



DEPARTMENT OF FINANCIAL SERVICES

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

**APRIL 27, 2009**

**NOTICE TO CORAL INSURANCE COMPANY POLICYHOLDERS – POLICY CANCELLATION**

Dear Policyholder:

This letter is being sent to you because our records indicate that you are or have recently been a policyholder of Coral Insurance Company (“Coral”). The Second Judicial Circuit Court in Leon County, Florida, entered an order placing Coral in receivership for purposes of rehabilitation on April 9, 2009. The Florida Department of Financial Services is the court appointed Receiver of Coral. A copy of the rehabilitation order and other relevant documents relating to Coral is available on the Receiver’s website, [www.floridainsurancereceiver.org](http://www.floridainsurancereceiver.org).

**POLICY CANCELLATION AND OPPORTUNITY TO OBTAIN REPLACEMENT INSURANCE  
COVERAGE THROUGH SECURITY FIRST INSURANCE COMPANY OR  
MACNEILL GROUP, INC.**

Having had further opportunity to assess Coral’s financial and other circumstances, the Receiver determined that additional actions were necessary to protect the Coral policyholders. Coral lacks the financial resources to purchase catastrophe reinsurance to lessen its potential exposure in the 2009 hurricane season. This potential exposure presents unacceptable risks to policyholders, claimants, other creditors and the public. As a result, the Receiver requested and obtained an order from the Court directing the cancellation of Coral’s in-force policies prior to the start of the hurricane season. In accordance with the April 20, 2009 Court Order, **all policies not otherwise cancelled or terminated prior to 12:01 a.m. on May 31, 2009, are cancelled as of that time and date.** This is the only notice the Receiver will send you regarding this cancellation of your policy.

**PLEASE CONTACT YOUR AGENT AS SOON AS POSSIBLE** to make sure that you do not have any lapse in coverage. Coral previously made arrangements for other companies to offer replacement insurance coverage prior to the beginning of the 2009 hurricane season. Coral reached an agreement with Security First Insurance Company (“Security First”) that will allow for Coral’s policyholders to obtain replacement homeowners insurance coverage through Security First. Under the plan, Security First will offer Coral’s independent agents the opportunity and capacity to replace all Coral policies that provide coverage for homes with Coverage A values up to and including \$1,000,000, with similar policies from Security First at Security First’s currently filed rates.

Coral also reached an agreement with the MacNeill Group, Inc., (“MacNeill”) a Florida licensed Managing General Agent whereby MacNeill will work with Coral independent agents to try to replace all Coral policies that provide coverage for homes with Coverage A values over \$1,000,000 with similar policies from one of MacNeill’s non-admitted markets at their standard rates for this class of business. Your agent will be able to assist you in determining which option (including possible coverage through another company) is the best for you in replacing your insurance coverage.

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## **PREMIUM ISSUES**

To avoid any lapse in coverage, policyholders with installment plans should continue to pay premiums for any invoice with a due date on or prior to May 1, 2009. Any installment payment due after May 1, 2009 should not be submitted due to the pending mass cancellation date of May 31, 2009.

**Premium Refunds/Unearned Premium** - To assist Coral's policyholders in having funds available to obtain replacement insurance coverage, the Receiver is making arrangements to return the unearned portion of policyholders' premium already paid by the policyholders in advance of the May 31, 2009 cancellation date. Coral will continue to process cancellation requests received with cancellation dates prior to May 31, 2009. However, once the mass cancellation process has begun, cancelling policies effective as of 12:01 a.m. on May 31, 2009, any additional return premium due to policyholders who cancel prior to that date will be processed on a supplemental basis. All premium refunds will be issued to policyholders unless you used a premium finance company to finance your premiums. Those refunds will be refunded to the premium finance company.

Coral will continue to process unearned premium claims in the normal course of business with the following exception. To help assure that Coral has adequate funds to administer the Receivership and avoid any preferential/diparate treatment of policyholders and claimants in the event that Coral is liquidated, Coral will retain the first \$100 of the initial return premium and/or claim payments. If the Receiver ultimately determines that sufficient funds are available, it will process and pay the \$100 retentions at a later date.

If the company is later ordered liquidated, the Florida Insurance Guaranty Association would be activated to pay covered loss claims and unearned premium claims less a \$100 deductible under Section 631.57(1)(a)2, Florida Statutes. If the company is liquidated, the \$100 retention or deduction amounts may become claims in the estate.

If you have policy or underwriting related questions on the Coral policies, please contact Coral's customer service representatives at phone number (800) 875-8330 from 9:00 a.m. until 6:00 p.m., EST.

More information on these matters is available on the Receiver's website, [www.floridainsurancereceiver.org](http://www.floridainsurancereceiver.org).

## **CLAIMS ISSUES**

To file a new claim or to check on the status of a pending claim, please contact Coral c/o GAB Robins North America (Coral's claims handling service) Monday - Friday from 8:00 am until 5:00 pm EST at phone number (866) 478-2379. You may also file a claim through Coral's website at [www.coralinsurance.net](http://www.coralinsurance.net).

## **CONTACTING THE RECEIVER**

Please contact the Receiver by using the "Contact Us" form at the Receiver's website, [www.floridainsurancereceiver.org](http://www.floridainsurancereceiver.org) 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, at (800) 882-3054.