



## **NOTICE TO AGENT OR BROKER - DECEMBER 15, 2004**

### **REGARDING LIQUIDATION OF AMERICAN SUPERIOR INSURANCE COMPANY**

The Second Judicial Circuit Court in Leon County, Florida, placed American Superior Insurance Company ("American Superior") into receivership for purposes of liquidation on December 15, 2004. The Florida Department of Financial Services is the court appointed Receiver of American Superior. A copy of the *Order Appointing the Florida Department of Financial Services as Receiver for Purposes of Liquidation, Injunction and Notice of Automatic Stay* (the "Liquidation Order") is available at the Receiver's website, [www.floridainsurancereceiver.org](http://www.floridainsurancereceiver.org).

The Receiver sent a written notice to all known agents of American Superior informing them of the liquidation and their statutory responsibilities to the American Superior policyholders as a result of the company's insolvency. A sample copy of this December 15, 2004 letter to agents is also available at the Receiver's website, [www.floridainsurancereceiver.org](http://www.floridainsurancereceiver.org). As an agent, you are advised that the Liquidation Order significantly affects the company's policyholders and legally imposes certain obligations on you.

In addition to the notice sent to Agents, the Receiver mailed approximately 60,000 notices to the known policyholders and claimants of American Superior informing them of replacement insurance coverage that may be available to them through North Pointe Casualty Insurance Company.

Policyholders of American Superior may have questions regarding their rights and responsibilities as a result of the receivership. As you are an agent of record, the Florida Department of Financial Services, as Receiver of American Superior, expects your assistance in responding to the issues raised by the policyholders.

**As agent for American Superior, you are also expected to provide a written notice of the receivership pursuant to Section 631.341, Florida Statutes, to policyholders whose policy has not been replaced or reinsured in a solvent authorized insurer. A copy of Section 631.341, Florida Statutes, is found at the end of this notice. When providing notice of the liquidation to American Superior's policyholders, you should also inform them that the claims filing deadline for filing a claim in the American Superior Receivership is December 1, 2005.**

### **POLICY CANCELLATION:**

**In accordance with the terms of the Liquidation Order, all policies are cancelled 11:59 p.m. on January 14, 2005, unless otherwise cancelled earlier in the normal course of business. Specifically, paragraph 38, on page 9 of the Liquidation Order provides that:**

Pursuant to the provisions of Section 631.252, Florida Statutes, all policies of insurance or similar contracts of coverage that have not expired are canceled effective at 11:59 p.m. as of January 14, 2005. Policies or contracts of coverage with normal expiration dates prior to the dates otherwise applicable under this paragraph, or which are terminated by

insureds or lawfully canceled by the Receiver or insurer before such date, shall stand canceled as of the earlier date.

**OFFER OF REPLACEMENT INSURANCE COVERAGE (NORTH POINTE OFFER):**

In order to assist American Superior policyholders, the Department of Financial Services has arranged with North Pointe Casualty Insurance Company (“North Pointe”) to provide an offer of replacement insurance coverage to the American Superior policyholders. North Pointe is an authorized insurer in Florida and has an A.M. Best rating which meets the requirements of most mortgage lenders. The Receiver and North Pointe have sent letters to all known policyholders informing them of how they may take advantage of the North Pointe offer. At this time, North Pointe is able to offer immediate replacement insurance coverage to policyholders with *no* property damage to their homes. However, North Pointe will only be able to offer insurance coverage to policyholders with property damage upon receipt of evidence that the home repairs have been completed. In the interim, the Receiver has *strongly* urged policyholders with property damage to work with their agents in seeking replacement insurance coverage or, in the event that no other coverage is available, in obtaining temporary, limited coverage through the Citizen’s Property Insurance Corporation as soon as possible.

North Pointe has agreed to provide a limited appointment to all American Superior agents in connection with their program to provide replacement coverage. Agents are asked to contact North Pointe at 1-800-690-8115 if they have questions regarding this offer.

**CLAIMS ISSUES:**

With the entry of the Liquidation Order, the Florida Insurance Guaranty Association (“FIGA”) has been activated to help pay outstanding claims subject to a \$100 deductible and a \$300,000 limitation per claim. FIGA will also provide continued insurance coverage to policyholders until the cancellation of the policies per the referenced provision of the Liquidation Order.

Claimants who need to check on the status of an existing claim should call the Florida Insurance Guaranty Association (FIGA) at 866-928-4312. Consumers who need to report a new claim may contact FIGA at 866-928-4312, contact their agent or follow the claims reporting directions on the company’s website at [www.americansuperior.com](http://www.americansuperior.com).

All policyholders should be informed that the deadline for filing claims in the American Superior Receivership is December 1, 2005. Proof of Claims forms will be available to potential claimants in early 2005.

**PREMIUM ISSUES:**

In accordance with Section 631.155, Florida Statutes, and paragraph 28, on page 6 of the Liquidation Order, all premiums and commissions you collected on behalf of American Superior must be accounted for and paid directly to the Receiver upon demand within 20 days. No agent, broker or premium finance company may use premium monies owed to American Superior for refund of unearned premium or any purpose other than payment to the Receiver. Violation constitutes contempt of Court. You have the right to appear before the Court and show cause if you feel that you are not required to account to the Receiver.

**Until further notice, please remit premiums and unearned commissions to American Superior at the following address:**

**Receiver of American Superior Insurance Company  
PO Box 0817  
Miami, FL 33152-0817**

**CONTACTING THE RECEIVER:**

Please contact the Receiver at (800) 882-3054 if you have any non-claims related questions regarding the receivership (for claims questions, please refer to the phone numbers provided under Claims Issues). You may also contact the Florida Department of Financial Services, as Receiver, by using the “Contact Us” form at the Receiver’s website, [www.floridainsurancereceiver.org](http://www.floridainsurancereceiver.org).

**Section 631.341, Florida Statutes (2004)**

*631.341 Notice of insolvency to policyholders by insurer, general agent, or agent.—*

*(1) The receiver shall, immediately after appointment in any delinquency proceeding against an insurer in which the policies have been canceled, give written notice of such proceeding to each general agent and licensed agent of the insurer in this state. Each general agent and licensed agent of the insurer in this state shall forthwith give written notice of such proceeding to all subagents, producing agents, brokers, and service representatives writing business through such general agent or licensed agent, whether or not such subagents, producing agents, brokers, and servicing representatives are licensed or permitted by the insurer and whether or not they are operating under a written agency contract.*

*(2) Unless, within 15 days subsequent to the date of such notice, all agents referred to in subsection (1) have either replaced or reinsured in a solvent authorized insurer the insurance coverages placed by or through such agent in the delinquent insurer, such agents shall then, by registered or certified mail, send to the last known address of any policyholder a written notice of the insolvency of the delinquent insurer.*

*(3) The license, permit, or certificate of authority of any person, firm, or corporation which fails to comply with the provisions of this section is subject to revocation as otherwise provided by law.*

*(4) If such person, firm, or corporation is not licensed or permitted or the holder of a certificate of authority under any section of this code, such person, firm, or corporation, or the officers and directors thereof, are, upon failure to comply with the provisions of this section, guilty of a misdemeanor of the first degree, punishable as provided in s. [775.082](#) or by a fine of not more than \$5,000.*

*History.--s. 750, ch. 59-205; s. 15, ch. 70-27; s. 809(1st), ch. 82-243; s. 24, ch. 83-38; ss. 187, 188, ch. 91-108; s. 4, ch. 91-429; s. 68, ch. 2002-206.*