

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

IN RE: The Receivership of
SOUTHERN EAGLE INSURANCE
COMPANY, a Florida Corporation.

CASE NO.: 2011 CA 3392

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

COMES NOW the State of Florida, Department of Financial Services, as Receiver of SOUTHERN EAGLE INSURANCE COMPANY, (hereinafter, "Receiver" or "SEIC"), and asks that the Court enter an Order approving its procedure for deeming return premium claims as timely filed in the SEIC estate, and as grounds therefore states:

1. On December 6, 2011, this Court entered a Consent Order Appointing the Florida Department of Financial Services as Receiver of Southern Eagle Insurance Company, for Purposes of Rehabilitation, Injunction and Notice of Automatic Stay. On December 16, 2011, this Court entered a Consent Order Appointing the Florida Department of Financial Services as Receiver of Southern Eagle Insurance Company for Purposes of Liquidation, Injunction, and Notice of Automatic Stay (hereinafter, "Liquidation Order").

2. This Court has jurisdiction over the SEIC estate and is "authorized to enter all necessary and/or proper orders to carry out the purpose of the Florida Insurers Rehabilitation and Liquidation Act", Section 631.021(1), Florida Statutes.

3. Pursuant to the Liquidation Order, all policies of insurance that had not expired on the date the Liquidation Order was entered would be canceled effective at 12:01 a.m. EST, on January 16, 2012.

4. If the SEIC 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 SEIC insureds whose policies were canceled pursuant to the terms of the Liquidation Order or whose policies were otherwise canceled or changed, and who may be owed a refund of premium.

5. When an insurer is placed in liquidation, the Receiver coordinates with the Florida Workers' Compensation Insurance Guaranty Association ("FWCIGA") in an effort to facilitate the return of premium to the policyholders of the liquidated insurer. The return premium falls within the definitions of a FWCIGA "covered claim" pursuant to Sections 631.54(3), Florida Statutes. The prompt return of the unearned premium to the policy holder is vital so the policyholder has the funds available to obtain a new policy.

6. Under the Receiver's normal course of handling claims, including claims for return premium, the Receiver would send a Proof of Claim ("POC") notice to all potential 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.

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

8. The Receiver proposes the following POC procedure for policyholders who may have a return premium claim:

- A. The Receiver will not require POC's from policyholders who have a potential claim in the SEIC estate for return premium. Potential claims include those policyholder claimants who had their policies cancelled by the Liquidation Order and who the Receiver calculates are due return premium.
- B. The policyholders included above in paragraph 8A do not need to do anything to file a claim for the return of premium or to have their claim accepted by the Receiver.
- C. The return premium claims identified above will be considered as timely filed in the SEIC estate.
- D. Once the claims in the SEIC 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.

9. This procedure will not affect the rights of any other claimants in the SEIC estate.

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

WHEREFORE, the Receiver requests that this Court enter an order approving the procedure for deeming return premium claims as timely filed in the SEIC estate.

DATED: March 7th, 2013.



Jennifer M. Ferris, Senior Attorney
Florida Bar No. 58576
Florida Department of Financial Services
Division of Rehabilitation & Liquidation,
2020 Capital Circle SE, Suite 310
Tallahassee, Florida 32301
(850) 413-4410 – Telephone
Jennifer.Ferris@myfloridacfo.com - Email