

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

IN RE:
The Receivership of
SUNSHINE STATE INSURANCE,
COMPANY, a Florida corporation

CASE NO.: 2014-CA-1432

**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**

The Florida Department of Financial Services, Division of Rehabilitation and Liquidation, as Receiver of Sunshine State Insurance Company ("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. Sunshine State Insurance Company ("SSIC") was an insurance company previously authorized pursuant to the Florida Insurance Code to transact business in the State of Florida.
2. On June 3, 2014, this Court entered a *Consent Order Appointing the Florida Department of Financial Services as Receiver of Sunshine State Insurance Company, for Purposes of Liquidation, Injunction and Notice of Automatic Stay*.
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 has previously approved the Department's First, Second, and Third Interim Claims Reports and the Department's Final Claims Report and Recommendations.

5. 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 \$453,134.25. 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.

6. The Department's Discharge Accounting Statement – Projected for March 31, 2023 (the "Discharge Accounting") is attached hereto as **Exhibit A**. As shown in the Discharge Accounting, the estimated value of all assets of the SSIC Receivership estate is projected to be \$ 1,293,839.84 as of March 31, 2023. **See Schedule A to Exhibit A**. Of that \$453,134.25 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.

7. The Department would retain \$16,600.00 as a reserve for "wind up" expenses of the Receivership.

8. The Department requests an order authorizing the Department to remit \$824,105.59 to the Insurance Regulatory Trust Fund ("RTF") in addition to any surplus expense funds remaining after discharge.

9. Upon approval of the Department's request for final discharge, the records of the SSIC 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.

10. US Re Companies, Inc., Tal Piccione, and Johnson Lambert LLP are involved in litigation, of which the Department is not a party, in relation to SSIC. They have identified and requested that the Department maintain 89 boxes of the SSIC's records until such litigation is resolved. (Exhibit "B")

11. The estimated cost of record storage for said 89 boxes is approximately \$5 per box, for an estimated total of \$8,010 for a period of 18 months post discharge.

12. US Re Companies, Inc., Tal Piccione, and Johnson Lambert LLP must cover one hundred percent (100%) of storage costs for the time that these records are to be maintained and shall pay the initial estimate of \$8,010 on or by April 1, 2023.

13. 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.

14. The Department request an Order that all mortgages, notes, judgments, or other liens in favor of SSIC 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.

15. The Department request an Order that any Letter of Credit in favor of SSIC be released.

16. 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 March 31, 2023, subject to the terms stated above.

WHEREFORE the Department of Financial Services as Receiver for SSIC, 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 on this 20th day of March 2023.

/signed/

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that she served all parties who have entered an appearance on the ECF system with a copy of this Motion.

/signed/

Miriam O. Victorian, Chief Attorney
Florida Bar No. 355471

SUNSHINE STATE INSURANCE COMPANY
Discharge Accounting Statement
Projected for March 31, 2023

ASSETS

	<u>Amount</u>	
Cash	\$ 1,293,839.84	Schedule A
Total Assets	\$ 1,293,839.84	

LIABILITIES

	<u>Recommended Disbursement</u>
Outstanding Amounts from Distribution to Unclaimed Property	453,134.25
Total Liabilities	\$ 453,134.25

WINDUP SUMMARY

Funds Available for Windup Expenses	840,705.59	
Projected Windup Expenses	(16,600.00)	Schedule D
Balance (Any Remaining Funds to RTF)	824,105.59	

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

SUNSHINE STATE INSURANCE COMPANY

Available Cash Projection
Projected for March 31, 2023

	Cash Bal. as of December 31, 2022	Jan-23	Feb-23	Mar-23		
Beginning Pooled Cash Balance	\$	1,297,068.61	\$	1,295,677.84	\$	1,293,839.84
Direct Receiver Expenses (Actual or Estimated)						
Rent-Storage, Postage, Scanning UCP records		1,300.00	1,300.00	1,300.00		
Sub-total		1,300.00	1,300.00	1,300.00		
Allocated Receiver Expenses (Estimated)						
Labor & Benefits		1,670.00	1,670.00	1,670.00		
Indirect Expenses		168.00	168.00	168.00		
Sub-total		1,838.00	1,838.00	1,838.00		
Cash Balance Before Interest Earnings		1,293,930.61	1,292,539.84	1,290,701.84		
Interest Earnings						
Pooled Cash:						
Actual SPIA Earnings for December to be credited on 1/1/2023		1,747.23				
Estimate based on assume SPIA APR on the previous month's average Pooled Cash balance (Sch. C)			1,300.00	1,300.00		
Ending Pooled Cash Balance	\$	1,297,068.61	\$	1,295,677.84	\$	1,293,839.84

Assumptions for Allocated Receiver Expenses:

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

December Actual	\$	1,571.42
November Actual		2,504.43
October Actual		384.61
September Actual		2,218.17
Sub-total		6,678.63
4 mth. actual average (rounded)	\$	1,670.00

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

Estimated Total Asset %	0.21%
Estimated Total for the Receiver	\$ 80,000.00
Estimated Expense	\$ 168.00

SUNSHINE STATE INSURANCE COMPANY

Allocated State Funds Expensed
Estimated for January - March 2023

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

	January	February	March	Totals
Accrued Allocated State of Florida Expenses (Estimated)				
Labor & Benefits	\$ 80.00	\$ 80.00	\$ 80.00	\$ 240.00 ¹
Indirect Expenses	54.60	54.60	54.60	\$ 163.80 ²
Total	\$ 134.60	\$ 134.60	\$ 134.60	\$ 403.80 ³

Assumptions for Allocated State of Florida Expenses:

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

December Actual	46.30
November Actual	93.42
October Actual	14.79
September Actual	174.03
Sub-total	328.54
4 mth. actual average (rounded)	<u>\$ 80.00</u>

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

Before Discharge

Estimated Total Asset %	0.21%
Estimated Total for the State	\$ 26,000.00
Estimated Expense	<u>\$ 54.60</u>

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

SUNSHINE STATE INSURANCE COMPANY
Interest Earnings Projection - Pooled Cash
Projected for March 31, 2023

Interest accrued for January 2023

Beginning cash balance	1,297,068.61
Ending cash balance	1,295,677.84
Average cash balance	1,296,373.23
Assumed SPIA interest rate (Annualized)	1.20%
Subtotal (Annualized)	15,556.48

Accrual for January 2023	\$ 1,300.00
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Interest accrued for February 2023

Beginning cash balance	1,295,677.84
Ending cash balance	1,293,839.84
Average cash balance	1,294,758.84
Assumed SPIA interest rate (Annualized)	1.20%
Subtotal (Annualized)	15,537.11

Accrual for February 2023	\$ 1,300.00
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Interest accrued for March 2023

Beginning cash balance	1,293,839.84
Ending cash balance	1,292,001.84
Average cash balance	1,292,920.84
Assumed SPIA interest rate (Annualized)	1.20%
Subtotal (Annualized)	15,515.05

Accrual for March 2023	\$ 1,300.00
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SUNSHINE STATE INSURANCE COMPANY
Receiver Windup Expenses
Projected for March 31, 2023

Discharge Expenses (Projected for Post 3/31/2023)

Records Storage, Labor, 2022-2023 Tax Returns	16,600.00
Total	<u>\$ 16,600.00</u>

SUNSHINE STATE INSURANCE COMPANY
Statement of Contributed Equity from Regulatory Trust Fund Estimated Balances
Projected for Discharge by 3/31/2023

I. Contributed Equity Balance as of 12/31/2022		\$ 431,670.31
Accrual for January - March 2023 (Estimate from Schedule B)	<u>\$ 403.80</u>	
Total		<u>\$ 403.80</u>
Projected Contributed Equity Balance as of 3/31/2023		<u><u>\$ 432,074.11</u></u>

MONTH	NUMBER OF BOXES	ESTIMATED COST PER BOX	ESTIMATED MONTHLY COST
APRIL 2023	89	\$5 per box	\$445
MAY 2023	89	\$5 per box	\$445
JUNE 2023	89	\$5 per box	\$445
JULY 2023	89	\$5 per box	\$445
AUGUST 2023	89	\$5 per box	\$445
SEPTEMBER 2023	89	\$5 per box	\$445
OCTOBER 2023	89	\$5 per box	\$445
NOVEMBER 2023	89	\$5 per box	\$445
DECEMBER 2023	89	\$5 per box	\$445
JANUARY 2024	89	\$5 per box	\$445
FEBRUARY 2024	89	\$5 per box	\$445
MARCH 2024	89	\$5 per box	\$445
APRIL 2024	89	\$5 per box	\$445
MAY 2024	89	\$5 per box	\$445
JUNE 2024	89	\$5 per box	\$445
JULY 2024	89	\$5 per box	\$445
AUGUST 2024	89	\$5 per box	\$445
SEPTEMBER 2024	89	\$5 per box	\$445
			\$8,010

EXHIBIT B

LOCATION	ITEMCODE	BOX #	DESCRIPTION	YEAR	ITEMTYPE
G-B-12B-04-02	B5440117489	2	GENERAL ACCOUNTING RECORDS	2006-2014	BOX-HR
G-B-12B-04-02	B5440117490	3	PAYROLL, INSURANCE, P & P	2005-2011	BOX-HR
G-A-01A-01-01	B5440115314	1	FILING CABINETS, MISCELLANEOUS		BOX-JTS
G-A-13B-05-01	B5440115315	2	FILING CABINETS, MISCELLANEOUS		BOX-JTS
G-A-15B-05-04	B5440115316	39	SSHC-1 Filing Cabinets		BOX-LEGAL
G-A-09A-08-05	B5440115317	40	SSHC-2 Filing Cabinets		BOX-LEGAL
G-B-06A-03-02	B5440115318	41	SSHC-3 Filing Cabinets		BOX-LEGAL
G-A-14A-07-01	B5440115319	42	SSUA-1 Filing Cabinets		BOX-LEGAL
G-A-13B-06-01	B5440115320	43	SSUA-2 Filing Cabinets		BOX-LEGAL
G-A-09A-08-04	B5440115321	44	SSUA-3 Filing Cabinets		BOX-LEGAL
G-B-06A-03-02	B5440115322	45	SSHC-1 Filing Cabinets		BOX-LEGAL
G-B-06A-03-02	B5440115323	46	SSHC-2 Filing Cabinets		BOX-LEGAL
G-A-14B-05-02	B5440115324	47	OldBridge-1 Filing Cabinets		BOX-LEGAL
G-A-14A-07-01	B5440115325	49	SSHC-4 Multiple Offices		BOX-LEGAL
G-A-08A-04-03	B5440115326	50	SSHC-5 Valerie/Phil's Office		BOX-LEGAL
G-B-06A-03-02	B5440115327	57	Joe's Office		BOX-LEGAL
G-A-09A-03-03	B5440115328	60	Coastal Multiple Offices		BOX-LEGAL
G-A-09A-03-03	B5440115329	61	Coastal Multiple Offices		BOX-LEGAL
G-A-10B-04-01	B5440115330	62	Coastal Multiple Offices		BOX-LEGAL
G-A-13B-06-01	B5440115331	1	CFO Rick Ervin's Office		BOX-LEGAL
G-A-08B-08-05	B5440115332	2	CFO Rick Ervin's Office		BOX-LEGAL
G-A-09A-06-02	B5440115333	3	CFO Rick Ervin's Office		BOX-LEGAL
G-A-16A-06-04	B5440115334	4	CFO Rick Ervin's Office		BOX-LEGAL
G-A-13A-02-01	B5440115335	5	CFO Rick Ervin's Office		BOX-LEGAL
G-B-08B-01-01	B5440115336	6	CFO Rick Ervin's Office		BOX-LEGAL
G-A-10A-06-01	B5440115337	7	CFO Rick Ervin's Office		BOX-LEGAL
G-A-16A-05-04	B5440115338	8	CFO Rick Ervin's Office		BOX-LEGAL
G-A-16A-07-05	B5440115339	9	CFO Rick Ervin's Office		BOX-LEGAL
G-A-10A-06-01	B5440115340	10	CFO Rick Ervin's Office		BOX-LEGAL
G-A-10A-06-01	B5440115341	11	CFO Rick Ervin's Office		BOX-LEGAL
G-A-15B-04-04	B5440115342	12	CFO Rick Ervin's Office		BOX-LEGAL
G-B-08A-02-01	B5440115343	13	CFO Rick Ervin's Office		BOX-LEGAL
G-A-16A-02-05	B5440115344	14	Filing cabinets		BOX-LEGAL
G-A-13B-06-01	B5440115345	15	Vacant Room #9		BOX-LEGAL

G-A-07A-07-01	B5440115346	16	Filing cabinets	BOX-LEGAL
G-A-14B-05-02	B5440115347	17	Filing cabinets	BOX-LEGAL
G-A-14B-05-02	B5440115348	18	Filing cabinets	BOX-LEGAL
G-A-14B-05-02	B5440115349	19	Filing cabinets	BOX-LEGAL
G-A-14A-07-01	B5440115350	20	Filing cabinets	BOX-LEGAL
G-A-10A-05-02	B5440115351	21	Filing cabinets	BOX-LEGAL
G-A-07B-02-03	B5440115352	22	Filing cabinets	BOX-LEGAL
G-A-13A-03-01	B5440115353	23	Filing cabinets	BOX-LEGAL
G-A-14A-05-01	B5440115354	24	Filing cabinets	BOX-LEGAL
G-A-14A-05-01	B5440115355	25	Filing cabinets	BOX-LEGAL
G-A-13B-06-01	B5440115356	26	Filing cabinets	BOX-LEGAL
G-A-09B-01-02	B5440115357	27	Filing cabinets	BOX-LEGAL
G-A-15B-05-05	B5440115358	29	Michael Cratem's Office	BOX-LEGAL
G-A-13A-01-01	B5440115359	30	Michael Cratem's Office	BOX-LEGAL
G-A-13A-01-01	B5440115360	31	Michael Cratem's Office	BOX-LEGAL
G-A-13A-03-01	B5440115361	32	Michael Cratem's Office	BOX-LEGAL
G-A-10B-05-01	B5440115362	33	Various SSIC Offices	BOX-LEGAL
G-A-14A-07-01	B5440115363	34	Phil/Valerie's Office	BOX-LEGAL
G-A-13B-05-01	B5440115364	35	Phil/Valerie's Office	BOX-LEGAL
G-A-14B-05-02	B5440115365	36	Phil/Valerie's Office	BOX-LEGAL
G-A-14B-05-02	B5440115366	37	Phil/Valerie's Office	BOX-LEGAL
G-A-14A-07-01	B5440115367	38	Nancy Strothe's Cubicle	BOX-LEGAL
G-A-16A-06-04	B5440115368	51	Operations)	BOX-LEGAL
G-A-15B-05-05	B5440115369	52	Joe's Office (President)	BOX-LEGAL
G-A-10A-06-01	B5440115370	53	Joe's Office (President)	BOX-LEGAL
G-B-10B-01-03	B5440115371	54	Joe's Office (President)	BOX-LEGAL
G-A-10A-06-01	B5440115372	55	Joe's Office (President)	BOX-LEGAL
G-A-13A-03-01	B5440115373	56	Joe's Office (President)	BOX-LEGAL
G-A-07A-02-02	B5440115374	58	Joe's Office (President)	BOX-LEGAL
G-B-09A-02-05	B5440115375	59	Joe's Office (President)	BOX-LEGAL
G-B-06B-01-01	B5440116638	28	FILING CABINETS	BOX-LEGAL
G-B-07A-03-01	B5440123569	63	REINSURANCE	BOX-LEGAL
G-A-07B-04-03	B5440115290	1	Financial Reports - Cash Reports	BOX-ACCT
G-A-07A-07-02	B5440115291	2	Financial Reports - Cash Reports	BOX-ACCT
G-A-07B-03-02	B5440115292	3	REGISTERS BANK RECON	BOX-ACCT

2006-2015
2013
2014
2013

G-A-07A-06-03	B5440115293	4	2013/2014		2013-2014	BOX-ACCT
G-A-07B-03-02	B5440115294	5	T/B 2013 / Signature Bank thru 2014		2013-2014	BOX-ACCT
G-A-07A-06-01	B5440115295	6	Financial Reports - Insurance Policies		2013-2014	BOX-ACCT
G-B-09B-03-04	B5440115296	7	FLEET MGMT, W9 INFO, CASH		2013-2014	BOX-ACCT
G-A-07A-06-01	B5440115297	8	Financial Reports - Budget		2013	BOX-ACCT
G-A-07B-03-03	B5440115298	9	Financial Reports - Budget		2013	BOX-ACCT
G-A-07A-06-01	B5440115299	10	Financial Reports - A/P		2013	BOX-ACCT
G-A-07A-06-03	B5440115300	15	REQ 08-12, 1099'S 09, FHCF PROOF		2008-2012	BOX-ACCT
G-A-07B-03-03	B5440115302	17	MGA - State Licenses 2014		2014	BOX-ACCT
G-A-13A-01-03	B5440115303	18	Financial Reports - Bank Info Benefits Info			BOX-ACCT
G-A-07B-04-03	B5440115304	19	Various			BOX-ACCT
G-A-07B-04-03	B5440115305	20	RECORD VARIOUS, VEHICLE FLEET			BOX-ACCT
G-A-07A-06-03	B5440115306	21	MGA - Company Cars 2014		2014	BOX-ACCT
G-A-07A-06-01	B5440115307	22	Various			BOX-ACCT
G-A-07B-02-03	B5440115308	23	Various			BOX-ACCT
G-A-10B-05-01	B5440115309	24	Various			BOX-ACCT
G-A-07B-04-03	B5440115310	25	Financial Reports - Accounts Payable		2014	BOX-ACCT
G-A-07B-03-03	B5440115311	26	2014		2013-2014	BOX-ACCT
G-A-08A-04-03	B5440115312	27	Financial Reports - Cancelled Checks			BOX-ACCT
G-A-08A-04-03	B5440115313	28	Financial Reports - Cancelled Checks			BOX-ACCT