



DEPARTMENT OF FINANCIAL SERVICES

Division of Rehabilitation and Liquidation
www.floridainsurancereceiver.org

December 21, 2007

NOTICE TO FORMER MEMBERS OF THE CADUCEUS SELF INSURANCE FUND

PARTIAL REFUND OF ASSESSMENT

Caduceus Self Insurance Fund ("Caduceus") was a Florida physician's medical malpractice self insurance fund that was found to be insolvent and ordered into liquidation on January 3, 2000 by the Second Judicial Circuit Court in and for Leon County, Florida ("Court"). The Florida Department of Financial Services is the Court-appointed Receiver of Caduceus. On January 3, 2003, the Court entered its Order Approving and Directing the Assessment of Fund Members (hereinafter "Assessment Order"). The Assessment Order authorized and directed the Receiver to assess the fund members of Caduceus in the aggregate amount of \$15,581,798.00 in accordance with the classification and formula created by the Receiver and approved by the Court. The assessment levied by the Receiver took into account a 1999 assessment levied against Caduceus members by Caduceus management.

The assessment was only one of the Receiver's asset recovery efforts. The Receiver also successfully prosecuted a breach of contract action against The Doctors Company, a large California insurance company. As a direct result of the asset recovery efforts, the Receiver is now in a position to return a significant portion of the 1999 and 2003 Caduceus Self Insurance Fund's ("Caduceus") assessments plus any interest levied against and paid by former members. The actual amount of assessment funds to be returned to the individual assessees will be based upon a report by the actuaries who prepared the original assessment report. The actuaries reexamined the assessment calculations with the goal of determining a fair, equitable, actuarially sound formula and process for returning some portion of the assessment funds.

All but two of the claims against the Caduceus estate have been adjudicated and approved by the court. The Receiver has made a distribution to classes 1-3. After reserving for the two unresolved claims, the remaining claims in classes 4-10 and the estimated administrative costs over the remaining life of the estate, the Receiver determined that \$11,000,000 is available to return to the Caduceus fund members who had paid either a portion or the entirety of the levied assessments. The \$11,000,000 return represents 73.3424% of the \$14,998,140.18 in assessment principal and interest previously collected from Caduceus fund members.

You may access the actuary's report, "Determination of Process and Calculations to Return Assessments by Insured", by visiting the Receiver's website www.floridainsurancereceiver.org. At the website, go to the Caduceus "Company Information" page and click on the "Related Documents" link.