

Persaud Krishna
Form 4
January 22, 2010

FORM 4

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

OMB APPROVAL

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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 *
Persaud Krishna

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)
2340 DREW STREET, SUITE 200

(Street)

3. Date of Earliest Transaction (Month/Day/Year)
01/20/2010

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

CLEARWATER, FL 33765

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 Indirect Ownership (Instr. 4) | | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|---------|---|---|
| | | | Code | V | Amount | (D) | Price | | | |
| Common stock | 01/20/2010 | | D | | 200,000 <u>(1)</u> | D | \$ 1,400,000 | 120,000 | I | By Homeowners Choice Holdings, LLC <u>(2)</u> |
| Common stock | | | | | | | | 80,000 | I | By Pershing, LLC FBO Krishna Persaud Roth IRA |

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

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(9-02)

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 (Instr. 8) | 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) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Stock Option (Right to Buy) ⁽³⁾ | \$ 2.5 | | | | | 05/31/2010 ⁽⁴⁾ 05/31/2017 | Common | 30,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Persaud Krishna 2340 DREW STREET SUITE 200 CLEARWATER, FL 33765 | | X | | |

Signatures

/s/ Cathy J. Welch as Attorney-in-fact for Krishna
Persaud

01/22/2010

__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).

- These shares were redeemed by the issuer at a price of \$7.00 per share on January 20, 2010 under a formal stock purchase agreement
- (1) dated January 19, 2010 by and between Homeowners Choice, Inc ("HCII") and Homeowners Choice Holdings, LLC. The reporting person sold such shares to HCII to meet personal financial commitments as well as diversify his holdings.
 - (2) The reporting person holds voting and investment power of the remaining 120,000 shares, which are held by Homeowners Choice Holdings, LLC. Prior to the sale on January 20, 2010 of 200,000 shares, the reporting person held the voting and investment power of the

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320,000 shares originally reported on Form 3 as held by Windsor Related Holdings, LLC. The reporting person subsequently transferred the 320,000 shares to Homeowners Choice Holdings, LLC.

- (3) The options were granted pursuant to the Homeowners Choice, Inc. 2007 Stock Option and Incentive Plan.
- (4) Commencing on May 1, 2008 and continuing on the same day of each calendar year thereafter through and including May 1, 2010, 10,000 options vested and become exercisable on each such annual vesting date.

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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