

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

In Re: The Receivership of
FLORIDA PREFERRED PROPERTY
INSURANCE COMPANY

CASE NO. 2006-CA-001198

**RECEIVER'S MOTION FOR APPROVAL OF THE FIRST INTERIM CLAIMS
REPORT AND RECOMMENDATION ON CLAIMS**

THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES, as Receiver of Florida Preferred Property Insurance Company (hereinafter "Receiver"), moves this Honorable Court for an entry of an Order approving the Receiver's First Interim Claims Report and Recommendation on Claims and in support of its motion states:

1. Florida Preferred Property Insurance Company (hereinafter "FPPIC") was a Florida corporation previously authorized to transact insurance business in the State of Florida. On May 31, 2006, this Court adjudicated FPPIC insolvent and entered the Order Appointing the Florida Department of Insurance as Receiver (of FPPIC) for the Purposes of Liquidation, Injunction, and Notice of Automatic Stay (the "Order") effective June 1, 2006.

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

3. The Receiver has compiled the First Interim Claims Report dated August 13, 2012 (hereinafter the "Report"), which includes its evaluation of Class 1-9 claims that were filed with the Receiver pursuant to §631.181, Florida Statutes. At this time, funds for distribution are only available through Class 3.

4. The Receiver's First Interim Claims Report is extremely detailed and contains non-public personal information, including personally identifiable financial information, relating to the claimants. Pursuant to Federal Law, specifically the Gramm-Leach-Bliley Act, 15 USCS §6801 (hereinafter the "Act"), there is an obligation to protect the security and confidentiality of an individual's non-public personal information.

5. In furtherance of the Act's purpose, and in order to protect claimants of the FPPIC estate, the Receiver has not attached the full First Interim Claims Report to this motion. Instead, the Receiver offers summary pages of the report that reflect the total amounts claimed and recommended by the Receiver. Upon this Court's request, the Receiver would immediately provide to the Court, a full copy of the First Interim Claims Report. The Receiver's First Interim Claims Report, dated August 13, 2012, is broken down into two parts. Part A is for non-guaranty association claimants and Part B is for guaranty association claimants. Summary pages of both Parts A and B are attached as **Composite Exhibit A**. This report reflects classification of filed claims by priority in accordance with §631.271, Florida Statutes. The total amount claimed in Part A of the Report is \$23,466,398.34. The total amount recommended by the Receiver in Part A of the Report is \$1,643,264.08. The total amount claimed in Part B of the Report is \$307,115,543.74. The total amount recommended by the Receiver in Part B of the Report is \$307,112,858.74.

6. Pursuant to §631.182(1), Florida Statutes, claimants are entitled to notice of the Receiver's recommendation on their claims and the deadline for filing an objection. A sample copy of the "Notice of Determination" is attached as **Exhibit B**. Additionally pursuant to §631.182(1), Florida Statutes, the Court "shall enter an order approving the claims so reported, unless an objection is filed thereto within a deadline set by the court."

7. The Receiver recommends a deadline that allows ample time for the Receiver to provide the notices of determination and for a reasonable amount of time for claimants to file an objection with the Court. In the case of FPPIC, such a deadline would not be less than forty-five (45) days from the date of this Court's Order granting approval of the Report.

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

WHEREFORE, the Receiver respectfully requests this Court enter an Order:

A. Approving the Receiver's First Interim Claims Report and Recommendation on Claims for which no objections are filed;

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. Authorizing and directing the Receiver to provide notice to each claimant, as herewith reported to the Court, of the Receiver's recommendation regarding their claim and the deadline for filing objections, by United States Mail to the last known address of such person, as shown in the Receiver's files;

D. Approving the Receiver's sample "Notice of Determination" and directing all persons who have filed claims, as herewith reported to the Court, to file any objection they might have to the Receiver's Report with the Clerk of this Court on or before the objection filing deadline at:

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

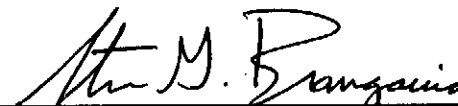
AND file a copy of said objection with the Receiver at the following address:

The Florida Department of Financial Services,
Division of Rehabilitation and Liquidation
As Receiver for Florida Preferred Property Insurance Company
2020 Capital Circle S.E., Suite 310
Tallahassee, Florida 32301

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

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

SUBMITTED on this 21st day of August, 2012.

By: 
STEVEN G. BRANGACCIO,
SENIOR ATTORNEY
Florida Bar Number: 0071773
Florida Department of Financial Services
Division of Rehabilitation and Liquidation
2020 Capital Circle S.E., Suite 310
Tallahassee, Florida 32301
Steven.Brangaccio@MyFloridaCFO.com
Phone: (850) 413-4445

FLORIDA DEPARTMENT OF FINANCIAL SERVICES - DIVISION OF REHABILITATION AND LIQUIDATION
 FLORIDA PREFERRED PROPERTY INSURANCE COMPANY
 FIRST INTERIM CLAIMS REPORT
 PART A - FOR NON GUARANTY ASSOCIATION CLAIMANTS

SUMMARY TOTALS

TOTAL AMOUNT CLAIMED BY NON GUARANTY ASSOCIATION CLAIMANTS	\$23,466,398.34
TOTAL AMOUNT RECOMMENDED TO NON GUARANTY ASSOCIATION CLAIMANTS	\$1,643,264.08
TOTAL NUMBER	6,005

Secured Claims

COUNT OF SECURED CLAIMS :	0
AMOUNT CLAIMED FOR SECURED CLAIMS BY NON GUARANTY ASSOCIATION	\$0.00
AMOUNT RECMD FOR SECURED CLAIMS TO NON GUARANTY ASSOCIATION	

UnSecured Claims

COUNT OF CLASS 1 CLAIMS :	0	COUNT OF CLASS 6 CLAIMS :	44
AMOUNT CLAIMED FOR CLASS 1 CLAIMS BY NON GUARANTY ASSOCIATION CLAIMANTS:	\$0.00	AMOUNT CLAIMED FOR CLASS 6 CLAIMS BY NON GUARANTY ASSOCIATION CLAIMANTS:	\$860,576.53
AMOUNT RECMD FOR CLASS 1 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS :		AMOUNT RECMD FOR CLASS 6 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS :	\$33,532.45
COUNT OF CLASS 2 CLAIMS :	1,076	COUNT OF CLASS 7 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 2 CLAIMS BY NON GUARANTY ASSOCIATION CLAIMANTS	\$13,256,327.10	AMOUNT CLAIMED FOR CLASS 7 CLAIMS BY NON GUARANTY ASSOCIATION CLAIMANTS:	\$0.00
AMOUNT RECMD FOR CLASS 2 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS:	\$995,753.14	AMOUNT RECMD FOR CLASS 7 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS:	
COUNT OF CLASS 3 CLAIMS :	4,591	COUNT OF CLASS 8 CLAIMS :	294
AMOUNT CLAIMED FOR CLASS 3 CLAIMS BY NON GUARANTY ASSOCIATION CLAIMANTS:	\$3,070,988.38	AMOUNT CLAIMED FOR CLASS 8 CLAIMS BY NON GUARANTY ASSOCIATION CLAIMANTS:	\$6,278,506.33
AMOUNT RECMD FOR CLASS 3 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS:	\$577,129.74	AMOUNT RECMD FOR CLASS 8 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS:	\$36,948.75
COUNT OF CLASS 4 CLAIMS :	0	COUNT OF CLASS 9 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 4 CLAIMS BY NON GUARANTY ASSOCIATION CLAIMANTS:	\$0.00	AMOUNT CLAIMED FOR CLASS 9 CLAIMS BY NON GUARANTY ASSOCIATION CLAIMANTS:	\$0.00
AMOUNT RECMD FOR CLASS 4 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS:		AMOUNT RECMD FOR CLASS 9 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS:	
COUNT OF CLASS 5 CLAIMS :	0	COUNT OF CLASS 10 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 5 CLAIMS BY NON GUARANTY ASSOCIATION CLAIMANTS:	\$0.00	AMOUNT CLAIMED FOR CLASS 10 CLAIMS BY NON GUARANTY ASSOCIATION CLAIMANTS:	\$0.00
AMOUNT RECMD FOR CLASS 5 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS :		AMOUNT RECMD FOR CLASS 10 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS :	

Note: If status is unevaluated, then dollar amounts have been suppressed

**FLORIDA PREFERRED
 PROPERTY INS. CO.**
 2nd Judicial Circuit Court,
 in and for Leon County, Florida
 CASE NO. 2006-CA-001198
COMPOSITE EXHIBIT A

FLORIDA DEPARTMENT OF FINANCIAL SERVICES - DIVISION OF REHABILITATION AND LIQUIDATION
 FLORIDA PREFERRED PROPERTY INSURANCE COMPANY
 FIRST INTERIM CLAIMS REPORT
 PART B - FOR GUARANTY ASSOCIATION

SUMMARY TOTALS

TOTAL AMOUNT CLAIMED BY GUARANTY ASSOCIATION 307,115,543.74
 TOTAL AMOUNT RECOMMENDED TO GUARANTY ASSOCIATION 307,112,858.74
 TOTAL NUMBER 5

COUNT OF CLASS 1 CLAIMS :	3	COUNT OF CLASS 6 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 1 CLAIMS BY GUARANTY ASSOCIATION :	\$23,664,304.66	AMOUNT CLAIMED FOR CLASS 6 CLAIMS BY GUARANTY ASSOCIATION :	\$0.00
AMOUNT RECMD FOR CLASS 1 CLAIMS TO GUARANTY ASSOCIATION :	\$23,662,871.66	AMOUNT RECMD FOR CLASS 6 CLAIMS TO GUARANTY ASSOCIATION :	
COUNT OF CLASS 2 CLAIMS :	1	COUNT OF CLASS 7 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 2 CLAIMS BY GUARANTY ASSOCIATION :	\$194,514,443.17	AMOUNT CLAIMED FOR CLASS 7 CLAIMS BY GUARANTY ASSOCIATION :	\$0.00
AMOUNT RECMD FOR CLASS 2 CLAIMS TO GUARANTY ASSOCIATION :	\$194,514,443.17	AMOUNT RECMD FOR CLASS 7 CLAIMS TO GUARANTY ASSOCIATION :	
COUNT OF CLASS 3 CLAIMS :	1	COUNT OF CLASS 8 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 3 CLAIMS BY GUARANTY ASSOCIATION :	\$88,936,795.91	AMOUNT CLAIMED FOR CLASS 8 CLAIMS BY GUARANTY ASSOCIATION :	\$0.00
AMOUNT RECMD FOR CLASS 3 CLAIMS TO GUARANTY ASSOCIATION :	\$88,935,543.91	AMOUNT RECMD FOR CLASS 8 CLAIMS TO GUARANTY ASSOCIATION :	
COUNT OF CLASS 4 CLAIMS :	0	COUNT OF CLASS 9 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 4 CLAIMS BY GUARANTY ASSOCIATION :	\$0.00	AMOUNT CLAIMED FOR CLASS 9 CLAIMS BY GUARANTY ASSOCIATION :	\$0.00
AMOUNT RECMD FOR CLASS 4 CLAIMS TO GUARANTY ASSOCIATION :		AMOUNT RECMD FOR CLASS 9 CLAIMS TO GUARANTY ASSOCIATION :	
COUNT OF CLASS 5 CLAIMS :	0	COUNT OF CLASS 10 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 5 CLAIMS BY GUARANTY ASSOCIATION :	\$0.00	AMOUNT CLAIMED FOR CLASS 10 CLAIMS BY GUARANTY ASSOCIATION :	\$0.00
AMOUNT RECMD FOR CLASS 5 CLAIMS TO GUARANTY ASSOCIATION :		AMOUNT RECMD FOR CLASS 10 CLAIMS TO GUARANTY ASSOCIATION :	

Note: If status is unevaluated, then dollar amounts have been suppressed



FLORIDA DEPARTMENT OF FINANCIAL SERVICES
RECEIVER

«company»

August 14, 2012

NOTICE of DETERMINATION

FLORIDA PREFERRED
PROPERTY INS. CO.
2nd Judicial Circuit Court,
in and for Leon County, Florida
CASE NO. 2006-CA-001198
EXHIBIT B

«DELIVERYPOINTBARCODE»

IDENTIFICATION NUMBER:

«cd_company» «id_no»-

«suffix»

«CD_COMPANY» «ID_NO»-«SUFFIX»

INSURED:

«policyhold»

«FULLNAME»

POLICY NUMBER:

«policy_no»

«ADDRESSLINE1»

CLAIM NUMBER:

«claim_no»

«ADDRESSLINE2»

AMOUNT CLAIMED:

«amt_claimd»

«city» «state» «ZIPCODE»

AMOUNT RECOMMENDED CLAIMANT:

«AMT_DUE_CL»

CLASS:

«class»

THIS IS NOT A BILL

RE: «COMPANY»

OBJECTION FILING DEADLINE: ?filing deadline?

THIS IS NOT A BILL

Civil Action: «CASE_NO»

2nd Judicial Circuit Court

Leon County, Florida

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 11 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. Florida Statute 631.271, "Priority of claims", defines the classification of claims. (See F.S. 631.271 on reverse side of this form.)

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 AND THE CLERK OF COURT, SECOND JUDICIAL CIRCUIT, LEON COUNTY COURT HOUSE, 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.

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. Mail original to the Clerk of Court, a copy to 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.

NOTE: Any distribution will be made on a pro-rata basis. If a distribution is made, you may not receive the full amount recommended for your claim. 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% equals 25 cents on the dollar.)

IF a distribution is made, the payee(s) name(s) on the claim check will be the same as the name(s) appearing at the top of this form. If the information on this form is incorrect, or becomes incorrect in the future, it is your responsibility to notify the Receiver and document any changes. Further instructions can be found on our website listed below.

<p align="center">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>
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**FLORIDA DEPARTMENT OF FINANCIAL SERVICES
RECEIVER
«company»**

FLORIDA STATUTE 631.271 Priority of Claims

631.271 Priority of claims.—

(1) The priority of distribution of claims from the insurer's estate shall be in accordance with the order in which each class of claims is set forth in this subsection. Every claim in each class shall be paid in full or adequate funds shall be retained for such payment before the members of the next class may receive any payment. No subclasses may be established within any class. The order of distribution of claims shall be:

(a) Class 1.—

1. All of the receiver's costs and expenses of administration.
2. All of the expenses of a guaranty association or foreign guaranty association in handling claims.

(b) Class 2.— All claims under policies for losses incurred, including third-party claims, all claims against the insurer for liability for bodily injury or for injury to or destruction of tangible property which claims are not under policies, and all claims of a guaranty association or foreign guaranty association. All claims under life insurance and annuity policies, whether for death proceeds, annuity proceeds, or investment values, shall be treated as loss claims. That portion of any loss, indemnification for which is provided by other benefits or advantages recovered by the claimant, may not be included in this class, other than benefits or advantages recovered or recoverable in discharge of familial obligations of support or by way of succession at death or as proceeds of life insurance, or as gratuities. No payment by an employer to her or his employee may be treated as a gratuity.

(c) Class 3.—Claims under nonassessable policies for unearned premiums or premium refunds.

(d) Class 4.—Claims of the Federal Government.

(e) Class 5.—Debts due to employees for services performed, to the extent that the debts do not exceed \$2,000 for each employee and represent payment for services performed within 6 months before the filing of the petition for liquidation. Officers and directors are not entitled to the benefit of this priority. This priority is in lieu of any other similar priority that is authorized by law as to wages or compensation of employees.

(f) Class 6.—Claims of general creditors.

(g) Class 7.—Claims of any state or local government. Claims, including those of any state or local government for a penalty or forfeiture, shall be allowed in this class, but only to the extent of the pecuniary loss sustained from the act, transaction, or proceeding out of which the penalty or forfeiture arose, with reasonable and actual costs occasioned thereby. The remainder of such claims shall be postponed to the class of claims under paragraph (j).

(h) Class 8.—Claims filed after the time specified in F.S. 631.181(3), except when ordered otherwise by the court to prevent manifest injustice, or any claims other than claims under paragraph (i) or under paragraph (j).

(i) Class 9.—Surplus or contribution notes, or similar obligations, and premium refunds on assessable policies. Payments to members of domestic mutual insurance companies shall be limited in accordance with law.

(j) Class 10.—Interest on allowed claims of Classes 1 through 9, according to the terms of a plan to pay interest on allowed claims proposed by the liquidator and approved by the receivership court.

(k) Class 11.—The claims of shareholders or other owners.

(2) In a liquidation proceeding involving one or more reciprocal states, the order of distribution of the domiciliary state shall control as to all claims of residents of this and reciprocal states. All claims of residents of reciprocal states shall be given equal priority of payment from general assets regardless of where such assets are located.

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