

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

In Re: The Receivership of
National Title Insurance Company,
A Florida Corporation.

CASE NO.: 2009-CA-2577

**THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES' MOTION FOR ORDER
APPROVING DISCHARGE ACCOUNTING STATEMENT, DIRECTING FINAL
DISCHARGE AND CLOSURE OF THE ESTATE, DIRECTING PAYMENT OF
REMAINING ESTATE FUNDS, PROVIDING FOR DISPOSITION OF ASSETS
RECEIVED AFTER CLOSURE, AND AUTHORIZING DESTRUCTION OF
OBSOLETE RECORDS**

The Florida Department of Financial Services, as Receiver of National Title Insurance Company ("Department") hereby files its Discharge Accounting Statement and moves this court for an Order Approving Discharge Accounting Statement, Directing Final Discharge and Closure of the Estate, Providing for Disposition of Assets Received After Closure, Directing Payment of Remaining Estate Funds, and Authorizing the Destruction of Obsolete Records. In support of its Motion, the Department says:

1. National Title Insurance Company ("NTIC") was a corporation authorized, pursuant to the Florida Insurance Code, to transact business in the state of Florida as a title insurer since July 31, 1936. NTIC's principal place of business was in Miami, FL.

2. On July 2, 2009, the Department received a referral letter from the Florida Office of Insurance Regulation. The letter and its attachments reflected that on June 30, 2009, NTIC consented to the appointment of the Florida Department of Financial Services as Receiver for the purposes of rehabilitation pursuant to Section 631.051(11), Florida Statutes. NTIC consented to the receivership due to its deficient financial status.

3. On July 6, 2009, the Second Judicial Circuit Court in and for Leon County, Florida appointed the Florida Department of Financial Services as Receiver of NTIC for the purposes of rehabilitation.

4. This Court has jurisdiction over the Department 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.

5. Since being appointed, the Department has conducted and concluded the business affairs of NTIC, including, but not limited to, the collection of assets and the payment of claims.

6. On February 27, 2019, this Court entered an *Order Granting the Department’s Motion to Reopen Case; Motion to Approve Loss Portfolio Transfer; and Motion for Order Approving the Transfer of Assessment Funds in Accordance with Section 631.401, Florida Statutes.*

7. On March 19, 2019, the Loss Portfolio Transfer Agreement between the Department and Connecticut Attorneys Title Insurance Company (“CATIC”) was concluded.

8. The two open claims (1) Claim #249 Ocean Bank and (2) Claim #266 Rocco have been forwarded to and assumed by CATIC. All future liabilities and/or any recoveries on said claims are the responsibility and property of CATIC.

9. All claims dated March 19, 2019 and forward should be reported to CATIC at 4901 Vineland Road, Suite 340, Orlando, FL 32811, Telephone number 407-373-7124.

10. The Department sent the following NTIC records to CATIC on March 19, 2019: box numbers: CL-522-15, CL-522-14, CL-522-13, CLM 522-00001 through 00012, and EM-522-1; and one Verbatim and one Western Digital portable drives.

11. All known assets have been collected, where it was cost effective to do so. All NTIC active insurance policies and liability on future claims have been transferred to CATIC. Therefore, the estate is ready for closure.

12. As reflected in the attached Discharge Accounting Statement, NTIC has approximately \$10,894.59, after projected expenses are considered. Attached as **Exhibit A**.

13. The Department would retain \$7,700.00 as a reserve for “wind up” expenses of the Receivership, with any surplus funds remaining after discharge to be returned to the excess surcharge account

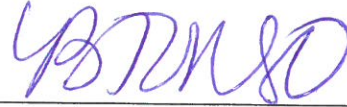
14. Other than any potential recoveries identified in paragraph 8 above, the Department requests an order authorizing for any assets which may be recovered following the discharge of this receivership if, in the Department’s sole discretion, the value of the recovered assets does not justify the re-opening of this receivership estate to return to the excess surcharge account established under Section 631.401, Florida Statutes.

15. Upon approval of the Department’s request for final discharge, any records of the NTIC receivership estate in the possession of the Department will no longer be needed, and it will be necessary to dispose of the obsolete company records. This procedure is in direct compliance with Article 1, Section 24 of the Florida Constitution, Chapters 119 and 257, Florida Statutes, and Chapter 1B-24 and Rule 1B-26.003, Florida Administrative Code.

WHEREFORE, the Department respectfully requests this Court grant its Motion and enter an Order:

- a. Approving and adopting the Discharge Accounting Statement Projected as of March 31, 2019.
- b. Authorizing the Department to retain \$7,700.00 as a reserve for “wind-up” expenses of the Department. Any surplus remaining after the conclusion of wind up activities shall be returned to the excess surcharge account.
- c. Authorizing and directing the Department, after final discharge, to destroy any obsolete records in the Department’s possession. This destruction shall comply with Article 1, Section 24 of the Florida Constitution, Chapters 119 and 257, Florida Statutes, and Chapter 1B-24 and Rule 1B-26.003, Florida Administrative Code.
- d. Directing that all claims dated March 19, 2019 and future claims be forwarded to CATIC at 4901 Vineland Road, Suite 340, Orlando, FL 32811, Telephone number 407-373-7124.
- e. All future liabilities and/or any recoveries on (1) Claim #249 Ocean Bank and (2) Claim #266 Rocco are the responsibility and property of CATIC.
- f. Ordering that the receivership shall be closed, and the Department’s administration of this receivership shall be deemed satisfied, approved, and confirmed in all respects, and the Department, its deputies and all other employees shall be discharged without further order of this Court, from any and all duties, obligations and liabilities in the administration of the receivership at 12:01 a.m. on March 31, 2019.

IT IS HEREBY CERTIFIED that a true and correct copy of this Motion was electronically filed with the Clerk of Courts by using the ECF system and electronically noticed this 20 day of March 2019.



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National Title Insurance Company
Discharge Accounting Statement
Projected for March 31, 2019

ASSETS

	Amount		
Cash	\$ 10,894.59		Schedule A
Total Assets	\$ 10,894.59		

LIABILITIES

	Recommended Disbursement		
None	-		
Total Liabilities	\$ -		

WINDUP SUMMARY

Funds Available for Windup Expenses	10,894.59		
Projected Windup Expenses	(7,700.00)		Schedule D
Balance (Any Remaining Funds Returned to Title Assessment Surplus Acct.)	3,194.59		

Index to Attached Schedules:

- Schedule A - Available Cash Projection
- Schedule B - Allocated State Funds Expensed
- Schedule C - Interest Earnings Projection
- Schedule D - Receiver Windup Expenses
- Schedule E - Contributed Equity and Advances from the Regulatory Trust Fund

National Title Insurance Company
Available Cash Projection
Projected for March 31, 2019

	Cash Bal. as of February 28, 2019	Mar-19
Beginning Pooled Cash Balance	\$	161,250.20
Transfer from SPIA Title Assessment Surplus Acct.	\$	315,000.00
Transfer to Connecticut Attorneys Title Ins. Co. for Loss Portfolio Trf.	\$	(450,000.00)
Direct Receiver Expenses (Actual or Estimated)		
Rent-Storage, Postage, Scanning records		2,250.00
Sub-total		<u>2,250.00</u>
Allocated Receiver Expenses (Estimated)		
Labor & Benefits		13,330.00
Indirect Expenses		120.00
Sub-total		<u>13,450.00</u>
Cash Balance Before Interest Earnings		<u>10,550.20</u>
Interest Earnings		
Actual SPIA Earnings for February credited on 3/1/2019		344.39
Ending Pooled Cash Balance	<u>\$</u>	<u>161,250.20</u> <u>\$</u> <u>10,894.59</u>

Assumptions for Allocated Receiver Expenses:

¹ Labor & Benefits: this estimate is based on a four month actual average.

November Actual	\$	13,091.95
December Actual		14,210.25
January Actual		8,269.05
February Actual		17,736.85
Sub-total		53,308.10
4 mth. actual average (rounded)	\$	<u>13,330.00</u>

² Indirect Expenses: This estimate is National Title's estimated pro rata share of the Receiver's estimated total indirect expenses. The pro rata share calculation is based on NTIC's estimated total assets divided by the Receiver's estimated total assets for all receiverships.

Estimated Total Asset %	0.10%
Estimated Total for the Receiver	\$ 120,000.00
Estimated Expense	<u>\$ 120.00</u>

National Title Insurance Company

Allocated State Funds Expensed

Estimated for March 31, 2019

THIS STATEMENT INCLUDED FOR INFORMATION PURPOSES ONLY - AMOUNTS NOT PART OF
DISTRIBUTION CALCULATION

	<u>March</u>	<u>Totals</u>
Accrued Allocated State of Florida Expenses (Estimated)		
Labor & Benefits	\$ 360.00	\$ 360.00 ¹
Indirect Expenses	25.00	\$ 25.00 ²
Total	\$ 385.00	\$ 385.00 ³

Assumptions for Allocated State of Florida Expenses:

¹ Labor & Benefits: This estimate is based on a four month actual average.

November Actual	445.21
December Actual	507.03
January Actual	261.35
February Actual	240.37
Sub-total	1,453.96
4 mth. actual average (rounded)	<u>\$ 360.00</u>

² Indirect Expenses: This estimate is NTIC's estimated pro rata share of the Receiver's estimated total indirect expenses. The pro rata share calculation is based on NTIC's estimated total assets divided by the Receiver's estimated total assets for all receiverships.

Before Distribution

Estimated Total Asset %	0.10%
Estimated Total for the State	\$ 25,000.00
Estimated Expense	<u>\$ 25.00</u>

³ Per current Receiver policies and procedures, these accumulated amounts are recorded contributed equity to the estate.

National Title Insurance Company
Interest Earnings Projection - Pooled Cash
Projected for March 31, 2019

Interest accrued for March 2019

Beginning cash balance	161,250.20
Ending cash balance	10,894.59
Average cash balance	86,072.40
Assumed SPIA interest rate (Annualized)	2.00%
Subtotal (Annualized)	1,721.45
Accrual for March 2019	\$ <u>100.00</u>

**National Title Insurance Company
Receiver Windup Expenses
Projected for March 31, 2019**

Discharge Expenses (Projected for Post 3/31/2019)

Records Storage, Labor

2018-19 Final Tax Return Preparation

Total

7,700.00

\$ 7,700.00

National Title Ins. Co.
Statement of Contributed Equity from Regulatory Trust Fund Estimated Balances
Projected for Discharge by 3/31/2019

I. Contributed Equity Balance as of 2/28/2019		\$ 39,907.70
Accrual for March (Estimate from Schedule B)	<u>\$ 385.00</u>	
Total		<u>\$ 385.00</u>
Projected Contributed Equity Balance as of 3/31/2019		<u><u>\$ 40,292.70</u></u>