

12/24

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

In Re: The Receivership of
SOUTHEASTERN CASUALTY AND
INDEMNITY INSURANCE COMPANY,
a Florida Corporation.

CASE NO.: 89-2855

In Re: The Receivership of
SOUTHEASTERN REINSURANCE
COMPANY, INC., a Florida Corporation

CASE NO.: 89-2856

COPY

**RECEIVER'S MOTION FOR APPROVAL OF FINAL FILED CLAIMS
REPORT - PART I, CLAIMS FIRST DISTRIBUTION REPORT
AND FOR ORDER AUTHORIZING DISTRIBUTION**

THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES, as Receiver of
Southeastern Reinsurance Company, Inc., and Southeastern Casualty & Indemnity
Insurance Company, Inc., (hereinafter the "Receiver"), hereby files its Final Filed Claims
Report - Part I, Claims First Distribution Report and Distribution Accounting, and moves
this court for an Order approving the Final Claims Report - Part I, Claims First Distribution
Report and Distribution Accounting, and authorizing distribution in accordance with the
Distribution Accounting. In support of its Motion, the Receiver says:

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LEON COUNTY FLORIDA

1. Southeastern Casualty and Indemnity Insurance Company, Inc. and
Southeastern Reinsurance Company, Inc. ("Southeastern") were adjudicated insolvent on
September 1, 1989.

2. This Court has jurisdiction over the Southeastern Receiverships and is

“authorized to make all necessary or proper orders to carry out the purposes of” the Florida Insurer’s Rehabilitation and Liquidation Act, Section 631.021(1), Florida Statutes.

3. On May 26, 1998, this court ordered the consolidation of the two estates for all purposes, both in this court and in the administration of their affairs.

4. In accord with the court’s Order of Consolidation, the Receiver’s Final Claims Report – Part I, and Claims First Distribution Report are attached hereto in diskette format, marked Attachment "A" and by reference made a part hereof.

5. The Receiver has substantially completed its efforts to collect, where economically feasible, all assets in the consolidated estates.

6. Most, if not all, claims pending in the estate have been evaluated and approved by the court.

7. During the Receiver’s final review prior to filing this motion, 191 claims were located which require additional analysis, verification, and confirmation.

8. Rather than delay the payment of duly evaluated claims, pending the de minimus remaining activities, the Receiver recommends all duly evaluated Class 1 and Class 2 claims be paid at this time. The estate has sufficient funds to assure full payment to the remaining 191 Class 1 and Class 2 claimants.

9. With the approval of the Receiver's Final Filed Claims Report – Part I and the collection of all known assets in the receivership, the Receiver is now in the position to make a distribution of the receivership assets. Said assets will be distributed to Class 1 and 2 claimants in accordance with the Claims First Distribution Report, which is attached herewith as Attachment “B” and is incorporated by reference herein.

10. The Receiver recommends that the Final Filed Claims Report –Part I and Claims First Distribution Report be approved.

11. Based upon the Distribution Accounting, which is attached hereto as Attachment “C,” the Receiver is prepared to make a final distribution of \$6,335,625.36 to 1,026 Class 1 and 2 claimants claims based on a calculated distribution of 100% of the amount approved by the Court.

12. Many approved claims have inadequate current address information, and/or have not provided the Receiver with a form W-9, required by the Internal Revenue Service. The receiver asks for authority to remit the funds due these claimants to the Abandoned Property Bureau of the Department of Financial Services.

13. The Receiver will assist any claimants whose funds are forwarded to the Abandoned Property Bureau in obtaining said funds.

14. In accordance with the Claims Distribution Accounting, the sum of \$5,762,236.67 shall be reserved for further claims payments and the Receiver’s costs of

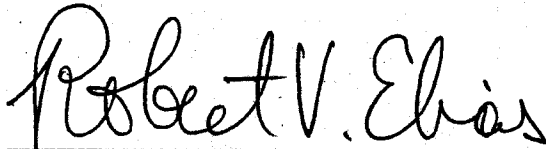
distribution. This is a projected sum and any adjustments to this sum will be made in the discharge accounting.

WHEREFORE, the Receiver respectfully requests this Court grant its Motion and enter an Order:

- 1) approving the Final Filed Claims Report – Part I, Claims First Distribution Report and Distribution Accounting and;
- 2) directing the Receiver to make the above-referenced distribution to claimants in this receivership.

DATED this 24th day of December 2003.

FLORIDA DEPARTMENT OF FINANCIAL
SERVICES
as Receiver of Southeastern



ROBERT V. ELIAS, Deputy Chief Attorney
Florida Bar No. 0530107
Florida Department Of Financial Services
Division of Rehabilitation and Liquidation
Post Office Box 110
Tallahassee, Florida 32302-0110
(850) 413-4408 - Telephone
(850) 488-1510 - Facsimile

Southeastern Casualty and Southeastern Reinsurance Cos. in Liquidation
Distribution Accounting
Projected as of December 31, 2003

COPY

ESTIMATED ASSETS

	Value	Reference
Cash	\$ 11,836,698.00	
Cash - Restricted	231,034.03	Schedule A
Accrued Interest to be paid 1/1/04	30,130.00	
Total Assets	\$ 12,097,862.03	Schedules D, E

ESTIMATED FUNDS RETAINAGE

	Value	Reference
Unclaimed Property - Bond Collateral Secured Claims	\$ 29,751.33 231,034.03	
Class I - Administrative Claims Retainage for Receiver Expenses Estimate (Jan. 2004 - Aug. 2004)	(23,646.00)	Schedule B
Discharge Expenses Retainage for records storage, records destruction, labor (post Aug. 2004)	11,200.00	Schedule F
Total Proposed Retainage	248,339.36	
TOTAL AVAILABLE TO DISTRIBUTE	\$ 11,849,522.67	

DISTRIBUTION RECOMMENDATION

	Claims Value	Less Previous Claims Distributions	Apply Adv. Pmts. to Guaranty Assoc.	Recommended Distribution	%
Class I - Administrative Claims					
Guaranty Funds	\$ 28,810.55	\$ -	\$ -	\$ 28,810.55	100.0000%
Class II - Loss Claims					
Guaranty Funds	-	-	-	-	0.0000%
Other	7,109,193.37	-	-	6,306,814.81	88.7135%
Class III - Return Premium Claims					
Guaranty Funds	-	-	-	-	0.0000%
Other	14,879.86	-	-	-	0.0000%
Class IV - Federal Government Claims	-	-	-	-	0.0000%
Class V - Employee Claims	-	-	-	-	0.0000%
Class VI - General Creditors Claims	232,613.85	-	-	-	0.0000%
Class VII - State & Local Government Claims	14,452.92	-	-	-	0.0000%
Class VIII - Late Filed Claims	104,759.89	-	-	-	0.0000%
Class IX - Assessed Claims	-	-	-	-	0.0000%
Class X - Shareholder Claims	-	-	-	-	0.0000%
Totals	\$ 7,504,710.44	\$ -	\$ -	\$ 6,335,625.36	

Index to Attached Schedules:

- Schedule A - Available Cash Projection
- Schedule B - Estimated Retainage for Receiver Pre-Discharge Expenses
- Schedule C - Allocated State Funds Expensed
- Schedule D - Pooled Cash - Interest Earnings Projection
- Schedule E - Restricted Cash - Interest Earnings Projection
- Schedule F - Receiver Windup Expenses

Southeastern Casualty and Southeastern Reinsurance Cos. in Liquidation
Available Cash Projection
Projected as of December 31, 2003

	Cash Bal. as of Sept. 30, 2003	Oct. 2003	Nov. 2003	Dec. 2003
Beginning Cash Balance		\$ 11,755,624.23	\$ 11,793,528.00	\$ 11,814,813.00
Direct Receiver Recoveries (Estimated)				
N/A				
Sub-total		-	-	-
Direct Receiver Expenses (Actual or Estimated)				
Rent-Storage & Utilities		500.00	500.00	500.00
Sub-total		500.00	500.00	500.00
Allocated Receiver Expenses (Estimated)				
Labor & Benefits		2,798.00 ¹	2,798.00 ¹	2,798.00 ¹
Indirect Expenses		4,617.00 ²	4,617.00 ²	4,617.00 ²
Sub-total		7,415.00	7,415.00	7,415.00
Cash Balance Before Interest Earnings		11,747,709.23	11,785,613.00	11,806,698.00
Interest Earnings				
Pooled Cash:				
Actual SPIA Earnings for September to be credited 10/1/03.		45,818.77		
Estimate based on assumed SPIA APR on the previous month's average Pooled Cash balance (See Schedule D).			29,000.00	30,000.00
Restricted Cash:				
Actual earnings for September to be credited 10/1/03.		141.64		
Estimate based on assumed APR on the previous month's average Restricted Cash balance (See Schedule E).			130.00	130.00
Ending Cash Balance	\$ 11,755,624.23	\$ 11,793,528.00	\$ 11,814,813.00	\$ 11,836,698.00

Assumptions for Allocated Receiver Expenses:

¹ Labor & Benefits: This estimate is based on a four month actual average.

June Actual	\$ 4,141.20
July Actual	3,521.71
August Actual	2,619.88
September Actual	909.62
Sub-total	11,192.41
4 mth. actual average (rounded)	2,798.00
Assumed same activity	\$ 2,798.00

² Indirect Expenses: This estimate is Southeastern's estimated pro rata share of the Receiver's estimated total indirect expenses. The pro rata share calculation is based on Southeastern's estimated total assets divided by the Receiver's estimated total assets for all receiverships.

Estimated Total Asset %	2.37%
Estimated Total for the Receiver	\$ 195,000.00
Estimated Expense (rounded)	\$ 4,617.00

Southern Casualty and Southeastern Reinsurance Cos. in Liquidation
Estimated Retainage for Receiver Pre-Discharge Expenses
 Estimated from 1/1/04 through the Projected Discharge Date of 8/31/04

	Dec. 2003	Jan. 2004	Feb. 2004	Mar. 2004
Beginning Cash Balance	\$ 11,836,898.00	\$ 11,836,898.00	\$ 5,520,789.64	\$ 5,532,506.64
Direct Receiver Expenses				
Rent - Storage		200.00	200.00	200.00
Sub-total		200.00	200.00	200.00
Allocated Receiver Expenses				
Labor & Benefits		5,596.00 ¹	5,596.00 ¹	5,596.00 ¹
Indirect Expenses		4,617.00 ²	4,617.00 ²	4,617.00 ²
Sub-total		10,213.00	10,213.00	10,213.00
Claims Distribution (Approx.)		6,335,625.36		
Cash Balance Before Interest Earnings		5,490,659.64	5,510,376.64	5,522,093.64
Interest Earnings				
Pooled Cash:				
Estimate based on assumed SPIA APR on the previous month's average Pooled Cash balance (See Schedule D).		30,000.00 ³	22,000.00	14,000.00
Restricted Cash:				
Estimate based on assumed APR on the previous month's average Restricted Cash balance (See Schedule E).		130.00 ³	130.00	130.00
Projected Ending Cash Balance	\$ 11,836,898.00	\$ 5,520,789.64	\$ 5,532,506.64	\$ 5,536,223.64

Assumptions for Allocated Receiver Expenses:

¹ Labor & Benefits: This estimate is based on a four month actual average doubled for increased labor activity during the distribution period.

June Actual	\$ 4,141.20
July Actual	3,521.71
August Actual	2,619.88
September Actual	909.62
Sub-total	11,192.41
4 mth. actual average (rounded)	2,798.00
Doubled for increased distribution activity	\$ 5,596.00

² Indirect Expenses: This estimate is Southeastern's estimated pro rata share of the Receiver's estimated total indirect expenses. The pro rata share calculation is based on Southeastern's estimated total assets divided by the Receiver's estimated total assets for all receiverships.

Estimated Total Asset %	2.37%
Estimated Total for the Receiver	\$ 195,000.00
Estimated Expense (rounded)	\$ 4,617.00

³ The January 2004 interest is not included in the 'Retainage Calculation' since it is accounted for in Estimated Accrued Interest at December 31, 2003.

Sothern Casualty and Southeastern Reinsurance Cos. in Liquidation
 Estimated Retainage for Receiver Pre-Discharge Expenses
 Estimated from 1/1/04 through the Projected Discharge Date of 8/31/04

Apr. 2004	May-04	Jun-04	Jul-04	Aug. 2004	Calculation
\$ 5,536,223.64	\$ 5,539,940.64	\$ 5,543,867.64	\$ 5,547,384.64	\$ 5,551,121.64	
200.00	200.00	200.00	200.00	200.00	
200.00	200.00	200.00	200.00	200.00	\$ 1,800.00
5,596.00 ¹	5,596.00 ¹	5,596.00 ¹	5,596.00 ¹	5,596.00 ¹	
4,817.00 ²	4,817.00 ²	4,817.00 ²	4,817.00 ²	4,817.00 ²	
10,213.00	10,213.00	10,213.00	10,213.00	10,213.00	81,704.00
5,525,810.64	5,529,527.64	5,533,254.64	5,536,981.64	5,540,708.64	
14,000.00	14,000.00	14,000.00	14,000.00	14,000.00	106,000.00
130.00	140.00	140.00	140.00	140.00	950.00 ³
<u>\$ 5,539,940.64</u>	<u>\$ 5,543,867.64</u>	<u>\$ 5,547,384.64</u>	<u>\$ 5,551,121.64</u>	<u>\$ 5,554,848.64</u>	
Estimated Retainage:					<u>\$ (23,646.00)</u>

Southeastern Casualty and Southeastern Reinsurance Cos. in Liquidation
Allocated State Funds Expensed
Estimated from 10/1/03 through the Projected Discharge Date of 8/31/04

	<u>Oct. 2003</u>	<u>Nov. 2003</u>	<u>Dec. 2003</u>	<u>Jan. 2004</u>
Accrued Allocated State of Florida Expenses (Estimated)				
Labor & Benefits	\$ 480.00 ¹	\$ 480.00 ¹	\$ 480.00 ¹	\$ 960.00 ¹
Indirect Expenses	280.00 ²	280.00 ²	280.00 ²	280.00 ²
Total	\$ 760.00	\$ 760.00	\$ 760.00	\$ 1,240.00

Assumptions for Allocated State of Florida Expenses:

¹ Labor & Benefits: This estimate is based on a four month actual average doubled for increased labor activity during the distribution period.

June Actual	\$ 499.99
July Actual	352.00
August Actual	704.04
September Actual	<u>358.67</u>
Sub-total	1,914.70
4 mth. actual average (rounded)	480.00
Doubled for increased distribution activity:	<u>\$ 960.00</u>

² Indirect Expenses: This estimate is Southeastern's estimated pro rata share of the Receiver's estimated total indirect expenses. The pro rata share calculation is based on Southeastern's estimated total assets divided by the Receiver's estimated total assets for all receiverships.

Estimated Total Asset %	2.37%
Estimated Total for the State	\$ 12,000.00
Estimated Expense (rounded)	<u>\$ 280.00</u>

³ Per current Receiver policies and procedures, these accumulated amounts are recorded directly against estate equity as opposed to a liability account.

Southern Casualty and Southeastern Reinsurance Cos. in Liquidation
Pooled Cash - Interest Earnings Projection
Projected as of December 31, 2003

Schedule D

Interest accrued for October

Beginning cash balance at 10/1/03	\$ 11,755,624.23
Ending cash balance at 10/31/03	11,793,528.00
Average cash balance for October	11,774,576.12
Assumed SPIA interest rate (Annualized)	3.00%
Subtotal (Annualized)	353,237.28
Accrual for October (Rounded)	<u>\$ 28,000.00</u>

Interest accrued for November

Beginning cash balance at 11/1/03	\$ 11,793,528.00
Ending cash balance at 11/30/03	11,814,613.00
Average cash balance for November	11,804,070.50
Assumed SPIA interest rate (Annualized)	3.00%
Subtotal (Annualized)	354,122.12
Accrual for November (Rounded)	<u>\$ 30,000.00</u>

Interest accrued for December

Beginning cash balance at 12/1/03	\$ 11,814,613.00
Ending cash balance at 12/31/03	11,836,698.00
Average cash balance for December	11,825,655.50
Assumed SPIA interest rate (Annualized)	3.00%
Subtotal (Annualized)	354,769.67
Accrual for December (Rounded)	<u>\$ 30,000.00</u>

Interest accrued for January

Beginning cash balance at 1/1/04	\$ 11,836,698.00
Ending cash balance at 1/31/04	5,520,789.64
Average cash balance for January	8,678,743.82
Assumed SPIA interest rate (Annualized)	3.00%
Subtotal (Annualized)	260,362.31
Accrual for January (Rounded)	<u>\$ 22,000.00</u>

Interest accrued for February

Beginning cash balance at 2/1/04	\$ 5,520,789.64
Ending cash balance at 2/29/04	5,532,506.64
Average cash balance for February	5,526,648.14
Assumed SPIA interest rate (Annualized)	3.00%
Subtotal (Annualized)	165,799.44
Accrual for February (Rounded)	<u>\$ 14,000.00</u>

Interest accrued for March

Beginning cash balance at 3/1/04	\$ 5,532,506.64
Ending cash balance at 3/31/04	5,536,223.64
Average cash balance for March	5,534,365.14
Assumed SPIA interest rate (Annualized)	3.00%
Subtotal (Annualized)	166,030.95
Accrual for March (Rounded)	<u>\$ 14,000.00</u>

Southern Casualty and Southeastern Reinsurance Cos. in Liquidation
 Pooled Cash - Interest Earnings Projection
 Projected as of December 31, 2003

Interest accrued for April

Beginning cash balance at 4/1/04	\$ 5,536,223.64
Ending cash balance at 4/30/04	5,539,940.64
Average cash balance for April	5,538,082.14
Assumed SPIA interest rate (Annualized)	3.00%
Subtotal (Annualized)	166,142.46
Accrual for April (Rounded)	<u>\$ 14,000.00</u>

Interest accrued for May

Beginning cash balance at 5/1/04	\$ 5,539,940.64
Ending cash balance at 5/31/04	5,543,667.64
Average cash balance for May	5,541,804.14
Assumed SPIA interest rate (Annualized)	3.00%
Subtotal (Annualized)	166,254.12
Accrual for May (Rounded)	<u>\$ 14,000.00</u>

Interest accrued for June

Beginning cash balance at 6/1/04	\$ 5,543,667.64
Ending cash balance at 6/30/04	5,547,394.64
Average cash balance for June	5,545,531.14
Assumed SPIA interest rate (Annualized)	3.00%
Subtotal (Annualized)	166,365.93
Accrual for June (Rounded)	<u>\$ 14,000.00</u>

Interest accrued for July

Beginning cash balance at 7/1/04	\$ 5,547,394.64
Ending cash balance at 7/31/04	5,551,121.64
Average cash balance for July	5,549,258.14
Assumed SPIA interest rate (Annualized)	3.00%
Subtotal (Annualized)	166,477.74
Accrual for July (Rounded)	<u>\$ 14,000.00</u>

Interest accrued for August

Beginning cash balance at 8/1/04	\$ 5,551,121.64
Ending cash balance at 8/31/04	5,554,848.64
Average cash balance for August	5,552,985.14
Assumed SPIA interest rate (Annualized)	3.00%
Subtotal (Annualized)	166,589.55
Accrual for August (Rounded)	<u>\$ 14,000.00</u>

Southeastern Casualty and Southeastern Reinsurance Cos. in Liquidation
 Restricted Cash - Interest Earnings Projection
 Projected as of December 31, 2003

<u>Interest accrued for October</u>	
Beginning cash balance at 10/1/03	\$ 230,632.39
Ending cash balance at 10/31/03	230,774.03
Average cash balance for October	230,703.21
Assumed interest rate (Annualized)	0.70%
Subtotal (Annualized)	1,614.92
Accrual for October (Rounded)	<u>\$ 130.00</u>
<u>Interest accrued for November</u>	
Beginning cash balance at 11/1/03	\$ 230,774.03
Ending cash balance at 11/30/03	230,904.03
Average cash balance for November	230,839.03
Assumed SPIA interest rate (Annualized)	0.70%
Subtotal (Annualized)	1,615.87
Accrual for November (Rounded)	<u>\$ 130.00</u>
<u>Interest accrued for December</u>	
Beginning cash balance at 12/1/03	\$ 230,904.03
Ending cash balance at 12/31/03	231,034.03
Average cash balance for December	230,969.03
Assumed SPIA interest rate (Annualized)	0.70%
Subtotal (Annualized)	1,616.78
Accrual for December (Rounded)	<u>\$ 130.00</u>
<u>Interest accrued for January</u>	
Beginning cash balance at 1/1/04	\$ 231,034.03
Ending cash balance at 1/31/04	231,164.03
Average cash balance for January	231,099.03
Assumed SPIA interest rate (Annualized)	0.70%
Subtotal (Annualized)	1,617.89
Accrual for January (Rounded)	<u>\$ 130.00</u>
<u>Interest accrued for February</u>	
Beginning cash balance at 2/1/04	\$ 231,164.03
Ending cash balance at 2/29/04	231,294.03
Average cash balance for February	231,229.03
Assumed SPIA interest rate (Annualized)	0.70%
Subtotal (Annualized)	1,618.80
Accrual for February (Rounded)	<u>\$ 130.00</u>
<u>Interest accrued for March</u>	
Beginning cash balance at 3/1/04	\$ 231,294.03
Ending cash balance at 3/31/04	231,424.03
Average cash balance for March	231,359.03
Assumed SPIA interest rate (Annualized)	0.70%
Subtotal (Annualized)	1,619.51
Accrual for March (Rounded)	<u>\$ 130.00</u>

Southeastern Casualty and Southeastern Reinsurance Cos. in Liquidation
Restricted Cash - Interest Earnings Projection
Projected as of December 31, 2003

Interest accrued for April

Beginning cash balance at 4/1/04	\$ 231,424.03
Ending cash balance at 4/30/04	231,554.03
Average cash balance for April	231,489.03
Assumed SPIA interest rate (Annualized)	0.70%
Subtotal (Annualized)	1,620.42
Accrual for April (Rounded)	<u>\$ 140.00</u>

Interest accrued for May

Beginning cash balance at 5/1/04	\$ 231,554.03
Ending cash balance at 5/31/04	231,694.03
Average cash balance for May	231,624.03
Assumed SPIA interest rate (Annualized)	0.70%
Subtotal (Annualized)	1,621.37
Accrual for May (Rounded)	<u>\$ 140.00</u>

Interest accrued for June

Beginning cash balance at 6/1/04	\$ 231,694.03
Ending cash balance at 6/30/04	231,834.03
Average cash balance for June	231,764.03
Assumed SPIA interest rate (Annualized)	0.70%
Subtotal (Annualized)	1,622.35
Accrual for June (Rounded)	<u>\$ 140.00</u>

Interest accrued for July

Beginning cash balance at 7/1/04	\$ 231,834.03
Ending cash balance at 7/31/04	231,974.03
Average cash balance for July	231,904.03
Assumed SPIA interest rate (Annualized)	0.70%
Subtotal (Annualized)	1,623.33
Accrual for July (Rounded)	<u>\$ 140.00</u>

Interest accrued for August

Beginning cash balance at 8/1/04	\$ 231,974.03
Ending cash balance at 8/31/04	232,114.03
Average cash balance for August	232,044.03
Assumed SPIA interest rate (Annualized)	0.70%
Subtotal (Annualized)	1,624.31
Accrual for August (Rounded)	<u>\$ 140.00</u>

Southeastern Casualty and Southeastern Reinsurance Cos. in Liquidation
Receiver Windup Expenses
Projected as of December 31, 2003

Windup Expenses (Projected)	
Records Storage, Records Destruction, Labor	<u>\$ 11,200.00</u>
Total	<u>\$ 11,200.00</u>