



**FLORIDA DEPARTMENT OF FINANCIAL SERVICES
RECEIVER
SUNSTAR HEALTH PLANS, INC.
07/30/04**

«full_name»
«street»
«unit»
«city» «state» «zip» «zip4»

INSURED: «policyhold»

ID NUMBER: «ccode» «id_no»-«suffix»

POLICY NUMBER:
CLAIM NUMBER:
AMOUNT CLAIMED:
AMOUNT RECOMMENDED
CLAIMANT:
CLASS:

THIS IS NOT A BILL* NOTICE TO CLAIMANTS *THIS IS NOT A BILL

RE: SUNSTAR HEALTH PLANS, INC. Civil Action: 99-6705
OBJECTION FILING DEADLINE: 09/15/04 2nd Judicial Circuit Court, Leon County

THIS IS NOT A BILL. The purpose of this Notice to Claimants is to inform you of the Receiver's final recommendations to the Circuit Court concerning the classifications and amounts on a claim filed by you. A copy of the court order is enclosed.

The Receiver has evaluated the claims submitted in the estate of SunStar Health Plans, Inc. and is recommending the amount on the line reading "Amount Recommended Claimant." The Receiver's "Class" or "Priority" of your claim will affect the amount you may receive. Please be advised that the assets in the Receivership estate are not sufficient to fund a distribution payment to all claimants. In fact, **the Receiver does not anticipate a distribution to any claimants beyond Class 6.** Therefore, if your class has been identified as Class 7 through class 10, you will not see any amount on the line reading "Amount Recommended Claimant". The classification of claims is defined by Florida Statute 631.271, "Priority of claims". (See F.S. 631.271 on reverse side of this form.)

Below is a brief description of the class of claims being reported to the Court:

- | | |
|----------|--|
| Class 1 | Costs & expenses of the Receiver and state guaranty funds |
| Class 2 | Loss claims covered by the policy (i.e. Subscriber claims) |
| Class 3 | Refund of unearned premium on non-assessable policies |
| Class 4 | Claims of the Federal Government |
| Class 5 | Claims of employees |
| Class 6 | Claims of general creditors (i.e. Providers) |
| Class 7 | Claims of any state or local government |
| Class 8 | Claims filed late |
| Class 9 | Surplus or contribution notes & refunds on assessable policies |
| Class 10 | Claims of shareholders or other owners |

If you agree with the amount recommended and the class/priority, no further action on your part is necessary. If you object to the recommended amount or to the assigned class of your claim, **YOU MUST FILE YOUR OBJECTION WITH BOTH THE RECEIVER AND THE CLERK OF COURT, SECOND JUDICIAL CIRCUIT, LEON COUNTY COURT HOUSE, 301 S. MONROE STREET, TALLAHASSEE, FLORIDA 32301.** If your class has been identified as a Class 7 through class 10, you may only object to the Receiver's classification of your claim.

YOUR OBJECTION MUST BE POSTMARKED BY THE DEADLINE GIVEN ABOVE. IT IS SUGGESTED THAT YOU SEND YOUR OBJECTION BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED.

The objection procedure is:

1. State in detail all legal and factual reasons for your objection. At the top of your statement, include the following information: "Civil Action Number 99-6705", your identification number, correct address and telephone number.
2. Attach a copy of this notice and any documentation to support your objection.
3. Mail original to the Clerk of Court, a copy to the Receiver, and keep a copy for yourself.
4. If your objection cannot be resolved, a hearing will be scheduled before the Circuit Court, Leon County, Florida.

FLORIDA DEPT. OF FINANCIAL SERVICES, RECEIVER

SUNSTAR HEALTH PLAN, INC.

C/O Companion Information Management Resources

I-20 @ ALPINE RD. MAIL CODE AFA170

COLUMBIA, SOUTH CAROLINA 29219

Website: www.floridainsurancereceiver.org

Telephone: (803) 264-8100 Facsimile: (803) 264-7356

**FLORIDA DEPARTMENT OF FINANCIAL SERVICES
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NOTE: Any distribution will be made on a pro-rata basis. If a distribution is made, you may not receive the full amount recommended for your claim. Depending on the assets available for distribution, you and other claimants in your classification may only receive a percentage of the amount recommended on your claim. (i.e. 25% equals 25 cents on the dollar.) IF a distribution is made, the payee(s) name(s) on the claim check will be the same as the name(s) appearing on the label at the top of this form. If the information on this form is incorrect, or becomes incorrect in the future, it is your responsibility to notify the Receiver and document any changes.

FLORIDA STATUTE 631.271 Priority of claims

631.271 Priority of claims. —

(1) The priority of distribution of claims from the insurer's estate shall be in accordance with the order in which each class of claims is set forth in this subsection. Every claim in each class shall be paid in full or adequate funds shall be retained for such payment before the members of the next class may receive any payment. No subclasses may be established within any class. The order of distribution of claims shall be:

(a) Class 1. —

1. All of the receiver's costs and expenses of administration.

2. All of the expenses of a guaranty association or foreign guaranty association in handling claims.

(b) Class 2. —All claims under policies for losses incurred, including third-party claims, all claims against the insurer for liability for bodily injury or for injury to or destruction of tangible property which claims are not under policies, and all claims of a guaranty association or foreign guaranty association. All claims under life insurance and annuity policies, whether for death proceeds, annuity proceeds, or investment values, shall be treated as loss claims. That portion of any loss, indemnification for which is provided by other benefits or advantages recovered by the claimant, may not be included in this class, other than benefits or advantages recovered or recoverable in discharge of familial obligations of support or by way of succession at death or as proceeds of life insurance, or as gratuities. No payment by an employer to her or his employee may be treated as a gratuity.

(c) Class 3. —Claims under nonassessable policies for unearned premiums or premium refunds.

(d) Class 4. —Claims of the Federal Government.

(e) Class 5. —Debts due to employees for services performed, to the extent that the debts do not exceed \$2,000 for each employee and represent payment for services performed within 6 months before the filing of the petition for liquidation. Officers and directors are not entitled to the benefit of this priority. This priority is in lieu of any other similar priority that is authorized by law as to wages or compensation of employees.

(f) Class 6. —Claims of general creditors.

(g) Class 7. —Claims of any state or local government. Claims, including those of any state or local government for a penalty or forfeiture, shall be allowed in this class, but only to the extent of the pecuniary loss sustained from the act, transaction, or proceeding out of which the penalty or forfeiture arose, with reasonable and actual costs occasioned thereby. The remainder of such claims shall be postponed to the class of claims under paragraph (j).

(h) Class 8. —Claims filed after the time specified in ss. 631.181(3), except when ordered otherwise by the court to prevent manifest injustice, or any claims other than claims under paragraph (i) or under paragraph (j).

(i) Class 9. —Surplus or contribution notes, or similar obligations, and premium refunds on assessable policies. Payments to members of domestic mutual insurance companies shall be limited in accordance with law.

(j) Class 10. —The claims of shareholders or other owners.

(2) In a liquidation proceeding involving one or more reciprocal states, the order of distribution of the domiciliary state shall control as to all claims of residents of this and reciprocal states. All claims of residents of reciprocal states shall be given equal priority of payment from general assets regardless of where such assets are located.

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