

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

CIVIL ACTION NO.: 82-943

In Re The Ancillary Receivership)
Of KENILWORTH INSURANCE COMPANY,)
an Illinois corporation.)

MOTION FOR AUTHORITY TO PAY CLAIMS
HANDLING EXPENSES OF THE FLORIDA
INSURANCE GUARANTY ASSOCIATION AND FOR
APPROVAL OF FINAL ACCOUNTING AND FINAL DISCHARGE

COMES NOW, the Florida Department of Insurance as Ancillary Receiver of Kenilworth Insurance Company, by and through its undersigned counsel, and moves this Court for the entry of an Order authorizing payment of administrative expenses of the Florida Insurance Guaranty Association, destruction of records and approval of final accounting and final discharge, and as grounds for its motion states:

1. Section 624.523, Florida Statutes creates the Insurance Commissioner's Regulatory Trust Fund. Monies from the trust fund are appropriated by the legislature for expenses of the Department's Division of Rehabilitation and Liquidation in order to facilitate taking possession of delinquent insurers and the conducting of proceedings under Section 631, Part I, Florida Statutes.

2. Sections 631.141(6), 631.152(2) and 631.271(1), Florida Statutes, provides that all expenses involved in taking possession of an insurer and conducting delinquency proceedings pursuant to the provisions of the law shall be paid on the first priority basis out of the funds or assets of the insurer.

3. Under the provisions of Sections 631.141(6), 631.152(2) and 631.271(1), Florida Statutes, set forth hereinabove, the State of Florida Insurance Commissioner's Regulatory Trust Fund has been reimbursed for funds paid out of it for expenses involved in taking possession of and conducting delinquency of Kenilworth Insurance Company, through June 27, 1988.

4. Section 631, Part II, Florida Statutes, provides for the existence of a Florida Insurance Guaranty Association, (hereafter "FIGA") the purpose of which is to provide a mechanism for the payment of claims under certain insurance policies, to avoid excessive delay in payment of claims and prevent financial loss to claimants or policyholders because of the insolvency of a member insurer.

5. Section 631.271, Florida Statutes, provides that all expense of a guaranty association in handling claims are priority Class 1 equal to those of the receiver.

6. The Ancillary Receiver's records show that FIGA is owed \$35,515.66 for claims handling expenses. A breakdown of those expenses is attached hereto as Exhibit "A".

7. The Ancillary Receiver is of the opinion that the method of calculation of expenses employed by FIGA to determine claims handling and administrative expenses is reasonable and is consistent with good practice in the insurance industry.

8. The Ancillary Receiver is of the further opinion it would be in the best interests of all Florida claimants for FIGA to be reimbursed for its claims handling expense, to extent funds are available, so FIGA can in turn use that money to further carry out its statutory purposes as defined in Paragraph 1 hereinabove.

9. The Department of Insurance of the State of Florida was appointed Ancillary Receiver for the purposes of liquidation on April 22, 1982.

10. At the present time the Ancillary Receiver has funds totalling \$5,938.36. This sum should be transferred to the Domiciliary Receiver.

11. With the distribution of the assets of Kenilworth Insurance Company to FIGA the Ancillary Receiver will have made a full and complete distribution of all assets in its possession that belonged to Kenilworth Insurance Company.

12. All claims filed in Florida have been evaluated, reported to the Court and all objections disposed of.

13. The Ancillary Receiver's Final Accounting dated April 12, 1988 is attached hereto, marked Composite Exhibit "B" and made a part hereof.

14. With the accomplishment of the matters contained in paragraphs one through six and the adoption of the Final Accounting and Final Discharge the Ancillary Receiver considers all other matters of this receivership to be concluded.


15. The Ancillary Receiver hereby requests approval of its Final Accounting and Final Discharge of its responsibilities in this receivership.

WHEREFORE, the Ancillary Receiver requests this Court issue an Order directing the Ancillary Receiver to transfer \$5,938.26 to the Florida Insurance Guaranty Association, and directing that the Final Accounting shall be adopted by this Court and that once the foregoing have been accomplished the Ancillary Receiver shall be fully and finally discharged of its responsibilities in this receivership without further order of this Court.

DATED this 27th day of June, 1988.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished to R. Lee Smith, Esquire, 10450 San Jose Boulevard, Suite 3, Jacksonville, Florida, 32216, and to Kenilworth Insurance Company, Illinois Department of Insurance, 446 East Ontario Street, 7th Floor, Chicago, Illinois, 60611, this 27th day of June, 1988, by regular U. S. Mail.


ROBERT E. SHERIDAN
ATTORNEY FOR RECEIVER
POST OFFICE BOX 110
TALLAHASSEE, FLORIDA 32302
(904)488-7973

FLORIDA INSURANCE GUARANTY ASSOCIATION INCORPORATED

KEHILWORTH INSURANCE CO.

AS OF DECEMBER 31, 1987

	PRIOR YEARS	1987	TOTAL
CLAIMS:			
01 AUTO LIABILITY	3,625,975.55	19,481.18	3,645,456.73
02 AUTO PHYSICAL DAMAGE	683,174.62	(151.77)	683,022.85
03 WORKERS' COMPENSATION	112,620.42	24,121.50	136,741.92
04 ALL OTHER	29,705.12		29,705.12
SUBTOTAL CLAIMS	4,451,475.71	43,450.91	4,494,926.62
Reimb. Claims			
CLAIM HANDLING EXPENSES:			
06 PAYROLL TAX	20,131.20		20,131.20
07 BACKGROUND INVESTIGATION	4,598.74	84.68	4,683.42
08 OFFICE RENT	19,951.30		19,951.30
09 CONTRACT LABOR	15,304.84		15,304.84
10 SALARY	262,379.81		262,379.81
11 POSTAGE	7,157.70	193.20	7,350.90
12 TELEPHONE	17,720.78		17,720.78
13 PRINTING & SUPPLY	23,137.16		23,137.16
14 CLAIM TRAVEL	15,658.73		15,658.73
15 INDEPENDENT ADJUSTER	33,355.32		33,355.32
16 ATTORNEY	312,037.81	24,104.60	336,142.41
17 APPRAISAL	3,808.91		3,808.91
18 MEETING & TRAVEL	15,759.42		15,759.42
19 ACCOUNTING	7,233.34		7,233.34
20 MEDICAL BILLING REVIEW	856.19		856.19
21 COURT REPORTER	13,006.52	222.81	13,229.33
22 STAFF ATTORNEY	24,811.97	128.00	24,939.97
23 INSURANCE PREMIUM	12,236.84		12,236.84
24 GENERAL MANAGER	37,853.00		37,853.00
25 PHOTOCOPIES	11,605.94		11,605.94
26 OTHER MISCELLANEOUS	6,890.37	176.10	7,066.47
27 REHABILITATION CONSULTANT		162.24	162.24
28 POLICE REPORT	377.80	2.00	379.80
29 MEDICAL REPORT	13,134.25	750.00	13,884.25
31 DEPRECIATION	3,641.00		3,641.00
32 FLA UNEMPLOY COMP FUND			
35 LITIGATION ADVISOR	165.00		165.00
36 OTHER ATTORNEYS	3,529.31		3,529.31
37 EMPLOYEE PHYSICALS			
38 EQUIPMENT MAINTENANCE			
SUBTOTAL CLAIM HANDLING EXPENSES	886,343.25	25,823.63	912,166.88
Reimb. Claim Handling Expenses	(301,325.00)		(301,325.00)
GENERAL/ADMIN. EXPENSES:			
05 GENERAL ADMINISTRATIVE	10,537.49		10,537.49
33 MANAGEMENT/FINANCIAL CONSULT.	15,102.50		15,102.50
34 ADMINISTRATOR	9,875.67		9,875.67
SUBTOTAL GENERAL/ADMIN. EXPENSES	35,515.66		35,515.66
Reimb. General/Admin. Expenses			
TOTAL EXPENSES	921,858.91	25,823.63	947,682.54
GRAND TOTAL	5,072,009.62	69,274.54	5,141,284.16

EXHIBIT "A"

KENILWORTH INSURANCE COMPANY
 FLORIDA ANCILLARY RECEIVERSHIP
 OF THE ILLINOIS DOMICILIARY RECEIVERSHIP
 Statement of Affairs
 April 12, 1988

	<u>BOOK VALUE</u>	<u>ESTIMATED REALIZABLE VALUE</u>
Cash in Banks	\$ 5,938.26	\$ 5,938.26
 TOTAL ASSETS	 \$ 5,938.26 =====	 \$ 5,938.26 =====
 <u>LIABILITIES</u>		
 Reserve for Claims & Future Administrative Expenses		\$ 5,938.26
 TOTAL LIABILITIES		 \$ 5,938.26 =====

COMPOSITE EXHIBIT "B"

KENILWORTH INSURANCE COMPANY
FLORIDA ANCILLARY RECEIVERSHIP
OF THE ILLINOIS DOMICILIARY RECEIVERSHIP
Statement of Cumulative Receipts and Disbursements
April 12, 1988

Cash Balance, April 22, 1982

\$ 32,844.00

RECEIPTS

Receipts from Operations:

Interest Income:

Savings Accounts	\$ 1,093.22
Certificate of Deposit	4,567.30
Bonds	145,825.00
Other Interest	6,450.17

Other Income from Operations	31.50
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Total Income from Operations	\$ 157,967.19
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All Other Receipts:

Premium Income	6,928.84
Subrogation Income	7,707.41
Salvage Income	812.00
Other Income	5.00

Sale of Assets:

Furniture	5,844.00
Payment from Domiciliary Receiver	181,724.83
Recovery of Assets	32,017.57
Recovery of Assets - Agents Bal.	39.82

TOTAL RECEIPTS

\$ 393,046.60

TOTAL RECEIPTS AVAILABLE

\$ 425,890.50

DISBURSEMENTS

Operating Expenses:

Salaries	\$ 79,627.12
Casual Labor	4,327.34
Employee Welfare - Group Ins.	4,692.67
Advertising	242.36
Office Supplies	11,154.22
Postage & Freight	6,518.50
Rent - Equipment	13,854.48
Court Costs & Filing Fees	78.45
Professional Services	2,104.99
Travel	12,432.93
General Insurance	231.84
Telephone	7,664.60

KENILWORTH INSURANCE COMPANY
FLORIDA ANCILLARY RECEIVERSHIP
OF THE ILLINOIS DOMICILIARY RECEIVERSHIP
Statement of Cumulative Receipts and Disbursements
April 12, 1988

Bldg. Maint. & Jan. Supplies	594.87	
Repair & Maint of Furn. & Equip.	1,698.04	
Property Taxes	94.05	
F.I.C.A.	5,605.59	
State Unemployment Tax	745.01	
Federal Unemployment Tax	337.75	
Other	1.93	
Bank Charges	<u>232.16</u>	
Subtotal Direct Expenses	152,238.90	
Reimb. Admin. Exp. State of FL	<u>201,572.01</u>	
Total Operating Expenses		\$ 353,810.91
All Other Disbursements:		
Claims		13,141.80
Payment to Domiciliary Receiver		<u>53,000.00</u>
TOTAL DISBURSEMENTS		<u>\$ 419,952.71</u>
Cash Balance, April 12, 1988		<u>\$ 5,938.00</u>