

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

IN RE: The Receivership of
AMERICAN KEYSTONE INSURANCE
COMPANY, a Florida
corporation authorized to transact an
insurance business in Florida

CASE NO.: 2009-3955

**RECEIVER'S MOTION FOR APPROVAL OF SECOND INTERIM CLAIMS REPORT
AND RECOMMENDATION ON CLAIMS**

THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES, as Receiver of
AMERICAN KEYSTONE INSURANCE COMPANY ("Receiver"), files herewith the Receiver's
Second Interim Claims Report and says:

1. AMERICAN KEYSTONE INSURANCE COMPANY ("AKIC") was a
corporation authorized pursuant to the Florida Insurance Code to transact business in the state of
Florida as a domestic property and casualty insurer. AKIC's principal place of business was 816
A1A North, Suite 301, Ponte Vedra Beach, Florida 32082. On October 9, 2009, this Court entered
its Order Appointing the Florida Department of Financial Services as Receiver for Purposes of
Liquidation, Injunction and Notice of Automatic Stay ("Order").

2. This Court has jurisdiction over the AKIC receivership estate 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 October 3, 2011, the Receiver filed a First Interim Claims Report consisting of
the Receiver's recommendation on a single Class six claim in the AKIC receivership estate. That
claim was related to a piece of real property owned by AKIC. The objection process related to that
claim is complete.

4. The Receiver is now ready to report on the remaining claims in the AKIC estate. In accord with the Court's Order and Section 631.182, Florida Statutes, the Receiver has compiled a Second Interim Claims Report (the "Report") consisting of the Receiver's recommendations on the Class 1-11 claims in the AKIC receivership estate. The Report is broken down into two sections. Part A of the Report consists of claims of non-guaranty association claimants and Part B consists of all claims of guaranty association claimants.

5. Part A of the Report shows that the gross number of filed claims for non-guaranty association claimants is 7,632 for a total amount claimed of \$13,842,259.99. The total amount recommended by the Receiver is \$11,610,298.33. For the Court's convenience, a paper copy of the summary totals from Part A of the Report is attached as Exhibit "A".

6. Part B of the Report shows that the gross number of filed claims for guaranty association claimants is 5 for a total amount claimed of \$10,200,356.58. The total amount recommended by the Receiver is \$10,200,356.58. For the Court's convenience, a paper copy of the summary totals from Part B of the Report is attached as Exhibit "B". The guaranty association identified within the report is the Florida Insurance Guaranty Association ("FIGA").

7. In order to assure the validity of claim assignments, to assure that the processing of assignments does not create an undue burden on estate resources, and to assure that assignment decisions are made using the best information available, the Receiver does not recognize or accept any assignment of claim by the claimant of record unless the following criteria are met:

- A. A distribution petition has not been filed with this Court;
- B. The Receiver has been provided with a properly executed and notarized assignment of claim agreement entered into between the parties; and
- C. The Receiver has been provided with a properly executed and notarized Receiver's Assignment of Claim Change Form and required supporting documentation.

8. The Receiver's Assignment of Claim Change Form shall contain an acknowledgment by the claimant, or someone authorized to act on behalf of the claimant, that:

A. The claimant is aware that financial information regarding claims distributions and payments published on the Receiver's website or otherwise available can assist the claimant in making an independent and informed decision regarding the sale of the claim;

B. The claimant understands that the purchase price being offered in exchange for the assignment may differ from the amount ultimately distributed in the receivership proceeding with respect to the claim;

C. It is the claimant's intent to sell their claim and have the Receiver's records be permanently changed to reflect the new owner; and

D. The claimant understands that they will no longer have any title, interest, or rights to the claim including future mailings and distributions if they occur.

9. Under Section 631.181(2), Florida Statutes, claimants are entitled to notice of the Receiver's recommendations on their claims and the deadline for filing objections. The Receiver will incorporate any claimant information updates resulting from this notice mailing into its database. A sample copy of the "Notice of Determination" is attached hereto as Exhibit "C."

10. The Receiver will establish the deadline for the claimant to file an objection with the Court. Such deadline will not be less than forty five (45) days from the date of this Court's order granting approval of the Report. The Receiver has a procedure for dealing with late-filed objections. For any objection filed after the deadline, the Receiver will send a letter to the claimant advising the claimant that their objection was not filed in compliance with Florida Statutes and this Court's Order and, therefore will not be handled as a filed objection. A copy of this letter will be filed with the Court.

11. The Receiver requests that its recommendations be approved unless an objection is filed thereto within the objection filing deadline authorized by the Court.

WHEREFORE, the Receiver moves this Court for entry for an Order:

A. Authorizing and directing the Receiver to provide notice to each claimant, as herewith reported to the Court, of the Receiver's recommendations regarding their claim, by U.S. Mail to the last known address of such persons, as shown in the Receiver's files. The Receiver will incorporate any claimant information updates resulting from this notice mailing into its database.

B. Authorizing and directing the Receiver to establish an objection filing deadline that is not less than forty five (45) days from the date of this Court's order granting approval of the Report.

C. Directing all persons who have filed claims, as herewith reported to the Court, to file any objection that they may have to the Receiver's Report with the Clerk of this Court on or before 11:59 p.m. on the objection filing deadline at:

Clerk of the Leon County Circuit Court
Leon County Courthouse
301 S. Monroe Street
Tallahassee, FL 32301

and requiring that a copy of said objection be served on the Receiver at:

The State of Florida Department of Financial Services
As Receiver of American Keystone Insurance Company
Division of Rehabilitation & Liquidation
2020 Capital Circle S.E., Suite 310
Tallahassee, FL 32302

D. Requiring any persons filing objections to submit documentation to support their claim and declaring that the Court will not consider any information or documentation submitted after the objection is filed.

E. Approving the Receiver's procedure for addressing late-filed objections and claim assignments.

F. Finally, approving the Receiver's recommendations contained in Receiver's Second Interim Claims Report for which no objections are filed.

DATED this ____ day of January, 2013.

A handwritten signature in black ink, appearing to read 'Eric S. Scott', is written over a horizontal line.

ERIC S. SCOTT, Senior Attorney
Florida Bar No. 0911496
Florida Department of Financial Services
Division of Rehabilitation and Liquidation
2020 Capital Circle S.E., Suite 310
Tallahassee, FL 32302
(850) 413-4513 - Telephone

FLORIDA DEPARTMENT OF FINANCIAL SERVICES -DIVISION OF REHABILITATION AND LIQUIDATION
AMERICAN KEYSTONE INSURANCE COMPANY
SECOND INTERIM CLAIMS REPORT
PART A - FOR NON GUARANTY ASSOCIATION CLAIMANTS

SUMMARY TOTALS

TOTAL AMOUNT CLAIMED BY NON GUARANTY ASSOCIATION CLAIMANTS	\$13,842,259.99
TOTAL AMOUNT RECOMMENDED TO NON GUARANTY ASSOCIATION CLAIMANTS	\$11,610,298.33
TOTAL NUMBER	7,632

Secured Claims

COUNT OF SECURED CLAIMS :	1
AMOUNT CLAIMED FOR SECURED CLAIMS BY NON GUARANTY ASSOCIATION	\$1,238,835.96
AMOUNT RECD FOR SECURED CLAIMS TO NON GUARANTY ASSOCIATION	

Unsecured Claims

COUNT OF CLASS 1 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 1 CLAIMS BY NON GUARANTY ASSOCIATION	\$0.00
AMOUNT RECD FOR CLASS 1 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS :	AMOUNT CLAIMED FOR CLASS 7 CLAIMS BY NON GUARANTY ASSOCIATION
	\$0.00

COUNT OF CLASS 2 CLAIMS :	28
AMOUNT CLAIMED FOR CLASS 2 CLAIMS BY NON GUARANTY ASSOCIATION	\$1,242,025.94
AMOUNT RECD FOR CLASS 2 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS:	\$300.00
	AMOUNT CLAIMED FOR CLASS 8 CLAIMS BY NON GUARANTY ASSOCIATION
	\$353,230.00

COUNT OF CLASS 3 CLAIMS :	7,588
AMOUNT CLAIMED FOR CLASS 3 CLAIMS BY NON GUARANTY ASSOCIATION	\$40,075.04
AMOUNT RECD FOR CLASS 3 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS:	\$665,039.12
	AMOUNT CLAIMED FOR CLASS 9 CLAIMS BY NON GUARANTY ASSOCIATION
	\$0.00

COUNT OF CLASS 4 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 4 CLAIMS BY NON GUARANTY ASSOCIATION	\$0.00
AMOUNT RECD FOR CLASS 4 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS:	
	CLASS 10 INTEREST CLAIMS (SEE NOTE):

COUNT OF CLASS 5 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 5 CLAIMS BY NON GUARANTY ASSOCIATION	\$0.00
AMOUNT RECD FOR CLASS 5 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS:	AMOUNT CLAIMED FOR CLASS 11 CLAIMS TO NON GUARANTY ASSOCIATION
	\$0.00

COUNT OF CLASS 6 CLAIMS :	10
AMOUNT CLAIMED FOR CLASS 6 CLAIMS BY NON GUARANTY ASSOCIATION	\$10,968,093.05
AMOUNT RECD FOR CLASS 6 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS :	\$10,944,959.21

Note: Class 10 Claims are comprised of interest per F.S. 631.271 (1) (i) on allowed claims in Classes 1 - 9.
*** If status is unevaluated, then dollar amounts have been suppressed

FLORIDA DEPARTMENT OF FINANCIAL SERVICES -DIVISION OF REHABILITATION AND LIQUIDATION
AMERICAN KEYSTONE INSURANCE COMPANY
SECOND INTERIM CLAIMS REPORT
PART B - FOR GUARANTY ASSOCIATION

SUMMARY TOTALS

TOTAL AMOUNT CLAIMED BY GUARANTY ASSOCIATION	\$10,200,356.58
TOTAL AMOUNT RECOMMENDED TO GUARANTY ASSOCIATION	\$10,200,356.58
TOTAL NUMBER	5

COUNT OF CLASS 1 CLAIMS :	3	COUNT OF CLASS 7 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 1 CLAIMS BY GUARANTY ASSOCIATION :	\$529,030.30	AMOUNT CLAIMED FOR CLASS 7 CLAIMS BY GUARANTY ASSOCIATION :	\$0.00
AMOUNT RECD FOR CLASS 1 CLAIMS TO GUARANTY ASSOCIATION :	\$529,030.30	AMOUNT RECD FOR CLASS 7 CLAIMS TO GUARANTY ASSOCIATION :	
COUNT OF CLASS 2 CLAIMS :	1	COUNT OF CLASS 8 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 2 CLAIMS BY GUARANTY ASSOCIATION :	\$1,815,504.66	AMOUNT CLAIMED FOR CLASS 8 CLAIMS BY GUARANTY ASSOCIATION :	\$0.00
AMOUNT RECD FOR CLASS 2 CLAIMS TO GUARANTY ASSOCIATION :	\$1,815,504.66	AMOUNT RECD FOR CLASS 8 CLAIMS TO GUARANTY ASSOCIATION :	
COUNT OF CLASS 3 CLAIMS :	1	COUNT OF CLASS 9 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 3 CLAIMS BY GUARANTY ASSOCIATION :	\$7,855,821.62	AMOUNT CLAIMED FOR CLASS 9 CLAIMS BY GUARANTY ASSOCIATION :	\$0.00
AMOUNT RECD FOR CLASS 3 CLAIMS TO GUARANTY ASSOCIATION :	\$7,855,821.62	AMOUNT RECD FOR CLASS 9 CLAIMS TO GUARANTY ASSOCIATION :	
COUNT OF CLASS 4 CLAIMS :	0	CLASS 10 INTEREST CLAIMS (SEE NOTE):	
AMOUNT CLAIMED FOR CLASS 4 CLAIMS BY GUARANTY ASSOCIATION :	\$0.00		
AMOUNT RECD FOR CLASS 4 CLAIMS TO GUARANTY ASSOCIATION :			
COUNT OF CLASS 5 CLAIMS :	0	COUNT OF CLASS 11 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 5 CLAIMS BY GUARANTY ASSOCIATION :	\$0.00	AMOUNT CLAIMED FOR CLASS 11 CLAIMS TO GUARANTY ASSOCIATION CLAIMANTS:	\$0.00
AMOUNT RECD FOR CLASS 5 CLAIMS TO GUARANTY ASSOCIATION :		AMOUNT RECD FOR CLASS 11 CLAIMS TO GUARANTY ASSOCIATION CLAIMANTS :	
COUNT OF CLASS 6 CLAIMS :	0		
AMOUNT CLAIMED FOR CLASS 6 CLAIMS BY GUARANTY ASSOCIATION :	\$0.00		
AMOUNT RECD FOR CLASS 6 CLAIMS TO GUARANTY ASSOCIATION :	\$0.00		

Note: Class 10 Claims are comprised of interest per F.S. 631.271 (1) (f) on allowed claims in Classes 1 - 9.
*** If status is unevaluated, then dollar amounts have been suppressed



FLORIDA DEPARTMENT OF FINANCIAL SERVICES RECEIVER

«company»

January 18, 2013

NOTICE of DETERMINATION

«DELIVERYPOINTBARCODE»

IDENTIFICATION NUMBER:

«cd_company» «id_no»-
«suffix»

«CD_COMPANY» «ID_NO»-«SUFFIX»

«FULLNAME»

«ADDRESSLINE1»

«ADDRESSLINE2»

«city» «state» «ZIPCODE»

INSURED:

POLICY NUMBER:

CLAIM NUMBER:

AMOUNT CLAIMED:

AMOUNT RECOMMENDED CLAIMANT:

CLASS:

«policyhold»

«policy_no»

«claim_no»

«amt_claimd»

«AMT_DUE_CL»

«class»

THIS IS NOT A BILL

THIS IS NOT A BILL

RE: «COMPANY»

Civil Action: «CASE_NO»

2nd Judicial Circuit Court

Leon County, Florida

OBJECTION FILING DEADLINE: ?filing deadline?

THIS IS NOT A BILL. The purpose of this Notice of Determination is to inform you of the Receiver's report of its final recommendations to the Circuit Court concerning the classification and amount on a claim filed by you or on your behalf against the Receivership Estate of «COMPANY». A copy of the court order reflecting approval of these recommendations can be obtained at www.MyFloridaCFO.com/Receiver.

The Receiver has evaluated Class 1 through Class 11 claims submitted in the estate of «COMPANY» 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. Florida Statute 631.271, "Priority of Claims", defines the classification of claims being reported to Court. Florida Statute 631.271, "Priority of Claims" can be obtained at www.MyFloridaCFO.com/Receiver.

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 WRITTEN OBJECTION WITH BOTH THE RECEIVER AND THE CLERK OF COURT, SECOND JUDICIAL CIRCUIT, LEON COUNTY COURT HOUSE, 301 S. MONROE STREET, TALLAHASSEE, FLORIDA 32301.

YOUR OBJECTION MUST BE FILED (RECEIVED) BY?filing deadline?. IT IS SUGGESTED THAT YOU SEND YOUR OBJECTION BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED.

The objection procedure is:

1. At the top of your statement, include the following information: The Civil Action Number noted above, your identification number noted above, and your correct address and telephone number. State in detail all legal and factual reasons for your objection.
2. Attach a copy of this notice and any documentation to support your objection. By order of the Court, all documentation must be filed with 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 DEPARTMENT OF FINANCIAL SERVICES, RECEIVER

«company»,

2020 CAPITAL CIRCLE, S.E., SUITE 310

TALLAHASSEE, FLORIDA 32301

Website: www.MyFloridaCFO.com/Receiver

Telephone: 850-413-3081, Toll

EXHIBIT "C"

Facsimile: 850-413-3992

**FLORIDA DEPARTMENT OF FINANCIAL SERVICES
RECEIVER
«company»**

DISTRIBUTION INFORMATION

Distribution of estate funds to claimants will be made in accordance with the priority schedule set forth in Section 631.271, Florida Statutes. All approved claims are organized and paid by priority with a Class 1 claim designated as the highest priority to a Class 11 claim considered the lowest priority. All approved claims in a class must be paid in full before any payment is made to the next class. If the next lower priority class does not have sufficient funds to be paid in full, all approved claims in that class are paid in equal pro rata shares. Therefore, 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% pro rata share distribution of funds in your class equals 25 cents on the dollar). Further information on the current and projected financial condition of «COMPANY» can be found at www.MyFloridaCFO.com/Receiver or the Global Receivership Information Database (GRID) website at www.naic.org.

As part of its duties, the Receiver must investigate, collect and convert all company assets into cash, prioritize and value claims, and resolve all objections to the results of the Receiver's evaluations. This process usually takes several years to complete. Distributions to claimants are made only if/when sufficient funds become available and the Court has approved the distribution. We cannot currently estimate if/when a payment may be made. Your patience in this process is appreciated.

CLAIMANT INFORMATION

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 front of this form. If the information on this form, including address, is incorrect, or becomes incorrect in the future, it is your responsibility to notify the Receiver and document any changes to a claimant's name or address. Information on how to submit a change is available at www.MyFloridaCFO.com/Receiver

Some non-confidential information (i.e., certain claimant names, addresses and recommended claim information) is compiled by the Receiver and filed with the Court in order to make recommendations regarding the value and class of claims. This information is available to consumers as a public record in accordance with Article I, Section 24 of the Florida State Constitution and Chapter 119, Florida Statutes, and may be accessed through the court files of this receivership or via the Receiver's website.

IMPORTANT INFORMATION: You may be contacted by outside third parties who may offer to purchase your claim in exchange for the transfer of your rights to a distribution, if any, in the future. Please be advised that the Receiver is not in any way affiliated with third party purchasers of claims and cannot advise or counsel individual claimants with respect to any potential distribution amounts or assist a claimant in the personal decision to sell their claim to an outside third party. All available information on the current and projected financial condition of «COMPANY» may be found at www.MyFloridaCFO.com/Receiver or the Global Receivership Information Database (GRID) website at www.naic.org.

FLORIDA DEPARTMENT OF FINANCIAL SERVICES, RECEIVER

«company»,

2020 CAPITAL CIRCLE, S.E., SUITE 310

TALLAHASSEE, FLORIDA 32301

Website: www.MyFloridaCFO.com/Receiver

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