

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

CASE NO.: 2008-CA-3191

IN RE: THE RECEIVERSHIP of
MD MEDICARE CHOICE, INC.,
a Florida health maintenance
organization.

**RECEIVER'S MOTION FOR APPROVAL OF
CLAIMS DISTRIBUTION REPORT AND DISTRIBUTION ACCOUNTING AND ORDER
AUTHORIZING DISTRIBUTION**

THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES as Receiver of MD Medicare Choice, Inc. ("MDMC"), files herewith the Receiver's Motion For Approval of Claims Distribution Report and Distribution Accounting, and Order Authorizing Distribution and states:

1. On September 29, 2008, this Court entered a Consent Order Appointing the Florida Department of Financial Services as Receiver for Purposes of Liquidation, Injunction, and Notice of Automatic Stay, effective September 30, 2008 at 11:59 p.m.

2. This Court has jurisdiction over the MDMC 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 (2007).

3. The Receiver's First Interim Claims Report was approved by this Court on June 1, 2012. The report reflected thirty-four (34) filed Class 2 claims, as no Class 1 or 3 claims were timely filed in this estate. Due to a large pending Class 4 claim, only Class 1 through 3 claims were evaluated and reported to the Court. The total amount claimed was \$71,741.77. All objections to the recommended claim amounts on the Interim Claims Report have been resolved.

4. The Receiver's Final Claims Report reflects classification of filed claims by priority in accordance with Section 631.271, Florida Statutes, and the claims filing deadline. *A copy of the Final Claims Report is attached as Exhibit "A."* This report also incorporates the resolution of all timely filed objections and claimant information updates. Future claimant information updates resulting from the distribution process will be incorporated into the Receiver's database.

5. With the approval of the Receiver's Final Claims Report and the collection of all known assets in the receivership, the Receiver is now in the position to make a distribution of receivership assets. Said assets will be distributed to all classes of claimants in accordance with the Claims Distribution Report dated February 18, 2013. *A copy of the Claims Distribution report is attached as Exhibit "B."* The Claims Distribution Report lists all claims where an approved amount has been recommended in the Final Claims Report and is in accord with Section 631.271, Florida Statutes.

6. Based upon the Distribution Accounting projected as of February 28, 2013, the Receiver is prepared to make a distribution of \$1,216.68 to all claimants in Class 2 based on a calculated distribution of 100% of the amount approved by the Court. *A copy of the Distribution Accounting is attached as Exhibit "C."*

7. In accordance with the Distribution Accounting, the sum of \$13,550.00 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.

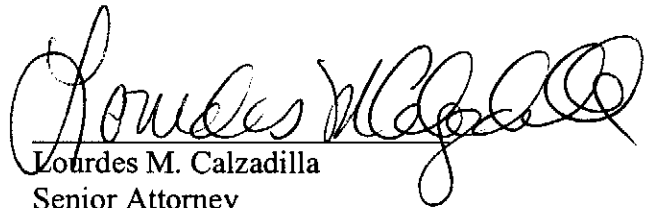
8. The Receiver recommends that the Final Claims Report, Claims Distribution Report and Distribution Accounting be approved.

9. Some approved claims may 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 any funds due these claimants to the Abandoned Property Bureau of the Department of Financial Services.

WHEREFORE, the Receiver respectfully requests this Court grant its Motion and enter an Order approving the Final Claims Report, Claims Distribution Report and Distribution Accounting, directing the Receiver to make the above referenced distribution to claimants in this receivership.

RESPECTFULLY SUBMITTED on this 6th day of June, 2013.



Lourdes M. Calzadilla

Senior Attorney

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Florida Department of Financial Services

Division of Rehabilitation and Liquidation,

As Receiver of MD Medicare Choice, Inc.

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FLORIDA DEPARTMENT OF FINANCIAL SERVICES - DIVISION OF REHABILITATION AND LIQUIDATION
 MD MEDICARE CHOICE
 FINAL CLAIMS REPORT
 PART A - FOR NON GUARANTY ASSOCIATION CLAIMANTS

SUMMARY TOTALS

TOTAL AMOUNT CLAIMED BY NON GUARANTY ASSOCIATION CLAIMANTS	\$71,741.77
TOTAL AMOUNT RECOMMENDED TO NON GUARANTY ASSOCIATION CLAIMANTS	\$1,216.68
TOTAL NUMBER	34

Secured Claims

COUNT OF SECURED CLAIMS :	0
AMOUNT CLAIMED FOR SECURED CLAIMS BY NON GUARANTY ASSOCIATION	\$0.00
AMOUNT RECMD FOR SECURED CLAIMS TO NON GUARANTY ASSOCIATION	

Unsecured Claims

COUNT OF CLASS 1 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 1 CLAIMS BY NON GUARANTY ASSOCIATION	\$0.00
AMOUNT RECMD FOR CLASS 1 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS :	
COUNT OF CLASS 2 CLAIMS :	34
AMOUNT CLAIMED FOR CLASS 2 CLAIMS BY NON GUARANTY ASSOCIATION	\$71,741.77
AMOUNT RECMD FOR CLASS 2 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS:	\$1,216.68
COUNT OF CLASS 3 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 3 CLAIMS BY NON GUARANTY ASSOCIATION	\$0.00
AMOUNT RECMD FOR CLASS 3 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS:	
COUNT OF CLASS 4 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 4 CLAIMS BY NON GUARANTY ASSOCIATION	\$0.00
AMOUNT RECMD FOR CLASS 4 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS:	
COUNT OF CLASS 5 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 5 CLAIMS BY NON GUARANTY ASSOCIATION	\$0.00
AMOUNT RECMD FOR CLASS 5 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS:	
COUNT OF CLASS 6 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 6 CLAIMS BY NON GUARANTY ASSOCIATION	\$0.00
AMOUNT RECMD FOR CLASS 6 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS:	
COUNT OF CLASS 7 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 7 CLAIMS BY NON GUARANTY ASSOCIATION	\$0.00
AMOUNT RECMD FOR CLASS 7 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS:	
COUNT OF CLASS 8 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 8 CLAIMS BY NON GUARANTY ASSOCIATION	\$0.00
AMOUNT RECMD FOR CLASS 8 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS:	
COUNT OF CLASS 9 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 9 CLAIMS BY NON GUARANTY ASSOCIATION	\$0.00
AMOUNT RECMD FOR CLASS 9 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS:	
COUNT OF CLASS 10 INTEREST CLAIMS (SEE NOTE):	0

COUNT OF CLASS 11 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 11 CLAIMS TO NON GUARANTY ASSOCIATION	\$0.00
AMOUNT RECMD FOR CLASS 11 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS	

Note: Class 10 Claims are comprised of interest per F.S. 631.271 (1) (f) on allowed claims in Classes 1 - 9.
 *** If statute is unrevalluated, then dollar amounts have been suppressed

FLORIDA DEPARTMENT OF FINANCIAL SERVICES-DIVISION OF REHABILITATION AND LIQUIDATION
 MD MEDICARE CHOICE
 CLAIMS DISTRIBUTION REPORT

SUMMARY TOTALS

TOTAL AMOUNT CLAIMED	\$1,371.68
TOTAL AMOUNT RECOMMENDED	\$1,216.68
TOTAL NUMBER	7

Secured Claims

COUNT OF SECURED CLAIMS : 0
 AMOUNT CLAIMED FOR SECURED CLAIMS :
 AMOUNT RECOMMENDED FOR SECURED CLAIMS :

Unsecured Claims

COUNT OF CLASS 1 CLAIMS : 0 COUNT OF CLASS 7 CLAIMS : 0
 AMOUNT CLAIMED FOR CLASS 1 CLAIMS : AMOUNT CLAIMED FOR CLASS 7 CLAIMS :
 AMOUNT RECOMMENDED FOR CLASS 1 CLAIMS : AMOUNT RECOMMENDED FOR CLASS 7 CLAIMS :

COUNT OF CLASS 2 CLAIMS : 7 COUNT OF CLASS 8 CLAIMS : 0
 AMOUNT CLAIMED FOR CLASS 2 CLAIMS : \$1,371.68 AMOUNT CLAIMED FOR CLASS 8 CLAIMS :
 AMOUNT RECOMMENDED FOR CLASS 2 CLAIMS : \$1,216.68 AMOUNT RECOMMENDED FOR CLASS 8 CLAIMS :

COUNT OF CLASS 3 CLAIMS : 0 COUNT OF CLASS 9 CLAIMS : 0
 AMOUNT CLAIMED FOR CLASS 3 CLAIMS : AMOUNT CLAIMED FOR CLASS 9 CLAIMS :
 AMOUNT RECOMMENDED FOR CLASS 3 CLAIMS : AMOUNT RECOMMENDED FOR CLASS 9 CLAIMS :

COUNT OF CLASS 4 CLAIMS : 0 CLASS 10 INTEREST CLAIMS (SEE NOTE):
 AMOUNT CLAIMED FOR CLASS 4 CLAIMS :
 AMOUNT RECOMMENDED FOR CLASS 4 CLAIMS :

COUNT OF CLASS 5 CLAIMS : 0 COUNT OF CLASS 11 CLAIMS : 0
 AMOUNT CLAIMED FOR CLASS 5 CLAIMS : AMOUNT CLAIMED FOR CLASS 11 CLAIMS :
 AMOUNT RECOMMENDED FOR CLASS 5 CLAIMS : AMOUNT RECOMMENDED FOR CLASS 11 CLAIMS :

COUNT OF CLASS 6 CLAIMS : 0
 AMOUNT CLAIMED FOR CLASS 6 CLAIMS :
 AMOUNT RECOMMENDED FOR CLASS 6 CLAIMS :

Note: Class 10 Claims are comprised of interest per F.S. 631.271 (1) (f) on allowed claims in Classes 1 - 9.

MD Medicare Choice, Inc.
Distribution Accounting
Projected for February 2013 Distribution

ESTIMATED ASSETS AT January 2013

	<u>Value</u>	<u>Reference</u>
Cash	\$ 19,407,359.02	Schedule A
Other Receivables	\$ 70,563.61	
Accrued Interest Rec. (To be paid 12/01/2012)	<u>32,000.00</u>	
Total Assets	\$ 19,509,922.63	

ESTIMATED FUNDS RETAINAGE

	<u>Value</u>	<u>Reference</u>
Class I - Administrative Claims		
Retainage (Surplus) for Receiver Expenses Estimate (February 2013-June 2015)	(23,550.00)	Schedule B
Discharge Expenses		
Retainage for records storage, records destruction, tax return prep. & labor (post June 2015)	<u>10,000.00</u>	Schedule F
Total Proposed Retainage (Surplus)	<u>(13,550.00)</u>	
TOTAL AVAILABLE TO DISTRIBUTE	\$ 19,523,472.63	

DISTRIBUTION RECOMMENDATION

	<u>Claims Value</u>	<u>Less Previous Claims Distributions</u>	<u>Value of Claims Outstanding</u>	<u>Apply Adv. Pmts. to Guaranty Assoc.</u>	<u>Recommended Distribution</u>	<u>% Value of Claims Outstanding</u>	<u>% Value of Gross Filed Claims</u>	<u>Total % of Claims Value Distributed</u>
Class I - Administrative Claims-Guaranty Funds	\$ -	\$ -	\$ -	-	\$ -	0.0000%	0.0000%	0.0000%
Class II - Loss Claims-Guaranty Funds	-	-	-	-	-	0.0000%	0.0000%	0.0000%
Class II - Loss Claims-Other	1,216.68	-	1,216.68	-	1,216.68	100.0000%	100.0000%	100.0000%
Class III - Return Premium Claims-Guaranty Funds	-	-	-	-	-	0.0000%	0.0000%	0.0000%
Class III - Return Premium Claims-Other	-	-	-	-	-	0.0000%	0.0000%	0.0000%
Class IV - Federal Government Claims	21,080,584.01	-	21,080,584.01	-	-	0.0000%	0.0000%	0.0000%
Class V - Employee Claims	94,252.41	-	94,252.41	-	-	0.0000%	0.0000%	0.0000%
Class VI - General Creditors Claims-Guaranty Funds	-	-	-	-	-	0.0000%	0.0000%	0.0000%
Class VI - General Creditors Claims-Other	88,789,918.08	-	88,789,918.08	-	-	0.0000%	0.0000%	0.0000%
Class VII - State & Local Government Claims	-	-	-	-	-	0.0000%	0.0000%	0.0000%
Class VIII - Late Filed Claims	3,475,157.01	-	3,475,157.01	-	-	0.0000%	0.0000%	0.0000%
Class XI - Shareholder Claims	49,941,713.36	-	49,941,713.36	-	-	0.0000%	0.0000%	0.0000%
Totals	\$ 163,382,841.55	\$ -	\$ 163,382,841.55	\$ -	\$ 1,216.68			
Post Distribution Surplus					\$ 19,522,255.95			

Index to Attached Schedules:

- Schedule A - Available Cash Projection
- Schedule B - Estimated Funds to be Retained by the Receiver for Discharge of the Estate
- Schedule C - Allocated State Funds Expensed
- Schedule D - Interest Earnings Projection - Pooled Cash
- Schedule E - Receiver Discharge Expenses

MD Medicare Choice, Inc.
Available Cash Projection
Projected for February 2013 Distribution

	Cash Bal. as of December 31, 2012	Jan-13
Beginning Pooled Cash Balance		\$ 19,394,053.58
Direct Receiver Expenses (Actual or Estimated)		
Rent-Storage, Utilities, Bank Charges		250.00
Sub-total		250.00
Allocated Receiver Expenses (Estimated)		
Labor & Benefits		17,500.00 ¹
Indirect Expenses		4,800.00 ²
Sub-total		22,300.00
Cash Balance Before Interest Earnings		19,371,503.58
Interest Earnings		
Pooled Cash:		
Actual SPIA Earnings from December to be credited on January 1, 2013.		35,855.44
Estimate based on assumed SPIA APR on the previous month's average Pooled Cash balance (See Schedule D).		
Ending Pooled Cash Balance	\$ 19,394,053.58	\$ 19,407,359.02

Assumptions for Allocated Receiver Expenses:

¹ Labor & Benefits: This estimate is based on a four month actual average. Doubled for increased activity leading up to distribution.

September Actual	\$ 10,501.14
October Actual	11,834.81
November Actual	5,637.72
December Actual	7,026.66
Sub-total	35,000.33
4 mth. actual average (rounded)	8,750.00
Doubled for increased activity level	\$ 17,500.00

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

Estimated Total Asset %	1.50%
Estimated Total for the Receiver	\$ 160,000.00
Estimated Expense (rounded and doubled)	\$ 4,800.00

MD Medicare Choice, Inc.
Estimated Funds to be Retained by the Receiver for Discharge of the Estate
Estimated from January 2013 through the Projected Discharge Date of June 2015

	January	Feb-13	Mar - Dec 2013	Jan-Dec 2014	Jan-Jun 2015	Retainage (Surplus) Calculation
Beginning Cash Balance		\$ 19,407,359.02	\$ 19,383,492.14	\$ 19,276,492.14	\$ 19,429,692.14	\$ 19,429,692.14
Direct Receiver Expenses						
Rent - Storage, Utilities, Bank Charges		350.00	3,500.00	4,200.00	2,100.00	8,050.00
Sub-total		350.00	3,500.00	4,200.00	2,100.00	8,050.00
Allocated Receiver Expenses						
Labor & Benefits		17,500.00 ¹	87,500.00 ¹	105,000.00 ¹	52,500.00 ¹	320,400.00
Indirect Expenses		4,800.00 ²	48,000.00 ²	57,600.00 ²	28,800.00 ²	
Sub-total		22,300.00	135,500.00	162,600.00	81,300.00	
Claims Distribution (Approx.)			\$ 1,216.88			
Cash Balance Before Interest Earnings		19,383,492.14	19,244,492.14	19,109,692.14	19,346,292.14	
Interest Earnings						
Estimate based on assumed SPIA APR on the previous month's average Pooled Cash balance (See Schedule D).				32,000.00	320,000.00	352,000.00 ³
Projected Ending Cash Balance	\$ 19,407,359.02	\$ 19,383,492.14	\$ 19,276,492.14	\$ 19,429,692.14	\$ 19,732,932.14	\$ (23,550.00)

Assumptions for Allocated Receiver Expenses:

¹ Labor & Benefits: This estimate is based on a four month actual average doubled for increased labor through distribution. Subsequent to distribution the monthly average is assumed.

September Actual	\$ 10,501.14
October Actual	11,834.81
November Actual	5,637.72
December Actual	7,026.66
Sub-total	35,000.33
4 mth. actual average (rounded)	8,750.00
Doubled for increased distribution activity	17,500.00

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

Estimated Total Asset %	1.50%
Estimated Total for the Receiver	\$ 160,000.00
Estimated Expense (rounded and doubled)	\$ 4,800.00

³ The December 2012 interest is not included in the 'Retainage Calculation' as it is included as Accrued Interest in the Estimated Assets at December 31, 2012 on the Distribution Accounting Statement.

MD Medicare Choice, Inc.
Allocated State Funds Expensed
 Estimated from January 2013 through the Projected Discharge Date of June 2015
THIS STATEMENT INCLUDED FOR INFORMATION PURPOSES ONLY - AMOUNTS NOT PART OF DISTRIBUTION CALCULATION

	Jan-13	Feb-13	Mar - Dec 2013	Jan-Dec 2014	Jan-Jun 2015	Totals
Accrued Allocated State of Florida Expenses (Estimated)						
Labor & Benefits	\$ 100.00	\$ 100.00 ¹	\$ 1,000.00 ¹	\$ 1,200.00 ¹	\$ 600.00 ¹	\$ 3,000.00
Indirect Expenses	2,400.00	2,400.00 ²	24,000.00 ²	28,800.00 ²	14,400.00 ²	72,000.00
Total	\$ 2,500.00	\$ 2,500.00	\$ 25,000.00	\$ 30,000.00	\$ 15,000.00	\$ 75,000.00 ³

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.

September Actual	36.09
October Actual	93.48
November Actual	103.11
December Actual	181.69
Sub-total	414.37
4 mth. actual average (rounded)	\$ 100.00

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

Estimated Total Asset %	1.50%
Estimated Total for the State	\$ 160,000.00
Estimated Expense (rounded)	\$ 2,400.00

³ Per current Receiver policies and procedures, these accumulated amounts are recorded as contributions to equity.

MD Medicare Choice, Inc.
Interest Earnings Projection - Pooled Cash
Projected for February 2013 Distribution

Interest accrued for January

Beginning cash balance at 01/01/2013	\$	19,394,053.58
Ending cash balance at 01/31/2013		19,407,359.02
Average cash balance for January		19,400,706.30
Assumed SPIA interest rate (Annualized)		2.00%
Subtotal (Annualized)		388,014.13
Accrual for January (Rounded)	\$	32,000.00

Interest accrued for February

Beginning cash balance at 02/01/2013	\$	19,407,359.02
Ending cash balance at 02/28/2013		19,383,492.14
Average cash balance for February		19,395,425.58
Assumed SPIA interest rate (Annualized)		2.00%
Subtotal (Annualized)		387,908.51
Accrual for February (Rounded)	\$	32,000.00

Interest accrued for March - December 2013

Beginning cash balance at 03/01/2013		19,383,492.14
Ending cash balance at 12/31/2013		19,276,492.14
Average cash balance for March - December		19,329,992.14
Assumed SPIA interest rate (Annualized)		2.00%
Subtotal (Annualized)		386,599.84
Accrual for March - December 2013 (Rounded)	\$	320,000.00

Interest accrued for January-December 2014

Beginning cash balance at 01/01/2014		19,383,492.14
Ending cash balance at 12/31/2014		19,276,492.14
Average cash balance for January - December		19,329,992.14
Assumed SPIA interest rate (Annualized)		2.00%
Subtotal (Annualized)		386,599.84
Accrual for Jan-Dec 2014 (Rounded)	\$	386,640.00

Interest accrued for January-June 2015

Beginning cash balance at 01/01/2015		19,276,492.14
Ending cash balance at 06/30/2015		19,429,692.14
Average cash balance for January - June		19,353,092.14
Assumed SPIA interest rate (Annualized)		2.00%
Subtotal (Annualized)		387,061.84
Accrual for Jan-Jun 2015 (Rounded)	\$	193,560.00

MD Medicare Choice, Inc.
Receiver Discharge Expenses
Projected for February 2013 Distribution

Discharge Expenses (Projected for Post 06/2015)

Records Storage, Records Destruction, Labor
& Tax Returns for 2012 -2015 Preparation

\$	10,000.00
\$	<u>10,000.00</u>

Total