

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

IN RE: The Receivership of  
AMERICAN KEYSTONE INSURANCE  
COMPANY, a Florida corporation authorized  
to transact an insurance business in Florida

CASE NO.: 2009-3955

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FILED  
CLERK OF CIRCUIT COURT  
LEON COUNTY, FLORIDA

**RECEIVER'S MOTION FOR APPROVAL OF PROCEDURE FOR DEEMING  
RETURN PREMIUM CLAIMS AS TIMELY FILED**

The Florida Department of Financial Services as Receiver of AMERICAN KEYSTONE INSURANCE COMPANY, ("AKIC"), a Florida corporation in LIQUIDATION, by and through undersigned counsel, respectfully moves the Court for an Order approving its procedure for deeming return premium claims as timely filed in the AKIC estate, and as grounds therefore states:

1. AKIC was a corporation authorized pursuant to the Florida Insurance Code to transact business in the state of Florida as a domestic property and casualty insurer. Respondent's principal place of business was 816 A1A North, Suite 301, Ponte Vedra Beach, Florida 32082.

2. On October 9, 2009, this Court appointed the Florida Department of Financial Services as Receiver for Purposes of Liquidation, Injunction and Notice of Automatic Stay.

3. This Court has jurisdiction over the AKIC receivership estate 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.

4. Pursuant to paragraph 28 of the October 9, 2009 Liquidation Order, all AKIC policies were cancelled by November 8, 2009.

5. If the AKIC policy cancellation took place before the normal policy term expiration date, the policyholders may be entitled to a refund of the unearned premium. "Policyholder" shall refer to all AKIC insureds whose policies were cancelled pursuant to the terms of the Liquidation Order or whose policies were otherwise cancelled and who may be owed a refund of unearned premium.

6. When an insurer is placed in liquidation, the Receiver coordinates with the Florida Insurance Guaranty Association ("FIGA") in an effort to facilitate the return of unearned premium to the policyholders of the liquidated insurer. Unearned premium falls within the definition of a FIGA "covered claim" pursuant to Section 631.54(3), Florida Statutes.

7. Under the Receiver's normal course of handling claims, including claims for unearned premium, the Receiver would send a notice and Proof of Claim ("POC") to all claimants of a liquidated company. The claimant would be asked to complete the POC and submit it to the Receiver. The Receiver would then process the POCs, evaluate the claims, prepare a claims report and provide the claimants with notice of the Receiver's recommendation. The claimants would have an opportunity to object to the class, amount, and/or denial of their claim. The Receiver makes a distribution, if funds are available, after all claims are finally adjudicated. This process takes considerable time and expense.

8. In an effort to reduce the costs and increase the efficiency of the claims process, the Receiver proposes an alternative process whereby we will deem as timely filed all potential claims in the AKIC estate for "Returned Premium." All other claimants will receive a POC in the normal fashion.

9. The Receiver proposes the following POC procedure for policyholders who may have an unearned premium claim:

A. The Receiver will not require POCs from policyholders who the Receiver calculates are due an unearned premium refund because either they cancelled their policies prior to the normal expiration date or they had their policies cancelled by the terms of the Liquidation Order.

B. The policyholders detailed above in paragraph 9A do not need to do anything to file a claim for the return of unearned premium or to have their claim accepted by the Receiver.

C. The unearned premium claims identified above will be considered as timely filed in the AKIC estate.

D. Once the claims in the AKIC estate have been evaluated, the Receiver will advise the claimants of the determination of the class and amount of their claims. The claimants will have an opportunity to object to the Receiver's evaluation.

E. If the Receiver cannot resolve the Claimant's objection, the Receiver will schedule a hearing with the receivership court.

10. This procedure will not affect the rights of any other claimants in the AKIC estate.

11. The Receiver believes that these actions are in the best interests of this Receivership estate and therefore recommends that the Motion be granted and the process proposed above be authorized and approved.

WHEREFORE, the Receiver respectfully moves the Court to enter an Order approving its procedure for deeming return premium claims as timely filed in the AKIC estate.

**DATED** this 24<sup>th</sup> day of November, 2009.

Respectfully submitted,

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