

McCahill Francis Xavier III  
 Form 4  
 June 28, 2011

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**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

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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

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

TAMPA, FL 33607

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

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

(City) (State) (Zip)

**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)	Amount or Number of Shares
Stock Warrant (Right to Buy)	\$ 9.1 <sup>(3)</sup>					07/30/2008 07/30/2013	Common	500 <sup>(3)</sup>
Stock Option (Right to Buy) <sup>(4)</sup>	\$ 2.5	06/24/2011		M	26,000	06/01/2007 <sup>(5)</sup> 05/31/2017	Common	26,000
Stock Option (Right to Buy) <sup>(4)</sup>	\$ 2.5	06/24/2011		M	99,200	<sup>(6)</sup> 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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