



Division of Rehabilitation and Liquidation  
[www.floridainsurancereceiver.org](http://www.floridainsurancereceiver.org)

## **NOTICE TO POLICYHOLDER - June 14, 2006**

### **Regarding the Liquidation of Atlantic Preferred Insurance Company, Florida Preferred Property Insurance Company and Southern Family Insurance Company**

Effective June 1, 2006, the Atlantic Preferred Insurance Company, Florida Preferred Property Insurance Company, and Southern Family Insurance Company were ordered into receivership for purposes of liquidation. These companies are subsidiaries of the Poe Financial Group and are referred to together as the "Poe Insurers." The Florida Department of Financial Services is the court-appointed Receiver of the Poe Insurers. Records obtained by the Receiver indicate that you are a policyholder of one of the Poe Insurers.

#### **LIQUIDATION PLAN/CANCELLATION OF POLICIES**

**In accordance with the terms of the liquidation orders, all policies issued by the Poe Insurers are cancelled at 12:01 a.m. on July 1, 2006, unless otherwise cancelled earlier in the normal course of business. Under a court approved Liquidation Plan, however, eligible policyholders will be automatically transitioned to Citizens Property Insurance Corporation effective July 1, 2006 without the need for a new application or additional underwriting review.** Please see the enclosed Notice of Offer of Automatic Insurance Coverage from Citizens for further details regarding the Liquidation Plan and the Citizens Transition Coverage which may be available to you.

You can assist the Receiver and Citizens in making sure that you do not have any lapse in insurance coverage. Your agent is best able to advise you as to your insurance options, including your possible eligibility for Citizens Transition Coverage. Your agent can also assist you in obtaining replacement insurance coverage through another insurance company or, if necessary, a regular policy with Citizens using its applicable forms, rates, and premiums.

#### **PREMIUM PAYMENTS**

For policies with renewal dates occurring prior to July 1, 2006, please continue to make premium payments to the Poe Insurers as normal until further notice from the Receiver or Citizens.

Please do not make any payments to the Poe Insurers for premiums on policies with renewal dates occurring on and after July 1, 2006. **Policyholders with a renewal date occurring in July may be eligible for Citizens Transition Coverage, but only for a short period of time, if at all. Policyholders in this situation need to obtain replacement insurance coverage as soon as possible in order to prevent any lapse in coverage.** The Receiver has mailed refunds of any premiums previously paid for such coverage so that the affected policyholders may use the premium to obtain replacement insurance coverage with another insurance company or with Citizens.

## **CLAIMS ISSUES (FOR LOSSES INCURRED PRIOR TO JULY 1, 2006)**

With the entry of the liquidation orders, the Florida Insurance Guaranty Association (“FIGA”) has been activated to help pay outstanding claims. FIGA is a nonprofit corporation that was created by statute to provide a mechanism for the payment of claims when an insurance company is ordered liquidated.

The processing and payment of pending covered claims will be made by FIGA (subject to the lesser of policy limits or FIGA’s maximum cap). The maximum amount FIGA will cover is \$300,000 with special limits applying to (1) damages to structure and contents on homeowners claims and (2) on condominium and homeowners association claims. For damages to structure and contents on homeowners claims the FIGA cap is an additional \$200,000. For condominium and homeowners association claims the cap will be \$100,000 multiplied by the number of units in the association. No claim will be paid in excess of this cap. All claims are subject to a \$100 deductible over and above any deductible identified in the Poe Insurer’s policy.

A policyholder may file a claim in the estate of the insurance company for the \$100 deductible, for amounts over the cap, and for claims that are not covered by FIGA. Within the next few months, the Receiver will send proof of claim forms and instructions for filing a claim. In the Poe Insurers’ receiverships, the deadline for filing claims is 11:59 p.m. on June 1, 2007.

If you need to check on the status of an existing claim, please call FIGA at 1-800-746-1045 (toll-free) or 1-866-928-4310 (toll-free). Consumers who need to report a new claim may contact their agent or contact FIGA at the referenced phone numbers.

## **UNEARNED PREMIUM**

Policyholders who cancel their Poe Coverage prior to July 1, 2006 or who cancel their Citizens Transition Coverage are entitled to a pro-rata refund of the unused portion of their premiums from FIGA. Policyholders who receive Citizens Transition Coverage will not receive unearned premium. Those amounts will be paid by FIGA directly to Citizens. For those policyholders who do not transition to Citizens, FIGA will pay unearned premium claims after the Receiver completes its processing of the policy records and sends the unearned premium records to FIGA. A \$100 statutory deductible will be taken from the amount owed. FIGA will return the unearned premium as quickly as possible. Your agent may be able to best assist you with policy coverage issues, including policy cancellation issues.

## **CONTACTING THE RECEIVER**

**Additional information regarding the Poe Insurer receiverships, including responses to frequently asked questions, is available on the Receiver’s website, [www.floridainsurancereceiver.org](http://www.floridainsurancereceiver.org).** You may contact the Florida Department of Financial Services, as Receiver, by using the “Contact Us” form at the Receiver’s website. For general questions regarding the receivership, you may also contact the Receiver at 1-800-882-3054.



## **INSURANCE INFORMATION**

### **NOTICE OF OFFER OF AUTOMATIC INSURANCE COVERAGE**

You may have automatic insurance coverage with Citizens on July 1, 2006

**PLEASE READ THIS NOTICE CAREFULLY**

**ALMOST ALL POLICYHOLDERS OF THE POE INSURERS ARE  
AUTOMATICALLY COVERED BY CITIZENS, BUT SOME  
POLICYHOLDERS RECEIVING THIS NOTICE ARE NOT ELIGIBLE  
FOR AUTOMATIC INSURANCE COVERAGE**

“Citizens Transition Coverage.” A Florida court has approved a Liquidation Plan that provides transition insurance coverage from Citizens Property Insurance Corporation (“Citizens”) to Eligible Policyholders who are policyholders of Southern Family Insurance Company, Atlantic Preferred Insurance Company, and Florida Preferred Property Insurance Company (“Poe Insurers”). Citizens Transition Coverage begins July 1, 2006 at 12:01 a.m., when insurance coverage with the Poe Insurers ends.

“Eligible Policyholder”. You are an Eligible Policyholder for Citizens Transition Coverage if you are now insured by one of the Poe Insurers and your insurance is still in force up to when it is cancelled by the Court’s Liquidation Order as of July 1, 2006, unless you fall within one or more of the following categories:

- You have received an offer of insurance coverage from another Florida-licensed insurance company
- You have obtained replacement insurance coverage from another insurance company
- Your insurance coverage was cancelled by a Poe Insurer for non-payment of premium
- You request cancellation of your insurance policy with the Poe Insurer effective prior to July 1, 2006
- You have an insurance policy written on a form that Citizens does not write, specifically, flood and personal umbrella insurance
- You are a commercial lines policyholder with an aggregate building limit of \$25 million or greater (for these commercial lines policyholders, Citizens is developing a binder program to provide insurance coverage using Citizens’ regular commercial forms and premiums effective July 1, 2006)

**IF YOU ARE AN ELIGIBLE POLICYHOLDER, YOU WILL BE  
PROVIDED WITH CITIZENS TRANSITION COVERAGE,  
AUTOMATICALLY, WITHOUT ANY ACTION ON YOUR PART**

If you are an Eligible Policyholder:

- You do not need to fill out an application.
- You do not need to make an insurance premium payment, unless you still owe premium on your policy with the Poe Insurer. If you still owe premium on your current policy with the Poe Insurer, you need to pay that premium bill.
- Your Citizens Transition Coverage ends on the date that your policy with the Poe Insurer would have ended. For example, if your policy with the Poe Insurer would have ended on August 30, 2006, your Citizens Transition Coverage begins July 1, 2006 and ends August 30, 2006.
- Your Citizens Transition Coverage is on the same forms as the policy you had with your Poe Insurer. Citizens will not be issuing you a new insurance policy for your Citizens Transition Coverage. If you are an Eligible Policyholder, you may rely on this Notice and on your insurance policy with the Poe Insurer for details of your Citizens Transition Coverage.

**BEFORE THE END OF YOUR CITIZENS TRANSITION COVERAGE,  
YOU NEED TO APPLY FOR A REGULAR POLICY WITH ANOTHER  
INSURANCE COMPANY OR CITIZENS**

For example, if your Citizens Transition Coverage ends August 30, 2006 (because your policy with a Poe Insurer would have ended on August 30, 2006), you need to have a new policy with another insurance company or Citizens beginning August 30, 2006. Citizens is working with your agent to simplify the application process for you. **This Notice is the only notice you will receive from Citizens that your Citizens Transition Coverage will not be renewed.**

**BEFORE CALLING YOUR AGENT:**

For more detailed information, please go to Citizens' website at [www.citizensfla.com](http://www.citizensfla.com) and look for "**Information about the Poe Insurance Liquidations.**" If you do not have access to Citizens' website, or if you still have questions, please contact your agent.

**IMPORTANT CLAIMS INFORMATION  
– LOSSES BEGINNING JULY 1:**

Beginning on July 1, 2006, Citizens will have a special telephone number if you need to file a claim under your Citizens Transition Coverage. This number only applies to accidents and other losses occurring on and after July 1, 2006. Please do not call this number for any other purpose. The number is 866-875-8869.

**LEGAL NOTICE:**

Your Citizens Transition Coverage is subject to the terms and conditions of the Receiver's Plan of Liquidation and Transition ("Liquidation Plan") ordered by the Court on June 2, 2006 in the liquidation of the Poe Insurers, and any amendments or supplements to the Liquidation Plan.