

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

In Re: Receivership of

Case No.: 2011 CA 3221

HOMEWISE INSURANCE COMPANY
_____ /

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

COMES NOW, The Florida Department of Financial Services, Division of Rehabilitation and Liquidation, as Receiver of Homewise Insurance Company, (hereinafter "Department"), by and through the undersigned counsel, and hereby moves this Court for entry of an Order Approving the Discharge Accounting Statement, Directing Final Discharge of the Department as Receiver, and Authorizing the Destruction of Obsolete Records and as good grounds therefor states:

1. Homewise Insurance Company ("HWIC") was licensed in 2005, by the Office of Insurance Regulation ("OIR") as a stock domestic property and casualty insurance company authorized to do business in Florida.

2. On November 18, 2011, this Court entered an *Order Appointing the Department as Receiver of HWIC for Purposes of Liquidation, Injunction, and Notice of Automatic Stay* ("Liquidation Order").

3. Pursuant to section 631.021, Florida Statutes, this Court has jurisdiction over the receivership and upon entry of an order of liquidation has exclusive jurisdiction with respect to the assets and property of the subject insurer and is authorized to enter all necessary and/or proper orders to carry out the purpose of the Florida Insurers Rehabilitation and Liquidation Act, sections 631.001 et seq., Florida Statutes.

4. On May 12, 2017, this Court entered an *Order Approving the First Interim Claims Report, Final Claims Report, Claims Distribution Report, and Distribution Accounting and Authorizing Distribution* (“Distribution Order”). The Order authorized a distribution of estate assets in the amount of \$1,348,069.06 to all claimants in Class 1 which constitutes 12.16% of the amount recommended in Class 1.

5. The Department’s Discharge Accounting Statement—*Projected as of June 30, 2017*, (the “Discharge Accounting”) is attached hereto and incorporated herein by reference as **Exhibit A**.

6. As shown in the *Discharge Accounting*, the estimated value of all assets remaining in the HWIC receivership estate is projected to be \$2,239.36. The Department requests authority to retain these funds as a reserve for “wind up” expenses of the receivership.

7. The HWIC estate also has outstanding reinsurance billings of approximately \$600,000. The expenses to keep the receivership estate open to collect these funds include the Department’s expenses directly related to the management of the HWIC estate as well as the estate’s share of the Department’s indirect expenses which are spread across all estates. Rather than having the estate incur additional indirect expenses while these billings are recovered, the Department recommends that it be discharged as Receiver of HWIC and be granted the authority to continue efforts to recover these reinsurance amounts for the benefit of the Class 1 claimant, the Florida Insurance Guaranty Association (“FIGA”). Due to the Department’s inability to satisfy the entirety of the amount it recommended on FIGA’s Class 1 claims, the Department proposes to forward any remaining expense funds that were reserved for wind up activities and any recovered reinsurance funds less the Department’s recovery costs to FIGA.

8. The Department requests an order authorizing it to remit to FIGA any other assets which may be recovered following the discharge of the Department as Receiver if, in the

Department's sole discretion, the value of the recovered assets does not justify the re-opening of this receivership estate.

9. The Department requests that the following be assigned to FIGA: all mortgages, notes, judgments, or other liens in favor of HWIC recorded with any Clerk of Circuit Court in the State of Florida, upon property located in the State of Florida, that have not been previously assigned, sold, or transferred by the Department.

10. Upon approval of the Department's request for final discharge, the records of the HWIC receivership estate will no longer be needed, and it will be necessary to dispose of the obsolete company records. Prior to the actual destruction of these records, the Department will seek approval to destroy the records by submitting an *In-House Records Disposition Document* to the Department's Records Management Liaison Officer ("RMLO") for review and approval.

11. 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 June 30, 2017.

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

- A. Granting the Department's Motion;
- B. Approving and adopting the Department's Discharge Accounting Statement;
- C. Authorizing and directing the Department to retain \$2,239.36 as a reserve for "wind up" expenses of the Department;
- D. Authorizing the Department, after final discharge, to continue efforts to collect reinsurance amounts owed to the HWIC estate and to forward any remaining expense funds that were reserved for wind up activities and any recovered reinsurance funds less the Department's costs of recovery to FIGA;

E. Authorizing the Department to remit to FIGA any other assets which may be recovered following the discharge of the Department as Receiver if, in the Department's sole discretion, the value of the recovered assets does not justify the re-opening of this receivership estate; and

F. Assigning to FIGA all mortgages, notes, judgments, or other liens in favor of HWIC recorded with any Clerk of Circuit Court in the State of Florida, upon property located in the State of Florida, that have not been previously assigned, sold, or transferred by the Department;

G. Authorizing the Department, after final discharge, to destroy any obsolete records in the Department's possession; and

H. 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 June 30, 2017.

Respectfully Submitted on this the 21st day of June, 2017.

/s/ Jamila G. Gooden _____
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Homewise Insurance Company
Discharge Accounting Statement
Projected for June 2017

ASSETS

	<u>Amount</u>	
Cash	\$ 2,239.36	Schedule A
Total Assets	\$ 2,239.36	

LIABILITIES

	<u>Recommended Disbursement</u>	
Total Liabilities	\$ -	

WINDUP SUMMARY

Funds Available for Windup Expenses	2,239.36	
Projected Windup Expenses	<u>(1,600.00)</u>	Schedule D
Balance (Any Remaining Windup Funds to the FIGA)	<u>639.36</u>	

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

Homewise Insurance Company
Available Cash Projection
Projected for June 2017

	Cash Bal. as of April 30, 2017	May-17	Jun-17
Beginning Pooled Cash Balance	\$	1,516,356.62	\$ 7,619.36
Distribution to Florida Insurance Guaranty Assoc.		\$ 1,348,065.31	
Regulatory Trust Fund Advance Repayment		\$ 154,021.84	
Direct Receiver Expenses (Actual or Estimated)			
Rent-Storage, Postage		500.00	500.00
Sub-total		500.00	500.00
Allocated Receiver Expenses (Estimated)			
Labor & Benefits		7,500.00	5,000.00 ¹
Indirect Expenses		480.00	480.00 ²
Sub-total		7,980.00	5,480.00
Cash Balance Before Interest Earnings		5,789.47	1,639.36
Interest Earnings			
Pooled Cash:			
Actual SPIA Earnings for April to be credited on 5/1/2017.		1,829.89	
Estimate based on assume SPIA APR on the previous month's average Pooled Cash balance (Sch. D)			600.00
Ending Pooled Cash Balance	\$	1,516,356.62	\$ 2,239.36

Assumptions for Allocated Receiver Expenses:

¹ Labor & Benefits: This estimate is based on May's reported hours which are more representative of the decreased level of activity for this estate.

² Indirect Expenses: This estimate is HWIC's estimated pro rata share of the Receiver's estimated total indirect expenses. The pro rata share calculation is based on HWIC'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	\$ 120,000.00
Estimated Expense (doubled)	<u>\$ 480.00</u>

Homewise Insurance Company**Allocated State Funds Expensed**

Estimated from May 2017 through the Projected Discharge Date of June 2017

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

	<u>May</u>	<u>June</u>	<u>Totals</u>
Accrued Allocated State of Florida Expenses (Estimated)			
Labor & Benefits	\$ 140.00	\$ 140.00	\$ 280.00 ¹
Indirect Expenses	44.00	44.00	\$ 88.00 ²
Total	\$ 184.00	\$ 184.00	\$ 368.00 ³

Assumptions for Allocated State of Florida Expenses:¹ Labor & Benefits: This estimate is based on a four month actual average.

January Actual	
February Actual	-
March Actual	234.72
April Actual	340.77
Sub-total	575.49
4 mth. actual average (rounded)	<u>\$ 140.00</u>

² Indirect Expenses: This estimate is HWIC's estimated pro rata share of the Receiver's estimated total indirect expenses. The pro rata share calculation is based on HWIC'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	\$ 11,000.00
Estimated Expense (doubled)	<u>\$ 44.00</u>

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

Homewise Insurance Company
Interest Earnings Projection - Pooled Cash
Projected for June 2017

Interest accrued for May 2017

Beginning cash balance	1,516,356.62
Ending cash balance	7,619.36
Average cash balance	761,987.99
Assumed SPIA interest rate (Annualized)	1.00%
Subtotal (Annualized)	7,619.88

Accrual for May 2017

\$ 600.00

Interest accrued for June 2017

Beginning cash balance	7,619.36
Ending cash balance	2,239.36
Average cash balance	4,929.36
Assumed SPIA interest rate (Annualized)	1.00%
Subtotal (Annualized)	49.29

Accrual for June 2017

\$ -

Homewise Insurance Company
Receiver WindUp Expenses
Projected for June 2017

Discharge Expenses (Projected for Post 6/30/2017)

Records Storage	1,600.00
2016 & 2017 Final Tax Return Preparation	
Total	<u>\$ 1,600.00</u>

Homewise Insurance Company
Statement of Contributed Equity from Regulatory Trust Fund Estimated Balances
Projected for Discharge by 6/30/2017

I. Contributed Equity Balance as of 4/30/2017		\$ 54,362.99
	Accrual for May - June (Estimate from Schedule B)	<u>\$ 368.00</u>
Total		<u>\$ 368.00</u>
Projected Contributed Equity Balance as of 6/30/2017		<u><u>\$ 54,730.99</u></u>