

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

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

---

CASE NO.: 2010-CA-1522

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

The Florida Department of Financial Services, in its capacity as Receiver for Magnolia Insurance Company ("MIC"), hereby files this Motion for Approval of Fourth Interim Claims Report and Recommendation on Claims, and states as follows:

1. This Court entered a Consent Order Appointing the Florida Department of Financial Services as Receiver of Magnolia Insurance Company for the purposes of Liquidation, Injunction and Notice of Automatic Stay on April 30, 2010.

2. This Court has jurisdiction over the MIC receivership 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.

3. MIC, located in Miami-Dade County, wrote homeowners' policies within the state of Florida, and had approximately 36,000 policies at the time of liquidation.

4. This Court entered the Order Approving the Receiver's First Interim Claims Report and Recommendation on Claims on July 10, 2013, which addressed non-guaranty claims in Classes 2 and 3. The Court then entered the Order Approving Receiver's Second Interim Claims Report and Recommendation on Claims on November 12, 2013, which addressed non-guaranty claims in Classes 6 through 8.

5. The Order Approving Receiver's Third Interim Claims Report and Recommendation on Claims was entered on December 4, 2013, which addressed non-guaranty claims in Classes 2 and 6.

6. The Receiver has received two subsequent claims in the MIC receivership estate: one, a Class 2 claim to which the Receiver has previously negotiated a resolution (the Jauregui claim) with the claimant, and the second, a Class 8 late-filed claim, where the claimant is in litigation with the Florida Insurance Guaranty Association. That second claim has not been evaluated by the Receiver as it is unlikely that Class 8 claims will be reached due to the MIC financial situation.

7. The Receiver's Fourth Interim Claims Report, Part A, Non-Guaranty Association Claims, dated March 9, 2016, (hereinafter the "Report") is attached as Exhibit A.

8. The Report addresses certain non-guaranty association claimants only. There will be another filing at a later date with the Court regarding guaranty association claims and potentially any remaining non-guaranty claims. Part A reflects the 2 filed claims referred to above by non-guaranty association claimants in Classes 2 and 8 totaling \$202,703.17, of which the total amount recommended by the Receiver to be allowed is \$151,496.83.

9. The Receiver has a procedure for dealing with late-filed objections. For any objection filed after the deadline, the Receiver will send a letter to the claimant advising the claimant that his/her/its objection was not filed in compliance with the Florida Statutes and this Court's Order and therefore will not be handled as a filed objection. A copy of this letter will be filed with the Court.

10. In order to assure the validity of claim assignments, to assure that the processing of assignments does not create an undue burden on estate resources, and to assure that assignment decisions are made using the best information available, the Receiver does not recognize or accept any assignment of claim by the claimant of record unless the following criteria are met:

- A. A distribution petition has not been filed with this Court;
- B. The Receiver has been provided with a properly executed and notarized assignment claim agreement entered into between the parties; and
- C. The Receiver has been provided with a properly executed and notarized Receiver's Assignment of Claim Change Form and required supporting documentation.

11. The Receiver's Assignment of Claim Change Form shall contain an acknowledgement by the claimant or someone authorized to act on behalf of the claimant, that:

- A. The claimant is aware that financial information regarding claims distributions and payments published on the Receiver's website or otherwise available can assist the claimant in making an independent and informed decision regarding the sale of the claim;
- B. The claimant understands that the purchase price being offered in exchange for the assignment may differ from the amount ultimately distributed in the receivership proceeding with respect to the claim;
- C. It is the claimant's intent to sell their claim and have the Receiver's records be permanently changed to reflect the new owner; and

D. The claimant understands that they will no longer have any title, interest, or rights to the claim including future mailings and distributions if they occur.

12. The standard Assignment Form already notifies claimants that Assignments will not be accepted after this distribution petition/Motion is filed with the Court. The Receiver therefore requests that the Court confirm that the date of filing of this Motion is the last date that the Receiver may accept any further Assignments of Claim.

13. In an ongoing effort to maintain accuracy and efficiency, the Receiver proactively works to update its records to reflect change of address information for interested parties (e.g. agents, claimants, creditors, policyholders, subscribers) before mailing notifications and distribution checks. The Receiver has access to databases and other publicly available information which provide updated address information. The Receiver requests the authority to search for change of address information when applicable and to use the change of address information for future mailings without further direction of this Court.

14. Lastly, despite the Receiver's best efforts, some approved claims may have inadequate current address information, and/or may not have provided the Receiver with a W-9 form, required by the Internal Revenue Service. The Receiver asks for authority to remit the funds due to these claimants, or any claimants that cannot be located, to the Unclaimed Property Bureau of the Florida Department of Financial Services.

WHEREFORE the Receiver respectfully requests this Court enter an Order:

- A. Approving the Receiver's Fourth Interim Claims Report and Recommendations on Claims for which no objections are filed.
- B. Authorizing and directing the Receiver to provide notice to each claimant, as herewith reported to the Court, of the Receiver's recommendation regarding his/her/its claim, by United States Mail to the last known address of such person or entity, as shown in the Receiver's files.
- C. Authorizing 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 Receiver's Report.
- D. Approving the Receiver's sample Notice of Determination, attached as Exhibit B, and directing all persons or entities who have filed claims, or had them deemed filed, to file in writing any objection to the Receiver's Report they might have with the Clerk of this Court by the objection filing deadline, at:

Clerk of the Leon County Circuit Court  
Second Judicial Circuit  
Leon County Courthouse  
301 S. Monroe Street  
Tallahassee, FL 32301

And file a copy of said objection on the Receiver at the following address:

Florida Department of Financial Services, as  
Receiver for Magnolia Insurance Company  
2020 Capital Circle S.E., Suite 310  
Tallahassee, FL 32301

- E. Requiring any person filing an objection to clearly state the name and claim identification number of the person filing the objection and to provide documentation supporting the objection and claim, and that the Court will not consider any information or documentation submitted after the objection is filed
- F. Approving the Receiver's procedure for addressing late filed objections.
- G. Confirm that the date of filing this Motion is the last date that the Receiver may accept any further Assignments of Claim.
- H. Authorizing the Receiver to search for change of address information when applicable and to use the change of address information for future mailings without further direction of this Court
- I. Authorizing the Receiver to remit the funds due to any claimants where mail is returned, or that cannot be located, to the Unclaimed Property Bureau of the Florida Department of Financial Services.

**SUBMITTED** this 16<sup>th</sup> day of March, 2016.



---

Jody E. Collins, Senior Attorney  
Florida Bar No. 500445  
Florida Department of Financial Services  
Division of Rehabilitation and Liquidation  
8240 NW 52 Terrace, Suite 102  
Miami, Florida 33152  
(786) 336-1371 – Telephone  
(305) 499-2271 – Facsimile  
[Jody.Collins@myfloridacfo.com](mailto:Jody.Collins@myfloridacfo.com)

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

SUMMARY TOTALS

TOTAL AMOUNT CLAIMED BY NON GUARANTY ASSOCIATION CLAIMANTS	\$202,703.17
TOTAL AMOUNT RECOMMENDED TO NON GUARANTY ASSOCIATION CLAIMANTS	\$151,496.83
TOTAL NUMBER	2

**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 :	0
AMOUNT CLAIMED FOR CLASS 1 CLAIMS BY NON GUARANTY ASSOCIATION	\$0.00	AMOUNT CLAIMED FOR CLASS 6 CLAIMS BY NON GUARANTY ASSOCIATION	\$0.00
AMOUNT RECMD FOR CLASS 1 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS :		AMOUNT RECMD FOR CLASS 6 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS :	

COUNT OF CLASS 2 CLAIMS :	1	COUNT OF CLASS 7 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 2 CLAIMS BY NON GUARANTY ASSOCIATION	\$187,703.17	AMOUNT CLAIMED FOR CLASS 7 CLAIMS BY NON GUARANTY ASSOCIATION	\$0.00
AMOUNT RECMD FOR CLASS 2 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS :	\$151,496.83	AMOUNT RECMD FOR CLASS 7 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS :	

COUNT OF CLASS 3 CLAIMS :	0	COUNT OF CLASS 8 CLAIMS :	1
AMOUNT CLAIMED FOR CLASS 3 CLAIMS BY NON GUARANTY ASSOCIATION	\$0.00	AMOUNT CLAIMED FOR CLASS 8 CLAIMS BY NON GUARANTY ASSOCIATION	\$15,000.00
AMOUNT RECMD FOR CLASS 3 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS :		AMOUNT RECMD FOR CLASS 8 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS :	

COUNT OF CLASS 4 CLAIMS :	0	COUNT OF CLASS 9 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 4 CLAIMS BY NON GUARANTY ASSOCIATION	\$0.00	AMOUNT CLAIMED FOR CLASS 9 CLAIMS BY NON GUARANTY ASSOCIATION	\$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	\$0.00	AMOUNT CLAIMED FOR CLASS 10 CLAIMS BY NON GUARANTY ASSOCIATION	\$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 DEPARTMENT OF FINANCIAL SERVICES, RECEIVER

«company»

March 16, 2016

NOTICE of DETERMINATION

«IMBARCODE»

RCN: «CD\_COMPANY» «ID\_NO»-«SUFFIX»

«LONGNAME»

«ADDRESSLINE1»

«ADDRESSLINE2»

«city» «state» «ZIPCODE»

IDENTIFICATION NUMBER: «cd\_company» «id\_no»-

«suffix»

INSURED: «policyhold»

POLICY NUMBER: «policy\_no»

CLAIM NUMBER: «claim\_no»

AMOUNT CLAIMED: «amt\_claimd»

AMOUNT RECOMMENDED CLAIMANT: «AMT\_DUE\_CL»

CLASS: «class»

THIS IS NOT A BILL

THIS IS NOT A BILL

RE: «COMPANY»

Civil Action: «CASE\_NO»

2nd Judicial Circuit Court

Leon County, Florida

OBJECTION FILING DEADLINE: ?filing deadline?

The purpose of this Notice of Determination is to inform you of the Receiver's recommendations concerning the amount recommended and classification of your claim filed against the Receivership Estate of «COMPANY».

A copy of the court order approving these recommendations and information outlining the statutory classification of claims ("Priority of Claims") can be obtained at the website listed below.

If the "Amount Recommended Claimant" is blank, your claim was not evaluated for an amount recommended as there are no funds to pay your claim. Additional explanation regarding payment of claims can be found on the back of this form.

If you agree with the amount recommended and the assigned class, no further action on your part is necessary.

If you object to the amount recommended or to the assigned class of your claim, you must file your WRITTEN objection with BOTH the Receiver (address below) and The Clerk of Court at:

CLERK OF THE LEON COUNTY CIRCUIT COURT
LEON COUNTY COURTHOUSE
301 S. MONROE STREET
TALLAHASSEE, FLORIDA 32301

Your objection must be filed (received) by ?filing deadline?. We recommend that you send your objection by certified mail, return receipt requested. OBJECTIONS FILED (RECEIVED) AFTER THE DEADLINE WILL NOT BE CONSIDERED.

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, email 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. File the original with the Clerk of Court, file a copy with 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.

FLORIDA DEPARTMENT OF FINANCIAL SERVICES, RECEIVER

«company»

2020 CAPITAL CIRCLE SE, SUITE 310

TALLAHASSEE, FLORIDA 32301

Website: http://www.myfloridacfo.com/division/receiver

Telephone: 850-413-3081, Toll Free: 800-882-3054, Facsimile: 850-413-3997



# FLORIDA DEPARTMENT OF FINANCIAL SERVICES, RECEIVER «company»

\*\*\*\*\*

## PAYMENT OF CLAIMS INFORMATION

Please be advised that the assets in the receivership estate of «COMPANY» may not be sufficient to fund a distribution payment to all claimants. Distribution of funds to claimants is made in accordance with Section 631.271, Florida Statutes. This statute specifies the order in which claims are paid and may differ depending on the year the company was placed into receivership. Beginning with Class 1, all approved claims in a class must be paid in full before any payment is made to the next class. If there are insufficient funds to pay a class in full, all approved claims in that class are paid in equal pro rata shares. Therefore, depending on the assets available for distribution, you and other claimants in your class may only receive a percentage of the amount recommended on your claim (i.e. 25% pro rata share distribution of funds in your class equals 25 cents on the dollar). Further information on the financial condition of «COMPANY» can be found at the website listed below or the Global Receivership Information Database (GRID) website at [www.naic.org](http://www.naic.org).

As part of its duties, the Receiver must investigate, collect and convert all company assets into cash, evaluate claims and resolve all objections regarding the Receiver's evaluation. This process usually takes several years to complete. Distributions to claimants are made only if/when sufficient funds become available and the Court has approved the distribution. We cannot currently estimate if/when a payment may be made. Your patience in this process is appreciated.

## CLAIMANT INFORMATION

If a distribution is made, the payee(s) name(s) on the claim check will be the same as the name(s) appearing on the front of this form. If the information on this form, including address, is incorrect, or becomes incorrect in the future, it is your responsibility to notify the Receiver and document any changes to a claimant's name or address. Information on how to submit a name and/or address change is available at the website listed below.

Some non-confidential information (i.e., certain claimant names, addresses and recommended claim information) is compiled by the Receiver and filed with the Court in order to make recommendations regarding the value and class of claims. This information is available to consumers as a public record in accordance with Article I, Section 24 of the Florida State Constitution and Chapter 119, Florida Statutes, and may be accessed through the court files of this receivership or via the Receiver's website.

**IMPORTANT INFORMATION:** You may be contacted by outside third parties who may offer to purchase your claim in exchange for the transfer of your rights to a distribution, if any, in the future. Please be advised that the Receiver is not in any way affiliated with third party purchasers of claims and cannot advise or counsel individual claimants with respect to any potential distribution amounts or assist a claimant in the personal decision to sell their claim to an outside third party. All available information on the financial condition of «COMPANY» may be found at the website listed below or the Global Receivership Information Database (GRID) website at [www.naic.org](http://www.naic.org).

FLORIDA DEPARTMENT OF FINANCIAL SERVICES, RECEIVER  
«company»  
2020 CAPITAL CIRCLE SE, SUITE 310  
TALLAHASSEE, FLORIDA 32301  
Website: <http://www.myfloridacfo.com/division/receiver>  
Telephone: 850-413-3081, Toll Free: 800-882-3054, Facsimile: 850-413-3997