



DEPARTMENT OF FINANCIAL SERVICES

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

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

NOTICE TO AGENT OR BROKER – October 2, 2019

Regarding the Liquidation of Florida Specialty Insurance Company

On October 2, 2019, Florida Specialty Insurance Company (“FSIC”) was ordered liquidated by the Second Judicial Circuit Court in Leon County, Florida. The Florida Department of Financial Services (“Department”) is the court appointed Receiver of FSIC. A copy of the liquidation order for FSIC is available on the Department’s website, www.myfloridacfo.com/division/receiver.

The Department is sending this notice to all FSIC agents of record in order to provide them with information to better assist in advising the FSIC policyholders. As 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 Department expects you to contact your policyholder clients and assist them with any questions they may have regarding the receivership proceeding.

As agent for FSIC and pursuant to Section 631.341, Florida Statutes, you are required to provide a written notice of the receivership, by registered or certified mail, or by email with delivery receipt required, to the last known address of 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. When providing notice of the liquidation to FSIC’s policyholders, you should inform them that:

- FSIC’s insurance policies are cancelled effective 12:01 a.m. on November 1, 2019, unless otherwise terminated prior to that date.
- As their agent, you will first work to find coverage in the private market.
- If you cannot find coverage for policyholders in the private market, Citizens Property Insurance Company (“Citizens”) will provide you with a guaranteed offer of coverage, but you must bind the coverage using the process Citizens has put into place. There will be no lapse in coverage. If you are a Citizens appointed agent, you will be receiving an email from Citizens with detailed information/instruction for next steps. To learn more about Citizens guarantee offer of coverage or if you are not a Citizens appointed agent, but would like to gain appointment through a streamlined process and continue representing FSIC policyholders, visit www.citizensfla.com/floridaspecialty or call Citizens at (888) 685-1555.
- The deadline for filing claims in the FSIC receivership proceeding is 11:59:59 p.m. on October 2, 2020.

POLICY CANCELLATION: FSIC wrote Homeowners, Condominium, Rental Dwelling Property, and Manufactured Home insurance policies in Florida. The company has approximately 91,000 in-force policies. In accordance with the liquidation order, all FSIC policies are cancelled effective 12:01 a.m. on November 1, 2019, unless otherwise terminated prior to that date.

PREMIUM COLLECTION: In accordance with Section 631.155, Florida Statutes, and paragraph 21 on page 9 of the FSIC Liquidation Order, all premiums and unearned commissions you collected on behalf of FSIC must be accounted for and paid directly to the Department within 20 days of demand by the Department. No agent, broker, premium finance company or other person may use premium monies owed to FSIC for refund of unearned premium or for any purpose other than payment to the Department.

Premium Refunds/Unearned Premium:

The Florida Insurance Guaranty Association (“FIGA”) will pay covered unearned premium claims after the Department 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. If your client elects to obtain coverage from Citizens, any unearned premium owed to the policyholder will be sent directly to Citizens by FIGA and applied to the new policy with Citizens.

CLAIMS FOR LOSSES INCURRED PRIOR TO 12:01 A.M. ON October 2, 2019:

With the entry of the liquidation order, the Florida Insurance Guaranty Association (FIGA) was activated to help pay outstanding claims for FSIC 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 more than this cap. All claims are subject to a \$100 statutory deductible over and above any deductible identified in the FSIC policy. FIGA will not pay any claims occurring after the cancellation of your policy.

The deadline for filing claims in the FSIC receivership is 11:59:59 p.m. on October 2, 2020. A policyholder may file a claim in the FSIC receivership for the \$100 statutory deductible which applies to claim payments, for amounts over the FIGA coverage cap, or for other claims not covered by FIGA. Information regarding the method for filing a claim in the receivership proceeding will be available on the Department’s website www.myfloridacfo.com/division/receiver

PAYMENT OF CLAIMS: The Department is currently gathering claim files and claims data to forward to FIGA. Please contact FSIC using the contact information below to check the status of an existing claim and/or to file a new claim. The Department’s website will be updated once the transition is completed. At that time, new contact information will be posted to assist policyholders in filing a new claim or in following up on a pending claim.

CONSUMER/CLAIMS CALLS:

Consumers with questions regarding FSIC should contact the company directly at:

General Information/Claims: 866-554-5896 (toll free) or (941) 210-5670 (main phone)

CONTACTING THE DEPARTMENT:

If you have any non-claims related questions regarding the receivership, please visit the Department’s website at www.myfloridacfo.com/division/receiver. You also may contact the Department at Consumer.Services@myfloridacfo.com or by calling (800) 882-3054 (Florida only) or (850) 413-3081 (outside of Florida).

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, or by e-mail with delivery receipt required, 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; s. 16, ch. 2015-180.