

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

CASE NO.: 93-1071

STATE OF FLORIDA, ex. rel., the
DEPARTMENT OF INSURANCE OF
THE STATE OF FLORIDA,

Relator,

vs.

UNION GENERAL INSURANCE COMPANY,
a Florida corporation authorized
to transact an insurance
business in Florida,

Respondent.



**ORDER TO SHOW CAUSE, TEMPORARY
INJUNCTION AND NOTICE OF AUTOMATIC STAY**

THIS CAUSE was considered on the Petition of the Department of Insurance for an Order to Show Cause on the appointment of a Receiver of UNION GENERAL INSURANCE COMPANY for purposes of liquidation. The Court having considered the matters set forth in said Petition, having heard the presentation of counsel, and being otherwise fully informed in the premises, the Court finds:

A. The Department of Insurance has made a prima facie showing that Respondent, UNION GENERAL INSURANCE COMPANY, is statutorily insolvent, justifying the appointment of a receiver by this Court.

B. Section 624.418 (3), Florida Statutes, provides that the insolvency or impairment of an insurer constitutes an immediate serious danger to the public health, safety, or welfare.

C. The Department has found Respondent to be in such condition as to render its further transaction of insurance presently or prospectively hazardous to its policyholders, creditors and the public.

D. It is necessary for this Court to issue injunctions pursuant to Sections 631.041(3) and (4), Florida Statutes (1991), to protect the interests of policyholders, creditors, and the public generally, pending the adjudication of this matter.

It is therefore, **ORDERED** and **ADJUDGED** as follows:

1. UNION GENERAL INSURANCE COMPANY (herein "Respondent"), shall appear before the Honorable Ted Steinmeyer, Circuit Court Judge, in Chambers, 331-A, Leon County Courthouse, Tallahassee, Florida, at 9:00 A.m., on March 23rd, 1993, to show good cause, if any, why the Department of Insurance of the State of Florida should not be appointed Receiver of Respondent for the purpose of liquidation in accordance with Chapter 631, Part I, Florida Statutes. Respondent shall file its written response along with any defenses it may have to the Department's allegations no later than 15 days prior to the hearing. Said response shall include: a list of all witnesses; a summary of the testimony of each witness; any and all evidence and copies of all documents to be presented on behalf of Respondent at hearing, including, but not limited to, any changes in Respondent's assets and liabilities from what was reported by Respondent on its 1992 Annual Statement.

2. To protect policyholders or prospective policyholders, Respondent and its officers, directors, managers,

agents and employees are enjoined and restrained from issuing any endorsements, new or renewal policies of any nature (directly or indirectly), or reinsurance, until further order of this Court.

3. Furthermore, the officers and directors of Respondent are hereby placed on notice of Section 626.9541(w), Florida Statutes (1991) which prohibits officers and directors from allowing an insurer to write business after such officers and directors know or should know that the company is insolvent, and which provides for penalties upon conviction of a violation thereof as a third-degree felony.

4. To protect and preserve the assets, books, and records of Respondent pending hearing on the Department's petition 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 and its officers, directors, stockholders, trustees, members, agents and employees are enjoined and restrained from removing, destroying, or otherwise disposing of any documents, books, records or assets of Respondent (or pertaining to Respondent), from doing, through acts of commission or omission, or permitting to be done any action which might waste or otherwise dispose of the books, records and assets of, or directly or indirectly relating to, the Respondent; from denying the Department access to the books, records, and assets of, or directly or indirectly relating to, the Respondent; from in any manner interfering with the Department or the conduct of these proceedings; from the removal, concealment or other disposition of

the property, books, records, and accounts of, or directly or indirectly relating to, the Respondent; from the commencement or prosecution of any actions against the Respondent, or the obtaining of preferences, judgments, writs of attachment or execution against Respondent or its property or assets.

5. Respondent and its parent corporation, its subsidiaries, or affiliated persons controlled by either Respondent or the parent corporation shall make all books, documents, accounts, records, and affairs, which either belong to or pertain to the Respondent, available for inspection and examination by the Department during normal business hours (9:00 a.m. to 5:00 p.m.) Monday through Friday, from of the date of this order.

6. Any officer, director, manager, trustee, agent, adjuster, employee, or independent contractor of Respondent and any other person who possesses any executive authority over, or who exercises any control over, any segment of the affairs of Respondent shall fully cooperate with the Department as required by Section 631.391, Florida Statutes.

NOTICE OF AUTOMATIC STAY

7. Notice is hereby given that, pursuant to Section 631.041(1), Florida Statutes, the filing of the Department's Petition for Order to Show Cause herein operates as an automatic stay applicable to all persons and entities, other than the Department, 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 that a secured claim as defined in s. 631.011(17) may proceed under s. 631.191 after the order of liquidation is entered;
- e. Any act to collect, assess or recover a claim against the insurer, except claims as provided for under Chapter 631;
- f. The setoff or offset of any debt owing to the insurer except offsets as provided in Section 631.281, Florida Statutes.

8. Pursuant to Section 631.011(2), Florida Statutes, nothing in this Order shall be interpreted to limit any powers granted the Department of Insurance by Florida Statutes.

9. This Order shall remain in effect until a further order in the formal delinquency proceeding is entered, until the hearing scheduled above, or until otherwise modified by the Court.

ORDERED in Chambers at the Leon County Courthouse, Tallahassee, Leon County, Florida, this 16 day of March, 1993, at 4:15 o'clock P.m.

STATE OF FLORIDA, COUNTY OF LEON

I HEREBY CERTIFY that the above and foregoing is a true and correct copy of an instrument recorded in the official records of Leon County, Florida. ^{at}
WITNESS my hand and seal of office this 16 day
of March, 1993.

J.S. Reynolds, Jr.
CIRCUIT COURT JUDGE

DAVE LANG
Clerk of Circuit Court



Sean W. Mack

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

CASE NO.: 93-1071

STATE OF FLORIDA, ex. rel., the
DEPARTMENT OF INSURANCE OF
THE STATE OF FLORIDA,

Relator,

vs.

UNION GENERAL INSURANCE COMPANY,
a Florida corporation authorized
to transact an insurance
business in Florida,

Respondent.



**AMENDED ORDER TO SHOW CAUSE, TEMPORARY
INJUNCTION AND NOTICE OF AUTOMATIC STAY**

THIS CAUSE was considered on the Petition of the Department of Insurance for an Order to Show Cause on the appointment of a Receiver of UNION GENERAL INSURANCE COMPANY for purposes of liquidation. Judge Reynolds entered an Order to Show Cause, Temporary Injunction, and Notice of Automatic Stay on March 16, 1993, with the understanding that the date for a hearing on the appointment of receiver would need to be changed to an appropriate date on the calendar of the assigned judge, Judge Steinmeyer.

It is therefore, **ORDERED** and **ADJUDGED** as follows:

The first sentence of Paragraph 1 on the second page of the Order to Show Cause is amended to read as follows:

1. UNION GENERAL INSURANCE COMPANY (herein "Respondent"), shall appear before the Honorable F.E.

Steinmeyer III, Circuit Court Judge, in Chambers, 331-A, Leon County Courthouse, Tallahassee, Florida, at 1:30 p.m., on April 26, 1993 to show good cause, if any, why the Department of Insurance of the State of Florida should not be appointed Receiver of Respondent for the purpose of liquidation in accordance with Chapter 631, Part I, Florida Statutes.

All other provisions of the Order to Show Cause, Temporary Injunction, and Notice of Automatic Stay shall remain in full force and effect.

ORDERED in Chambers at the Leon County Courthouse, Tallahassee, Leon County, Florida, this 19th day of March, 1993.



F.E. STEINMEYER, III
CIRCUIT COURT JUDGE

STATE OF FLORIDA, COUNTY OF LEON
I HEREBY CERTIFY that the above and foregoing is a true and correct copy of an instrument recorded in the official records of Leon County, Florida.
WITNESS my hand and seal of office this 24
of March, 1993.



DAVE LANG
Clerk of Circuit Court

by Danielle Shuford

