

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

CIVIL ACTION NO.: 83-2962

STATE OF FLORIDA, ex rel.,           )  
The Department of Insurance        )  
of the State of Florida,            )  
  
                  Relator,                )  
  
vs.                                        )  
  
GULF AMERICAN INSURANCE           )  
COMPANY, a Florida corporation      )  
authorized to transact an            )  
insurance business in Florida,        )  
  
                  Respondent.            )  
\_\_\_\_\_)



ORDER OF LIQUIDATION AND INJUNCTION

THIS CAUSE, coming on this day to be heard on the Receiver's Application for the Entry of an Order of Liquidation, and the Court having considered the evidence submitted, the argument of counsel and being otherwise fully advised in the premises, finds:

1. Pursuant to the provisions of Section 631.101(2), Florida Statutes, the Florida Department of Insurance has deemed that further efforts to rehabilitate the Respondent would be useless and has applied to the Court for the entry of an Order of Liquidation.
2. Further efforts to rehabilitate the Respondent would be useless.
3. The Respondent is insolvent.

NOW, THEREFORE, it is ORDERED and ADJUDGED that:

The Application of the Department of Insurance as Receiver of Gulf American Insurance Company for the entry of an Order of Liquidation is granted and the Receiver is hereby directed to:

1. Take immediate possession of all the property, assets and estate, and all other property of every kind whatsoever and wheresoever located belonging to Respondent pursuant to Section 631.111, Florida Statutes, including but not limited to, offices maintained by the Respondent, rights of action, books, papers, evidence of debt, bonds,

debentures and other securities, mortgages, furniture, fixtures, office supplies and all property of every kind whatsoever, wherever situated, belonging to or in the possession of said Respondent or its officers, directors, employees, consultants, attorneys, or agents pertaining to the Respondent's business, including but not limited to, all bank accounts, stocks, bonds, debentures, mortgages, furniture, fixtures, and office equipment, and all real property of said Respondent.

2. Liquidate the assets of Respondent including but not limited to, funds held by Respondent's agents, subagents, producing agents, brokers, solicitors, service representatives or others under agency contracts or otherwise which are due and unpaid to Respondent, including premiums, unearned commissions, agents' balances, and agents' reserve funds, subject to orders of the Court.

3. Appoint Deputy Receivers and employ and authorize the compensation of, legal counsel, accountants, clerks, and such assistants as it deems necessary, and authorize the payment of the expenses of these proceedings and the necessary incidents thereof, as approved by the Court, to be paid out of the funds or assets of the Respondent in the possession of the Receiver or coming into its possession.

4. To reimburse employees, from the funds of this receivership, for their actual necessary and reasonable expenses incurred while traveling on the business of this receivership.

5. Not defend any legal action in which the Receiver, the Respondent or any of its insureds is, or may become, a defendant, commenced before or after the entry of the Order appointing the Department of Insurance as Receiver of Respondent.

6. Commence and maintain all legal actions necessary, wherever necessary, for the proper administration of this receivership proceeding.

7. Collect all debts (which are economically feasible to collect) which are due and owing to the Respondent.

8. Take possession of all of Respondent's securities and certificates of deposit on deposit with the Treasurer of Florida and convert to cash so much of the same as may be necessary, in its judgment, to pay the expenses of administration of this receivership.

9. Publish notice specifying the time and place fixed for the filing of claims with the Receiver, once each week for three consecutive weeks, in the Florida Administrative Weekly published by the Secretary of State, and at least once in the Florida Bar News. All claims shall be filed with the Receiver on or before September 7, 1984, or be forever barred, and all such claims shall be filed on proof of claim forms prepared by the Receiver.

10. Negotiate and settle subrogation claims and Final Judgments for subrogation against third party debtors of the company up to and including the sum of \$5,000.00 without further Order of this Court.

11. Sell salvage recovered having a value of not more than \$5,000.00 without further Order of this Court.

12. Direct the Florida Insurance Guaranty Association and the Florida Life and Health Insurance Guaranty Association to immediately undertake and assume the responsibilities and activities required of it by Part II and III Chapter 631, Florida Statutes and co-ordinate the operations of the Receivership with the associations.

IT IS FURTHER ORDERED and ADJUDGED that:

13. All officers, directors, agents and employees and all other persons representing Respondent or employed by Respondent in connection with the conduct of its insurance business are discharged forthwith.

14. Any officer, director, manager, trustee, agent or adjuster of Respondent and any other person who possesses, or possessed any executive authority over, or who exercises, or exercised, any control over any segment of Respondent's affairs is required to fully cooperate with the Receiver or its Deputies, pursuant to Section 631.391, Florida Statutes.

15. Title to all property real or personal, all contracts, right of action and all books and records of Respondent, wheresoever located are vested in the Receiver.

16. All attorneys employed by Respondent as of this date shall, within 30 days notice of this Order, report to the Receiver on the name, company claim number, and status of each file they are handling on behalf of the Respondent. Said report shall also include an accounting of any

funds received from or on behalf of the Respondent. All attorneys described herein are hereby discharged as of the date of this Order unless their services are retained by the Receiver.

17. All agents, brokers or other persons having sold policies of insurance and/or collected premiums on behalf of the Respondent shall account for and pay all premiums and commissions unearned due to the cancellation of policies of this Order or in the normal course of business owed to the Respondent directly to the Receiver within 30 days of demand by the Receiver or appear before this Court to show good cause, if any they may have, as to why they should not be required to account to the Receiver or be held in contempt of Court for violation of the provisions of this Order. No agent, broker or other person shall use premium moneys owed to the Respondent for refund of unearned premium or any purpose other than payment to the Receiver.

18. Reinsurance premiums due to or payable by, the Respondent shall be remitted to, or disbursed by, the Receiver. Reinsurance losses recoverable or payable by the Respondent shall be handled by the Receiver. All correspondence concerning reinsurance shall be between the Receiver and the reinsuring company or intermediary.

19. Upon request by the Receiver, any company providing telephone services to the Respondent shall provide a reference of calls from the number presently assigned to the Respondent to any such number designated by the Receiver or perform any other changes necessary to the conduct of the receivership.

20. Any bank, savings and loan association or other financial institution which has on deposit or in its possession, custody or control any funds or assets of the Respondent shall immediately transfer custody and control of all such funds or assets to the Receiver, unless otherwise directed by the Receiver. If the Receiver maintains an account in any bank, savings and loan association or other financial institution, the Receiver shall require that such deposit be collateralized at 125% percent.

21. Any entity furnishing water, electric, sewage, garbage or trash removal services to the Respondent shall maintain such service and transfer

any such accounts to the Receiver as of the date of this Order unless instructed to the contrary by the Receiver.

22. Any data processing service which has custody or control of any data processing information and records including but not limited to source documents, data processing cards, input tapes, all types of storage information, master tapes or any other recorded information relating to the Respondent shall transfer custody and control of such records to the Receiver.

23. The United States Postal Service is directed to provide any information requested regarding the Respondent and to handle future deliveries of Respondent's mail as directed by the Receiver.

24. All persons, firms, corporations and associations within the jurisdiction of this Court, including, but not limited to, the Respondent and its officers, directors, stockholders, agents and employees be, and they are hereby, enjoined and restrained from the further transaction of the business of insurance or dealing with or permitting to be done any action which might waste or dispose of the assets or allow or suffer the obtaining of judgment, attachments, writs of garnishment, or preferences or other liens or the making of any levy or execution against the Receiver or Respondent or its assets or any part thereof, and from interfering with the Receiver's possession and control of the property of Respondent within the jurisdiction of this Court.

25. All persons, corporations or associations within the jurisdiction of this Court are hereby enjoined and restrained from commencing, maintaining or further prosecuting any action at law or in equity or other proceeding against Respondent or the Receiver.

26. Pursuant to the provisions of section 631.252, Florida Statutes, all insurance policies, bonds or similar contracts of coverage of the respondent issued in Florida and now in force, except those providing coverage under Part III of Chapter 631, shall continue in force until 45 days from the date of the entry of this Order and shall be determined cancelled as of 12:01 a.m., March 3, 1984, except that policies or contracts of coverage with normal expiration dates prior thereto and

policies terminated or lawfully cancelled by the insurer before such date, shall stand cancelled as of such earlier date.

27. Except for contracts of insurance, all executory contracts to which the Respondent was a party are hereby cancelled and will stand cancelled unless specifically adopted by the Receiver within 30 days of the date of this Order. The rights of the parties to any such contracts are fixed as of the date of this Order and any cancellation under this provision shall not be treated as an anticipatory or other breach of such contracts.

28. Any person, corporation or other entity failing to abide by this Order shall be directed to appear before this Court to show good cause, if any they may have, as to why they should not be held in contempt of Court for violation of the provisions of this Order.


29. Delivery of a certified copy of this Order by Certified Mail, return receipt requested, shall constitute notice of its provisions.

30. The Corporate existence of Gulf American Insurance Company is hereby dissolved; and

31. The Secretary of State of the State of Florida is hereby directed to take the necessary steps to record the dissolution of the corporate existence of Gulf American Insurance Company.

32. This Court shall retain jurisdiction of this cause for the purpose of granting such other and further relief as shall be just and equitable.

DONE and ORDERED in Chambers at Tallahassee, Florida, this 17<sup>th</sup> day of January, 1984.

  
CHARLES E. MINER, JR.  
CIRCUIT JUDGE

STATE OF FLORIDA, COUNTY OF LEON

I HEREBY CERTIFY that the above and foregoing is a true and correct copy of an instrument recorded in the Official Records of Leon County, Florida.

WITNESS my hand and seal of office this 17<sup>th</sup> day of January, 1984.

PAUL F. WATSFIELD, Clerk

  
P. F. WATSFIELD, C. C.