

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

IN RE: The Receivership of SUNCOAST
PHYSICIANS HEALTH PLAN INC.,
a Florida Corporation.

CASE NO.: 2007-CA-1761

**RECEIVER'S MOTION FOR ORDER APPROVING DISCHARGE ACCOUNTING
STATEMENT, DIRECTING FINAL DISCHARGE OF RECEIVER, AUTHORIZING
DESTRUCTION OF OBSOLETE RECORDS, DIRECTING DISPOSITION OF
REMAINING ASSETS AND CLOSING ESTATE**

THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES, as Receiver of Suncoast Physicians Health Plan, Inc., (hereinafter "Receiver" or "Suncoast"), by and through the undersigned counsel, hereby files this Motion for Order Approving Discharge Accounting Statement, Directing Final Discharge of Receiver, Authorizing Destruction of Obsolete Records, Directing Disposition of Remaining Assets and Closing Estate, and as grounds therefore states the following:

1. On August 10, 2007, this Court entered an *Order Appointing the Florida Department of Insurance as Receiver of Suncoast Physicians Health Plan, Inc., for Purposes of Liquidation, Injunction and Notice of Automatic Stay*.

2. This Court has jurisdiction over the Suncoast receivership and is authorized to enter all necessary and/or proper orders to carry out the purpose of the Florida Insurers Rehabilitation and Liquidation Act, Section 631.021(1), Florida Statutes.

3. The Court approved the Receiver's First Interim Claims Report in the Order Approving Receiver's First Interim Claims Report and Recommendation on Claims entered February 10, 2011.

4. On November 13, 2013, the Receiver filed its Motion for Approval of Final Claims Report, Claims Distribution Report, Distribution Accounting, and for Order Authorizing Distribution.

5. On November 22, 2013, this Court entered its Order Approving Receiver's Motion for Approval of Final Claims Report, Claims Distribution Report and Distribution Accounting, and Authorizing Distribution. The Receiver subsequently made the appropriate distributions pursuant to said Order.

6. Despite the Receiver's best efforts, some approved claims may have inadequate current address information and or may have not provided the Receiver with a form W-9, required by the Internal Revenue Service. The total unclaimed property in the estate is \$239,723.87. The Receiver plans to transfer said unclaimed funds to the Department of Financial Services as "unclaimed property" pursuant to Section 717.119, Florida Statutes.

7. The Receiver's Discharge Accounting Statement – Projected as of March, 2014 ("Discharge Accounting") is attached hereto as Exhibit "A."

8. As shown in the Discharge Accounting, the estimated value of all assets of the Suncoast Receivership estate is projected to be \$575, 502.64.

9. Due to insufficient funds in the Suncoast estate, the Receiver found it necessary to fund this estate by borrowing \$300,000.00 from the Regulatory Trust Fund ("RTF"). This funding is a liability of the insurance company. The Receiver recommends the money be repaid before any other distribution.

10. The Receiver receives an annual budget from the State of Florida's Insurance Regulatory Trust Fund ("RTF"), which funds a portion of the Receiver's costs and expensed of administration. The Receiver funds the majority and remainder of its budget from the assets of the insurers it supervises. The portion funded by the RTF supports state funded positions within the

Division of Rehabilitation and Liquidation and includes their direct labor and a portion of the Receiver's overhead. Each receivership is allocated a portion of these state funded costs and expenses based on certain allocation formulas. It is the Receiver's policy to record these state funded expenditures as "Contributed Equity" on each receivership financial statement. If the receiver determines that there are sufficient assets available at the end of the receivership, it is the policy of the Receiver to reimburse the RTF for Contributed Equity as the Receiver's costs and expenses of administration, as well as the claims of state and local governments pursuant to Florida Statute §631.271. The Contributed Equity for Suncoast through March 31, 2014 was calculated at \$27,329.60 (see Schedule E). Additionally, the receiver's policy authorizes the utilization of alternative plans for reimbursing the regulatory Trust Fund when it is in the best interest of the estate.

11. The Receiver requests authority to retain \$2,700.00 as a reserve for "wind-up" expenses of the receivership.

12. After the Receiver transfers the unclaimed funds to the Department of Financial Services as "unclaimed property" and pays all of the "wind up" expenses, it is estimated that there will be approximately \$1, 931.41 remaining in the estate. The Receiver requests the authority to transfer the actual remaining amount to the Regulatory Trust Fund pursuant to the Receiver's policy for reimbursing Contributed Equity and Florida Statute Section 631.271.

13. Upon approval of the Receiver's request for final discharge, the records of the Suncoast receivership estate will no longer be needed, and it will be necessary to dispose of the obsolete company records. This procedure is in direct compliance with Article 1, Section 24, Florida Constitution, Chapters 119 and 257, Florida Statutes, and Chapters 1B-24 and 1B-26.003, Florida Administrative Code. Before the destruction of the obsolete records the Receiver will give notice of its intent to The United States Department of Justice as result of a prior agreement.

14. All mortgages, notes, judgments, or other liens in favor of Suncoast recorded with the Clerk of Circuit Courts in the State of Florida, upon property located in the State of Florida, not sold, transferred or assigned by the Receiver, are hereby assigned to RTF.

15. Although such recovery is unlikely, the Receiver requests an order authorizing the Division of Rehabilitation and Liquidation to remit the Regulatory Trust Fund any assets which may be recovered following the discharge of this receivership if, in the Division's sole discretion, the value of the recovered assets does not justify the reopening of this receivership estate.

16. The Receiver requests an Order that it shall be fully and finally discharged of its responsibilities in this Receivership and the receivership closed as of 12:01 a.m. on March 31, 2014.

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

A. Approving and adopting the Receiver's Discharge Accounting Statement;

B. Authorizing and directing the Receiver to retain \$2,700.00 as a reserve for "wind up" expenses of the Receiver. Any surplus remaining in the estate shall be paid to the Regulatory Trust Fund

C. Authorizing and directing the Receiver to repay to the Regulatory Trust Fund the original \$300,000.00 borrowed at the onset of the receivership plus the \$27,329.60 in Contributed Equity accrued over the life of the estate.

D. Authorizing and directing the Receiver to transfer unclaimed funds to the Department of Financial Services as "unclaimed property" pursuant to Section 717.119, Florida Statutes;

E. Authorizing and directing the Receiver to transfer the funds remaining in the estate of approximately \$1,931.41 to the Regulatory Trust Fund;

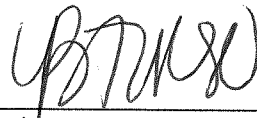
F. Authorizing and directing the Receiver, after final discharge, to destroy any obsolete records in the Receiver's possession after providing notice to The United States Department of Justice;

G. Authorizing the Division of Rehabilitation and Liquidation to remit to the Regulatory Trust Fund any assets which may be recovered following the March 31, 2014 closure of this receivership estate if, in the Division's sole discretion, the value of the recovered assets does not justify the reopening of this receivership;

H. Authorizing and directing the Receiver to assign all mortgages, notes, judgments, or other liens, in favor Florida Insurance Regulatory Trust Fund; and

I. Directing, without further order of this Court, the final discharge of the Receiver of its responsibilities in this receivership estate and the receivership closes as of 12:01 a.m. on March 31, 2014.

RESPECTFULLY SUBMITTED on this 10 day of March, 2014.



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Suncoast Physicians Health Plan Inc.
Discharge Accounting Statement
Projected for Discharge in March 2014

ASSETS

| | | |
|---------------------|-----------------------------|------------|
| Cash | <u>Amount</u> | |
| | \$ 575,502.64 | Schedule A |
| Total Assets | <u><u>\$ 575,502.64</u></u> | |

LIABILITIES

| | | |
|--|-----------------------------|--|
| | <u>Recommended</u> | |
| | <u>Disbursement</u> | |
| Unclaimed Property to DFS - Outstanding Checks from Distribution Account | \$ 239,723.87 | |
| Reimburse Regulatory Trust Fund - Estimate | \$ 331,147.36 | |
| Total Liabilities | <u><u>\$ 570,871.23</u></u> | |

WINDUP SUMMARY

| | | |
|---|------------------------|------------|
| Funds Available for Windup Expenses | 4,631.41 | |
| Projected Windup Expenses | <u>(2,700.00)</u> | Schedule D |
| Balance (Any Remaining Funds to the Florida Regulatory Trust Fund) | <u><u>1,931.41</u></u> | |

Index to Attached Schedules:

- Schedule A - Available Cash Projection
- Schedule B - Allocated State Funds Expensed
- Schedule C - Interest Earnings Projection
- Schedule D - Receiver Windup Expenses
- Schedule E - Contributed Equity from the Regulatory Trust Fund
- Schedule F - Advances from the Regulatory Trust Fund

Suncoast Physicians Health Plan Inc.
Available Cash Projection
Projected for Discharge in March 2014

| | Cash Balance as of December 31, 2013 | Jan-14 | Feb-14 | Mar-14 |
|---|---|-----------------------|-----------------------|-----------------------|
| Beginning Cash Balance | | \$ 398,859.82 | \$ 394,235.19 | \$ 580,271.64 |
| Transfer from Closure of Distribution Account | | | \$ 190,898.74 | |
| Storage, Utilities, Postage, Bank fees | | 150.00 | 150.00 | 150.00 |
| Sub-total | | <u>150.00</u> | <u>150.00</u> | <u>150.00</u> |
| Allocated Receiver Expenses | | | | |
| Labor & Benefits | | 4,913.00 ¹ | 4,913.00 ¹ | 4,913.00 ¹ |
| Indirect Expenses | | 106.00 ² | 106.00 ² | 106.00 ² |
| Sub-total | | <u>5,019.00</u> | <u>5,019.00</u> | <u>5,019.00</u> |
| Cash Balance Before Interest Earnings | | <u>393,690.82</u> | <u>579,964.93</u> | <u>575,102.64</u> |
| Cash from Distribution Account | | | | |
| Interest Earnings | | | | |
| Actual November interest earned on SPIA APR on the previous month's average Pooled Cash | | 537.66 | 300.00 | 400.00 |
| Ending Cash Balance | <u>\$ 398,853.11</u> | <u>\$ 394,228.48</u> | <u>\$ 580,264.93</u> | <u>\$ 575,502.64</u> |

Assumptions for Allocated Receiver Expenses:

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

| | |
|----------------------------------|------------------|
| September Actual | 4,558.76 |
| October Actual | 3,764.29 |
| November Actual | 6,357.27 |
| December Actual | 4,971.05 |
| Sub-total | <u>19,651.37</u> |
| 4 month actual average (rounded) | <u>4,913.00</u> |

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

| | |
|--|------------------|
| Estimated Total Asset % | 0.03% |
| Estimated Total for the Receiver | \$ 175,000.00 |
| Estimated Expense (doubled for increased activity) | <u>\$ 106.00</u> |

Suncoast Physicians Health Plan Inc.
Allocated State Funds Expensed (Contributed Equity)
Projected for Discharge in March 2014

| | <u>January-14</u> | <u>February-14</u> | <u>March-14</u> | <u>Totals</u> |
|---|-----------------------|-----------------------|-----------------------|------------------|
| Estimated Accrual of Allocated State of Florida Expenses | | | | |
| Labor & Benefits | \$ 90.00 ¹ | \$ 90.00 ¹ | \$ 90.00 ¹ | \$ 270.00 |
| Indirect Expenses (interest) | - | - | - | \$ - |
| Total | <u>\$ 90.00</u> | <u>\$ 90.00</u> | <u>\$ 90.00</u> | <u>\$ 270.00</u> |

Assumptions for Allocated State of Florida Expenses:

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

| | |
|----------------------------------|---------------|
| September Actual | |
| October Actual | 370.24 |
| November Actual | 2.05 |
| December Actual | - |
| Sub-total | <u>372.29</u> |
| 4 month actual average (rounded) | <u>90.00</u> |

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

| | |
|-------------------------------|---------------------|
| Estimated Total Asset % | 0.01% |
| Estimated Total for the State | <u>\$ 20,000.00</u> |
| Estimated Expense (rounded) | <u>\$ -</u> |

Suncoast Physicians Health Plan Inc.
Interest Earnings Projection
Projected for Discharge in March 2014

Interest accrued for January 2014

| | |
|--|-----------------------------|
| Beginning cash balance at 1/1/2014 | \$ 398,859.82 |
| Ending cash balance at 1/31/2014 | 394,228.48 |
| Average cash balance for January | 396,544.15 |
| Assumed SPIA interest rate (Annualized) | 1.00% |
| Subtotal (Annualized) | 3,965.44 |
| Accrual for January (Rounded) | <u>\$ 300.00</u> |

Interest accrued for February 2014

| | |
|---|-----------------------------|
| Beginning cash balance at 2/1/2014 | \$ 394,235.19 |
| Ending cash balance at 2/28/2014 | 580,264.93 |
| Average cash balance for February | 487,250.06 |
| Assumed SPIA interest rate (Annualized) | 1.00% |
| Subtotal (Annualized) | 4,872.50 |
| Accrual for February (Rounded) | <u>\$ 400.00</u> |

Interest accrued for March 2014

| | |
|---|-----------------------------|
| Beginning cash balance at 3/1/2014 | \$ 580,271.64 |
| Ending cash balance at 3/31/2014 | 575,502.64 |
| Average cash balance for March | 577,887.14 |
| Assumed SPIA interest rate (Annualized) | 1.00% |
| Subtotal (Annualized) | 5,778.87 |
| Accrual for March (Rounded) | <u>\$ 500.00</u> |

Suncoast Physicians Health Plan Inc.
Receiver Windup Expenses
Projected for Discharge in March 2014

Windup Expenses (Projected)Records storage, records destruction, bank fees
tax returns for 2013-14

\$ 2,700.00

Total**\$ 2,700.00**

Suncoast Physicians Health Plan Inc.
Statement of Contributed Equity - Estimated Balances
Projected for Discharge in March 2014

| | |
|--|----------------------------|
| I. Contributed Equity Balance as of 12/31/2013 | \$ 27,059.60 |
| January - March Accrual (Estimate from Schedule B) | \$ 270.00 |
| Total | <u>\$ 270.00</u> |
| Projected Contributed Equity Balance as of 03/31/2014 | <u><u>\$ 27,329.60</u></u> |

Suncoast Physicians Health Plan Inc.
Statement of Advances from Regulatory Trust Fund Estimated Balances
Projected for Discharge in March 2014

| | |
|---|------------------------------------|
| I. Advance from the Regulatory Trust Fund as of 12/31/2013 | \$ 330,397.36 |
| January - March Interest Accrual on Advance from RTF | <u>\$ 750.00</u> |
| Total | <u>\$ 750.00</u> |
| Projected RTF Advance Balance as of 03/31/2014 | <u><u>\$ 331,147.36</u></u> |