FLORIDA DEPARTMENT OF FINANCIAL SERVICES

Division of Rehabilitation and Liquidation
www.myfloridacfo.com/division/receiver

Si necesita una versión en español de este aviso, visite el sitio web de la División de Rehabilitación y Liquidación www.myfloridacfo.com/division/receiver.
(If you need a Spanish version of this notice, visit the Receiver's website at www.myfloridacfo.com/division/receiver)

NOTICE TO AGENT OR BROKER
June 16, 2022

Regarding the Liquidation of Southern Fidelity Insurance Company

On June 15, 2022, Southern Fidelity Insurance Company ("SFIC") was ordered liquidated by the Second Judicial Circuit Court in Leon County, Florida. The Florida Department of Financial Services ("Department") is the court appointed Receiver of SFIC. A copy of the liquidation order for SFIC is available on the Department's website, www.myfloridacfo.com/division/receiver.

The Department is sending this notice to all SFIC agents of record in order to provide them with information to better assist in advising SFIC policyholders. As an agent of record, you are advised that the liquidation order significantly affects the company's policyholders and may legally impose certain obligations on you. The Department expects you to contact your policyholder clients and assist them with any questions they may have regarding the receivership proceeding.

As agent for SFIC and pursuant to Section 631.341, Florida Statutes, you are required to provide a written notice of the receivership, by registered or certified mail, or by email with delivery receipt required, to the last known address of policyholders whose policy has not been replaced or reinsured with a solvent authorized insurer. A copy of Section 631.341, Florida Statutes, is found at the end of this notice. When providing notice of the liquidation to SFIC's policyholders, you should inform them that:

- Except for flood policies, SFIC insurance policies are cancelled effective 12:01 a.m., July 15, 2022, unless otherwise terminated prior to that date.
- The deadline for filing claims in the SFIC receivership proceeding is **June 15, 2023**.

FLORIDA POLICIES:

Citizens Property Insurance Corporation ("Citizens") may be able to offer coverage. Agents are required to conduct a diligent search of the market before making any application for coverage to Citizens, the Florida market of last resort. However, Citizens is prepared to write eligible policies if, after a good-faith search, the agent cannot find coverage in the private market.

Because of hurricane season and the short time between the liquidation of Southern Fidelity and the policy cancellation date, Citizens is working to make this easier. Citizens is prepared to:

- Upload your Southern Fidelity data directly into PolicyCenter, which will help expedite the completion of a new business submission to Citizens if needed
- Allow deferral of 4 Point, Roof Certification and Wind Loss Mitigation inspections for up to 1 year.
- Remind agents that our quarterly payment plan is available, which will allow the policyholder to initiate coverage with a 40% down payment while they await to receive any unearned premium due from the Florida Insurance Guaranty Association.
- Expedite the appointment process for agents if they are not already appointed. Appointment information can be found at: Agencies - Public - Citizens Property Insurance Corporation (citizensfla.com) Please complete the "Register Your Agency" section here Agency Appointment and also send an e-mail to Agent.Outreach@citizensfla.com and request an expedited appointment.

Open Claims:
If the insured property has unrepaired damage, property owners will need to take steps to repair it, have a contract for repairs, or otherwise demonstrate insurability. Agents should submit these applications unbound for approval, and include the following documentation:

A description of damage ·
Photos of the existing damage ·
Acceptable documentation reflecting when the repairs will be completed ·
An Existing Damage Disclaimer signed by the applicant

Please watch for a follow-up communication from Citizens that will provide additional details.

PREMIUM COLLECTION: In accordance with Section 631.155, Florida Statutes, and paragraph 20 on page 4 of the SFIC Liquidation Order, all premiums and unearned commissions collected by Agents or Brokers on behalf of SFIC must be accounted for and paid directly to the Department within 30 days. No agent, broker, premium finance company or other person may use premium monies owed to SFIC for refund of unearned premium or for any purpose other than payment to the Department.

CLAIMS FOR LOSSES INCURRED PRIOR TO 12:01 A.M. ON JULY 15, 2022:

There is a process in place for payment of covered claims incurred before 12:01 a.m. on JULY 15, 2022. Your state's insurance guaranty association was activated to help pay outstanding claims for SFIC policies. The processing and payment of pending covered claims will be made by the applicable state insurance guaranty association.

Florida Insurance Guaranty Association ("FIGA") - https://figafacts.com/

Louisiana Insurance Guaranty Association - https://www.laiga.org/

Mississippi Insurance Guaranty Association- https://ms-miga.com

South Carolina Property and Casualty Insurance Guaranty Association - http://www.scguaranty.com/

The deadline for filing claims in the SFIC receivership is June 15, 2023.

SFIC information regarding the method for filing a claim in the receivership proceeding will be available on the Department's website. www.myfloridacfo.com/division/receiver

PROCESS FOR PAYMENT OF CLAIMS:
The Department is currently gathering claim files and claim data to forward the information to your state's insurance guaranty association. As a result, there may be a slight delay in claim processing during this transitional period. Please continue to contact SFIC using the contact information below to check the status of an existing claim and/or to file a new claim. The Department's website, www.myfloridacfo.com/division/receiver, will be updated once the transition is completed.

CONSUMER/CLAIMS CALLS:
Consumers with questions regarding SFIC should contact the company directly at the numbers below:

Customer Service:	(866) 874-7342
Claims:	(866) 722-4995
Flood:	(800) 759-8656

CONTACTING THE DEPARTMENT:
If you have any non-claims related questions regarding the receivership, please visit the Department's website at www.myfloridacfo.com/division/receiver. You also may contact the Department at Consumer.Services@myfloridacfo.com or by calling (800) 882-3054 or (850) 413-3081.

Section 631.341, Florida Statutes

631.341 Notice of insolvency to policyholders by insurer, general agent, or agent.—

(1) The receiver shall, immediately after appointment in any delinquency proceeding against an insurer in which the policies have been canceled, give written notice of such proceeding to each general agent and licensed agent of the insurer in this state. Each general agent and licensed agent of the insurer in this state shall forthwith give written notice of such proceeding to all subagents, producing agents, brokers, and service representatives writing business through such general agent or licensed agent, whether or not such subagents, producing agents, brokers, and servicing representatives are licensed or permitted by the insurer and whether or not they are operating under a written agency contract.

(2) Unless, within 15 days subsequent to the date of such notice, all agents referred to in subsection (1) have either replaced or reinsured in a solvent authorized insurer the insurance coverages placed by or through such agent in the delinquent insurer, such agents shall then, by registered or certified mail, or by e-mail with delivery receipt required, send to the last known address of any policyholder a written notice of the insolvency of the delinquent insurer.

(3) The license, permit, or certificate of authority of any person, firm, or corporation which fails to comply with the provisions of this section is subject to revocation as otherwise provided by law.

(4) If such person, firm, or corporation is not licensed or permitted or the holder of a certificate of authority under any section of this code, such person, firm, or corporation, or the officers and directors thereof, are, upon failure to comply with the provisions of this section, guilty of a misdemeanor of the first degree, punishable as provided in s. 775.082 or by a fine of not more than $5,000.

History.—s. 750, ch. 59-205; s. 15, ch. 70-27; s. 809(1st), ch. 82-243; s. 24, ch. 83-38; ss. 187, 188, ch. 91-108; s. 4, ch. 91-429; s. 68, ch. 2002-206; s. 16, ch. 2015-180.