

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

CIVIL ACTION NO.: 93-1071

IN RE: THE RECEIVERSHIP of
UNION GENERAL INSURANCE
COMPANY, a Florida corporation

**RECEIVER'S MOTION FOR APPROVAL OF FINAL CLAIMS REPORT, CLAIMS
DISTRIBUTION REPORT, DISTRIBUTION ACCOUNTING AND FOR ORDER
AUTHORIZING DISTRIBUTION**

THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES, as Receiver of Union General Insurance Company ("Receiver"), hereby files its Final Claims Report, Claims Distribution Report and Distribution Accounting and moves this court for an Order approving the Final Claims Report, Claims Distribution Report and Distribution Accounting and authorizing distribution in accordance with the Distribution Accounting. In support of its Motion, the Receiver says:

1. Union General Insurance Company ("Union General") was a Florida corporation previously authorized to transact insurance business in the State of Florida pursuant to Florida Statutes. On May 11, 1993, the Second Judicial Circuit Court in and for Leon County, Florida (the "Court") entered its Order Appointing the Florida Department of Insurance as Receiver for Purposes of Liquidation, Injunction and Notice of Automatic Stay. On January 7, 2003, the Florida Department of Insurance became a part of the Florida Department of Financial Services.

2. This Court has jurisdiction of the Union General receivership and is authorized to enter all necessary and/or proper orders to carry out the purpose of the Florida Insurers Rehabilitation and Liquidation Act. Section 631.021(1), Florida Statutes.

3. The Receiver's Final Claims Report (in electronic form as a compact disc) marked as Exhibit "A," is attached hereto and by reference made a part hereof. For the Court's

convenience, a paper copy of the summary totals from the Final Claims Report is attached as Exhibit "B." This report reflects classification of filed claims by priority in accordance with Section 631.271, Florida Statutes, and the claims filing deadline. This report also incorporates the resolution of all timely filed objections and claimant information updates. Future claimant information updates resulting from the distribution process will be incorporated into the Receiver's database.

4. With the approval of the Receiver's Final Claims Report and the collection of all known assets in the receivership, the Receiver is now in the position to make a distribution of receivership assets. Said assets will be distributed to all classes of claimants in accordance with the Claims Distribution Report dated July 5, 2006, which is attached hereto (in electronic form as a compact disc) as Exhibit "C." For the Court's convenience, a paper copy of the summary totals from the Claims Distribution Report is attached as Exhibit "D". The Claims Distribution Report lists all claims where an approved amount has been recommended in the Final Claims Report and is in accord with Section 631.271, Florida Statutes.

5. Based upon the Distribution Accounting projected as of June 30, 2006, which is attached hereto as Exhibit "E," the Receiver is prepared to make a distribution of \$4,035,320.78 to all claimants in classes 1-3 based on a calculated distribution of 100% of the amount approved by the Court. The Receiver has previously, pursuant to orders of this court, made two early access payments to the Florida Insurance Guaranty Association totaling \$8,119,303.84. The proposed distribution and the previous early access payments to the Florida Insurance Guaranty Association together represent a pro-rata distribution of 100% of the recommended claim amount for all claims in classes 1, 2 and 3. The final pro-rata calculation and the amount distributed may have a slight variance due to rounding at the time of check processing.

6. In accordance with the Distribution Accounting, the sum of \$518,882.03 shall be reserved for further claims payments and the Receiver's costs of distribution. This is a projected sum and any adjustments to this sum will be made in the discharge accounting.

7. The Receiver recommends that the Final Claims Report, Claims Distribution Report and Distribution Accounting be approved.

8. Despite the Receiver's best efforts, some approved claims have inadequate current address information, and/or have not provided the Receiver with a form W-9, required by the Internal Revenue Service. The Receiver asks for authority to remit the funds due these claimants to the Abandoned Property Bureau of the Department of Financial Services.

WHEREFORE, the Receiver respectfully requests this Court grant its Motion and enter an Order approving the Final Filed Claims Report, Claims Distribution Report and Claims Distribution Accounting, directing the Receiver to make the above referenced distribution to claimants in this receivership.

DATED this 21st day of July, 2006.



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