

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

In Re: The Receivership of
UNITED BUSINESS OWNERS
SELF INSURERS FUND,
a Florida self-insurance fund

CASE NO.: 98-0906

**ORDER APPROVING AND DIRECTING
THE ASSESSMENT OF FUND MEMBERS**

THIS CAUSE came to be heard before this Court *ex parte* on June 27, 2002, upon the Petition of the Florida Department of Insurance, as receiver (the "Receiver") of the United Business Owners Self Insurers Fund ("UBO"), for an Order Approving and Directing the Assessment of Fund Members (the "Receiver's Petition"). After reviewing the pleadings of record, hearing presentation of counsel, and being otherwise fully advised in the premises, the Court finds as follows:

Background

1. This Court has jurisdiction over this delinquency proceeding and is "authorized to make all necessary or proper orders to carry out the purposes of" the Insurers Rehabilitation and Liquidation Act. § 631.021(1), Fla. Stat. (2001).

2. On or about August 17, 1993, UBO was organized as a Florida workers' compensation group self-insurance fund by which the members reciprocally insured each other's workers' compensation liabilities.

3. UBO was organized pursuant to an indemnity agreement authorized by, and adopted in accordance with, Section 624.4621, Florida Statutes (2001), *formerly* Section 440.57, Florida Statutes (1993), and Fla. Admin. Code R. 4-190.068. Pursuant to the terms of their indemnity agreement, the members of UBO reciprocally insured workers' compensation liabilities under the direction of a Board of Trustees. In accordance with these legal requirements, the members of UBO, among other things, jointly and severally covenanted and agreed to pay premiums and assessments, based upon appropriate classifications and rates, into a designated cash reserve fund out of which lawful and proper claims and awards are to be paid, and to make prompt payment of all premiums and assessments as required by the Trustees of UBO. A copy of the UBO indemnity agreement is attached to the Receiver's Petition as **Exhibit "A."**

4. Section 624.4621(2) and (3), *formerly* Section 440.57(2) and (3), Florida Statutes (1993), requires the statutory regulator of Florida workers' compensation group self-insurance funds, *viz.* the Florida Department of Insurance (the "Department") (formerly the Florida Department of Labor and Employment, Division of Workers' Compensation), to adopt rules requiring monetary reserves to be maintained by group self-insurers in order to ensure their solvency and to adopt rules

implementing the reserve requirements in accordance with accepted actuarial techniques. Accordingly, Fla. Admin. Code R. 4-190.059 requires all such self-insurance funds to maintain adequate reserves determined in accordance with accepted actuarial techniques.

5. On June 1, 1998, this Court adjudicated UBO to be insolvent, and entered the Consent Order Appointing the Florida Department of Insurance as Receiver for Purposes of Liquidation, Injunction, and Notice of Automatic Stay (the "Liquidation Order"). Among other things, UBO failed to maintain adequate reserves to ensure its solvency.

6. The Liquidation Order appoints the Department as the Receiver of UBO, and authorizes and directs the Receiver to calculate any necessary assessments pursuant to Sections 624.474 and 624.476, Florida Statutes (2001), and to use the collection procedure set forth in Sections 631.311, 631.321, and 631.331, Florida Statutes (2001), or such other procedure as may be subsequently ordered by this Court.

7. Pursuant to paragraph 29, on page 10 of the Liquidation Order, and in accordance with Section 631.252, Florida Statutes (2001), all insurance policies of

UBO were canceled as of 12:01 a.m. on April 25, 1997, or as of any earlier policy expiration, cancellation, or termination date.

Authority for the Receiver's Assessment of UBO's Fund Members

8. As the Receiver for UBO, the Department "is vested by operation of law with the title to all of the property, contracts, and rights of action" of UBO. § 631.141(2), Fla. Stat. (2001). Thus, the Receiver acts as the successor of the Trustees and holds the rights, causes, and remedies that were available to the Trustees. *Southeastern Staffing Services Inc. v. Fla. Dept. of Ins.*, 728 So.2d 248 (Fla.1st D.C.A. 1998), *appeal dismissed*, 766 So.2d 223 (Fla. 2000); *Nova Insurance Group, Inc. v. Fla. Dept. of Ins.*, 606 So. 2d 429, 432 (Fla.1st D.C.A. 1992).

9. As stated, pursuant to the terms of UBO's indemnity agreement the Trustees of UBO may assess its members to fund the workers' compensation liabilities of the group. Acting as the successor of the Trustees, the Receiver is authorized to assess the members of UBO to meet the workers' compensation liabilities of the group. In addition, pursuant to Sections 624.474, 624.476, and 624.477, Florida Statutes (2001), the Receiver may assess the members of UBO to meet the workers' compensation liabilities of the group.

10. Section 631.311, Florida Statutes (2001), provides that the Receiver may make and file its report and petition to this Court setting forth (1) the reasonable value of the assets of UBO, (2) the liabilities of UBO to the extent thus far ascertained by the Receiver, (3) the aggregate amount of the assessment, if any, which the Receiver deems reasonably necessary to pay all claims, the costs and expenses of the collection of the assessments, and the costs and expenses of the delinquency proceeding in full, and (4) any other information relative to the affairs or property of UBO that the Receiver deems material.

11. Section 631.321(1), Florida Statutes (2001), provides as follows:

(1) Upon the filing and reading of the report and petition provided for in s. 631.311, the court, ex parte, may order the department to assess all members or subscribers of the insurer who may be subject to such an assessment, in such an aggregate amount as the court finds reasonably necessary to pay all valid claims as may be timely filed and proved in the delinquency proceeding, together with the costs and expenses of levying and collecting assessments and the costs and expenses of the delinquency proceeding in full. Any such order shall require the department to assess each such member or subscriber for her or his proportion of the aggregate assessment, according to such reasonable classification of such members or subscribers and formula as may be made by the department and approved by the court.

12. Paragraph 15.P., on page 6 of the Liquidation Order, authorizes and directs the Receiver to calculate any necessary assessments pursuant to Sections 624.474 and 624.476, Florida Statutes, and to utilize the assessment collection procedure set forth in Sections 631.311, 631.321, and 631.331, Florida Statutes, or such other procedure as may be subsequently ordered by this Court.

13. The assessment process set forth in Sections 631.311, 631.321, and 631.331, Florida Statutes, was approved in *In re The Receivership of International Forum of Florida Health Benefit Trust*, 607 So.2d 432 (Fla. 1st DCA 1992). The Receiver's authority to assess the fund members of an insolvent workers' compensation group self-insurance fund, jointly and severally, for the fund's deficit was also upheld in *Southeastern Staffing Services, Inc. v. Fla. Dept. of Insurance*, 728 So.2d 248 (Fla. 1st DCA 1998), *appeal dismissed*, 766 So.2d 223 (Fla. 2000), and *Super Transport, Inc. v. Fla. Dept. of Ins.*, 26 Fla. L. Weekly D2347 (Fla. 1st DCA October 2, 2001).

Calculation of the Aggregate Assessment

14. Section 624.476(1), Florida Statutes (2001), provides that if the assets of a self-insurance fund are insufficient to comply with the requirements of the law or to discharge its liabilities, the fund's trustees shall levy an assessment upon the fund

members for the amount needed to make up the deficiency. Section 624.477, Florida Statutes (2001), provides that any liquidation of a self-insurance fund shall be conducted under the supervision of the Department, which shall have all power with respect thereto granted to the fund under part I of chapter 631. Section 631.311(1), Florida Statutes (2001), further provides that the aggregate amount of the assessment shall be such amount as the Court finds reasonably necessary to pay all valid claims as may be timely filed and proved in the delinquency proceeding, together with the costs and expenses of levying and collecting the assessments and the costs and expenses of the delinquency proceeding in full.

15. Pursuant to Part V of Chapter 631, Florida Statutes (2001), the Florida Workers' Compensation Insurance Guaranty Association, Incorporated (the "Association"), is generally required to pay lawful workers' compensation claims against the fund members of UBO to the extent that such claims have been insured by UBO. Any person who so recovers from the Association is considered to have assigned his or her rights under the policy to the Association to the extent of his or her recovery from the Association. *See* § 631.923(1), Florida Statutes (2001). The Association must periodically file with the Receiver statements of covered claims paid by the Association and estimates of anticipated claims on the Association, which shall

preserve the rights of the Association against the assets of UBO. *See* § 631.923(3), Florida Statutes (2001). The Association's payment of such covered claims does not reduce the assessments of UBO's fund members to be levied by the Receiver. *See Southeastern Staffing Services, Inc. v. Fla. Dept. of Insurance*, 728 So.2d 248 (Fla. 1st D.C.A. 1998), *appeal dismissed*, 766 So.2d 223 (Fla. 2000); *see also* § 631.922, Fla. Stat. (2001) (part V of chapter 631 may not be construed to reduce the assessment of the member of an impaired self-insurance fund).

16. Pursuant to Section 631.311, Florida Statutes (2001), the Receiver has reported that, as of February 28, 2001, the UBO receivership estate holds assets having a reasonable value of \$3,877,906. A copy of the statement showing the assets of the UBO estate as of February 28, 2001, is attached to Receiver's Petition as **Exhibit "B."**

17. The Court finds that there are insufficient assets in the UBO receivership estate to pay all valid claims as may be filed and proved in this delinquency proceeding, together with the costs and expenses of levying and collecting the assessment and the costs and expenses of the delinquency proceeding in full.

18. The Court finds that the Receiver has determined that in order to pay all valid claims as may be filed and proved in the delinquency proceeding, together with

the costs and expenses of levying and collecting the assessments and the costs and expenses of the delinquency proceeding in full, the receivership estate must recover an aggregate assessment in the amount of \$14,931,334. This amount is comprised of the sum of (i) reserves as of February 28, 2001, for the Receiver's administrative expenses, (ii) reserves as of March 31, 2001, and amounts paid by the Association as of February 28, 2001, for workers' compensation claims and awards against UBO that are covered by the Association and for related allocated and unallocated loss adjustment expenses and related administrative expenses, (iii) the cost to levy and collect the assessment, and (iv) an allowance for uncollectible assessments equal to 33-1/3 percent of the aggregate assessment before such allowance, *less* (vi) assets of the receivership estate available as of February 28, 2001. A copy of the Receiver's Assessment Calculation, setting forth the established assessment formula and the total assessment base by fund year, is attached hereto and made a part hereof as **Exhibit "C."**

19. The Receiver and the Association have analyzed and determined their respective reserves necessary to pay their administrative expenses and unallocated loss adjustment expenses. The reserves for workers' compensation claims and awards and for allocated loss adjustment expenses were analyzed and determined by a claims

administrator and were then adjusted by an actuary retained by the Receiver. The Receiver also retained the actuary to review the reasonableness of all reserve estimates. The actuary has determined all such reserves to be reasonable. The Court finds all such reserve determinations to be reasonable and in the best interest of the receivership estate.

20. Pursuant to authority granted to the Receiver by Section 631.141(6), Florida Statutes (2001), and by the Liquidation Order, the Receiver has employed Korge & Korge, as the Receiver's legal counsel to represent the Receiver in collecting the assessment. A copy of the Provider Contract between the Receiver and its attorneys is attached to the Receiver's Notice of Filing. The Court finds that the Receiver's employment of legal counsel pursuant to terms and conditions of the Provider Contract to be reasonable and in the best interest of the receivership estate. The Receiver has determined the amount of the cost to levy and collect included in the aggregate assessment to equal 15 percent of the subtotal of all paid and reserved claims, awards, administrative expenses, and allocated and unallocated loss adjustment expenses. The Court finds the Receiver's determination of such amount to be reasonable and in the best interest of the receivership estate.

21. The Receiver has also analyzed the uncollectibility of the assessment of the fund members of UBO and has determined that more than 33-1/3 percent of the subtotal of all paid and reserved claims, awards, administrative expenses, and allocated and unallocated loss adjustment expenses reasonably approximates the amount of the assessment that will be uncollectible from the fund members of UBO. The Court finds the Receiver's determination of such uncollectibility factor to be reasonable and in the best interest of the receivership estate.

Calculation of Each Fund Member's Share of the Aggregate Assessment

22. Section 624.474(2), Florida Statutes (2001), provides that each fund member's share of a deficiency for which an assessment is made shall be computed by applying to the premium earned on the fund member's policy during the period covered by the assessment the ratio of the total deficiency to the total premiums earned during such period upon all policies subject to the assessment. Section 631.321, Florida Statutes (2001), further provides that the Receiver shall assess each fund member for the member's proportion of the aggregate assessment according to such reasonable classification of the members and formula as may be made by the Receiver and approved by the Court.

23. From the organization of UBO on or about January 21, 1991, until this Court's cancellation of the workers' compensation insurance policies of UBO at 12:01 a.m. on July 2, 1998, pursuant to the Liquidation Order, approximately 1,632 fund members have paid premiums to UBO.

24. Each fund member's share of the assessment and each fund member's joint liability for assessment for each fund year are shown on the Receiver's computerized report (the "Receiver's Report"), attached to the Receiver's Petition as **Exhibit "D."** It appears that the aggregate assessment for the fund year 1997 as reflected on **Exhibit "D"** of the Receiver's Report to be \$5,585,537 contains a scrivener's error resulting in an overstatement of the aggregate assessment for such fund year in the total amount of \$20,000. The correct amount of the aggregate assessment for fund year 1997 is shown on **Exhibit "C"** of the Receiver's Report to be \$5,565,537. Accordingly, the aggregate assessment for fund year 1997, as well as each fund member's share thereof, shall be so corrected. As shown in the Receiver's Report, each fund member's share of the assessment is also reduced by the amount of the unearned premium, if any, which is due the fund member. The Court finds that the Receiver's determination of each fund member's share of the assessment and of each fund member's joint liability for the assessment for each fund year (as corrected

for the scrivener's error for fund year 1997) is correctly based upon reasonable classification of the members and formula, viz. the formula set forth in Section 624.474, Florida Statutes (2001). The Court further finds that a fund member's share of the assessment may be reduced by the amount of the unearned premium, if any, which is due the fund member.

Notice and Effect of Fund Members' Assessments

25. The assessment made by the Receiver pursuant to this order fixing the aggregate amount of the assessment against all fund members and approving the classification and formula made by the Receiver is prima facie correct. See § 631.331(1), Fla. Stat. (2001). Moreover, the fund members of UBO are jointly and severally liable for the assessment levied by the Receiver pursuant to this order. See, e.g., *Southeastern Staffing Services, Inc. v. Fla. Dept. of Ins.*, 728 So.2d 248, 249 (1st D.C.A. 1998), *appeal dismissed*, 766 So.2d 223 (Fla. 2000).

26. Each fund member must be notified of the amount of the assessment to be paid by the fund member, by written notice mailed to the fund member's address last of record with UBO. However, failure of the fund member to receive the notice so mailed, within the time specified therein or at all, shall be no defense in any proceeding to collect the assessment. § 631.331(2), Fla. Stat. (2001).

27. Section 631.331(3), Florida Statutes (2001), provides that in the event that the fund member does not pay the assessment within the period specified in the notice, the Receiver may obtain an order of this Court requiring the fund member to show cause at a time and place fixed by the Court why a judgment should not be entered against the fund member for the amount of the assessment plus any costs incurred in the collection of the assessment.

28. Section 631.331(3), Florida Statutes (2001), further provides that a copy of the show cause order and the petition therefor shall be served upon the fund member within the time and in the manner specified in the order.

29. Section 631.331(4), Florida Statutes (2001), provides that if the fund member after due service of a copy of the order to show cause and the Receiver's petition is made upon the fund member: (a) fails to appear at the time and place specified in the order, judgment shall be entered against the fund member as prayed for in the petition, or (b) appears in the manner and form required by law in response to the order, then the Court shall hear and determine the matter and enter a judgment in accordance with its decision.

30. Section 631.331(2), Florida Statutes (2001), provides that the failure of a fund member to receive the notice of assessment mailed to the fund member's last

known address, within the time specified therein or at all, shall be no defense in any proceeding to collect the assessment.

31. The Court finds that the period specified in the notice for payment of the assessment (the "Payment Due Date") shall be a date to be determined by the Receiver that is not less than 20 days after mailing of the notice.

Release in Return for Prompt and Complete Payment

32. To promote prompt and complete payment of the assessment by the fund members, to enhance the efficiency and economy of liquidation to minimize legal uncertainty and litigation, and as an equitable apportionment of any unavoidable loss, *see* § 631.001(4)(c) and (d), Fla. Stat. (2001); the Receiver has recommended (i) that each fund member be offered a discount equal to 33-1/3 percent of the fund member's share of the aggregate assessment if the fund member pays (or makes adequate provision acceptable to the Receiver for the payment of) such discounted share in full by the Payment Due Date, (ii) that any fund member who so pays or provides for the payment of the discounted assessment by the Payment Due Date (a "Paying Fund Member") shall be deemed to have irrevocably waived any and all claims or objections to the assessment (including, without limitation, any claims for refund or credit of the amount paid and any claims for setoff, offset, or recoupment against the assessment),

(iii) that upon complete, final, and timely payment in full of such discounted assessment (together with any interest or other charges thereon for any installment payments), the Paying Fund Member shall be fully released from the Paying Fund Member's joint and several liability for the assessment (including liability for any additional or further assessment or for any claims for indemnity, subrogation, or contribution by or for any fund members) and shall be deemed to have released any fund member for any claims of indemnity, subrogation, or contribution by or for the Paying Fund Member, (iv) that the full proportionate share of the Paying Fund Member shall be deemed paid in full provided that the entire amount of the Paying Fund Member's discounted assessment is in fact completely, finally, and timely paid and is not subsequently refunded, credited, or otherwise returned, and (v) that any amount paid by a fund member (including any Paying Fund Member) under protest or with a claim for credit or refund of any such payment shall be considered a partial payment by the fund member against that member's proportionate share of the assessment and shall reduce the joint liability for the assessment by that amount actually paid for each applicable fund year, and such fund member shall remain jointly and severally liable for, and shall not be released from any joint and several liability for, the unpaid amount of the aggregate assessment regardless of the amount so paid under

protest or with a claim for credit or refund. The Court finds such recommendation to be reasonable and in the best interest of the receivership estate.

IT IS, THEREFORE, ORDERED AND ADJUDGED as follows:

A. The Receiver shall assess the fund members of UBO pursuant to their indemnity agreement and Sections 624.474, 624.476, and 631.311 through 631.331, Florida Statutes (2001).

B. The Receiver's Provider Contract, which is attached to the Receiver's Notice of Filing, employing Korge & Korge as the Receiver's attorneys, is hereby approved.

C. The Receiver's Assessment Calculation, which is attached to the Receiver's Petition as **Exhibit "C,"** establishing the aggregate assessment as \$14,931,334, and the classification and formula made by the Receiver, are hereby approved.

D. The Receiver shall assess all the fund members of UBO who have paid or were required to pay any premiums to UBO from its inception through the policy cancellation date set forth in the Liquidation Order.

E. The Receiver's Report, attached to the Receiver's Petition as **Exhibit "D,"** setting forth each fund member's share of the aggregate assessment and

each fund member's joint liability for the aggregate assessment (as corrected for a scrivener's error in the total amount of \$20,000 for fund year 1997) is hereby approved. The corrected version of the Receiver's Report is attached to this Order as **Schedule 1**. The fund member's joint liability for the assessment equals the aggregate assessment (*i.e.*, the total of all assessments) made for each fund year during which the fund member was a policyholder of UBO.

F. The Receiver is hereby authorized and directed to provide each fund member of UBO with a Notice of Assessment by regular U.S. mail to the last known address of the fund member, as shown in the Receiver's files obtained from UBO. Failure of the fund member to receive the notice so mailed, within the time specified therein or at all, shall be no defense in any proceeding to collect the assessment. § 631.331(2), Fla. Stat. (2001).

G. The Receiver is hereby authorized and directed to set a date for the payment of the assessment (the "Payment Due Date"), which date will be not less than 20 days after the date on which the Notice of Assessment is mailed. The Payment Due Date may be extended by the Receiver in the Receiver's discretion for any fund member or any group of fund members whose notice of the assessment is returned as undeliverable. § 631.331(3), Fla. Stat. (2001).

H. Each Notice of Assessment shall be in writing, shall specify the amounts assessed, shall provide the Receiver's address where payments may be sent, and shall state the deadline by which each fund member shall pay, or make adequate provision acceptable to the Receiver for the payment of, the assessment. Each such Notice of Assessment shall constitute notice of this Order approving and directing the assessment of the fund members of UBO.

I. The Receiver shall make available for copying by any fund member, at the fund member's expense, a copy of the following documentation: (i) any written report by the actuary concerning the reserve estimates used by the Receiver to calculate the assessment of the fund members, (ii) any written claims analysis used by the actuary in connection with the preparation of the actuarial report, and (iii) any other documentation concerning the Receiver's method for calculating the assessment. Notwithstanding the foregoing, the Receiver shall not provide copies of claims files, canceled checks, accounting ledgers, journal entries, expense reports, and similar documentation. In addition, at such time or times convenient to the Receiver, but not later than 10 days before the Payment Due Date, the Receiver shall make available for the taking of depositions by legal counsel of any fund members

requesting discovery the actuary who prepared the actuarial report, as well as the other individuals employed by the Receiver to calculate the assessment.

J. The fund members shall pay (or shall make adequate provision acceptable to the Receiver for the payment of) the assessment by the Payment Due Date.

K. Each fund member shall be offered a discount equal to 33-1/3 percent of the fund member's share of the aggregate assessment if the fund member pays (or makes adequate provision acceptable to the Receiver for the payment of) such discounted share in full by the Payment Due Date. Any fund member who so pays or provides for the payment of the discounted assessment by the Payment Due Date (a "Paying Fund Member") shall be deemed to have irrevocably waived any and all claims or objections to the assessment (including, without limitation, any claims for refund or credit of the amount paid and any claims for setoff, offset, or recoupment against the assessment) and, upon complete, final, and timely payment in full of such discounted assessment (together with any interest or other charges thereon for any installment payments), shall be fully released from the Paying Fund Member's joint and several liability for the assessment (including liability for any additional or further assessment or claims for indemnity, subrogation, or contribution by or for any fund

member) and shall be deemed to have released any fund member for any claims of indemnity, subrogation, or contribution by or for the Paying Fund Member. The full proportionate share of the Paying Fund Member shall be deemed paid in full provided that the entire amount of the Paying Fund Member's discounted assessment is in fact completely, finally, and timely paid and is not subsequently refunded, credited, or otherwise returned. Any amount paid by a fund member under protest or with a claim for credit or refund of any such payment shall be considered a partial payment by the fund member against that member's proportionate share of the assessment and shall reduce the joint liability for the assessment by that amount actually paid for each applicable fund year, and the fund member shall remain jointly and severally liable for, and shall not be released from any joint and several liability for, the unpaid amount of the aggregate assessment regardless of the amount so paid under protest or with a claim for credit or refund.

L. Pursuant to Section 631.331(3), Florida Statutes (2001), any fund member who contests all or any portion of the assessment (a "Contesting Fund Member") shall file and serve a written answer or response, on or before the Payment Due Date, showing cause why a judgment should not be entered against the Contesting Fund Member for the Contesting Fund Member's joint and several liability for the

assessment in the amount set forth on the corrected version of the Receiver's Report, attached to this Order as **Schedule 1**, together with costs.

M. Any written answer or response shall be filed with the Clerk of the Court, as follows:

Clerk of the Court
Second Judicial Circuit Court of Florida
301 Monroe Street
Tallahassee, Florida 32301

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N. A copy of any written answer or response shall be served on the Receiver by regular U.S. mail, as follows:

Florida Department of Insurance
Division of Rehabilitation and Liquidation
P.O. Box 110
Tallahassee, Florida 32302-0110

Attention: UBO Objections

O. A copy of any written answer or response shall also be served on Receiver's counsel by regular U.S. mail, as follows:

Korge & Korge
230 Palermo Avenue
Coral Gables, Florida 33134

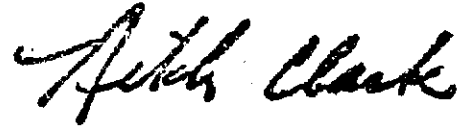
Attention: UBO Objections

P. The Receiver shall serve this order to show cause and the Receiver's Petition upon the Contesting Fund Member by written notice mailed to the last known address of the Contesting Fund Member, as shown in the Receiver's files obtained from UBO. To reduce administrative costs, however, the Receiver shall not send photocopies of the petition and order to the Contesting Fund Members. The Receiver shall instead publish a copy of the petition and order on the Receiver's web page on the internet, and the written notice sent by mail shall advise the Contesting Fund Member of the internet address at which the petition and order may be reviewed. The Receiver shall also employ a copy service located in Tallahassee, Florida, to provide photocopies of the petition and order for a reasonable charge to be paid by any Contesting Fund Member requesting a photocopy of the petition and order. Failure of the Contesting Fund Member to receive the notice so mailed, within the time specified therein or at all, shall be no defense in this proceeding to collect the assessment. § 631.331(2), Fla. Stat. (2001).

Q. If after due service of a copy of this order to show cause and of the Receiver's Petition is made upon the Contesting Fund Member as specified above: (a) the Contesting Fund Member fails to file and serve any written answer or response as specified in the order, then judgment shall be entered against the Contesting Fund Member as prayed for in the petition, or (b) the Contesting Fund Member files and serves a written answer or response to this order, then the Court shall hear and determine the matter set forth in the written answer or response and enter a judgment in accordance with its decision.

R. The Receiver may in its discretion accept from any fund member such lesser amount or different terms in settlement of the fund member's liability for assessment as the Receiver deems to be in the best interest of the UBO receivership estate, without approval of this Court in the case of any assessment not greater than \$20,000, but only subject to approval of this Court in the case of any assessment in excess of \$20,000.

DONE AND ORDERED in Chambers at the Leon County Courthouse, Leon
County, Florida, this 27th day of June 2002.



By: _____

Circuit Judge

cc: Carlos DeZayas, Esq., as counsel for the Florida Workers' Compensation
Insurance Guaranty Association, Incorporated