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

In Re: The Receivership of UNIVERSAL HEALTH CARE INSURANCE COMPANY, INC., a Florida corporation.

CASE NO.: 2013-CA-000358

And

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MOTION FOR ORDER AUTHORIZING AND APPROVING RETURN OF CERTAIN PREMIUMS IN POSSESSION OF THE RECEIVER

COMES NOW, the Florida Department of Financial Services, as Receiver of Universal Health Care Insurance Company, Inc., (hereinafter "UHCIC"), and Universal Health Care, Inc., ("UHC") by and through its undersigned counsel, respectfully moves this Honorable Court for an Order approving the return of certain premiums in the possession of the Receiver and in support thereof states as follows:

1. On March 22, 2013, the Second Judicial Circuit in and for Leon County, Florida ("Receivership Court") entered an *Order Appointing the Florida Department of Financial Services as Receiver for Purposes of Immediate Rehabilitation and Liquidation Effective April 1, 2013, Injunction, and Notice of Automatic* against UHCIC.

2. UHCIC was a domestic corporation authorized to transact business as a domestic life and health insurer.

3. On March 21, 2013, the Second Judicial Circuit in and for Leon County, Florida ("Receivership Court") entered an *Order Appointing the Florida Department of Financial*

Services as Receiver for Purposes of Immediate Rehabilitation and Liquidation Effective April 1, 2013, Injunction, and Notice of Automatic Stay against UHC.

4. UHC was a domestic corporation authorized to transact business as a health maintenance organization.

5. UHCIC and UHC primarily wrote Medicare Advantage Insurance Plans ("Medicare Advantage Plans"). Under Medicare Advantage Plans, members/insureds receive Part A and Part B Medicare coverage through the plan instead of receiving coverage directly from Medicare. The Medicare Advantage Plans written by UHCIC also provided Medicare Part D coverage for prescription drug coverage along with supplemental coverage for vision and dental care.

6. Depending on the type of Medicare Advantage Plan, many of the members/insureds were required to pay a premium in advance on a monthly basis. These premium payments varied depending on the residency of the member/insured and the availability of coverage.

7. Immediately prior to appointment as Receiver, UHCIC received a small amount of premium for future periods related to these Medicare Advantage Plans.

8. After appointment as Receiver, some of these premiums continued to be paid to UHCIC, even though all policies were to be canceled effective April 1, 2013. Some premiums were paid through bank account lock boxes and the premium payments were already processed before the lock boxes were permanently closed in early April 2013. Other premium payments were paid by money order. Most money order vendors require a cancellation fee to cancel a money order. In many cases, the cancellation fee amounted to a significant portion of the premium payment. Therefore these premium payments were deposited so that the entire amount of the payment could be refunded to the member/insured versus the member/insured having to incur a cancellation fee in order to unwind the money order.

9. The Receiver has identified $144,465.42 due to 1,619 former member/insureds from the Medicare Advantage Insurance Plan premium payments made to UHCIC.

10. The Receiver has identified $5,360 due to 170 former member/insureds from the Medicare Advantage Insurance Plan premium payments made to UHC.

11. The Receiver has specifically calculated the amounts due to each member/insured.

12. The Receiver has determined it is in the best interests of the estate to pay all claims which were paid on the premium earned from the Medicare Advantage Plans.

13. While some of the premiums received can be considered as claims under Sections 631.153, 631.161, 631.171, 631.181, 631.182, 631.191, 631.192, and 631.193, Florida statutes, some of the premiums received "after policy cancellation" were never the property of UHCIC or UHC.

14. Rather than utilize the claims distribution process, which would not be appropriate for these subscribers, the Receiver asks the Court to grant the Receiver authority to issue payments to the former members/insureds.

15. As the list identifying the members/insureds may contain confidential and/or privileged information that is protected by Federal and/or State law, the Receiver has not filed such information with this Motion. Should the Court direct the Receiver to present such information to the Court, the Receiver will file such information pursuant to the Florida Rules of Civil Procedure.

16. In addition, reconciliation activities of Medicare Advantage Insurance Plan premium payments are ongoing. In the event that the Receiver learns of additional amounts owed, the Receiver requests authorization to pay without Court approval.

17. Pursuant to Section 631.021, Florida Statutes, the Circuit Court is authorized to make all necessary or proper orders to carry out the purposes of Chapter 631. Receivership proceedings are in equity.

WHEREFORE, the Receiver respectfully requests that this Court enter an Order Granting the Receiver's Motion for an Order Authorizing and Approving Return of Certain Premiums in Possession of the Receiver.

DATED, this 20th December, 2013.

ROBERT V. ELIAS, Chief Attorney
Florida Bar No.: 530107
HELENA CRUZ SANCHEZ, Senior Attorney
Florida Bar No.: 61250
Florida Department of Financial Services
Division of Rehabilitation and Liquidation
2020 Capital Circle, S.E., Suite 310
Tallahassee, FL 32301
Telephone: (850) 413-4474
Fascimile: (850) 413-3990
Helena.Sanchez@myfloridacfo.com