

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

In re: THE RECEIVERSHIP of
SUNRISE HEALTHCARE PLAN, INC.,
a Florida corporation

CIVIL CASE NO.: 1997 CA 2829

**RECEIVER'S MOTION FOR ORDER APPROVING DISCHARGE ACCOUNTING
STATEMENT, DIRECTING FINAL DISCHARGE
AND AUTHORIZING DESTRUCTION OF OBSOLETE RECORDS**

THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES, as Receiver of Sunrise Healthcare Plan, Inc. ("Receiver"), hereby files its Discharge Accounting Statement and moves this court for an Order directing final discharge of the estate and authorizing the destruction of obsolete records. In support of its Motion, the Receiver says:

1. Sunrise Healthcare Plan, Inc. ("Sunrise") was a Florida corporation previously authorized to transact the business of a health maintenance organization in the State of Florida pursuant to Chapter 641, Florida Statutes. On August 11, 1997, the Second Judicial Circuit Court in and for Leon County, Florida ("Court"), entered its Order Appointing the Florida Department of Insurance as Receiver for Purposes of Liquidation, Injunction and Notice of Automatic Stay ("Order"). On January 7, 2003, the Florida Department of Insurance became a part of the Florida Department of Financial Services.

2. This Court has jurisdiction over the Sunrise Receivership and is "authorized to make all necessary or proper orders to carry out the purposes of the Florida Insurers Rehabilitation and Liquidation Act." Section 631.021(1), Florida Statutes.

3. On November 15, 2012, this Court entered an Order Approving Receiver's Claims Distribution Report and Distribution Accounting and Authorizing Distribution.

4. After obtaining the November 15, 2012 Order authorizing the distribution, the Receiver made a distribution in accordance with the order. After the final distribution, the Receiver has made distributions of 100% on class 1 and 2 and 27.8951% on approved non-HMOCAP class 6 claims. There were no class 3-5 claims in the Sunrise estate.

5. A certain number of the final distribution checks (for a total of \$862,750.21) were not cashed prior to the expiration date and remain unclaimed. After a diligent search to locate the claimants due these funds, the Receiver will compile an unclaimed property report pursuant to Section 717.117, Florida Statutes that lists those claimants the Receiver could not locate along with each claimant's corresponding unclaimed distribution amount.

6. The Receiver plans to transfer said unclaimed funds to the Department of Financial Services as "unclaimed property" pursuant to Section 717.119, Florida Statutes.

7. The Receiver's *Discharge Accounting Statement – Projected as of May 2013* (the "Discharge Accounting") is attached hereto and made a part hereof as Exhibit "A."

8. As shown in the *Discharge Accounting*, the estimated value of all assets of the Sunrise receivership estate is projected to be \$867,180.37 as of May 2013. The Receiver will forward \$862,750.21 to the Department of Financial Services as "unclaimed property."

9. The Receiver requests authority to retain \$3,000.00 as a reserve for "wind up" expenses of the Receivership.

10. The Receiver receives an annual budget from the State of Florida's Insurance Regulatory Trust Fund ("Regulatory Trust Fund"), which funds a portion of the Receiver's costs and expenses of administration. The Receiver funds the majority and remainder of its budget from the open receiverships it supervises. The portion funded by the Regulatory Trust Fund supports several state funded positions within the Receiver and includes their direct labor and a

portion of the Receiver's overhead. Each receivership estate is charged a portion of these state funded costs (recorded as Contributed Equity) and expenses based on certain allocation formulas. It is the Receiver's policy to reimburse the Regulatory Trust Fund, when possible, for Contributed Equity. The reimbursement is made as a distribution of the Receiver's costs and expenses of administration, as well as the claims of state and local governments pursuant to Florida Statute §631.271. The projected Contributed Equity for Sunrise as of May 31, 2013 is calculated at \$142,832.28.

11. After the Receiver transfers the funds discussed above to the Department of Financial Services as "unclaimed property" and pays all of the Receiver's "wind up" expenses, it is estimated that there will be approximately \$1,430.16 remaining in the estate. The Receiver requests the authority to transfer the actual remaining amount to the Regulatory Trust Fund pursuant to the Receiver's policy for reimbursing Contributed Equity and Florida Statute §631.271.

12. Upon approval of the Receiver's request for final discharge, the records of the Sunrise receivership estate will no longer be needed, and it will be necessary to dispose of the obsolete company records. This request is in direct compliance with Article 1, Section 24, Florida Constitution, Chapters 119 and 257, Florida Statutes, and Chapters 1B-24 and 1B-26.003, Florida Administrative Code.

13. Although such recovery is unlikely, the Receiver requests an order authorizing the Division of Rehabilitation and Liquidation to remit to the Regulatory Trust Fund any assets which may be recovered following the discharge of this receivership if, in the Division's sole discretion, the value of the recovered assets does not justify the reopening of this receivership estate.

14. The Receiver requests an Order that it shall be fully and finally discharged of its responsibilities in this Receivership.

WHEREFORE, the Receiver respectfully requests this Court grant its Motion and enter an Order:

A. Authorizing and directing the Receiver to transfer unclaimed funds to the Department of Financial Services as “unclaimed property” pursuant to Section 717.119, Florida Statutes;

B. Approving and adopting the Receiver's Discharge Accounting Statement;

C. Authorizing and directing the Receiver to retain \$3,000.00 as a reserve for "wind up" expenses of the Receiver. Any surplus remaining from the \$3,000.00 shall be paid to the Regulatory Trust Fund;

D. Authorizing and directing the Receiver to transfer the funds remaining in the estate (approximately \$1,430.16) to the Regulatory Trust Fund;

E. Authorizing the Receiver, after final discharge, to destroy any obsolete records in the Receiver's possession; and

F. Directing, without further order of this Court, the final discharge of the Receiver of its responsibilities in this receivership estate as of 12:01 a.m. on May 15, 2013.

G. Although such recovery is unlikely, authorizing the Division of Rehabilitation and Liquidation to remit to the Regulatory Trust Fund any assets which may be recovered following the May 15, 2013 discharge of this receivership estate if, in the Division's sole discretion, the value of the recovered assets does not justify the reopening of this receivership.

DATED this 2nd day of May, 2013.

A handwritten signature in black ink, appearing to read 'Eric S. Scott', written over a horizontal line.

ERIC S. SCOTT, Senior Attorney
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Sunrise Healthcare Plan, Inc.
Discharge Accounting Statement
Projected for Discharge in May 2013

ASSETS

	<u>Amount</u>	
Cash	\$ 867,180.37	Schedule A
Total Assets	<u>\$ 867,180.37</u>	

LIABILITIES

	<u>Recommended Disbursement</u>	
Florida Dept. Financial Services Bureau of Unclaimed Property - Uncashed Distribution Checks	\$ 862,750.21	
Total Liabilities	<u>\$ 862,750.21</u>	

WINDUP SUMMARY

Funds Available for Windup Expenses	4,430.16	
Projected Windup Expenses	<u>(3,000.00)</u>	Schedule D
Balance (Any Remaining Funds to the Florida Insurance Regulatory Trust Fund)	<u>1,430.16</u>	

Index to Attached Schedules:

- Schedule A - Available Cash Projection
- Schedule B - Allocated State Funds Expensed
- Schedule C - Interest Earnings Projection
- Schedule D - Receiver Windup Expenses
- Schedule E - Contributed Equity and Advances from the Regulatory Trust Fund

Sunrise Healthcare Plan, Inc.
Available Cash Projection
Projected for Discharge in May 2013

	Cash Balance as of March 31, 2013	Apr-13	May-13
Beginning Cash Balance		\$ 868,510.37	\$ 867,345.37
Outstanding Distribution Checks Voided			
Sub-total		<u>0.00</u>	<u>0.00</u>
Direct Receiver Expenses			
Storage, Utilities, Postage, Misc.		150.00	150.00
Sub-total		<u>150.00</u>	<u>150.00</u>
Allocated Receiver Expenses			
Labor & Benefits		1,000.00 ¹	1,000.00 ¹
Indirect Expenses		15.00 ²	15.00 ²
Sub-total		<u>1,015.00</u>	<u>1,015.00</u>
Cash Balance Before Interest Earnings		<u>867,345.37</u>	<u>866,180.37</u>
Interest Earnings			
Actual interest earned on SPIA APR on the previous month's average Pooled Cash			
Estimate based on assumed SPIA APR on the previous month's average Pooled Cash			1,000.00
Ending Cash Balance	<u>\$ 868,510.37</u>	<u>\$ 867,345.37</u>	<u>\$ 867,180.37</u>

Assumptions for Allocated Receiver Expenses:

¹ Labor & Benefits: This estimate is based on the March actual as there is minimal activity remaining for discharge.

March Actual	<u>953.07</u>
March Actual (Rounded)	<u>1,000.00</u>

² Indirect Expenses: This estimate is Sunrise's estimated pro rata share of the Receiver's estimated total indirect expenses. The pro rata share calculation is based on Sunrise's estimated total assets divided by the Receiver's estimated total assets for all receiverships.

Estimated Total Asset %	0.01%
Estimated Total for the Receiver	\$ 150,000.00
Estimated Expense	<u>\$ 15.00</u>

Note (1): Per the Receiver's Policy R3-6.11, Advance from Regulatory Trust Fund, this amount will be recorded as a liability and will be reimbursed prior to making distribution for any other claimants.

Sunrise Healthcare Plan, Inc.
Allocated State Funds Expensed (Contributed Equity)
Projected for Discharge in May 2013

	<u>April-13</u>	<u>May-13</u>	<u>Totals</u>
Estimated Accrual of Allocated State of Florida Expenses			
Labor & Benefits	\$ 100.00 ¹	\$ 100.00 ¹	\$ 200.00
Indirect Expenses	-	-	\$ -
Total Estimated State of Florida Expenses	<u>\$ 100.00</u>	<u>\$ 100.00</u>	<u>200.00</u>

Assumptions for Allocated State of Florida Expenses:

¹ Labor & Benefits: This estimate is based on the March actual as there is minimal activity remaining for discharge.

March Actual	<u>99.39</u>
March Actual (Rounded)	<u>100.00</u>

² Indirect Expenses: This estimate is Sunrise's estimated pro rata share of the Receiver's estimated total indirect expenses. The pro rata share calculation is based on Sunrise's estimated total assets divided by the Receiver's estimated total assets for all receiverships.

Estimated Total Asset %	0.01%
Estimated Total for the State	<u>\$ 15,000.00</u>
Estimated Expense (rounded)	<u>\$ -</u>

Sunrise Healthcare Plan, Inc.
Interest Earnings Projection
Projected for Discharge in May 2013

Interest accrued for April 2013

Beginning cash balance at 4/1/2013	\$ 868,510.37
Ending cash balance at 4/30/2013	867,345.37
Average cash balance for April	867,927.87
Assumed SPIA interest rate (Annualized)	1.00%
Subtotal (Annualized)	8,679.28
Accrual for April (Rounded)	<u>\$ 1,000.00</u>

Interest accrued for May 2013

Beginning cash balance at 5/1/2013	\$ 867,345.37
Ending cash balance at 5/31/2013	867,180.37
Average cash balance for May	867,262.87
Assumed SPIA interest rate (Annualized)	1.00%
Subtotal (Annualized)	8,672.63
Accrual for May (Rounded)	<u>\$ 1,000.00</u>

Sunrise Healthcare Plan, Inc.
Receiver Windup Expenses
Projected for Discharge in May 2013

Windup Expenses (Projected)	
Records storage, records destruction, bank fees	\$ 3,000.00
tax returns for 2012 & 2013	
Total	<u>\$ 3,000.00</u>

Sunrise Healthcare Plan, Inc.
Statement of Contributed Equity and Advances from Regulatory Trust Fund Estimated Balances
Projected for Discharge in May 2013

I. Contributed Equity Balance as of 3/31/13	\$ 142,632.28
April - May 2013 Accrual (Estimate from Schedule B)	<u>\$ 200.00</u>
Total	<u>\$ 200.00</u>
Projected Contributed Equity Balance as of 5/31/13	<u><u>\$ 142,832.28</u></u>