on the New York Stock Exchange, the NASDAQ Global Select Market, the NASDAQ Global Market, the NASDAQ Capital Market, or the NYSE Amex.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.