

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

IN RE: The Receivership of
QUALITY HEALTH PLANS, INC.

CIVIL: 2011-CA-002245

**THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES, DIVISION OF
REHABILITATION AND LIQUIDATION'S MOTION FOR ORDER APPROVING
DISCHARGE ACCOUNTING STATEMENT, DIRECTING FINAL DISCHARGE, AND
AUTHORIZING DESTRUCTION OF OBSOLETE RECORDS**

COMES NOW, the Florida Department of Financial Services, as Receiver of Quality Health Plans, Inc. (hereinafter "Department"), by and through undersigned counsel, and hereby files this Motion for Order Approving Discharge Accounting, Directing Final Discharge and Authorizing Destruction of Obsolete Records and as good grounds therefore states the following:

1. Quality Health Plans, Inc. ("QHP") was a health maintenance organization previously authorized pursuant to the Florida Insurance Code to transact business in the State of Florida.

2. On October 17, 2011, this Court entered an *Order Appointing the Florida Department of Financial Services as Receiver* placing QHP into receivership and on November 16, 2011, this Court entered an *Order Granting Receiver's Motion for Modification and Ordering Liquidation of Quality Health Plans, Inc.*

3. Pursuant to section 631.021(1), Florida Statutes, this Court has jurisdiction over the Receivership and is authorized to enter all necessary and/or proper orders to carry out the purpose of the Florida Insurers Rehabilitation and Liquidation Act, sections 631.001 et seq., Florida Statutes.

4. The Court approved the Receiver's First Interim Claims Report and Recommendation on Claims on December 9, 2015; the Receiver's Second Interim Claims Report and Recommendation on June 13, 2016; and the Receiver's Final Claims Report and Recommendation on September 17, 2021.

5. The Department obtained the Federal Release, and the Court approved the Release Agreement on March 30, 2021.

6. Despite the Department's best efforts, some approved claims may have inadequate current address information and/or may not have provided the Department with a form W-9, required by the Internal Revenue Service. The total unclaimed property in the estate is \$2,001,719.04. The Department recommends that said funds be transferred to the Division of Unclaimed Property, Department of Financial Services, as "unclaimed property" pursuant to Section 717.119, Florida Statutes and/or to the unclaimed property units of other states as appropriate.

7. The Department's Discharge Accounting Statement – Projected for November 30, 2022 (the "Discharge Accounting") is attached hereto as **Exhibit A**. As shown in the Discharge Accounting, the estimated value of all assets of the QHP Receivership estate is projected to be \$ 2,069,952.41 as of November 30, 2022. **See Schedule A to Exhibit A**. Of that \$2,001,791.04 will be forwarded by the Department to the unclaimed property unit(s) of the state(s) reflected in the claimants' last address of record in the Department's files.

8. The Department would retain \$2,220.00 as a reserve for “wind up” expenses of the Receivership.

9. The Department requests an order authorizing the Department to remit to the Insurance Regulatory Trust Fund (“RTF”) any surplus expense funds remaining after discharge.

10. Upon approval of the Department’s request for final discharge, the records of the QHP receivership estate will no longer be needed, and it will be necessary to dispose of the obsolete company records. The Department will further give notice of its intent to the United States Department of Justice as agreed in the federal Release Agreement.

11. Although such recovery is unlikely, the Department requests an order authorizing it to remit to the RTF any assets which may be recovered following the discharge of this receivership if, in the Department’s sole discretion, the value of the recovered assets does not justify the re-opening of this receivership estate.

12. The Department request an Order that all mortgages, notes, judgments, or other liens in favor of QHP recorded with any Clerk of Circuit or County Court in the state of Florida, that have not been previously assigned, sold, or transferred by the Department are deemed assigned to RTF.

13. The Department requests an Order that it shall be fully and finally discharged of its responsibilities in this receivership as of 11:59 P.M. on November 30, 2022, subject to the terms stated above.

WHEREFORE the Department of Financial Services as Receiver for QHP, requests the Court to grant this Motion and enter an Order Approving Discharge Accounting, Directing Final Discharge and Authorizing Destruction of Obsolete Records

Respectfully submitted this 14th day of November 2022.

/s/Yamile Benitez-Torviso

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CERTIFICATE OF SERVICE

IT IS HEREBY CERTIFIED that a true and correct copy of this Motion was electronically filed with the Clerk of Courts by using the ECF system and electronically noticed this 14th day of November 2022 to all attorneys of record listed thereon.

/s/Yamile Benitez-Torviso

Yamile Benitez-Torviso, Esq

QUALITY HEALTH PLANS INC
Discharge Accounting Statement
Projected for November 30, 2022

ASSETS

Cash	<u>Amount</u> \$ 2,069,952.41	Schedule A
Total Assets	<u>\$ 2,069,952.41</u>	

LIABILITIES

	<u>Recommended Disbursement</u>
Outstanding Amounts from Distribution to Unclaimed Property	2,001,719.04
Total Liabilities	<u>\$ 2,001,719.04</u>

WINDUP SUMMARY

Funds Available for Windup Expenses	68,233.37	
Projected Windup Expenses	<u>(2,220.00)</u>	Schedule D
Balance (Any Remaining Funds to RTF)	<u>66,013.37</u>	

Index to Attached Schedules:

Schedule A - Available Cash Projection
Schedule B - Allocated State Funds Expensed
Schedule C - Interest Earnings Projection
Schedule D - Receiver Windup Expenses
Schedule E - Contributed Equity and Advances from the Regulatory Trust Fund

QUALITY HEALTH PLANS INC
Available Cash Projection
Projected for November 30, 2022

	Cash Bal. as of August 31, 2022	Sep-22	Oct-22	Nov-22				
Beginning Pooled Cash Balance	\$	2,069,874.70	\$	2,069,962.41	\$	2,069,957.41		
Direct Receiver Expenses (Actual or Estimated)								
Rent-Storage, Postage, Scanning UCP records		500.00	500.00	500.00				
Sub-total		500.00	500.00	500.00				
Allocated Receiver Expenses (Estimated)								
Labor & Benefits		1,020.00	1,020.00	1,020.00				
Indirect Expenses		185.00	185.00	185.00				
Sub-total		1,205.00	1,205.00	1,205.00				
Cash Balance Before Interest Earnings		2,068,169.70	2,068,257.41	2,068,252.41				
Interest Earnings								
Pooled Cash:								
Actual SPIA Earnings for August to be credited on 9/1/2022		1,792.71						
Estimate based on assume SPIA APR on the previous month's average Pooled Cash balance (Sch. C)			1,700.00	1,700.00				
Ending Pooled Cash Balance	\$	2,069,874.70	\$	2,069,962.41	\$	2,069,957.41	\$	2,069,952.41

Assumptions for Allocated Receiver Expenses:

¹ Labor & Benefits: this estimate is based on a four month actual average.

August Actual	\$	326.42
July Actual		2,738.47
June Actual		408.87
May Actual		616.81
Sub-total		4,090.57
4 mth. actual average (rounded)	\$	1,020.00

² Indirect Expenses: This estimate is QHP's estimated pro rata share of the Receiver's estimated total indirect expenses. The pro rata share calculation is based on QHP's estimated total assets divided by the Receiver's estimated total assets for all receiverships.

Estimated Total Asset %	0.37%
Estimated Total for the Receiver	\$ 50,000.00
Estimated Expense	\$ 185.00

QUALITY HEALTH PLANS INC
Allocated State Funds Expensed
Estimated for September - November 2022

THIS STATEMENT INCLUDED FOR INFORMATION PURPOSES ONLY - AMOUNTS NOT PART OF DISCHARGE CALCULATION

	September	October	November	Totals
Accrued Allocated State of Florida Expenses (Estimated)				
Labor & Benefits	\$ 40.00	\$ 40.00	\$ 40.00	\$ 80.00 ¹
Indirect Expenses	140.60	140.60	140.60	\$ 281.20 ²
Total	\$ 180.60	\$ 180.60	\$ 180.60	\$ 361.20 ³

Assumptions for Allocated State of Florida Expenses:

¹ Labor & Benefits: This estimate is based on a four month actual average.

August Actual	13.23
July Actual	127.32
June Actual	4.05
May Actual	25.42
Sub-total	170.02
4 mth. actual average (rounded)	<u>\$ 40.00</u>

² Indirect Expenses: This estimate is FHCP's estimated pro rata share of the Receiver's estimated total indirect expenses. The pro rata share calculation is based on FHCP's estimated total assets divided by the Receiver's estimated total assets for all receiverships.

Before Discharge

Estimated Total Asset %	0.37%
Estimated Total for the State	<u>\$ 38,000.00</u>
Estimated Expense	<u>\$ 140.60</u>

³ Per current Receiver policies and procedures, these accumulated amounts are recorded contributed equity to the estate.

QUALITY HEALTH PLANS INC
Interest Earnings Projection - Pooled Cash
Projected for November 30, 2022

Interest accrued for September 2022

Beginning cash balance	2,069,874.70
Ending cash balance	2,069,962.41
 Average cash balance	 2,069,918.56
Assumed SPIA interest rate (Annualized)	1.00%
 Subtotal (Annualized)	 20,699.19

Accrual for September 2022	\$ 1,700.00
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Interest accrued for October 2022

Beginning cash balance	2,069,962.41
Ending cash balance	2,069,957.41
 Average cash balance	 2,069,959.91
Assumed SPIA interest rate (Annualized)	1.00%
 Subtotal (Annualized)	 20,699.60

Accrual for October 2022	\$ 1,700.00
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Interest accrued for November 2022

Beginning cash balance	2,069,957.41
Ending cash balance	2,069,952.41
 Average cash balance	 2,069,954.91
Assumed SPIA interest rate (Annualized)	1.00%
 Subtotal (Annualized)	 20,699.55

Accrual for November 2022	\$ 1,700.00
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QUALITY HEALTH PLANS INC
Receiver Windup Expenses
Projected for November 30, 2022

Discharge Expenses (Projected for Post 11/30/2022)

Records Storage, Labor,	2,220.00
2022 Final Tax Return Preparation	
Total	\$ 2,220.00

QUALITY HEALTH PLANS INC
Statement of Contributed Equity from Regulatory Trust Fund Estimated Balances
Projected for Discharge by 11/30/2022

I. Contributed Equity Balance as of 8/31/2022		\$	133,617.63
	Accrual for September - November 2022	\$	361.20
	(Estimate from Schedule B)		
Total		\$	361.20
Projected Contributed Equity Balance as of 11/30/2022		\$	133,978.83