

UNIVERSAL INSURANCE HOLDINGS, INC.
Form DEFR14A
October 28, 2009

EXPLANATORY NOTE

The Registrant's definitive consent solicitation statement filed with the Securities and Exchange Commission on October 26, 2009, is hereby amended to address certain comments from the Securities and Exchange Commission regarding the section entitled "Ratification of Stock Option Grants (Proposal 2)" on page 42 and "APPENDIX B - PAST OPTIONS GRANTED" on pages 68 and 69, which have been updated and are set forth below in their entirety with the additional information noted therein.

* * * *

Ratification of Stock Option Grants (Proposal 2)

On October 13, 2009, the Board submitted to and recommended that the Company's stockholders ratify the Past Option Grants that were granted since April 30, 2007 as set forth on Appendix B hereto. Such Past Option Grants served as an incentive for attracting and retaining qualified and competent employees, officers and directors of the Company. The Board believes the ratification of the Past Option Grants would be in the best interest of the Company in order to continue to administer previously-granted stock options and smoothly transition to the Incentive Plan.

Executive Officers

The following table sets forth the amount of options received by the Company's President and Chief Executive Officer and the Company's two other most highly compensated executive officers (collectively, the "Named Executive Officers").

| Holder | Issue Date | # of Securities Reserved | Exercise Price |
|---|------------|--------------------------|----------------|
| Bradley Meier | 7/12/2007 | 700,000 | \$6.50 |
| President, Chief Executive Officer and Director | 5/16/2008 | 250,000 | \$3.90 |
| James Lynch | 12/5/2008 | 500,000 | \$2.31 |
| Executive Vice President and Chief Financial Officer | 7/12/2007 | 35,000 | \$6.50 |
| Sean Downes | 5/16/2008 | 50,000 | \$3.90 |
| Senior Vice President, Chief Operating Officer and Director | 7/12/2007 | 700,000 | \$6.50 |
| | 5/16/2008 | 600,000 | \$3.90 |
| | 12/5/2008 | 200,000 | \$2.31 |
| Total Options | | 3,035,000 | |

¹ The Named Executive Officers constitute all of the Company's current executives.

Non-Executive Directors

The following table sets forth the amount of options received by the Company's current directors who are not executive officers.

| Holder | Issue Date | # of Securities Reserved | Exercise Price |
|----------------------|-------------------|---------------------------------|-----------------------|
| Joel Wilentz | 7/12/2007 | 35,000 | \$6.50 |
| Director | 5/16/2008 | 50,000 | \$3.90 |
| Norman Meier | 7/12/2007 | 35,000 | \$6.50 |
| Director | 5/16/2008 | 50,000 | \$3.90 |
| Ozzie Schindler | 7/12/2007 | 35,000 | \$6.50 |
| Director | 5/16/2008 | 50,000 | \$3.90 |
| Reed Slogoff | 7/12/2007 | 35,000 | \$6.50 |
| Director | 5/16/2008 | 50,000 | \$3.90 |
| Total Options | | 340,000 | |

All Employees

The following table sets forth the amount of options received by the Company's current employees, other than the Named Executive Officers.

| Holder | Issue Date | # of Securities Reserved | Exercise Price |
|-----------------|-------------------|---------------------------------|-----------------------|
| Berluth Wallace | 5/16/2008 | 20,000 | \$3.90 |
| Clifford Strang | 5/16/2008 | 20,000 | \$3.90 |
| Clyde Gillespie | 5/16/2008 | 20,000 | \$3.90 |
| Don Myers | 5/16/2008 | 20,000 | \$3.90 |
| Eric Meier | 5/16/2008 | 20,000 | \$3.90 |
| Eric Meier | 10/6/2008 | 50,000 | \$2.75 |
| George DeHeer | 5/16/2008 | 20,000 | \$3.90 |
| George Wilmarth | 5/16/2008 | 20,000 | \$3.90 |
| Janet Conde | 5/16/2008 | 50,000 | \$3.90 |
| Joel Wilentz | 7/12/2007 | 35,000 | \$6.50 |
| Joel Wilentz | 5/16/2008 | 50,000 | \$3.90 |
| Jon Springer | 5/16/2008 | 50,000 | \$3.90 |

| Holder | Issue Date | # of Securities Reserved | Exercise Price |
|----------------------|-------------------|---------------------------------|-----------------------|
| Jon Springer | 12/5/2008 | 200,000 | \$2.31 |
| Matthew Palmieri | 5/16/2008 | 20,000 | \$3.90 |
| Michael Moran | 5/16/2008 | 20,000 | \$3.90 |
| Michael Moran | 12/5/2008 | 50,000 | \$2.31 |
| Ray Rodriguez | 5/16/2008 | 20,000 | \$3.90 |
| Stephen Donaghy | 12/5/2008 | 50,000 | \$2.31 |
| Terry Wentroble | 5/16/2008 | 20,000 | \$3.90 |
| Yelena Chapman | 5/16/2008 | 20,000 | \$3.90 |
| Total Options | | 775,000 | |

Tax Consequences for Optionees and the Company

The Past Option Grants are all nonqualified stock options. Accordingly, each optionee who was granted one of the Past Option Grants did not recognize any income for federal income tax purposes on the grant of the option. Generally, on the exercise of the option, the optionee recognizes taxable ordinary income equal to the excess of the fair market value of the shares on the exercise date over the option price for the shares. The Company generally is entitled to a deduction on the date of exercise in an amount equal to the ordinary income recognized by the optionee. Upon disposition of the shares purchased pursuant to the stock option, the optionee recognizes long-term or short-term capital gain or loss, as the case may be, equal to the difference between the amount realized on such disposition and the basis for such shares, which basis includes the amount previously recognized by the optionee as ordinary income.

**APPENDIX B
PAST OPTIONS GRANTED**

**UNIVERSAL INSURANCE HOLDINGS, INC.
STOCK OPTIONS GRANTS Since April 30, 2007**

| Holder | Issue Date | Expiration Date | # of Common Stock Shares Reserved | Exercise Price | Market Value as of 10/13/09 ² | Vesting Date | Consideration/ Corporate Purpose |
|--------------------|------------|-----------------|---|----------------|---|--|--|
| Berluth Wallace | 5/16/2008 | 5/16/2013 | 20,000 | \$3.90 | \$5.06 | 5/16/2009 | Issued as an incentive to continued employment |
| Bradley Meier | 7/12/2007 | 7/12/2012 | 700,000 | \$6.50 | \$5.06 | 7/12/2008 | Issued as an incentive to continued employment |
| Bradley Meier | 5/16/2008 | 5/16/2013 | 250,000 | \$3.90 | \$5.06 | 5/16/2009 | Issued as an incentive to continued employment |
| Bradley Meier | 12/5/2008 | 12/5/2013 | 500,000 | \$2.31 | \$5.06 | 12/5/2008 (100,000) 6/5/2009 (100,000) 12/5/2009 (100,000) 6/5/2010 (100,000) 12/5/2010 (100,000) | Issued as an incentive to continued employment |
| Clifford Strang | 5/16/2008 | 5/16/2013 | 20,000 | \$3.90 | \$5.06 | 5/16/2009 | Issued as an incentive to continued employment |
| Clyde Gillespie | 5/16/2008 | 5/16/2013 | 20,000 | \$3.90 | \$5.06 | 5/16/2009 | Issued as an incentive to continued employment |

² On October 13, 2009, the market price per share of the Common Stock was \$5.06 based on the closing price of the Common Stock on the NYSE Alternext on such date.

| | | | | | | | |
|------------|-----------|-----------|--------|--------|--------|-----------|--|
| Don Myers | 5/16/2008 | 5/16/2013 | 20,000 | \$3.90 | \$5.06 | 5/16/2009 | Issued as an incentive to continued employment |
| Eric Meier | 5/16/2008 | 5/16/2013 | 20,000 | \$3.90 | \$5.06 | 5/16/2009 | Issued as an incentive to continued employment |
| Eric Meier | 10/6/2008 | 10/6/2013 | 50,000 | \$2.75 | \$5.06 | 12/6/2009 | |

Edgar Filing: UNIVERSAL INSURANCE HOLDINGS, INC. - Form DEF14A

| | | | | | | | |
|-----------------|-----------|-----------|--------|--------|--------|-----------|---|
| George DeHeer | 5/16/2008 | 5/16/2013 | 20,000 | \$3.90 | \$5.06 | 5/16/2009 | Issued as an incentive to continued employment |
| George Wilmarth | 5/16/2008 | 5/16/2013 | 20,000 | \$3.90 | \$5.06 | 5/16/2009 | Issued as an incentive to continued employment |
| James Lynch | 7/12/2007 | 7/12/2012 | 35,000 | \$6.50 | \$5.06 | 7/12/2008 | Issued as an incentive to continued employment |
| James Lynch | 5/16/2008 | 5/16/2013 | 50,000 | \$3.90 | \$5.06 | 5/16/2009 | Issued as an incentive to continued employment |
| Janet Conde | 5/16/2008 | 5/16/2013 | 50,000 | \$3.90 | \$5.06 | 5/16/2009 | Issued as an incentive to continued employment |
| Joel Wilentz | 7/12/2007 | 7/12/2012 | 35,000 | \$6.50 | \$5.06 | 7/12/2008 | Issued as an incentive to continued Board participation |
| Joel Wilentz | 5/16/2008 | 5/16/2013 | 50,000 | \$3.90 | \$5.06 | 5/16/2009 | Issued as an incentive to continued Board participation |
| Jon Springer | 5/16/2008 | 5/16/2013 | 50,000 | \$3.90 | \$5.06 | 5/16/2009 | Issued as an incentive to continued employment |

Edgar Filing: UNIVERSAL INSURANCE HOLDINGS, INC. - Form DEF14A

| | | | | | | | |
|------------------|-----------|-----------|---------|--------|--------|--------------------|---|
| Jon Springer | 12/5/2008 | 12/5/2013 | 200,000 | \$2.31 | \$5.06 | 12/5/08 (50,000) | Issued as an incentive to continued employment |
| | | | | | | 6/5/2009 (50,000) | |
| | | | | | | 12/5/2009 (50,000) | |
| | | | | | | 6/5/2010 (50,000) | |
| Matthew Palmieri | 5/16/2008 | 5/16/2013 | 20,000 | \$3.90 | \$5.06 | 5/16/2009 | Issued as an incentive to continued employment |
| Michael Moran | 5/16/2008 | 5/16/2013 | 20,000 | \$3.90 | \$5.06 | 5/16/2009 | Issued as an incentive to continued employment |
| Michael Moran | 12/5/2008 | 12/5/2013 | 50,000 | \$2.31 | \$5.06 | 6/5/2009 | Issued as an incentive to continued employment |
| Norman Meier | 7/12/2007 | 7/12/2012 | 35,000 | \$6.50 | \$5.06 | 7/12/2008 | Issued as an incentive to continued Board participation |
| Norman Meier | 5/16/2008 | 5/16/2013 | 50,000 | \$3.90 | \$5.06 | 5/16/2009 | Issued as an incentive to continued Board participation |
| Ozzie Schindler | 7/12/2007 | 7/12/2012 | 35,000 | \$6.50 | \$5.06 | 7/12/2008 | Issued as an incentive to continued Board participation |
| Ozzie Schindler | 5/16/2008 | 5/16/2013 | 50,000 | \$3.90 | \$5.06 | 5/16/2009 | Issued as an incentive to continued Board participation |
| Ray Rodriguez | 5/16/2008 | 5/16/2013 | 20,000 | \$3.90 | \$5.06 | 5/16/2009 | Issued as an incentive to continued employment |
| Reed Slogoff | 7/12/2007 | 7/12/2012 | 35,000 | \$6.50 | \$5.06 | 7/12/2008 | Issued as an incentive to continued Board participation |

Edgar Filing: UNIVERSAL INSURANCE HOLDINGS, INC. - Form DEF14A

| | | | | | | | |
|-----------------|-----------|-----------|---------|--------|--------|-----------------------|---|
| Reed Slogoff | 5/16/2008 | 5/16/2013 | 50,000 | \$3.90 | \$5.06 | 5/16/2009 | Issued as an incentive to continued Board participation |
| Sean Downes | 7/12/2007 | 7/12/2012 | 700,000 | \$6.50 | \$5.06 | 7/12/2008 | Issued as an incentive to continued employment |
| Sean Downes | 5/16/2008 | 5/16/2013 | 600,000 | \$3.90 | \$5.06 | 5/16/2009 | Issued as an incentive to continued employment |
| Sean Downes | 12/5/2008 | 12/5/2013 | 200,000 | \$2.31 | \$5.06 | 12/5/2008 (40,000) | Issued as an incentive to continued employment |
| | | | | | | 6/5/2009 (40,000) | |
| | | | | | | 12/5/2009 (40,000) | |
| | | | | | | 6/5/2010 (40,000) | |
| | | | | | | 12/5/2010 (40,000) | |
| Stephen Donaghy | 12/5/2008 | 12/5/2013 | 50,000 | \$2.31 | \$5.06 | 6/5/2009 | Issued as an incentive to continued employment |
| Terry Wentroble | 5/16/2008 | 5/16/2013 | 20,000 | \$3.90 | \$5.06 | 5/16/2009 | Issued as an incentive to continued employment |
| Yelena Chapman | 5/16/2008 | 5/16/2013 | 20,000 | \$3.90 | \$5.06 | 5/16/2009 | Issued as an incentive to continued employment |