



DEPARTMENT OF FINANCIAL SERVICES

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

**NOTICE TO AGENT OR BROKER – SEPTEMBER 17, 2012
REGARDING THE RECEIVERSHIP OF AVAHEALTH, INC. d/b/a KEY INSURANCE PLAN**

On August 31, 2012, AvaHealth, Inc. d/b/a Key Insurance Plan ("AvaHealth") was ordered into receivership for purposes of liquidation by the Second Judicial Circuit Court in Leon County, Florida. The Florida Department of Financial Services is the court appointed Receiver of AvaHealth. AvaHealth was previously ordered into receivership for purposes of rehabilitation effective July 2, 2012. AvaHealth was a health insurer, based in Tampa, which had approximately 1,200 insureds at the time of liquidation. Additional information regarding the receivership, including a copy of the Liquidation Order, is available at the Receiver's website, www.myfloridacfo.com/receiver.

The Receiver is sending this official notice of liquidation to all of AvaHealth's agents of record in order to provide detailed information which will better assist them in advising the AvaHealth 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 AvaHealth expects you to contact your policyholder clients and assist them with any questions they may have regarding the receivership proceeding.**

As agent for AvaHealth 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 AvaHealth 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 AvaHealth is 11:59:59 p.m. on March 1, 2013.

POLICY STATUS:

Continuation of Coverage: Pursuant to the Liquidation Order and Section 631.717, Florida Statutes, the policies are **not** cancelled by the Liquidation Order. The Florida Life and Health Insurance Guaranty Association ("FLAHIGA") will step in and take over AvaHealth's obligations to collect premiums and administer policies. FLAHIGA will comply with Florida law and provide AvaHealth policyholders with at least 180 days notice prior to terminating policies or any policy riders. Please see the enclosed letter from FLAHIGA regarding the current continuation of coverage and ultimate termination of all AvaHealth policies.

PREMIUM ISSUES:

Policyholders should continue to pay premiums in order to continue their insurance coverage. Please note, however, that effective October 1, 2012, AvaHealth is no longer accepting any automated premium payments or credit cards. To make their premium payments, policyholders will need to send a check, payable to FLAHIGA, to the following address:

Florida Life and Health Insurance Guaranty Association
PO Box 47587
Jacksonville, FL 32247-7587

The payment should also include the name of the policyholder and the policy number.

Agent Issues: In accordance with Section 631.155, Florida Statutes, and paragraph 16 on page 7 of the Liquidation Order, all premiums you collected on behalf of AvaHealth must be accounted for and paid directly to the Receiver within 30 days of demand from the Receiver. Please consider this letter as the Receiver's demand for payment of these premiums. No agent, broker or premium finance company may use premium monies owed to AvaHealth 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.

Premium Refunds/Unearned Premium: Upon termination/non-renewal of policies by FLAHIGA, the guaranty association will refund any unearned premiums. Premium refunds covered by FLAHIGA are mailed from or on behalf of the guaranty association. If you believe you have a client who is due a refund, please contact the guaranty association for assistance.

CLAIMS ISSUES:

FLAHIGA will take over AvaHealth's obligations to pay all valid policyholder claims incurred during the life of the policy, subject to statutory limits. Contact information for FLAHIGA will be posted on the Receiver's website in the near future. In the meantime, agents and policyholders with questions regarding AvaHealth should continue to contact the company directly at 877-539-2911.

PROOF OF CLAIM FORM:

Most, if not all, medical claims are eligible for coverage by FLAHIGA and should not result in the need to file a claim against the estate of AvaHealth. However, claims for losses not covered by FLAHIGA, claims which are limited due to FLAHIGA's limits or caps, or agent claims, may become claims against the estate of AvaHealth and may be submitted to the Receiver by filing a proof of claim form. A proof of claim form for policyholders, medical providers or agents who have claims which were not paid by FLAHIGA, is posted on the Receiver's website, www.myfloridacfo.com/Receiver. All other claimants will be mailed a proof of claim form at a later date. The deadline for timely filing a proof of claim form in the AvaHealth Receivership is 11:59:59 p.m. on March 1, 2013.

CONTACTING THE RECEIVER:

Please contact the Receiver by using the "Contact Us" form at the Receiver's website, www.myfloridacfo.com/receiver if you have any non-claims related questions regarding the receivership (for claims questions, please refer to the phone numbers and other information provided under Claims Issues). You may also contact the Florida Department of Financial Services, as Receiver, at 1-800-882-3054 (in Florida only) or (850) 413-3081.

SECTION 631.341, FLORIDA STATUTES

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.