



Division of Rehabilitation and Liquidation
www.floridainsurancereceiver.org

JULY 7, 2006

**NOTICE TO AGENT OR BROKER
REGARDING THE RECEIVERSHIP OF FLORIDA SELECT INSURANCE COMPANY**

On June 30, 2006, Florida Select Insurance Company ("Florida Select") was ordered into receivership for purposes of rehabilitation by the Second Judicial Circuit Court in Leon County, Florida. The Florida Department of Financial Services is the court appointed Receiver of Florida Select. A copy of the *Consent Order Appointing the Florida Department of Financial Services as Receiver for Purposes of Rehabilitation, Injunction and Notice of Automatic Stay* (the "Rehabilitation Order") is available at the Receiver's website, www.floridainsurancereceiver.org.

The Receiver is sending this notice of rehabilitation to all of Florida Select's agents of record in order to provide them with information regarding the Receiver's upcoming plans for the receivership and to better assist them in advising the Florida Select policyholders who are their clients.

Policyholders of Florida Select may have questions regarding their rights and responsibilities as a result of the receivership. As you are an agent of record, the Florida Department of Financial Services, as Receiver of Florida Select, expects your assistance in responding to the issues raised by the policyholders.

Policy and Coverage Issues:

Continuation of Coverage/Renewals: All policies issued by Florida Select shall remain in full force and effect until further Order of the Court, except where cancelled in the normal course of business, as a result of the non-payment of current premium to the Receiver, or upon the normal expiration date. At this time, Florida Select is able to renew policies currently in effect.

New Business: As of July 7, 2006, Florida Select has ceased writing any new business while the Receiver further reviews the company's financial situation. Florida Select will honor quotes for new business that were provided to a consumer prior to July 7, 2006, upon receipt of written acknowledgement from the prospective policyholder that he/she knows of Florida Select's rehabilitation status and has received a copy of the Rehabilitation Order from the agent.

Requests for Coverage Increases: Florida Select will honor requests for coverage increases on existing policies provided that the aggregate policy limits do not exceed \$500,000 for Florida policies and \$300,000 for South Carolina policies.

Premium Issues:

Policyholders should continue to pay premiums as normal in order to continue their insurance coverage.

Agent Issues:

The Rehabilitation Order imposes certain legal obligations on you as an agent or broker for Florida Select. Pursuant to Paragraph 9 of the Rehabilitation Order, all premiums and commissions you collected on behalf of Florida Select that are unearned due to cancellation of policies in the normal course of business, must be accounted for and paid directly to the Receiver upon demand within 30 days. No agent, broker or premium finance company may use premium monies owed to Florida Select for refund of unearned premium or any purpose other than payment to the Receiver. Violation constitutes contempt of Court. You have the right to appear before the Court and show cause if you feel that you are not required to account to the Receiver.

You should also be aware that Section 631.155, Florida Statutes, requires that premiums and unearned commissions which have been collected on behalf of an insurer by an agent, agency, or other entity or person constitute an asset of the insurer for which the agent, agency, or other entity or person has a duty to account to the Receiver and to pay over amounts as may be due. The duty to account to the Receiver shall encompass all persons or entities involved in the handling and transmittal of premium funds. An accounting shall be provided to the Receiver within 20 days after receipt of a written demand for an accounting. If there is a dispute regarding the accounting, the court shall hear and decide the matter upon petition of the Receiver. Compliance with this section and payment of sums determined to be owed by the court within 30 days of judgment, or within other payment terms approved by the court, shall constitute requirements for continued licensure of a person holding a license under the Florida Insurance Code, and failure to comply with this section shall be sufficient grounds for the license revocation.

Consumer Inquiries/Claims Issues:

During rehabilitation, the Receiver will continue to process and pay claims in the ordinary course of business to the extent possible. Please report all new claims in accordance with the company's normal reporting procedure.

Contact Information:

Consumers with questions regarding Florida Select should visit the company's website at www.floridaselect.com or contact the company directly at the contact numbers provided below.

Florida Select Insurance Company – Direct Telephone Numbers:

To report a new claim - 1-888-700-0101

To check on the status of an existing claim – 1-888-617-1145

To check billing/payment status – 1-888-920-0200

For other inquiries, consumers may call Florida Select's main consumer line - 1-888-700-0101.

For additional information regarding Florida Select or the receivership process, please visit the Receiver's website at www.floridainsurancereceiver.org or contact the Florida Department of Financial Services at 1-800-882-3054.