

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

IN RE: The Receivership of
SEMINOLE CASUALTY INSURANCE
COMPANY, a Florida Corporation

CIVIL: 2011-CA-000649

**DEPARTMENT OF FINANCIAL SERVICES' MOTION FOR ORDER
APPROVING DISCHARGE ACCOUNTING STATEMENT, DIRECTING FINAL
DISCHARGE, AND AUTHORIZING DESTRUCTION OF OBSOLETE RECORDS**

THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES, as Receiver for SEMINOLE CASUALTY INSURANCE COMPANY (“hereinafter “Department”, or “SCIC”) by and through its undersigned counsel, moves this Court for entry of an Order approving the Discharge Accounting Statement, for an Order directing final discharge of the Receivership, and for authorization to destroy obsolete records, and in support of its Motion states as follows:

1. On March 15, 2011, this Court entered a *Consent Order Appointing the Florida Department of Financial Services as Receiver of Seminole Casualty Insurance Company, for Purposes of Liquidation, Injunction and Notice of Automatic Stay*.

2. This Court has jurisdiction over the SCIC receivership and is “authorized to make all necessary or proper orders to carry out the purpose of” the Florida Insurers Rehabilitation and Liquidation Act, Section 631.021(1), Florida Statutes.

3. The Court approved the Department’s Motion for Approval of Final Claims Report, Distribution Report and Distribution Accounting in its Order dated April 25, 2018.

5. The Department obtained the Federal Release and the Court approved the Release Agreement on October 26, 2015.

6. Despite the Department’s best efforts, some approved claims may have inadequate current address information and/or may not have provided the Department with a

form W-9, required by the Internal Revenue Service. The total unclaimed property in the estate is listed below. The Department recommends that said funds be transferred to the Division of Unclaimed Property, Department of Financial Services, as “unclaimed property” pursuant to Section 717.119, Florida Statutes and/or to the unclaimed property units of other states as appropriate.

7. The Department’s Discharge Accounting Statement – Projected for December 31, 2018 (the “Discharge Accounting”) is attached hereto as **Exhibit 1**. As shown in the Discharge Accounting, the estimated value of all assets of the SCIC Receivership estate is projected to be \$365,384.44 as of December 31, 2018. **See Schedule A to Exhibit 1** \$106,932.19 will be forwarded by the Department to the unclaimed property unit(s) of the state(s) reflected in the claimants’ last address of record in the Department’s files.

8. The Department would retain \$4,600.00 as a reserve for “wind up” expenses of the Receivership.

9. The Department requests an order authorizing the Department to remit to the Florida Insurance Guaranty Association (“FIGA”) any surplus expense funds remaining after discharge.

10. Upon approval of the Department’s request for final discharge, the records of the SCIC receivership estate 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, Florida Constitution, Chapters 119 and 257, Florida Statutes, and chapter 1B-24 and 1B-26.003, Florida Administrative Code. The Department will further give notice of its intent to the United States Department of Justice as agreed in the federal Release Agreement.

11. Although such recovery is unlikely, the Department requests an order

authorizing it to remit to FIGA 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.

12. The Department requests an Order that it shall be fully and finally discharged of its responsibilities in this receivership as of 11:59 P.M. on December 31, 2018, subject to the terms stated above.

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

- A. Approving and adopting the Department's Discharge Accounting Statement.
- B. Authorizing and directing the Department to transfer any unclaimed funds to the unclaimed property unit(s) of the state(s) reflected in the claimants' last address of record in the Department's files, including the Florida Division of Unclaimed Property;
- C. Authorizing and directing the Department to retain \$4,600.00 as a reserve for wind up expenses of the Department;
- D. Authorizing the Department to remit any surplus expense funds remaining after discharge to FIGA;
- E. Authorizing the Department, after final discharge, to destroy any obsolete records in the Department's possession;
- F. Authorizing the Department to remit to FIGA 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, including any judgments or amounts recovered from judgments;
- G. Directing, without further order of this Court, the final discharge of the

Department of its responsibilities in this receivership estate as of 11:59 P.M. on December 31, 2018.

IT IS HEREBY CERTIFIED that a true and correct copy of this Motion for Discharge was electronically filed with the Clerk of Courts by using the ECF system and electronically noticed this 19 day of December, 2018.



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Seminole Casualty Insurance Company
Discharge Accounting Statement
Projected for December 31, 2018

ASSETS

	Amount		
Cash	\$ 365,384.44		Schedule A
Total Assets	\$ 365,384.44		

LIABILITIES

	Recommended Disbursement
Outstanding Amounts from Distribution to Unclaimed Property	106,932.19
Total Liabilities	\$ 106,932.19

WINDUP SUMMARY

Funds Available for Windup Expenses	258,452.25		
Projected Windup Expenses	(4,600.00)		Schedule D
Balance (Any Remaining Funds to FIGA)	253,852.25		

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

EXHIBIT 1

Seminole Casualty Insurance Company
Available Cash Projection
Projected for December 31, 2018

	Cash Bal. as of October 31, 2018	Nov-18	Dec-18
Beginning Pooled Cash Balance	\$ 373,593.67	\$ 373,593.67	\$ 369,434.44
Direct Receiver Expenses (Actual or Estimated)			
Rent-Storage, Postage, Scanning UCP records		500.00	500.00
Sub-total		500.00	500.00
Allocated Receiver Expenses (Estimated)			
Labor & Benefits		4,010.00	4,010.00
Indirect Expenses		140.00	140.00
Sub-total		4,150.00	4,150.00
Cash Balance Before Interest Earnings		368,943.67	364,784.44
Interest Earnings			
Pooled Cash:			
Actual SPIA Earnings for October to be credited on 11/1/2018		490.77	
Estimate based on assume SPIA APR on the previous month's average Pooled Cash balance (Sch. D)			600.00
Ending Pooled Cash Balance	\$ 373,593.67	\$ 369,434.44	\$ 365,384.44

Assumptions for Allocated Receiver Expenses:

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

July Actual	\$ 2,637.27
August Actual	5,810.71
September Actual	4,619.15
October Actual	2,992.07
Sub-total	<u>16,059.20</u>
4 mth. actual average (rounded)	<u>\$ 4,010.00</u>

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

Estimated Total Asset %	0.20%
Estimated Total for the Receiver	\$ 70,000.00
Estimated Expense	<u>\$ 140.00</u>

Seminole Casualty Insurance Company
Allocated State Funds Expensed
Estimated for November - December 2018
THIS STATEMENT INCLUDED FOR INFORMATION PURPOSES ONLY - AMOUNTS NOT PART OF DISTRIBUTION
CALCULATION

	November	December	Totals
Accrued Allocated State of Florida Expenses (Estimated)			
Labor & Benefits	\$ 110.00	\$ 110.00	\$ 220.00 ¹
Indirect Expenses	100.00	100.00	\$ 200.00 ²
Total	\$ 210.00	\$ 210.00	\$ 420.00 ³

Assumptions for Allocated State of Florida Expenses:

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

July Actual	73.83
August Actual	165.09
September Actual	132.58
October Actual	84.40
Sub-total	<u>455.90</u>
4 mth. actual average (rounded)	<u>\$ 110.00</u>

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

Before Distribution

Estimated Total Asset %	0.20%
Estimated Total for the State	\$ 50,000.00
Estimated Expense	<u>\$ 100.00</u>

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

Seminole Casualty Insurance Company
Interest Earnings Projection - Pooled Cash
Projected for December 31, 2018

Interest accrued for November 2018

Beginning cash balance	373,593.67
Ending cash balance	369,434.44
Average cash balance	371,514.06
Assumed SPIA interest rate (Annualized)	2.00%
Subtotal (Annualized)	7,430.28
Accrual for November 2018	\$ <u>600.00</u>

Interest accrued for December 2018

Beginning cash balance	369,434.44
Ending cash balance	365,384.44
Average cash balance	367,409.44
Assumed SPIA interest rate (Annualized)	2.00%
Subtotal (Annualized)	7,348.19
Accrual for December 2018	\$ <u>600.00</u>

Seminole Casualty Insurance Company
Receiver Windup Expenses
Projected for December 31, 2018

Discharge Expenses (Projected for Post 12/31/2018)

Unclaimed Property Reports	
Records Storage, Labor	4,600.00
2018 Final Tax Return Preparation	
Total	<u>\$ 4,600.00</u>

Seminole Casualty Ins. Co.
Statement of Contributed Equity from Regulatory Trust Fund Estimated Balances
Projected for Discharge by 12/31/2018

I. Contributed Equity Balance as of 10/31/2018	\$ 139,858.33
Accrual for November - December (Estimate from Schedule B)	<u>\$ 420.00</u>
Total	<u>\$ 420.00</u>
Projected Contributed Equity Balance as of 12/31/2018	<u><u>\$ 140,278.33</u></u>