



DEPARTMENT OF FINANCIAL SERVICES

Division of Rehabilitation and Liquidation
www.myfloridacfo.com/receiver

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**Si necesita una versión en español de este aviso, visite el sitio web de la
División de Rehabilitación y Liquidación www.myfloridacfo.com/Receiver.**

(If you need a Spanish version of this notice, visit the Receiver's website at www.myfloridacfo.com/Receiver)

NOTICE TO AGENTS AND BROKERS --- JANUARY 5, 2012

**REGARDING THE LIQUIDATION OF
SOUTHERN EAGLE INSURANCE COMPANY**

On December 16, 2011, Southern Eagle Insurance Company ("SEIC") was ordered liquidated by the Second Judicial Circuit Court in Leon County, Florida. The Florida Department of Financial Services was previously appointed as the Receiver of SEIC. Unfortunately, the company's financial condition prohibited any realistic chance for a successful rehabilitation of the company. A copy of the December 16, 2011 Liquidation Order and other relevant information is available on the Receiver's website, www.myfloridacfo.com/receiver.

SEIC is a property and casualty insurance company which was licensed in Florida in 2005. Located in Bradenton, Florida, the company wrote workers' compensation insurance coverage for approximately 29 policyholders. The Receiver has already been in touch with many of SEIC's agents regarding the receivership and the upcoming cancellation of the SEIC policies. Nevertheless, the Receiver is sending this official notice of liquidation to all of SEIC's agents of record in order to provide detailed information which will better assist them in advising the SEIC 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 SEIC expects you to contact your policyholder clients and assist them with any questions they may have regarding the receivership proceeding.**

As agent for SEIC 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 intends to send a notice of the liquidation proceeding to each of the SEIC 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 liquidation to the policyholders, you should also inform them that the claims filing deadline for filing a claim in the receivership proceedings for SEIC is 11:59 p.m. on December 16, 2012.

POLICY CANCELLATION: In accordance with the liquidation order, all SEIC policies are cancelled effective 12:01 a.m. on January 15, 2012, unless otherwise terminated prior to that date. Paragraph 33 on page 13 of the SEIC Liquidation Order provides as follows:

“...pursuant to the provisions of Section 631.252, Florida Statutes, all policies of insurance or similar contracts of coverage that have not expired are canceled effective 12:01 a.m. on the date 30 days after the entry of this Order. Policies or contracts of coverage with normal expiration dates prior to the dates otherwise applicable under this paragraph, or which are terminated by insureds or lawfully canceled by the Receiver or insurer before such date, shall stand canceled as of the earlier date.”

The company was previously ordered by the Florida Office of Insurance Regulation (OIR) on November 22, 2011, to cease writing and/or renewing policies.

The workers' compensation policies are covered by the Florida Workers' Compensation Insurance Guaranty Association. See below for additional details.

Until further notice, all questions relating to current SEIC policy and coverage issues through 12:01 a.m. on January 15, 2012, should be directed to SEIC at 1-877-746-2209 (Monday – Friday from 8:00 a.m. – 5:00 p.m.).

PREMIUM ISSUES: Under Section 631.155, Florida Statutes, and paragraph 19 on page 7 of the Liquidation Order, all premiums and unearned commissions you collected on behalf of SEIC 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 SEIC 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.

Until further notice, please remit premiums and unearned commissions to SEIC as normal.

Premium Refunds/Unearned Premium: The Florida Workers' Compensation Insurance Guaranty Association (“FWCIGA”) will pay certain unearned premium claims, in accordance with Florida Statutes, after the Receiver completes its processing of the policy records and sends the unearned premium records to FWCIGA. No statutory deductible applies to unearned premium claims on these workers' compensation policies. Please note, however, that for unearned premium claims, FWCIGA's obligation is limited to \$50,000 and covers only policies in force on the date of liquidation.

CLAIMS ISSUES (FOR LOSSES INCURRED PRIOR TO 12:01 A.M. ON JANUARY 15, 2012): With the entry of the liquidation order, the Florida Workers' Compensation Insurance Guaranty Association (“FWCIGA”) was activated to help pay claims for workers' compensation policies. The processing and payment of pending covered claims will be made by FWCIGA subject to the following limits:

- FWCIGA limits the amount it pays to the amount of coverage provided by the policy. However, Florida does not limit benefits paid to injured workers and pays 100 percent of the statutorily defined workers' compensation benefits.
- Employer liability claims are limited to the lesser of \$300,000 or policy limits.
- For unearned premium claims, FWCIGA's obligation is limited to \$50,000 and covers only policies in force on the date of liquidation.

For additional *general* information regarding FWCIGA, please visit the guaranty association's website at www.fwciga.org.

IMPORTANT CONTACT INFORMATION FOR CONSUMER/CLAIMS CALLS: At this time, consumers with claims questions or needing other assistance regarding SEIC should contact SEIC directly at 1-877-746-2209 (Monday – Friday from 8:00 a.m. – 5:00 p.m.). Consumers wishing to file a new claim or inquire about the status of a pending claim with SEIC should also contact that phone number. After the Receiver completes its processing of SEIC data and sends the information to FWCIGA, appropriate contact information for FWCIGA will be posted on the Receiver’s website, www.myfloridacfo.com/receiver.

CONTACTING THE RECEIVER: For non-claims related questions regarding the receivership, consumers are asked to contact the Receiver by using the “Contact Us” form at the Receiver’s website, www.myfloridacfo.com/receiver, or by calling the Florida Department of Financial Services, as Receiver, at 1-800-882-3054 (in Florida only) or (850) 413-3081. Copies of the December 16, 2011 Liquidation Order and other relevant information will be available on the Receiver’s website, www.myfloridacfo.com/receiver.

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

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.