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BOB INZER  
CLERK CIRCUIT COURT  
LEON COUNTY, FLORIDA

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

IN RE: The Receivership of  
CHARTER AMERICAN CASUALTY  
INSURANCE COMPANY, a Florida corporation.

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CASE NO.: 92-0683

**RECEIVER'S MOTION FOR APPROVAL OF  
SECOND INTERIM CLAIMS REPORT**

THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES, as Receiver of Charter American Casualty Insurance Company (the "Receiver"), hereby files its Second Interim Claims Report and moves this Court for entry of an order approving the Second Interim Claims Report.

In support of its Motion, the Receiver says:

1. Charter American Casualty Insurance Company ("Charter American") was a Florida corporation previously authorized to transact insurance business in the State of Florida pursuant to Florida Statutes. On April 29, 1992, the Second Judicial Circuit Court in and for Leon County, Florida (the "Court") entered its Order Appointing the Florida Department of Insurance as Receiver for Purposes of Liquidation, Injunction and Notice of Automatic Stay. On January 7, 2003, the Florida Department of Insurance became the Florida Department of Financial Services.

2. This Court has jurisdiction over the Charter American 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. On January 20, 1994, this Court entered an Order Approving the Receiver's Final Report and Recommendations on Distribution of Class 3 Employee Claims (copy attached as Exhibit "A").

3. In accord with Section 631.182(1), Florida Statutes, attached hereto as Exhibit "B" is the Receiver's Second Interim Claims Report For Non Guaranty Association Claimants (in

2/2/04

electronic form as a compact disc). For the Court's convenience, a paper copy of the summary totals from the Second Interim Claims Report For Non Guaranty Association Claimants is attached as Exhibit "C". The total amount of the claims by non-guaranty association claimants is \$5,600,062.87. The total amount recommended by the Receiver to non-guaranty association claimants is \$374,403.35. The guaranty association claims will be reported at a later date.

4. The Receiver recommends that its Report and Recommendations be approved unless an objection is filed thereto within a deadline set by the Court.

5. Under Section 631.181(1), Florida Statutes, claimants are entitled to notice of the Receiver's recommendations on their claim and the deadline for filing objections. A sample copy of the Notice to Claimants is attached hereto as Exhibit "D."

**WHEREFORE**, the Receiver moves this Court for entry for an Order:

A. Authorizing and directing the Receiver to notify claimants of the Receiver's recommendations by U.S. Mail to the last known address of such persons, as shown in the Receiver's files.

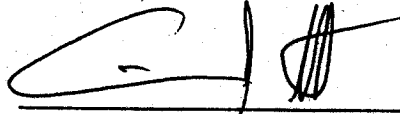
B. Directing all persons who have filed claims, as herewith reported to the Court, to file any objection to the Receiver's report with the Clerk of this Court on or before 11:59 p.m. on Friday, April 30, 2004, and requiring that a copy of said objection be served on the Receiver.

C. Requiring any persons filing objections to submit documentation to support their claim and that the Court will not consider any information or documentation submitted after the objection is filed.

D. Finally, approving the Receiver's Second Interim Claims Report For Non Guaranty

Association Claimants for which no objections are filed.

DATED this 8<sup>th</sup> day of March, 2004.



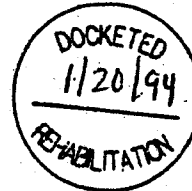
**ERIC S. SCOTT, Senior Attorney**  
Florida Bar No. 0911496  
Florida Department Of Financial Services  
Division of Rehabilitation and Liquidation  
Post Office Box 110  
Tallahassee, Florida 32302-0110  
(850) 413-4414 - Telephone  
(850) 488-1510 - Facsimile

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

CASE NO.: 92-0683

In Re: The Receivership of  
CHARTER AMERICAN CASUALTY INSURANCE  
COMPANY, a Florida corporation.

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ORDER APPROVING FINAL REPORT AND  
RECOMMENDATIONS ON DISTRIBUTION OF CLASS 3 EMPLOYEE CLAIM  
TO MAXIMUM OF \$2,000.00 PER EMPLOYEE

THIS CAUSE came on the Motion by the Florida Department of Insurance as Receiver for CHARTER AMERICAN CASUALTY INSURANCE COMPANY, for an Order authorizing the distribution of receivership assets on the Class 3 employee claim of Michael Ogasawara in the amount of \$829.20 provided by Section 631.271(1)(c), Florida Statutes (1993). The Court having reviewed the pleadings of record, having heard presentation of counsel, and being otherwise fully informed in the premises, it is

ORDERED AND ADJUDGED as follows:

1. The Receiver is authorized and directed to furnish a Notice of the Receiver's recommendation on the claims to the claimant, said notice to be sent by regular U.S. Mail.

2. The claims of Michael Ogasawara reported to the Court in the Receiver's Recommendations, attached to the Receiver's Motion as Exhibit "A", is hereby APPROVED in the amount recommended unless an objection is filed by the affected claimant in writing on or before February 15, 1994. Objections shall be filed with the Clerk of this Court, Leon County, Courthouse, Tallahassee, Florida 32301,

and a copy shall be provided to the Receiver at its Tallahassee address:

Department of Insurance  
Post Office Box 110  
Tallahassee, Florida

3. Any objection shall clearly state the name, address, and claim identification number of the person filing the objection.

4. Objections shall clearly state the factual and legal reason(s) supporting the objection and claim.

5. Any persons filing objections are required to submit with the objection documentation to support their claim.

6. This Court will not consider any information or documentation, submitted after the objection is filed, in opposition to the Receiver's evaluation of the claim.

7. If the objection is not resolved, it shall be set for hearing at a later date and the objector so notified.

8. A copy of this Order shall be hand delivered or mailed to the claimant listed in the Receiver's Recommendations and shall constitute notice of the filing of the Receiver's report and recommendations on such claims and the time within which the objection must be filed.

9. The Receiver is hereby authorized and directed to make a distribution of estate assets of \$829.20 to Mr. Ogasawara, on the allowed Class 3 claim pursuant to Section 631.271(1)(c), Florida Statutes (1993).

10. The Receiver is hereby authorized to make such distribution to the Class 3 claimant provided that:

a. the claimant does not file an objection to the Receiver's evaluation within the deadline established by this Court;

OR

b. the claimant submits to the Receiver a written, signed statement that the claimant accepts the Receiver's evaluation of his claim as it relates to the Class 3 priority.

DONE and ORDERED in Chambers at the Leon County Courthouse, Tallahassee, Leon County, Florida, this 20 day of January, 1994.

*R. Ralph Smith Jr.*

Circuit Court Judge

STATE OF FLORIDA, COUNTY OF LEON

I HEREBY CERTIFY that the above and foregoing is a true and correct copy of an instrument recorded in the official records of Leon County, Florida.

WITNESS my hand and seal of office this 21 day of January, 1994

3

DAVE LANG  
Clerk of Circuit Court



*[Signature]*

FLORIDA DEPARTMENT OF FINANCIAL SERVICES - DIVISION OF REHABILITATION AND LIQUIDATION  
 CHARTER AMERICAN CASUALTY INSURANCE COMPANY  
 SECOND INTERIM CLAIMS REPORT  
 PART A - FOR NON GUARANTY ASSOCIATION CLAIMANTS

SUMMARY TOTALS

TOTAL AMOUNT CLAIMED BY NON GUARANTY ASSOCIATION CLAIMANTS \$5,600,062.87  
 TOTAL AMOUNT RECOMMENDED TO NON GUARANTY ASSOCIATION CLAIMANTS \$374,403.35

TOTAL NUMBER 3,080

COUNT OF CLASS 1 CLAIMS :	0	COUNT OF CLASS 6 CLAIMS :	75
AMOUNT CLAIMED FOR CLASS 1 CLAIMS BY NON GUARANTY ASSOCIATION CLAIMANTS:	\$0.00	AMOUNT CLAIMED FOR CLASS 6 CLAIMS BY NON GUARANTY ASSOCIATION CLAIMANTS:	\$79,628.19
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 :	371	COUNT OF CLASS 7 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 2 CLAIMS BY NON GUARANTY ASSOCIATION CLAIMANTS	\$2,408,028.54	AMOUNT CLAIMED FOR CLASS 7 CLAIMS BY NON GUARANTY ASSOCIATION CLAIMANTS:	\$0.00
AMOUNT RECMD FOR CLASS 2 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS:	\$77,079.84	AMOUNT RECMD FOR CLASS 7 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS:	
COUNT OF CLASS 3 CLAIMS :	2,392	COUNT OF CLASS 8 CLAIMS :	252
AMOUNT CLAIMED FOR CLASS 3 CLAIMS BY NON GUARANTY ASSOCIATION CLAIMANTS:	\$2,527,313.85	AMOUNT CLAIMED FOR CLASS 8 CLAIMS BY NON GUARANTY ASSOCIATION CLAIMANTS:	\$587,091.29
AMOUNT RECMD FOR CLASS 3 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS:	\$297,323.71	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 CLAIMANTS:	\$0.00	AMOUNT CLAIMED FOR CLASS 9 CLAIMS BY NON GUARANTY ASSOCIATION CLAIMANTS:	\$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 CLAIMANTS:	\$0.00	AMOUNT CLAIMED FOR CLASS 10 CLAIMS BY NON GUARANTY ASSOCIATION CLAIMANTS:	\$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  
CHARTER AMERICAN CASUALTY INSURANCE COMPANY  
March XX, 2004

«full\_name»  
«street»  
«unit»  
«city» «state» «zip»«zip4»

INSURED: «policyhold»

ID NUMBER: «ccode» «id\_no»«suffix»

POLICY NUMBER: «policy\_no»  
CLAIM NUMBER: «claim\_no»  
AMOUNT CLAIMED: «amt\_claimd»  
AMOUNT GUARANTY PAID: «gf\_paid»  
AMOUNT RECOMMENDED  
CLAIMANT: «amt\_due\_cl»  
CLASS: «class»

**THIS IS NOT A BILL      NOTICE TO CLAIMANTS      THIS IS NOT A BILL**

**RE: CHARTER AMERICAN CASUALTY  
INSURANCE COMPANY  
OBJECTION FILING DEADLINE: April 30, 2004**

**Civil Action: 92-0683  
2<sup>nd</sup> Judicial Circuit Court  
Leon County, Florida**

**THIS IS NOT A BILL.** The purpose of this Notice to Claimants is to inform you of the Receiver's final recommendations to the Circuit Court concerning the classifications and amounts on a claim filed by you. A copy of the court order is enclosed.

The Receiver has evaluated Class 1 through Class 3 claims submitted in the estate of Charter American Casualty Insurance Company and is recommending the amount on the line reading "Amount Recommended Claimant." The Receiver's "Class" or "Priority" of your claim will affect the amount you may receive. **Please be advised that the assets in the Receivership estate of Charter American Casualty Insurance Company are not sufficient to fund a full distribution payment to all claimants. In fact, the Receiver does not anticipate a future distribution to any claimants beyond Class 3.** Therefore, if your class has been identified as Class 4 through Class 10, you will not see any amount on the line reading "Amount Recommended Claimant". Florida Statute 631.271, "Priority of claims", defines the classification of claims. (See F.S. 631.271 on reverse side of this form.)

Below is a brief description of the class of claims being reported to the Court:

- Class 1    Costs & expenses of the Receiver and state guaranty funds
- Class 2    Loss claims covered by the policy
- Class 3    Refund of unearned premium on non-assessable policies
- Class 4    Claims of the Federal Government
- Class 5    Claims of employees
- Class 6    Claims of Charter American Casualty creditors
- Class 7    Claims of any state or local government
- Class 8    Claims filed late
- Class 9    Surplus or contribution notes & refunds on assessable policies
- Class 10   Claims of shareholders or other owners

**If you agree with the amount recommended and the class/priority, no further action on your part is necessary. If you object to the recommended amount or to the assigned class of your claim, YOU MUST FILE YOUR OBJECTION WITH BOTH THE RECEIVER AND THE CLERK OF COURT, SECOND JUDICIAL CIRCUIT, LEON COUNTY COURT HOUSE, 301 S. MONROE STREET, TALLAHASSEE, FLORIDA 32301.**

**YOUR OBJECTION MUST BE POSTMARKED BY THE DEADLINE GIVEN ABOVE. IT IS SUGGESTED THAT YOU SEND YOUR OBJECTION BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED.**

The objection procedure is:

1. State in detail all legal and factual reasons for your objection. At the top of your statement, include the following information: "Civil Action Number 92-0683", your identification number, correct address and telephone number.
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. Mail original to the Clerk of Court, a copy to 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  
CHARTER AMERICAN CASUALTY INSURANCE COMPANY  
P.O. BOX 110**

TALLAHASSEE, FLORIDA 32302-0110  
Website: [www.floridainsurancereceiver.org](http://www.floridainsurancereceiver.org)

Telephone: (800) 882-3054, (850) 413-3179, Facsimile: (850) 922-9115

**EXHIBIT "D"**

**FLORIDA DEPARTMENT OF FINANCIAL SERVICES  
RECEIVER  
CHARTER AMERICAN CASUALTY INSURANCE COMPANY**

**NOTE:** Any distribution will be made on a pro-rata basis. If a distribution is made, you may not receive the full amount recommended for your claim. Depending on the assets available for distribution, you and other claimants in your classification may only receive a percentage of the amount recommended on your claim. (i.e. 25% equals 25 cents on the dollar.)

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 is incorrect, or becomes incorrect in the future, it is your responsibility to notify the Receiver and document any changes.

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**FLORIDA STATUTE 631.271 Priority of claims.**

**631.271 Priority of claims.—**

(1) The priority of distribution of claims from the insurer's estate shall be in accordance with the order in which each class of claims is set forth in this subsection. Every claim in each class shall be paid in full or adequate funds shall be retained for such payment before the members of the next class may receive any payment. No subclasses may be established within any class. The order of distribution of claims shall be:

**(a) Class 1.—**

1. All of the receiver's costs and expenses of administration.
2. All of the expenses of a guaranty association or foreign guaranty association in handling claims.

**(b) Class 2.—**All claims under policies for losses incurred, including third-party claims, all claims against the insurer for liability for bodily injury or for injury to or destruction of tangible property which claims are not under policies, and all claims of a guaranty association or foreign guaranty association. All claims under life insurance and annuity policies, whether for death proceeds, annuity proceeds, or investment values, shall be treated as loss claims. That portion of any loss, indemnification for which is provided by other benefits or advantages recovered by the claimant, may not be included in this class, other than benefits or advantages recovered or recoverable in discharge of familial obligations of support or by way of succession at death or as proceeds of life insurance, or as gratuities. No payment by an employer to her or his employee may be treated as a gratuity.

**(c) Class 3.—**Claims under nonassessable policies for unearned premiums or premium refunds.

**(d) Class 4.—**Claims of the Federal Government.

**(e) Class 5.—**Debts due to employees for services performed, to the extent that the debts do not exceed \$2,000 for each employee and represent payment for services performed within 6 months before the filing of the petition for liquidation. Officers and directors are not entitled to the benefit of this priority. This priority is in lieu of any other similar priority that is authorized by law as to wages or compensation of employees.

**(f) Class 6.—**Claims of Charter American Casualty creditors.

**(g) Class 7.—**Claims of any state or local government. Claims, including those of any state or local government for a penalty or forfeiture, shall be allowed in this class, but only to the extent of the pecuniary loss sustained from the act, transaction, or proceeding out of which the penalty or forfeiture arose, with reasonable and actual costs occasioned thereby. The remainder of such claims shall be postponed to the class of claims under paragraph (j).

**(h) Class 8.—**Claims filed after the time specified in ss. 631.181(3), except when ordered otherwise by the court to prevent manifest injustice, or any claims other than claims under paragraph (i) or under paragraph (j).

**(i) Class 9.—**Surplus or contribution notes, or similar obligations, and premium refunds on assessable policies. Payments to members of domestic mutual insurance companies shall be limited in accordance with law.

**(j) Class 10.—**The claims of shareholders or other owners.

(2) In a liquidation proceeding involving one or more reciprocal states, the order of distribution of the domiciliary state shall control as to all claims of residents of this and reciprocal states. All claims of residents of reciprocal states shall be given equal priority of payment from Charter American Casualty assets regardless of where such assets are located.

**FLORIDA DEPARTMENT OF FINANCIAL SERVICES, RECEIVER  
CHARTER AMERICAN CASUALTY INSURANCE COMPANY**

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