

# Frequently Asked Questions About Oceanus Insurance RRG in Liquidation

The Court of Common Pleas for Richland County, South Carolina (Court) declared Oceanus Insurance Company a Risk Retention Group, (“Oceanus”) insolvent and has ordered the company into liquidation effective September 21, 2017. This document will help to answer frequently asked questions about making claims and the liquidation proceeding.

## **1. What is a liquidation proceeding?**

- A.** Liquidation is a type of receivership and is similar to bankruptcy. When a South Carolina insurance company such as Oceanus is ordered into liquidation, the South Carolina Insurance Code authorizes the Director of the South Carolina Department of Insurance, in his or her capacity as Liquidator, to liquidate the insurance company.

The Liquidation Order directs the Liquidator, to (i) take possession of and safeguard the property of the insurer, (ii) conduct the insurer’s business, and (iii) take such steps needed to liquidate (wind-up the affairs of) the business of the insurer under the supervision of the Court and as the Court may direct.

## **2. Who is in charge of Oceanus during Liquidation?**

- A.** The Liquidator is in charge of Oceanus during Liquidation. On September 21, 2017, the Court entered the Liquidation Order (Order), which appointed the Director of Insurance as Liquidator of Oceanus. The Order also appointed Michael J. FitzGibbons as the Special Deputy Liquidator (“SDL”) to carry out the responsibilities of the Liquidator with respect to the liquidation of Oceanus. Only persons engaged by the Liquidator or the SDL to assist in liquidating Oceanus will have authority to act on behalf of Oceanus.

## **3. Why was Oceanus placed into Liquidation?**

- A.** The Company’s June 30, 2017 financial statement indicated that Oceanus was insolvent.

## **4. What happens to my coverage under my Oceanus insurance policy?**

- A.** All policies in effect at the time of the issuance of the Liquidation Order continue only for the lesser of:
  - 1) 30 days from the date of entry of the Liquidation Order (**10/21/17 at 11:59 p.m. EDT**)
  - 2) the expiration of the policy coverage
  - 3) the date the coverage has been replaced with equivalent insurance with another insurer or otherwise terminated the policy or
  - 4) the Liquidator has effected a transfer of the policy obligation pursuant to Item (8) of subsection (a) of Section 38-27-400

**5. When should I replace my coverage?**

A. Immediately.

**6. What do I do if I have Loss Run requests or Credentialing requests?**

B. All Loss Run requests and Credentialing requests must be submitted to [credentialing@oceanusinsurance.com](mailto:credentialing@oceanusinsurance.com)

**7. Is there Guaranty Association Coverage to Pay Claims?**

B. No. Oceanus is a Risk Retention Group, and therefore there is no guaranty association coverage.

**9. Which claims have priority?**

A. South Carolina Code of Laws Section 38-27-610 dictates the priority of Distribution by Class. Please refer to the “Priority of Distribution – Class Codes” available on the website under “Important Links” for more information. The Liquidator expects all assets to be exhausted following distributions to Class 2 claimants, claims under policies.

**10. Will my Class 2 claim be paid in full by the Liquidator?**

A. No. It is too early to determine what pro rata amount of policyholder claims will be paid.

**11. Will I be issued a refund for my premium?**

A. No. Unearned premium claims are a subordinate claim and at this time it does not appear there will be any remaining assets for this class of claim.

**12. If my claim is not a policyholder claim will my claim be paid?**

A. No. We do not expect, at this time, to have sufficient assets to pay policyholder level claims in full and therefore no subordinate claims can be paid.

**13. Am I required to file a Proof of Claim with the Liquidator?**

A. Yes. If you have a claim against Oceanus and wish to pursue that claim, you must file a Proof of Claim (POC) by March 20, 2018 for your claim to be considered timely. You can also file claims after March 20, 2018, but those claims will likely be considered late filed.

**14. How do I file a claim against Oceanus?**

A. You must submit a Proof of Claim at the address noted on the Proof of Claim form.

Claims submitted after the Bar Date, March 20, 2018, are considered late filed and are therefore “subordinate” to timely filed policyholder level claims. We do not expect any distribution to subordinate claims.

The Proof of Claim form will be accompanied with a set of instructions. All Proofs of Claim must be signed and notarized, and the original signatures of the claimant and notary must be submitted to the address in the Proof of Claim Instructions. Proofs of Claim *cannot*

be submitted electronically or by facsimile.

Documents that support your claim must be attached to the Proof of Claim. Please answer all applicable questions. Missing information will slow the processing of your claim.

Also be advised that you must submit a separate Proof of Claim for each claim that you have against Oceanus. For instance, if you are a policyholder and have both a claim for a return of premium and a claim arising out of an alleged third party claim under a policy, please submit a separate Proof of Claim for each of those claims.

Provide as much detail as needed to support your claim.

The Liquidator strongly encourages all potential claimants to submit their Proofs of Claim as soon as possible to avoid a claim being considered untimely filed after the Bar Date.

All POC filers are requested to keep the Liquidator advised of address changes.

### **15. Where do I mail my POC ?**

Oceanus Insurance Company  
Claims Office  
3785 NW 82<sup>nd</sup> Avenue, Suite 310  
Doral, Florida 33166

Your POC must be post marked no later than March 20, 2018 to be considered timely.

### **16. What happens to my claim against Oceanus?**

A. The proof of claim process provides for a streamlined and consistent adjudication methodology. The Liquidation Order includes an automatic stay of any pending litigation against Oceanus and certain other affected parties. This stay is necessary to promote an orderly POC process, so all creditors are treated fairly and evenly in accordance with the Orders of the Court.

Over time the Liquidator will liquidate the assets of Oceanus and evaluate and monetize the claims against Oceanus. Once this process is complete the Liquidator will then be in a position to make a pro rata distribution to policyholder claimants.

### **17. What happens if I have, or want to bring, a lawsuit against Oceanus?**

A. No action at law or equity may be brought against Oceanus, its policy holders or the Liquidator, whether in South Carolina or elsewhere, nor shall any such existing actions be maintained or further prosecuted after issuance of the Liquidation Order. As discussed above there is an automatic stay in place as part of the Liquidation Order issued by the Court.

### **18. What happens to my service contract with Oceanus?**

A. The Liquidation Order enjoins any vendor or other party under any contract from proceeding to act for or on behalf of Oceanus or from binding Oceanus without express written authorization from the Liquidator, the SDL or the Court. You might be authorized to continue providing services under your contract if the Liquidator or the SDL

determines that it is in Oceanus's best interest. Without the express written authorization of the Liquidator or SDL, no vendor or other contracting party may take any action concerning Oceanus's assets, business or affairs.

**19. May I file a contingent claim?**

A. Yes. Under South Carolina law a person may file a claim even if it is a "contingent claim." A "contingent claim" is one where the liability of the company is not yet determined or is dependent on the outcome of an event. If you file a contingent claim, complete the Proof of Claim, and indicate in the space for Amount of Claim "undetermined." When further information becomes available, it is your responsibility to immediately inform the Liquidator of the particulars and supplement your Proof of Claim.

**20. Whom can I contact if I have a question regarding Oceanus and/or the Liquidation Proceeding?**

A. For a prompt response please email Claimant Services at [ClaimantServices@oceanusinsurance.com](mailto:ClaimantServices@oceanusinsurance.com) or call at **305-500-9180**

The Claims Office address is:

**Oceanus Insurance Company, a RRG in Liquidation  
3785 NW 82<sup>nd</sup> Avenue, Suite 310  
Doral, FL 33166**

Questions can also be addressed at The Office of the Special Deputy Liquidator:

**FitzGibbons & Company, Inc.  
8701 E. Vista Bonita Dr.,  
Ste. 200  
Scottsdale, AZ 85255  
Phone Number: 480-948-4351**

**21. Will I receive payment for my stock?**

A. No. Claims of shareholders or other owners is subordinate to policyholder level claims. We do not expect, at this time, to have sufficient assets to pay policyholder level claims in full and therefore, no subordinate claims can be paid.

**22. I no longer have Defense Counsel to represent me, what should I do?**

A. As part of our notice to all policyholders on September 2017, it was advised that Oceanus would no longer defend or pay for the defense of Oceanus' Insureds. We also advised that insureds make needed arrangements to employ independent counsel to defend themselves against any legal action which would otherwise have been provided under their Oceanus policy. Any legal fees incurred by Oceanus' insureds can be included in your filed Proof of Claim, as a supplement. Supplements can be mailed to Oceanus Insurance Company, a RRG in Liquidation, Claims Office, 3785 NW 82<sup>nd</sup> Ave., Suite 310, Doral, FL 33166.

**23. I did not file a Proof of Claim, can I still do so now?**

A. Yes, but it may be considered a late filed claim.

Additional information regarding the Oceanus Liquidation will be posted from time to time on this website.

**24. My Proof of Claim has been approved by the Liquidation Court. When can I expect payment?**

A. There will not be an initial distribution. A distribution will be made at the closing of the Liquidation.