



DEPARTMENT OF FINANCIAL SERVICES

Division of Rehabilitation and Liquidation  
[www.myfloridacfo.com/Receiver](http://www.myfloridacfo.com/Receiver)

**Si necesita una versión en español de este aviso, visite el sitio web de la  
División de Rehabilitación y Liquidación [www.myfloridacfo.com/Receiver](http://www.myfloridacfo.com/Receiver).**  
(If you need a Spanish version of this notice, visit the Receiver's website at [www.myfloridacfo.com/Receiver](http://www.myfloridacfo.com/Receiver))

**NOTICE TO AGENTS OR BROKERS**  
**October 14, 2011**

**Regarding the Liquidation of National Group Insurance Company**

On October 10, 2011, National Group Insurance Company ("NGIC") was ordered liquidated by the Second Judicial Circuit Court in Leon County, Florida. The Florida Department of Financial Services is the court appointed Receiver of NGIC. A copy of the liquidation order for NGIC is available on the Receiver's website, [www.myfloridacfo.com/Receiver](http://www.myfloridacfo.com/Receiver).

The Receiver is sending this notice of the receivership proceedings to all of the NGIC agents of record in order to provide them with information to better assist them in advising the NGIC policyholders who are their clients. **As you are an agent of record, you are advised that the liquidation order significantly affects the company's policyholders and legally imposes certain obligations on you. The Florida Department of Financial Services, as Receiver of NGIC, expects you to contact your policyholder clients and assist them with any questions they may have regarding the receivership proceeding.**

**As agent for NGIC and pursuant to Section 631.341, Florida Statutes, you are also expected to provide a written notice of the receivership, by registered or certified mail, to policyholders whose policy has not been replaced or reinsured with a solvent authorized insurer. A copy of Section 631.341, Florida Statutes, is found at the end of this notice. At this time, the Receiver plans to send a notice of the liquidation proceedings to each of the NGIC policyholders. Please note, however, that you are still responsible for providing notice to policyholders under Section 631.341, Florida Statutes. When providing notice of the October 10, 2011 liquidation to NGIC's policyholders, you should inform them that:**

- **NGIC's insurance policies are cancelled effective 12:01 a.m. on November 9, 2011, unless otherwise terminated prior to that date;**
- **The claims filing deadline for filing claims in the NGIC receivership proceeding is 11:59:59 p.m. on October 10, 2012; and**

- **The deadline for pursuing any claims with the Florida Insurance Guaranty Association (“FIGA”) is October 10, 2013.**

## **POLICY CANCELLATION:**

NGIC primarily wrote commercial auto and commercial property insurance policies in Florida. Although licensed in two states, the company had in-force policies only in Florida. As of the date of liquidation, NGIC had a total of approximately 7,600 policies in force. **Under the liquidation order, all NGIC policies are cancelled effective 12:01 a.m. on November 9, 2011, unless otherwise terminated prior to that date.** Upon liquidation, the property and casualty insurance policies of the Florida policyholders are covered by the Florida Insurance Guaranty Association. See below for further details.

## **PREMIUM ISSUES:**

In accordance with Section 631.155, Florida Statutes and paragraph 21 on page 8 of the NGIC Liquidation Order, all premiums and unearned commissions you collected on behalf of NGIC must be accounted for and paid directly to the Receiver within 30 days. No agent, broker, premium finance company or other person may use premium monies owed to NGIC for refund of unearned premium or for 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.

## **Premium Refunds/Unearned Premium:**

The Florida Insurance Guaranty Association will pay unearned premium claims after the Receiver completes its processing of the policy records and sends the unearned premium records to FIGA. A \$100 statutory deductible will be taken from the amount owed. If the premium refund due is \$100 or less, a refund will not be processed by FIGA.

All \$100 statutory deductibles on unearned premium claims and unearned premium claims that are less than \$100 may become claims against the estate of NGIC. The Receiver intends to seek court approval to deem all unearned premium claims as timely filed. If approved, this means that unearned premium claimants will have a claim in the NGIC estate without having to file a proof of claim form. No action is required by unearned premium claimants at this time. Additional information about the deem filing of unearned premium claims will be posted on the Receiver’s website, [www.myfloridacfo.com/Receiver](http://www.myfloridacfo.com/Receiver), once available.

## **CLAIMS ISSUES (FOR LOSSES INCURRED PRIOR TO 12:01 a.m. on November 9, 2011):**

**All policyholders should be informed that the deadline for filing claims in the NGIC receivership is 11:59:59 p.m. on October 10, 2012.** Information regarding the method for filing a claim in the receivership proceeding will be available on the Receiver’s website, [www.myfloridacfo.com/Receiver](http://www.myfloridacfo.com/Receiver).

With the entry of the liquidation order, the Florida Insurance Guaranty Association has been activated to help pay outstanding claims for property and casualty policies. The processing and payment of pending covered claims will be made by FIGA (subject to the lesser of policy limits or FIGA’s maximum cap). The maximum amount FIGA will cover is \$300,000. No claim will be paid in excess of this cap. All claims are subject to a \$100 deductible over and above any deductible identified in the NGIC policy. A policyholder may file a claim with the Receiver for the \$100 deductible and for amounts over the cap. For additional general information

regarding FIGA, please visit the guaranty association's website at [www.figafacts.com](http://www.figafacts.com). Per Section 631.68, Florida Statutes, the deadline for settling a claim or filing suit against FIGA is October 10, 2013 (i.e., one year after the Receiver's claim filing deadline).

### **CONSUMER/CLAIMS CALLS:**

Agents with questions regarding NGIC should be directed to the contact numbers provided below.

Billing Questions and Payment Status: Contact NGIC's Customer Service Department by phone at 305-446-0668 or by fax at 305-446-5499. Hours of operation are Monday – Friday from 9:00 a.m. AM – 5:00 PM, Eastern Time.

Filing a New Claim: Call FIGA at 1-800-988-1450 (toll-free). Hours of operation are Monday – Friday from 8:00 A.M. – 5:00 P.M. Eastern Time.

Checking the status of a Pending Claim: Call FIGA at 1-800-988-1450 (toll-free). Hours of operation are Monday – Friday from 8:00 A.M. – 5:00 P.M. Eastern Time.

### **CONTACTING THE RECEIVER:**

Please contact the Receiver by using the —Contact Us” form at the Receiver's website, [www.myfloridacfo.com/Receiver](http://www.myfloridacfo.com/Receiver) if you have any non-claims related questions regarding the receiverships (for claims questions, please refer to the phone numbers provided above). You may also contact the Florida Department of Financial Services, as Receiver, at (850) 413-3081 or toll free at 1-800-882-3054 (in Florida only).

Your anticipated cooperation and assistance in these matters is greatly appreciated.

### **Section 631.341, Florida Statutes (2010)**

631.341 Notice of insolvency to policyholders by insurer, general agent, or agent.—

(1) The receiver shall, immediately after appointment in any delinquency proceeding against an insurer in which the policies have been canceled, give written notice of such proceeding to each general agent and licensed agent of the insurer in this state. Each general agent and licensed agent of the insurer in this state shall forthwith give written notice of such proceeding to all subagents, producing agents, brokers, and service representatives writing business through such general agent or licensed agent, whether or not such subagents, producing agents, brokers, and servicing representatives are licensed or permitted by the insurer and whether or not they are operating under a written agency contract.

(2) Unless, within 15 days subsequent to the date of such notice, all agents referred to in subsection (1) have either replaced or reinsured in a solvent authorized insurer the insurance coverages placed by or through such agent in the delinquent insurer, such agents shall then, by registered or certified mail, send to the last known address of any policyholder a written notice of the insolvency of the delinquent insurer.

(3) The license, permit, or certificate of authority of any person, firm, or corporation which fails to comply with the provisions of this section is subject to revocation as otherwise provided by law.

(4) If such person, firm, or corporation is not licensed or permitted or the holder of a certificate of authority under any section of this code, such person, firm, or corporation, or the officers and directors thereof, are, upon failure to comply with the provisions of this section, guilty of a misdemeanor of the first degree, punishable as provided in s. [775.082](#) or by a fine of not more than \$5,000.

History.—s. 750, ch. 59-205; s. 15, ch. 70-27; s. 809(1st), ch. 82-243; s. 24, ch. 83-38; ss. 187, 188, ch. 91-108; s. 4, ch. 91-429; s. 68, ch. 2002-206.