

IN THE CIRCUIT COURT OF THE
SECOND JUDICIAL CIRCUIT, IN
AND FOR LEON COUNTY, FLORIDA

CASE NO.: 89-2855

STATE OF FLORIDA, ex rel.,)
The Department of Insurance)
of the State of Florida,)

 Relator,)

vs.)

SOUTHEASTERN REINSURANCE)
COMPANY, INC., a Florida)
corporation, authorized)
to transact an insurance)
business.)

 Respondent.)

CONSENT ORDER APPOINTING THE
DEPARTMENT OF INSURANCE AS RECEIVER
FOR PURPOSES OF REHABILITATION,
INJUNCTION, AND NOTICE OF AUTOMATIC STAY

THIS CAUSE was considered on the Petition of the Florida Department of Insurance for a consent order of rehabilitation of Southeastern Reinsurance Company, Inc., and on the stipulation and consent to appointment of Receiver filed by Southeastern Reinsurance Company, Inc.. The Court having reviewed the pleadings of records and being fully advised in the premises, finds:

1. Southeastern Reinsurance Company, Inc. (herein "Respondent") is a Florida corporation and is a domestic insurer authorized to transact an insurance business in the State of Florida.

2. Section 631.021(3), Florida Statutes, provides that a delinquency proceeding pursuant to Chapter 631 constitutes the sole and exclusive method of liquidating, rehabilitating, reorganizing, or conserving an insurer.

3. Sections 631.051(1) and (11), Florida Statutes, authorize the Department to apply to this Court for an Order directing it to rehabilitate a domestic insurer upon the grounds that the insurer is insolvent, and that the insurer has consented to such an order

through a majority of its directors, stockholders, members, or subscribers.

4. Respondent is statutorily insolvent within the meaning of Section 631.011(10), Florida Statutes, and admits that it is insolvent.

5. Respondent has consented to the appointment of the Department as Receiver for purposes of rehabilitation.

6. Respondent has been found by the Department to be in such condition or using such methods or practices in the conduct of its business as to render the further transaction of insurance presently or prospectively hazardous to its subscribers, policyholders, creditors and the public.

7. It is in the best interests of Respondent and its creditors and insureds that the relief requested in the petition be granted.

IT IS THEREFORE ADJUDGED and ORDERED as follows:

A. The Department of Insurance of the State of Florida is hereby appointed Receiver of Respondent for purposes of rehabilitation and the said Receiver is authorized and directed to:

1. Conduct the business of Respondent and take all steps as the Court may direct toward the removal of the causes and conditions which have made the order of rehabilitation necessary.

2. Take immediate possession of all Respondent's property, assets and estate, and all other property of Respondent of every kind whatsoever and wheresoever located belonging to or in the possession of Respondent or its officers, directors, employees or agents, including but not limited to all offices maintained by Respondent, rights of action, books, papers, data processing records, evidences of debt, bank accounts, savings accounts, certificates of deposit, stocks, bonds, debentures and other securities, mortgages, furniture, fixtures, office supplies and equipment, and all real property of the Respondent wherever situate, and to administer such assets as is required in order to comply with

the directions contained in this Order, and to hold all other assets pending further order of this Court.

3. Proceed to collect any and all debts economically feasible to collect due and owing Respondent, including but not limited to funds or premiums held by agents of Respondent under agency contracts or otherwise.

4. Appoint one or more special agents and employ legal counsel, actuaries, accountants, clerks, consultants and assistants as it deems necessary and to fix and to pay the reasonable compensation and reasonable expenses thereof and all reasonable expenses of taking possession of the insurer, subject to approval by this Court at the time the Receiver accounts to the Court for such expenditures and compensation.

5. Reimburse employees, from the funds of this receivership, for their actual necessary and reasonable expenses incurred while traveling on the business of this receivership.

6. Commence and maintain all legal actions necessary for the conduct of the rehabilitation proceeding.

7. Not defend legal actions wherein Respondent or the Receiver is a party defendant, commenced either prior to or subsequent to this order, without authorization of this Court. Except, however, in actions where Respondent is a nominal party, as in certain foreclosure actions and the action does not effect a claim against or adversely affect the assets of Respondent, the Receiver may file appropriate pleadings in its discretion.

8. Deposit funds and maintain bank accounts in accordance with Section 631.221, Florida Statutes.

9. Take possession of all Respondent's securities on deposit with the Treasurer of Florida and liquidate or reinvest as much of the same as may be necessary, in its judgment, to best benefit the estate or to pay expenses as set forth above.

10. Apply to this Court for further instructions in the discharge of its duties.

B. Any officer, director, manager, trustee, attorney, agent, actuary, broker, employee or adjuster of Respondent and any other person who possesses or possessed any executive authority over or who exercises, or exercised, any control over any segment of Respondent's affairs shall fully cooperate with the Receiver pursuant to Section 631.391, Florida Statutes.

C. All persons who have in their possession, custody or control, assets of the Respondent of any kind whatsoever and wherever situate, including but not limited to, monies, books or records, personal or real property, are directed forthwith to deliver upon demand such assets or books and records to the Receiver.

D. Title to all property, real or personal, all contracts, rights of action and all books and records of Respondent, wherever located within or without this state, is vested by operation of law in the Receiver, pursuant to Section 631.141(2), Florida Statutes.

E. Upon request by the Receiver, any company providing telephonic services to the Respondent shall provide a reference of calls from the number presently assigned to the Respondent to any such number designated by the Receiver or perform any other changes necessary to the conduct of the receivership.

F. Any entity furnishing water, electric, telephone, sewage, garbage or trash removal services to Respondent shall maintain such service and transfer any such accounts to the Receiver as of the date of the order of rehabilitation unless instructed to the contrary by the Receiver.

G. The United States Postal Service is directed to provide any information requested by the Receiver regarding the Respondent and to handle future deliveries of Respondent's mail as directed by the Receiver.

H. All policies of insurance or similar contracts of coverage issued by the Respondent shall remain in full force and effect until further Order of this Court, except where cancelled in the normal course of business or upon the normal expiration date

thereof. Any policy cancellations initiated by insureds shall be prospective only.

I. Any bank, savings and loan association, other financial institution, including but not limited to, Florida National Bank, Sun Bank of South Florida, Barnett Bank, or any other entity or person, which has on deposit or in its possession, custody or control any funds, accounts and any other assets of the Respondent shall immediately transfer title, custody and control of all such funds, accounts or assets to the Receiver, and is hereby instructed that the Receiver has absolute control over such accounts and other assets, and that the Receiver may change the name of such accounts and other assets, withdraw them from such bank, savings and loan association or other financial institution, or take any lesser action necessary for the proper conduct of the receivership.

J. No bank, savings and loan association, other financial institution, or any other person or entity shall exercise any form of set-off, alleged set-off, lien, or any form of self-help whatsoever or refuse to transfer any funds or assets to the Receiver's control without the permission of this Court.

K. Pursuant to Sections 631.041(3) and (4), Florida Statutes, all persons, firms, corporations and associations within the jurisdiction of this Court, including, but not limited to Respondent, its officers, directors, trustees, stockholders, members, agents and employees are hereby enjoined and restrained from the further transaction of the insurance business of Respondent or doing or permitting to be done any action which might waste or otherwise dispose of the books, records and assets of the Respondent and from interfering with the Receiver or the conduct of these proceedings.

L. Pursuant to Section 631.041(1), Florida Statutes, the filing of the Department's petition for consent order herein operates as an automatic stay applicable to all persons and

entities, other than the Receiver, which shall be permanent and survive the entry of this order, and which prohibits:

a. The commencement or continuation of judicial, administrative or other action or proceeding against the insurer or against its assets or any part thereof;

b. The enforcement of judgment against the insurer or an affiliate obtained either before or after the commencement of the delinquency proceeding;

c. Any act to obtain possession of property of the insurer;

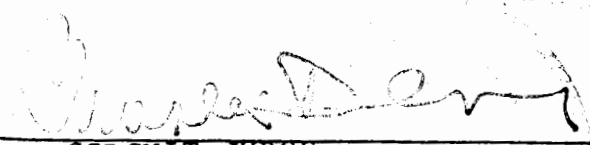
d. Any act to create, perfect or enforce a lien against property of the insurer, except a secured claim as defined in Section 631.011(15), Florida Statutes;

e. Any action to collect assess or recover a claim against the insurer, except claims as provided for under Chapter 631;

f. The set-off or offset of any debt owing to the insurer except offsets as provided in Section 631.281, Florida Statutes.

M. This Court retains jurisdiction of this cause for the purpose of granting such other and further relief as from time to time shall be deemed appropriate.

ORDERED in Chambers at Tallahassee, Leon County, Florida, this 4th day of August, 1989.


CIRCUIT JUDGE

August 89 442
by SA Evans