



(727) 934-2947

SAMPLE NAME
SAMPLE ADDRESS
SAMPLE TOWN, FL

NOTICE TO AGENT OR BROKER - - - JULY 1, 2004

REGARDING NEW AMERICA INSURANCE COMPANY

The Second Judicial Circuit Court in Leon County, Florida placed New America Insurance Company ("New America") into receivership for purposes of rehabilitation on July 1, 2004. The Florida Department of Financial Services is the court appointed Receiver of New America. A copy of the *Consent Order Appointing the Florida Department of Financial Services as Receiver for Purposes of Rehabilitation, Injunction and Notice of Automatic Stay* (the "Rehabilitation Order") is available at the Receiver's website, www.floridainsurancereceiver.org.

You are being sent this notice because you are listed as an agent or broker for New America. You are accordingly advised of the Rehabilitation Order that affects the company's policyholders and legally imposes certain obligations on you. Paragraph 31 of the Rehabilitation Order provides in part:

*All insurance policies issued by New America currently in effect, **SHALL BE CANCELLED EFFECTIVE 11:59 P.M., EASTERN DAYLIGHT TIME, JULY 31, 2004, unless otherwise terminated in the ordinary course of business prior to that date.***

To summarize, based upon the Rehabilitation Order, your client's insurance coverage with New America will terminate upon the earlier of:

- (a) July 31, 2004 at 11:59 P.M. Eastern Daylight Time
- (b) the policy's normal renewal or expiration date after July 22, 2004, or
- (c) non-payment of premium

In addition to this Notice, we are sending a notice to each of the policyholders regarding the New America receivership and the cancellation of policies. **WE ARE URGING ALL POLICYHOLDERS TO OBTAIN A NEW POLICY WITH ANOTHER**

INSURANCE COMPANY BEFORE THEIR POLICY'S CANCELLATION DATE TO AVOID LAPSE IN COVERAGE.

Policyholders of New America may have questions regarding their rights and responsibilities as a result of the receivership. As you are an agent of record, the Florida Department of Financial Services, as Receiver of New America, expects your assistance in responding to the issues raised by the policyholders. **As agent for New America, you are also expected to notify the policyholders of the receivership pursuant to Section 631.341, Florida Statutes. A copy of Section 631.341, Florida Statutes, is also enclosed for your benefit.**

Pursuant to Paragraph 12 of the Rehabilitation Order, all premiums and commissions you collected on behalf of New America, now unearned due to cancellation of policies by the Rehabilitation Order, must be accounted for and paid directly to the Receiver upon demand within 30 days. No agent, broker or premium finance company may use premium monies owed to New America for refund of unearned premium or any purpose other than payment to the Receiver. Violation constitutes contempt of Court. You have the right to appear before the Court and show cause if you feel that you are not required to account to the Receiver.

You should also be aware that Section 631.155, Florida Statutes, requires that premiums and unearned commissions which have been collected on behalf of an insurer by an agent, agency, or other entity or person constitute an asset of the insurer for which the agent, agency, or other entity or person has a duty to account to the receiver and to pay over amounts as may be due. The duty to account to the receiver shall encompass all persons or entities involved in the handling and transmittal of premium funds. An accounting shall be provided to the Receiver within 20 days after receipt of a written demand for an accounting. If there is a dispute regarding the accounting, the court shall hear and decide the matter upon petition of the receiver. Compliance with this section and payment of sums determined to be owed by the court within 30 days of judgment, or within other payment terms approved by the court, shall constitute requirements for continued licensure of a person holding a license under the Florida Insurance Code, and failure to comply with this section shall be sufficient grounds for the license revocation.

Until further notice, please continue to remit premiums and unearned commissions to New America at the following address:

**New America Insurance Company
PO Box 2279
Oneco, FL 34264-2279**

Please contact New America at (727) 934-2947 if you have any questions regarding this matter. You may also contact the Florida Department of Financial Services, as Receiver, by calling (800) 882-3054 or by using the "Contact Us" form at the Receiver's website, www.floridainsurancereceiver.org.

Section 631.341, Florida Statutes (2003)

(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, 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.