

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

State of Florida, ex rel., the Department
of Financial Services of the State of Florida,

Relator,

v.

Case No. 2023-CA-000320

United Property & Casualty Insurance
Company,

Respondent

**ORDER GRANTING FLORIDA GUARANTY FUND ASSOCIATION'S UNOPPOSED
MOTION FOR EXTENSION OF STAY**

THIS CAUSE comes before the Court on the Intervenor, FLORIDA INSURANCE GUARANTY ASSOCIATION, INC. ("FIGA"), Unopposed Motion for Extension of Stay, seeking to enlarge the mandatory six month stay for the FIGA, pursuant to §631.67, Fla. Stat. (2022). The Court having considered FIGA's Unopposed Motion for Extension of Stay, finds the following facts:

1. On February 27, 2022, this Court entered a Consent Order Appointing the Florida Department of Financial Services as Receiver of United Property & Casualty Insurance Company for the Purposes of Liquidation, Injunction, and Notice of Automatic Stay ("Liquidation Order"). This Liquidation Order was entered shortly after an additional five FIGA-triggering liquidation orders were entered against Florida domestic insurance carriers in 2022. Prior to this Liquidation Order being entered, the Leon County Circuit Courts had issued liquidation orders in February, March, June, August, and September of 2022.

E-Filed and E-Served
by JA on SEP 26 2023

2. Upon entry of the Liquidation Order, FIGA was triggered to assume responsibility for paying covered claims, and for assuming the defense of the insureds of the insolvent carrier United Property & Casualty Insurance Company (“UPCIC”). FIGA’s statutory authority is in Part II of Chapter 631, while the Receiver’s obligations and authority are set forth in Part I. The two entities coordinate and work together to assure that the claims of an insolvent insurer are handled according to the statutory scheme in Chapter 631.
3. By entering the Liquidation Order, this Court also put into effect the provisions of §631.67, Fla. Stat. (2023) in Part II of Chapter 631. Specifically, that section provides:

All proceedings in which the insolvent insurer is a party or is obligated to defend a party in any court or before any quasi-judicial body or administrative board in this state shall be stayed for 6 months, **or such additional period from the date the insolvency is adjudicated**, by a court of competent jurisdiction to permit proper defense by the association of all pending causes of action as to any covered claims; **provided that such stay may be extended for a period of time greater than 6 months upon proper application to a court of competent jurisdiction**. . . . (Emphasis added)

4. Based on counsel for FIGA’s representations, the facts show that immediately after receiving the Liquidation Order, the Receiver started performing its responsibilities to marshal the assets and determine the liabilities of UPCIC. One of those responsibilities is to obtain all books and records of UPCIC. *See, e.g.*, §631.141, Fla. Stat. (2022). The Receiver then transfers the data for open claims to FIGA, as it becomes available.
5. In this estate, it has been represented that the UPCIC had approximately 22,000 claims, including over 5,000 claims in litigation. Further, it appears that FIGA is continuing to receive additional claims, and the volume of litigated claims may also increase, particularly after the FIGA stay expires. This estate also included a high volume of hurricane claims from Hurricane Ian, one of the primary contributing factors to the insolvency, that were

incurred very recently prior to the liquidation of UPCIC, and which require substantial resources to investigate and adjust.

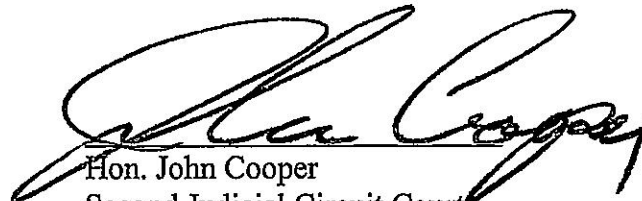
6. Due to the monumental number of claims, compounded by the prior large insolvencies and the issues surrounding the transfer of information in the prior estates, as well as the new insolvency, it has taken an extended period of time for FIGA to receive and import the claims data in this estate, and adjust the claims and prepare to adequately defend the claims that merit a defense and the insureds of UPCIC.
7. As of the filing of this motion, there is data from remaining claims that FIGA is importing from the Receiver, including numerous claims where FIGA will be responsible for retaining counsel and providing a defense in litigated cases throughout the state.
8. Further, it has been represented to the Court that there have been additional issues associated with the transmission of data in the most recent insolvency prior to the UPCIC liquidation, the FedNat Insurance Company estate, which further caused a strain on FIGA's resources to address the claims in this estate. Specifically, it took an extensive period of time to receive the data from the insolvent carrier's records, and involved a high number of large, complex, construction defect litigated cases.
9. Because the claims data transfer has taken longer than FIGA anticipated, and is still ongoing, and due to the numerous insolvencies with thousands of claims, FIGA has shown good cause for seeking additional time for extension of the stay in section 631.67, Florida Statutes.
10. The Court finds that FIGA's motion to extend the statutory stay is not made for the purposes of delay, but that the extension is necessary to ensure that FIGA can adequately and effectively perform its statutory duties as a limited safety net to pay covered claims of

insolvent carriers, including UPCIC, when they have been liquidated. Without receiving an extension of the statutory stay period provided under §631.67, Fla. Stat., both FIGA and the insureds of the insolvent carrier UPCIC may be prejudiced.

11. Further, the Receiver, the Department of Financial Services, does not oppose FIGA's requested relief to extend FIGA's stay pursuant to section 631.67, Florida Statutes.

THEREFORE, IT IS ORDERED AND ADJUDGED that FIGA's extension of the statutory stay period provided under §631.67, Fla. Stat. (2023), is extended for an additional stay period of six months.

DONE AND ORDERED this 26th day of September 2023, in Chambers, Leon County Courthouse, Tallahassee, Florida.



Hon. John Cooper
Second Judicial Circuit Court
Leon County Courthouse
301 S. Monroe Street
Tallahassee, Florida 32301

C: All Counsel of Record