

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

IN RE: THE RECEIVERSHIP OF  
SUNSTAR HEALTH PLANS, INC.

CASE NO.: 99-6705

RECEIVER'S MOTION FOR ORDER APPROVING DISCHARGE ACCOUNTING  
STATEMENT, DIRECTING FINAL DISCHARGE  
AND AUTHORIZING DESTRUCTION OF OBSOLETE RECORDS

THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES, as Receiver of SunStar Health Plan, Inc. ("Receiver"), hereby files its Discharge Accounting Statement and moves this court for an Order directing final discharge of the estate and authorizing the destruction of obsolete records. In support of its Motion, the Receiver says:

1. SunStar Health Plan, Inc., ("SunStar"), was a Florida corporation previously authorized to transact the business of a health maintenance organization in the State of Florida pursuant to Chapter 641, Florida Statutes. On February 1, 2000, this Court adjudicated SunStar insolvent and entered the Order Appointing the Florida Department of Insurance as Receiver [of SunStar] for Purposes of Liquidation, Injunction, and Notice of Automatic Stay (the "Order"). On January 7, 2003, the Florida Department of Insurance became a part of the Florida Department of Financial Services.

2. This Court has jurisdiction over the SunStar Receivership and is "authorized to make all necessary or proper orders to carry out the purposes of the Florida Insurers Rehabilitation and Liquidation Act." Section 631.021(1), Florida Statutes.

3. On September 5, 2012, this Court entered an Order Approving Receiver's Claims Distribution Report and Distribution Accounting and Authorizing Distribution.

4. After obtaining the September 5, 2012 Order authorizing the distribution, the

Receiver made a distribution in accordance with the order. After the final distribution, the Receiver has made distributions of 100% on class 1 through 5 claims and 25.768% on approved non-HMOCAP class 6 claims.

5. A certain number of the final distribution checks (for a total of \$2,573,730.63) were not cashed prior to the expiration date and remain unclaimed. After a diligent search to locate the claimants due these funds, the Receiver has compiled an unclaimed property report pursuant to Section 717.117, Florida Statutes that lists those claimants the Receiver could not locate along with each claimant's corresponding unclaimed distribution amount.

6. 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 December 2012* (the "Discharge Accounting") is attached hereto and made a part hereof as Exhibit "A."

8. As shown in the *Discharge Accounting*, the estimated value of all assets of the SunStar receivership estate is projected to be \$2,629,664.90 as of December 2012. The Receiver will forward \$2,573,730.63 to the Department of Financial Services as "unclaimed property."

9. The Receiver requests authority to retain \$7,000.00 as a reserve for "wind up" expenses of the Receivership.

10. The Receiver receives an annual budget from the State of Florida's Insurance Regulatory Trust Fund ("Regulatory Trust Fund"), which funds a portion of the Receiver's costs and expenses of administration. The Receiver funds the majority and remainder of its budget from the open receiverships it supervises. The portion funded by the Regulatory Trust Fund supports several state funded positions within the Receiver and includes their direct labor and a portion of the Receiver's overhead. Each receivership estate is charged a portion of these state

funded costs (recorded as Contributed Equity) and expenses based on certain allocation formulas. It is the Receiver's policy to reimburse the Regulatory Trust Fund, when possible, for Contributed Equity. The reimbursement is made as a distribution of 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 SunStar as of October 31, 2012 was calculated at \$277,790.78.

11. After the Receiver transfers the funds discussed above to the Department of Financial Services as "unclaimed property" and pays all of the Receiver's "wind up" expenses, it is estimated that there will be approximately \$48,934.27 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 §631.271.

12. Upon approval of the Receiver's request for final discharge, the records of the SunStar receivership estate will no longer be needed, and it will be necessary to dispose of the obsolete company records. This request 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.

13. Although such recovery is unlikely, the Receiver requests an order authorizing the Division of Rehabilitation and Liquidation to remit to 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.

14. The Receiver requests an Order that it shall be fully and finally discharged of its responsibilities in this Receivership.

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

A. 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;

B. Approving and adopting the Receiver’s Discharge Accounting Statement;

C. Authorizing and directing the Receiver to retain \$7,000.00 as a reserve for “wind up” expenses of the Receiver. Any surplus remaining from the \$7,000.00 shall be paid to the Regulatory Trust Fund;

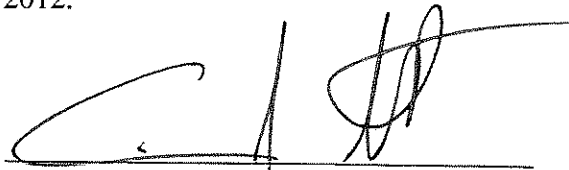
D. Authorizing and directing the Receiver to transfer the funds remaining in the estate (approximately \$48,934.27) to the Regulatory Trust Fund;

E. Authorizing the Receiver, after final discharge, to destroy any obsolete records in the Receiver’s possession; and

F. Directing, without further order of this Court, the final discharge of the Receiver of its responsibilities in this receivership estate as of 12:01 a.m. on December 28, 2012.

G. Although such recovery is unlikely, authorizing the Division of Rehabilitation and Liquidation to remit to the Regulatory Trust Fund any assets which may be recovered following the December 28, 2012 discharge 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.

DATED this 18<sup>th</sup> day of December 2012.



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**FTBA Mutual, Inc.**  
**Distribution and Discharge Accounting**  
**Projected for December 2012 Distribution**

**ESTIMATED ASSETS - DECEMBER 2012**

	<u>Value</u>	<u>Reference</u>
Cash	\$ 2,583,753.73	Schedule A
Accrued Interest to be paid 12/01/2012	4,000.00	
Advance to Guaranty Association	48,410,644.49	
<b>Total Assets</b>	<b>\$ 50,998,398.22</b>	

**ESTIMATED FUNDS RETAINAGE**

	<u>Value</u>	<u>Reference</u>
Class I - Administrative Claims Retainage for Receiver Expenses Estimate (December 2012)	9,750.00	Schedule B
Discharge Expenses Retainage for records storage, records destruction, tax return prep. & labor (post December 2012)	10,000.00	Schedule F
<b>Total Proposed Retainage for Discharge</b>	<b>19,750.00</b>	
<b>TOTAL AVAILABLE TO DISTRIBUTE</b>	<b>\$ 50,978,648.22</b>	

**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	\$ 5,578,240.46	\$ -	\$ 5,578,240.46	\$ 5,578,240.46	\$ -	100.0000%	100.000%	100.0000%
Class II - Loss Claims-Guaranty Funds	73,721,112.83	-	73,721,112.83	42,832,404.03	2,588,003.73	0.0000%	61.5840%	61.5840%
Class II - Loss Claims-Other	-	-	-	<del>                    </del>	-	0.0000%	0.0000%	0.0000%
Class III - Return Premium Claims-Guaranty Funds	-	-	-	<del>                    </del>	-	0.0000%	0.0000%	0.0000%
Class III - Return Premium Claims-Other	566,807.42	-	566,807.42	<del>                    </del>	-	0.0000%	0.0000%	0.0000%
Class IV - Federal Government Claims	54,282.51	-	54,282.51	<del>                    </del>	-	0.0000%	0.0000%	0.0000%
Class V - Employee Claims	1,011,916.84	-	1,011,916.84	<del>                    </del>	-	0.0000%	0.0000%	0.0000%
Class VI - General Creditors Claims	431,523.79	-	431,523.79	<del>                    </del>	-	0.0000%	0.0000%	0.0000%
Class VII - State & Local Government Claims	30,887.09	-	30,887.09	<del>                    </del>	-	0.0000%	0.0000%	0.0000%
Class VIII - Late Filed Claims	38,801.22	-	38,801.22	<del>                    </del>	-	0.0000%	0.0000%	0.0000%
Class IX - Surplus/Other-GA	-	-	-	<del>                    </del>	-	0.0000%	0.0000%	0.0000%
Class IX - Surplus/Other Claims	-	-	-	<del>                    </del>	-	0.0000%	0.0000%	0.0000%
<b>Totals</b>	<b>\$ 81,433,572.16</b>	<b>\$ -</b>	<b>\$ 81,433,572.16</b>	<b>\$ 48,410,644.49</b>	<b>\$ 2,588,003.73</b>			

**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

**FTBA Mutual, Inc.**  
**Available Cash Projection**  
**Projected for December 2012 Distribution**

	Cash Bal. as of October 31, 2012	Nov-12
<b>Beginning Pooled Cash Balance</b>		\$ 2,588,083.84
<b>Direct Receiver Expenses (Actual or Estimated)</b>		
Rent-Storage & Utilities		250.00
<b>Sub-total</b>		250.00
<b>Allocated Receiver Expenses (Estimated)</b>		
Labor & Benefits		2,900.00 <sup>1</sup>
Indirect Expenses		6,600.00 <sup>2</sup>
<b>Sub-total</b>		9,500.00
<b>Cash Balance Before Interest Earnings</b>		2,578,333.84
<b>Interest Earnings</b>		
<b>Pooled Cash:</b>		
Actual SPIA Earnings for October to be credited on 11/01/2012.		5,419.89
Estimate based on assumed SPIA APR on the previous month's average Pooled Cash balance (See Schedule D).		
<b>Less: Payment for Reinsurance Services</b>		
<b>Ending Pooled Cash Balance</b>	\$ 2,588,083.84	\$ 2,583,753.73

**Assumptions for Allocated Receiver Expenses:**

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

July Actual	\$ 687.83
August Actual	1,623.53
September Actual	1,757.12
October Actual	1,730.01
Sub-total	5,798.49
4 mth. actual average (rounded)	1,450.00
Doubled for increased activity level	\$ 2,900.00

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

Estimated Total Asset %	4.00%
Estimated Total for the Receiver	\$ 165,000.00
Estimated Expense (rounded)	\$ 6,600.00

**FTBA Mutual, Inc.**  
**Estimated Funds to be Retained by the Receiver for Administration of the Estate**  
**Estimated from 12/01/2012 through the Projected Discharge Date of 12/31/2012**

	November	December	Retainage Calculation
<b>Beginning Cash Balance</b>	<del>2,583,753.73</del>	<del>2,583,753.73</del>	
<b>Direct Receiver Expenses</b>			
Rent - Storage, Bank Charges	250.00	250.00	\$ 250.00
<b>Sub-total</b>		<u>250.00</u>	
<b>Allocated Receiver Expenses</b>			
Labor & Benefits <sup>1</sup>	2,900.00	2,900.00	
Indirect Expenses <sup>2</sup>	6,600.00	6,600.00	
<b>Sub-total</b>		<u>9,500.00</u>	\$ 9,500.00
<b>Claims Distribution (Approx.)</b>		<u>\$ 2,568,007.73</u>	
<b>Cash Balance Before Interest Earnings</b>		5,996.00	
<b>Interest Earnings</b>			
Estimate based on assumed SPIA APR on the previous month's average Pooled Cash balance (See Schedule D).	-	-	-
<b>Projected Ending Cash Balance</b>		<u>\$ 5,996.00</u>	<u>\$ 9,750.00</u>

**Assumptions for Allocated Receiver Expenses:**

<sup>1</sup> Labor & Benefits: This estimate is based on a four month actual average doubled for increased labor through distribution.

July Actual	\$ 667.83
August Actual	1,623.53
September Actual	1,757.12
October Actual	1,730.01
Sub-total	<u>5,798.49</u>
4 mth. actual average (rounded)	<u>\$ 1,450.00</u>
Doubled for increased distribution activity	<u>\$ 2,900.00</u>

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

Estimated Total Asset %	4.00%
Estimated Total for the Receiver	<u>\$ 165,000.00</u>
Estimated Expense (rounded)	<u>\$ 6,600.00</u>

<sup>3</sup> The November 2012 interest is not included in the 'Retainage Calculation' as it is included as Accrued Interest in the Estimated Assets at December 2012 on the District



**FTBA Mutual, Inc.**

**Allocated State Funds Expensed**

Estimated from November 2012 through the Projected Discharge Date of December 2012

**THIS STATEMENT INCLUDED FOR INFORMATION PURPOSES ONLY - AMOUNTS NOT PART OF DISTRIBUTION CALCULATION**

	Nov-12	Dec-12	Totals
<b>Accrued Allocated State of Florida Expenses (Estimated)</b>			
Labor & Benefits	\$ 190.00 <sup>1</sup>	\$ 190.00 <sup>1</sup>	\$ 380.00
Indirect Expenses	600.00 <sup>2</sup>	600.00 <sup>2</sup>	1,200.00
<b>Total</b>	<b>\$ 790.00</b>	<b>\$ 790.00</b>	<b>\$ 1,580.00</b>

**Assumptions for Allocated State of Florida Expenses:**

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

July Actual	199.79
August Actual	174.76
September Actual	306.02
October Actual	62.32
Sub-total	742.89
4 mth. actual average (rounded)	\$ 190.00

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

Estimated Total Asset %	4.00%
Estimated Total for the State	\$ 15,000.00
Estimated Expense (rounded)	\$ 600.00

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

**FTBA Mutual, Inc.**  
**Interest Earnings Projection - Pooled Cash**  
**Projected for December 2012 Distribution**

**Interest accrued for November 2012**

Beginning cash balance at 11/01/2012	\$	2,588,083.84
Ending cash balance at 11/30/2012		2,583,753.73
Average cash balance for November		2,585,918.79
Assumed SPIA interest rate (Annualized)		2.00%
Subtotal (Annualized)		51,718.38

**Accrual for November (Rounded)**

<b>\$</b>	<b><u>4,000.00</u></b>
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**Interest accrued for December 2012**

Beginning cash balance at 12/01/2012	\$	2,583,753.73
Ending cash balance at 12/31/2012		5,996.00
Average cash balance for December		1,294,874.87
Assumed SPIA interest rate (Annualized)		2.00%
Subtotal (Annualized)		25,897.50

**Accrual for December (Rounded)**

<b>\$</b>	<b><u>2,000.00</u></b>
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**FTBA Mutual, Inc.**  
**Receiver Discharge Expenses**  
**Projected for December 2012 Distribution**

**Discharge Expenses (Projected for Post 12/31/2014)**

Records Storage, Records Destruction,  
2012 Final Tax Return Preparation

**Total**

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

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

IN RE: THE RECEIVERSHIP OF  
SUNSTAR HEALTH PLANS, INC.

CASE NO.: 99-6705

ORDER APPROVING RECEIVER'S DISCHARGE ACCOUNTING STATEMENT,  
DIRECTING FINAL DISCHARGE  
AND AUTHORIZING DESTRUCTION OF OBSOLETE RECORDS

**THIS MATTER** was considered upon the Florida Department of Financial Services, as Receiver of Sunstar Healthplans, Inc.'s (the "Receiver") Motion for Order Approving Discharge Accounting Statement, Directing Final Discharge and Authorizing Destruction of Obsolete Records. The Court having reviewed the pleadings of record and being otherwise fully informed in the premises, it is **ORDERED and ADJUDGED** as follows:

1. The Receiver's Discharge Accounting Statement is hereby approved and this Court adopts the Discharge Accounting;
2. The Receiver is hereby authorized and directed to retain \$7,000.00 as a reserve for "wind up" expenses of the Receiver. Any surplus remaining from the \$7,000.00 shall be paid to the Regulatory Trust Fund;
3. The Receiver is hereby authorized and directed to transfer the funds remaining in the estate (approximately \$48,934.27) to the Regulatory Trust Fund as partial reimbursement for Contributed Equity in this estate funded by/through the Regulatory Trust Fund;
4. The Receiver is hereby authorized and directed, after final discharge, to destroy any obsolete records in the Receiver's possession;

5. The Receiver's administration of this receivership shall be deemed satisfied, approved, and confirmed in all respects, and the Receiver, its deputies and all other employees shall be discharged without further order of this Court, from any and all duties, obligations and liabilities in the administration of the Receivership at 12:01 a.m. on December 28, 2012.

6. Although such recovery is unlikely, the Division of Rehabilitation and Liquidation is hereby authorized to remit to the Regulatory Trust Fund any assets which may be recovered following the December 28, 2012 discharge 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.

DONE and ORDERED in Chambers at the Leon County Courthouse, Tallahassee, Leon County, Florida, this \_\_\_\_ day of December 2012.

HONORABLE TERRY P. LEWIS  
Circuit Judge