



DEPARTMENT OF FINANCIAL SERVICES

Division of Rehabilitation and Liquidation  
[www.myfloridacfo.com/division/receiver](http://www.myfloridacfo.com/division/receiver)

<Agent\_Code >  
<First Name> <Last Name>  
<Address 1>  
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<City>  
<State>  
<Zip Code>

Si necesita una versión en español de este aviso, visite el sitio web de la  
División de Rehabilitación y Liquidación [www.myfloridacfo.com/division/receiver](http://www.myfloridacfo.com/division/receiver).  
(If you need a Spanish version of this notice, visit the Receiver's website at [www.myfloridacfo.com/division/receiver](http://www.myfloridacfo.com/division/receiver))

## **NOTICE TO FLORIDA AGENT OR BROKER – June 17, 2014**

### **Regarding the Liquidation of Sunshine State Insurance Company**

On June 3, 2014, Sunshine State Insurance Company ("SSIC") was ordered liquidated by the Second Judicial Circuit Court in Leon County, Florida. The Florida Department of Financial Services is the court appointed Receiver of SSIC. A copy of the liquidation order for SSIC is available on the Receiver's website, [www.myfloridacfo.com/division/receiver](http://www.myfloridacfo.com/division/receiver).

The Receiver is sending this notice of the receivership proceedings to all of the SSIC agents of record in order to provide them with information to better assist them in advising the SSIC policyholders who are their clients. **As you are an agent of record, you are advised that the liquidation order significantly affects SSIC's policyholders and legally imposes certain obligations on you. The Florida Department of Financial Services, as Receiver of SSIC expects you to contact your clients who are SSIC policyholders and assist them with any questions they may have regarding the receivership proceeding.**

As agent for SSIC 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 SSIC policyholders whose policies have 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 proceedings to all SSIC policyholders. Please note, however, that you are still responsible for providing written notice to policyholders under Section 631.341, Florida Statutes. When providing notice of the June 3, 2014 liquidation to SSIC's Florida policyholders, you should inform them of the following:

- With the exception of the flood insurance coverage issued by SSIC, the company's insurance policies are cancelled effective 12:01 a.m. on July 3, 2014, unless otherwise terminated prior to that date
- SSIC's Florida policyholders may receive continued insurance coverage through a transition plan involving Heritage Property and Casualty Insurance Company as early as June 27, 2014. See below for details on this offer of coverage.

- The claims filing deadline for filing claims in the SSIC receivership proceeding is 11:59:59 p.m. on June 3, 2015; and
- The deadline for pursuing any claims with the Florida Insurance Guaranty Association is June 3, 2016.

**POLICY CANCELLATION:** SSIC primarily wrote homeowners insurance policies in Florida, South Carolina and Mississippi. The company also issued flood insurance coverage under the National Flood Insurance Program. The company has approximately 36,400 in-force policies. **With the exception of the flood insurance policies, in accordance with the liquidation order, all SSIC policies are cancelled effective 12:01 a.m. on July 3, 2014, unless otherwise terminated prior to that date. HOWEVER, PLEASE NOTE WITH REGARD TO FLORIDA POLICIES:** With the exception of the builder's risk insurance policies (which stand cancelled as of July 3, 2014), all of SSIC's Florida policies are cancelled as of June 27, 2014. These Florida policyholders will automatically receive new coverage through the transition plan agreed upon with Heritage Property and Casualty Insurance Company (HPCIC). See below for additional details.

Until otherwise notified, all questions relating to current SSIC policy and coverage issues may be answered by visiting the company's website at <http://www.ssic-insco.com/> or by contacting the company directly at 1-877-563-0150 for general information and/or claims services.

**FLORIDA POLICYHOLDERS – TRANSITION PLAN/OFFER OF REPLACEMENT INSURANCE COVERAGE WITH HERITAGE PROPERTY & CASUALTY INSURANCE COMPANY (“HPCIC”):**

In order to assist the SSIC policyholders, the Receiver has entered into an agreement with Heritage Property & Casualty Insurance Company, (HPCIC), whereby HPCIC will offer replacement insurance coverage to all current SSIC Florida policyholders, except for those with Builders' Risk coverage. Highlights of the plan include the following:

- Under the transition plan, as approved by the court, SSIC Florida policies will be canceled on June 27<sup>th</sup> and immediately reissued by Heritage using SSIC's rates, rules and forms
- There will be no gaps in coverage and the policy form and premium amount will be identical before and after the transition
- HPCIC will use SSIC's rates, rules and forms through the expiration of the original policy periods; at the first renewal, HPCIC will re-write the policies on its own forms but using the lessor of SSIC's or HPCIC's rates
- CSC will continue policy processing services to facilitate a seamless transition
- Policies that are set to renew from June 27<sup>th</sup> through August 27<sup>th</sup> will be deemed to renew with Heritage
- Policyholders will not be subject to the \$100 statutory deductible; this is being covered by HPCIC
- Agents will not need to repay any unearned commissions; this is being covered by HPCIC
- Deductibles and unearned commissions will need to be paid only on policies that are not transitioned to Heritage.
- Under the transition plan, a letter will be immediately sent to your clients by Heritage that will clearly explain the transition process

**HPCIC is sending letters to all agents regarding the transition plan and the benefits to both policyholders and agents. For more information regarding the transition plan, please call Heritage Property & Casualty Insurance Company directly at (855) 620-9978.**

**FLOOD INSURANCE POLICY INFORMATION:** Flood policies are not cancelled by the Liquidation Order and will continue, except if the policy was previously cancelled as a result of the nonpayment of current premium, or upon the normal expiration date. Agents cannot write new policies in the name of Sunshine State. Additional details regarding SSIC's flood insurance business will be available at a later date.

**PREMIUM ISSUES:** In accordance with Section 631.155, Florida Statutes, and paragraph 18 on page 8 of the SSIC Liquidation Order, all premiums and unearned commissions you collected on behalf of SSIC 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 SSIC 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 SSIC as normal.

PLEASE NOTE: If your client and you take advantage of the HPCIC offer, you do not need to pay unearned commissions to the Receiver; HPCIC has agreed to do that for you as part of the transition plan/agreement. You will, of course, still need to remit any collected premium.

**Premium Refunds/Unearned Premium:**

- **Florida Policyholders:**

- Property and Casualty Policies: The Florida Insurance Guaranty Association (“FIGA”) will pay unearned premium claims after the Receiver completes its processing of the policy records and sends the unearned premium records to FIGA. A \$100 statutory deductible will be taken from the amount owed. PLEASE NOTE: If your client and you take advantage of the HPCIC transition plan, the policyholder will not be charged the \$100 statutory deductible. HPCIC has agreed with FIGA and the Receiver that it will cover the deductible for policyholders. Deductibles and unearned commissions will need to be paid only on policies that are not transitioned to Heritage. FIGA will pay the unearned premium for these policyholders directly to HPCIC.

**CLAIMS ISSUES (FOR LOSSES INCURRED PRIOR TO 12:01 A.M. ON JULY 3, 2014):** All policyholders should be informed that the deadline for filing claims in the SSIC receivership is 11:59:59 p.m. on June 3, 2015. Information regarding the method for filing a claim in the receivership proceeding will be available on the Receiver’s website, [www.myfloridacfo.com/division/receiver](http://www.myfloridacfo.com/division/receiver).

**For Property and Casualty Claims of Florida Policyholders:** With the entry of the Liquidation Order, the Florida Insurance Guaranty Association (“FIGA”) was activated to help pay outstanding claims for property and casualty policies. The processing and payment of pending covered claims will be made by FIGA (subject to the lesser of policy limits or FIGA’s maximum cap). The maximum amount FIGA will cover is \$300,000, with special limits applying to (1) damages to structure and contents on homeowners’ claims and (2) condominium and homeowners’ association claims. For damages to structure and contents on homeowners’ claims, the FIGA cap is an additional \$200,000. For condominium and homeowners’ association claims the cap will be \$100,000 multiplied by the number of units in the association. No claim will be paid in excess of this cap. All claims are subject to a \$100 deductible over and above any deductible identified in the Sunshine State policy. A policyholder may file a claim in the Sunshine State receivership for the \$100 deductible, for amounts over the FIGA coverage cap, or for other claims not covered by FIGA. The Receiver will provide instructions for filing a claim in the liquidation proceeding. For additional *general* information regarding FIGA, please visit the guaranty association’s website at [www.figafacts.com](http://www.figafacts.com). PLEASE NOTE: FIGA will not pay any claims occurring after June 27, 2014 for Florida policyholders whose policies transition to HPCIC.

**For Property and Casualty Claims of Mississippi Policyholders:** With the finding of insolvency and order of liquidation on Sunshine State, the Mississippi Insurance Guaranty Association (“MIGA”) is obligated to pay covered claims as defined in the Mississippi statute. The processing and payment of pending covered claims will be made by the MIGA subject to the lesser of policy limits or the MIGA’s maximum cap. Generally, the maximum amount the MIGA will cover is \$300,000. No claim will be paid in excess of this cap. All claims are subject to a \$50 deductible over and above any deductible identified in the Sunshine State policy. A policyholder may file a claim in the Sunshine State receivership for the \$50 deductible, for amounts over the

MIGA coverage cap, or for other claims not covered by MIGA. The Receiver will provide instructions for filing a claim in the liquidation proceeding. For additional *general* information regarding the MIGA, including information on any other coverage limits, please visit the guaranty association's website at [www.ms-miga.com](http://www.ms-miga.com).

**For Property and Casualty Claims of South Carolina Policyholders:** With the finding of insolvency and order of liquidation on Sunshine State, the South Carolina Property and Casualty Insurance Guaranty Association ("SCPCIGA") is obligated to pay covered claims as defined in the South Carolina statute. The processing and payment of pending covered claims will be made by the SCPCIGA subject to the lesser of policy limits or the SCPCIGA's maximum cap. Generally, the maximum amount the SCPCIGA will cover is \$300,000. No claim will be paid in excess of this cap. For additional *general* information regarding the SCPCIGA, including information on any other coverage limits, please visit the guaranty association's website at [www.scguaranty.com](http://www.scguaranty.com).

**PLEASE NOTE REGARDING CLAIMS PAYMENTS:** The Receiver is currently gathering claim files and claim data in order to forward the information to the appropriate guaranty associations. As a result, there may be a slight delay in claim processing during this transitional period. Please continue to contact SSIC using the contact information below to check the status of an existing claim and/or to file a new claim. The Receiver's website, [www.myfloridacfo.com/division/receiver](http://www.myfloridacfo.com/division/receiver), will be updated once the transition is completed. At that time, new contact information for the guaranty associations will be posted to assist policyholders in filing a new claim or in following up on a pending claim.

**CONSUMER/CLAIMS CALLS:** Until further notice, consumers with questions regarding SSIC should continue to visit the company's website at [www.SSIC.com](http://www.SSIC.com) or contact the company directly as follows:

**Sunshine State Insurance Company – Direct Contact Information:**

**General Information/Claims:** 1- 877-563-0150

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

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

## **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.