

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

IN RE: THE RECEIVERSHIP OF
UNITED SOUTHERN ASSURANCE COMPANY

CASE NO.: 97-5297

**RECEIVER'S MOTION FOR APPROVAL OF SECOND INTERIM CLAIMS REPORT
AND RECOMMENDATIONS ON CLAIMS**

The Florida Department of Financial Services, as Receiver of United Southern Assurance Company, files herewith the Receiver's Second Interim Claims Report and says:

1. United Southern Assurance Company ("USAC") was a Florida corporation previously authorized to transact the business of a property and casualty insurance company in the State of Florida pursuant to Chapter 641, Florida Statutes. On September 18, 1997, the Second Judicial Circuit Court in and for Leon County, Florida ("Court"), entered its Consent 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 USAC receivership estate 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. In accord with the Court's Order and Section 631.182, Florida Statutes, the Receiver compiled a First Interim Claims Report consisting of the Receiver's recommendations on the Class one through Class two claims in the USAC receivership estate. The Receiver filed its Motion for Approval of First Interim Claims Report and Recommendations on Claims on March 2, 2012, and on March 6, 2012, the Court entered its Order approving the Receiver's motion.

4. The Receiver has now compiled a Second Interim Claims Report (the "Report") consisting of the Receiver's recommendations on 194 of the non-Guaranty Association Class 2 claims and on 122 of the non-Guaranty Association Class 3 claims. Part A of the Report shows that the gross number of filed claims for these non-Guaranty Association claimants is 316 for a total amount claimed of \$6,728,045.65. These 316 claims represent the claims of the USAC policyholders in other states and were reported as Class 6 claims in the First ICR. Subsequent to the filing of the First ICR, the Receiver reviewed its application of Section 631.191, Florida Statutes, after determining that early access agreements had been executed between the Receiver and the guaranty associations of states from which these policyholders resided. The Receiver concluded that these 316 claims should be properly reclassified to Class 2 or 3 claims, as appropriate, in this Second ICR. The total amount recommended by the Receiver is \$36,440.46.

5. As noted in the Receiver's Motion for Approval of First Interim Claims Report, due to the limited assets in the USAC estate, only claims filed in Classes one and two were evaluated as to money. In the event that funds become available to make a distribution beyond Class two claims, the Receiver will file further evaluation reports.

6. Under Section 631.181(2), Florida Statutes, claimants are entitled to notice of the Receiver's recommendations on their claim and the deadline for filing objections. The Receiver will incorporate any claimant information updates resulting from this notice mailing into its database. A sample copy of the "Notice of Determination" is attached hereto as Exhibit "A."

7. In order to assure the validity of claim assignments, to assure that the processing of assignments does not create an undue burden on estate resources, and to assure that assignment decisions are made using the best information available, the Receiver shall not

recognize or accept any assignment of claim by the claimant of record unless the following criteria are met:

A. A distribution petition has not been filed with this Court;

B. The Receiver has been provided with a properly executed and notarized assignment of claim agreement entered into between the parties; and

C. The Receiver has been provided with a properly executed and notarized Receiver's Assignment of Claim Change Form and required supporting documentation.

8. The Receiver's Assignment of Claim Change Form shall contain an acknowledgment by the claimant, or someone authorized to act on behalf of the claimant, that:

A. The claimant is aware that financial information regarding claims distributions and payments published on the Receiver's website or otherwise available can assist the claimant in making an independent and informed decision regarding the sale of the claim;

B. The claimant understands that the purchase price being offered in exchange for the assignment may differ from the amount ultimately distributed in the receivership proceeding with respect to the claim;

C. It is the claimant's intent to sell his/her claim and have the Receiver's records be permanently changed to reflect the new owner; and

D. The claimant understands that he/she will no longer have any title, interest, or rights to the claim including future mailings and distributions if they occur.

9. The Receiver will establish the deadline for claimants to file an objection with the Court. Such deadline will not be less than forty-five (45) days from the date of this Court's order granting approval of the Report. The Receiver has a procedure for dealing with late-filed

objections. For any objection filed after the deadline, the Receiver will send a letter to the claimant advising the claimant that their objection was not filed in compliance with Florida Statutes and this Court's Order and, therefore will not be handled as a filed objection. A copy of this letter will be filed with the Court.

10. The Receiver requests that its recommendations be approved unless an objection is filed thereto within the deadline set by the Court.

WHEREFORE, the Receiver moves this Court for entry for an Order:

A. Authorizing and directing the Receiver to provide notice to each claimant, as herewith reported to the Court, of the Receiver's recommendations regarding their claim, by U.S. Mail to the last known address of such persons, as shown in the Receiver's files.

B. Authorizing and directing the Receiver to establish an objection filing deadline that is not less than forty-five (45) days from the date of this Court's order granting approval of the Report.

C. Directing all persons who have filed claims, as herewith reported to the Court, to file any objection that they may have to the Receiver's Report with the Clerk of this Court on or before 11:59 p.m. on the objection filing deadline at:

Clerk of the Leon County Circuit Court
Leon County Courthouse
301 S. Monroe Street
Tallahassee, FL 32301

and requiring that a copy of said objection be served on the Receiver at:

The State of Florida Department of Financial Services
As Receiver of United Southern Assurance Company
Division of Rehabilitation & Liquidation

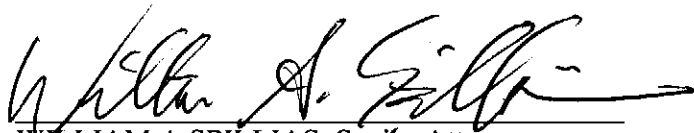
2020 Capital Circle SE, Suite 310
Tallahassee, FL 32301

D. Requiring any persons filing objections to submit documentation to support their claim and declaring that the Court will not consider any information or documentation submitted after the objection is filed.

E. Approving the Receiver's procedure for addressing late-filed objections.

F. Finally, approving the Receiver's recommendations contained in Receiver's Second Interim Claims Report for which no objections are filed.

DATED this 15th day of January, 2013.



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Division of Rehabilitation and Liquidation
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Tallahassee, Florida 32301
(850) 413-4408 - Telephone



FLORIDA DEPARTMENT OF FINANCIAL SERVICES, RECEIVER
«company»
 January 11, 2013
NOTICE of DETERMINATION

RCN: «CD_COMPANY» «ID_NO»-«SUFFIX»
 «FULLNAME»
 «ADDRESSLINE2»
 «ADDRESSLINE1»
 «city» «state» «ZIPCODE»

IDENTIFICATION NUMBER: «cd_company» «id_no»-
 «suffix»
 INSURED: «policyhold»
 POLICY NUMBER: «policy_no»
 CLAIM NUMBER: «claim_no»
 AMOUNT CLAIMED: «amt_claimd»
 AMOUNT RECOMMENDED CLAIMANT: «AMT_DUE_CL»
 CLASS: «class»

THIS IS NOT A BILL

THIS IS NOT A BILL

RE: «COMPANY»

Civil Action: «CASE_NO»

OBJECTION FILING DEADLINE: ?filing deadline?

THIS IS NOT A BILL. The purpose of this Notice of Determination is to inform you of the Receiver's report of its final recommendations to the Circuit Court concerning the classification and amount on a claim filed by you or on your behalf against the Receivership Estate of «COMPANY». A copy of the court order reflecting approval of these recommendations can be obtained at www.MyFloridaCFO.com/Receiver.

The Receiver has evaluated Class 1 through Class 2 claims submitted in the estate of «COMPANY» and is recommending the amount on the line reading "Amount Recommended Claimant." The Receiver's "Class" or "Priority" of your claim will affect the amount you may receive. **Please be advised that the assets in the Receivership estate of «COMPANY» are not sufficient to fund a distribution payment to all claimants. In fact, the Receiver does not anticipate a distribution to any claimants beyond Class 2.** No claims in Class 3 through Class 11 were evaluated. Therefore, if your class has been identified as Class 3 through Class 11, you will not see any amount on the line reading "Amount Recommended Claimant". Florida Statute 631.271, "Priority of Claims", defines the classification of claims being reported to Court. Florida Statute 631.271, "Priority of Claims" can be obtained at www.MyFloridaCFO.com/Receiver.

If you agree with the amount recommended and the class/priority, no further action on your part is necessary.

If you object to the recommended amount or to the assigned class of your claim, YOU MUST FILE YOUR WRITTEN OBJECTION WITH BOTH THE RECEIVER (ADDRESS BELOW) AND THE CLERK OF COURT AT:

CLERK OF THE LEON COUNTY CIRCUIT COURT
 LEON COUNTY COURTHOUSE
 301 S. MONROE STREET
 TALLAHASSEE, FLORIDA 32301

YOUR OBJECTION MUST BE FILED (RECEIVED) BY ?filing deadline?. IT IS SUGGESTED THAT YOU SEND YOUR OBJECTION BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED. **LATE FILED OBJECTIONS WILL NOT BE CONSIDERED.**

The objection procedure is:

1. At the top of your statement, include the following information: The Civil Action Number noted above, your identification number noted above, and your correct address and telephone number. State in detail all legal and factual reasons for your objection.
2. Attach a copy of this notice and any documentation to support your objection. By order of the Court, all documentation must be filed with your objection.
3. File the original with the Clerk of Court, file a copy with the Receiver, and keep a copy for yourself.
4. If your objection cannot be resolved, a hearing will be scheduled before the Circuit Court, Leon County, Florida.

FLORIDA DEPARTMENT OF FINANCIAL SERVICES, RECEIVER
«company»
 2020 CAPITAL CIRCLE, S. E., SUITE 310
 TALLAHASSEE, FLORIDA 32301
 Website: www.MyFloridaCFO.com/Receiver
 Telephone: 850-413-3081, Toll Free: 800-882-3054, Facsimile: 850-413-3992

**FLORIDA DEPARTMENT OF FINANCIAL SERVICES, RECEIVER
«company»**

DISTRIBUTION INFORMATION

Distribution of estate funds to claimants will be made in accordance with the priority schedule set forth in Section 631.271, Florida Statutes. All approved claims are organized and paid by priority with a Class 1 claim designated as the highest priority to a Class 11 claim considered the lowest priority. All approved claims in a class must be paid in full before any payment is made to the next class. If the next lower priority class does not have sufficient funds to be paid in full, all approved claims in that class are paid in equal pro rata shares. Therefore, depending on the assets available for distribution, you and other claimants in your classification may only receive a percentage of the amount recommended on your claim (i.e. 25% pro rata share distribution of funds in your class equals 25 cents on the dollar). Further information on the current and projected financial condition of «COMPANY» can be found at www.MyFloridaCFO.com/Receiver or the Global Receivership Information Database (GRID) website at www.naic.org.

As part of its duties, the Receiver must investigate, collect and convert all company assets into cash, prioritize and value claims, and resolve all objections to the results of the Receiver's evaluations. This process usually takes several years to complete. Distributions to claimants are made only if/when sufficient funds become available and the Court has approved the distribution. We cannot currently estimate if/when a payment may be made. Your patience in this process is appreciated.

CLAIMANT INFORMATION

If a distribution is made, the payee(s) name(s) on the claim check will be the same as the name(s) appearing on the front of this form. If the information on this form, including address, is incorrect, or becomes incorrect in the future, it is your responsibility to notify the Receiver and document any changes to a claimant's name or address. Information on how to submit a change is available at www.MyFloridaCFO.com/Receiver

Some non-confidential information (i.e., certain claimant names, addresses and recommended claim information) is compiled by the Receiver and filed with the Court in order to make recommendations regarding the value and class of claims. This information is available to consumers as a public record in accordance with Article I, Section 24 of the Florida State Constitution and Chapter 119, Florida Statutes, and may be accessed through the court files of this receivership or via the Receiver's website.

IMPORTANT INFORMATION: You may be contacted by outside third parties who may offer to purchase your claim in exchange for the transfer of your rights to a distribution, if any, in the future. Please be advised that the Receiver is not in any way affiliated with third party purchasers of claims and cannot advise or counsel individual claimants with respect to any potential distribution amounts or assist a claimant in the personal decision to sell their claim to an outside third party. All available information on the current and projected financial condition of «COMPANY» may be found at www.MyFloridaCFO.com/Receiver or the Global Receivership Information Database (GRID) website at www.naic.org.

<p>FLORIDA DEPARTMENT OF FINANCIAL SERVICES, RECEIVER «company» 2020 CAPITAL CIRCLE, S. E., SUITE 310 TALLAHASSEE, FLORIDA 32301 Website: www.MyFloridaCFO.com/Receiver Telephone: 850-413-3081, Toll Free: 800-882-3054, Facsimile: 850-413-3992</p>

From: noreply@myflcourtagency.com
To: [Spillias, Will](#); [Mikler, Nikeva](#)
Subject: Filing Received
Date: Tuesday, January 15, 2013 11:50:33 AM

Dear William A Spillias:

This email verifies the receipt of 1 document submitted by you to Leon Circuit Civil division on 01/15/2013 11:50:31 AM.

Case Number: 371997CA005297XXXXXX

The E-Portal reference number of this filing is: 618676. Please reference this Filing # in any correspondence.

We will notify you when processing is complete.

This is a non-monitored email. Do not reply directly to it. If you have any questions about this filing please contact the Leon Circuit Civil division.

Thank you,
Florida Courts eFiling Portal Staff