



THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE

BILL NELSON

June 4, 1998

NOTICE TO AGENT OR BROKER

UNITED BUSINESS OWNERS SELF INSURERS FUND, INC.

The United Business Owners Self Insurers Fund ("UBO") was a group self insurance fund which wrote workers' compensation insurance. On April 13, 1998, UBO was adjudicated insolvent and placed into receivership for the purposes of rehabilitation by the Second Judicial Circuit Court in Leon County, Florida. UBO consented to the order. **On June 1, 1998, UBO was ordered liquidated by the Second Judicial Circuit Court in Leon County, Florida.** The Florida Department of Insurance is the court-appointed Receiver of UBO.

UBO's records indicate that you were an agent or broker for the fund. The former policyholders of UBO will have many questions and certain responsibilities that are, at least in part, a result of the liquidation. As you are an agent of record, the Department of Insurance expects your assistance in responding to the issues raised by the policyholders.

FLORIDA WORKER'S COMPENSATION INSURANCE GUARANTY ASSOCIATION:

Claims for accidents or injuries may be covered by the Florida Worker's Compensation Insurance Guaranty Association ("FWCIGA") pursuant to Chapter 631, Part V, Florida Statutes. FWCIGA will be paying all such covered claims. However, it may be a few weeks before the first claims payments are made. All questions regarding these claims should be referred to the Receiver, at the toll free number provided below, until such time that FWCIGA sets up a toll free line and a TPA to handle claims on UBO.

POLICYHOLDER/MEMBER ISSUES:

CANCELLATION OF POLICIES: You should immediately provide the policyholder with notice of cancellation of the policies pursuant to paragraph 29 on page 10 of the liquidation order, and Section 631.341, Florida Statutes. A copy of Section 631.341, Florida Statutes, is enclosed for your benefit.

ASSESSMENT: As you know, policies written by UBO were assessable policies. Policyholders have an obligation to participate in any assessment that will be administered by the Receiver. The date of the assessment is unknown at this time, but you should be prepared to answer assessment questions that may be asked by the policyholders who purchased UBO policies from you.

RETURN PREMIUMS: The Receiver will send out Proof of Claim Forms within the next few months to those policyholders who may be due a return premium.

PREMIUM AUDITS: Payment on outstanding bills resulting from premium audits should be immediately remitted to the Receiver at the address below. Any questions regarding a premium audit should also be directed to the Receiver at the same address.

PROOF OF CLAIM FORMS:

The Receiver will send Proof of Claim Forms to all known potential receivership claimants within the next few months. The deadline for filing claims in the receivership proceeding is June 1, 1999.

COLLECTED PREMIUMS AND UNEARNED COMMISSIONS:

Paragraph 20 on page 8 of the liquidation order requires that premiums and unearned commissions be sent to the Receiver within 30 days of demand and that no agent, broker, premium finance company, or other person shall use premium monies owed to UBO for any purpose other than payment to the Receiver. Accordingly, you should immediately remit to the Receiver any premiums you have collected on behalf of UBO and any unearned commissions.

Please direct payment and inquiries to the Receiver at:

**UNITED BUSINESS OWNERS
SELF INSURERS FUND IN RECEIVERSHIP
Florida Department of Insurance, Receiver
Post Office Box 110
Tallahassee, Florida 32302-0110**

**Phone (800) 882-3054
Fax (904) 922-0289**

*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, solicitors, and service representatives writing business through such general agent or licensed agent, whether or not such subagents, producing agents, brokers, solicitors, 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, 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.

*Note.

Repealed effective October 1, 2001, by s. 188, ch. 91-108, and scheduled for review pursuant to s. 11.61.