

September 21, 2017 Notice of Legal Rights and Obligations

Notice of the Liquidation of Oceanus Insurance Company, A Risk Retention Group.

An Order to Liquidate Oceanus Insurance Company, A Risk Retention Group, (“Oceanus”), a South Carolina domiciled captive insurer with its principal office in Aventura, Florida, was entered by the Court of Common Pleas for Richland County, South Carolina, on September 21, 2017, in Civil Case Number 2017-CP-40-05195. The Order was entered under South Carolina Code of Laws 38-27-360 through 38-27-370 and appointed Raymond G. Farmer, Director of Insurance for the State of South Carolina, as Liquidator. Michael J. FitzGibbons has been appointed as a consultant to the Liquidator and as Special Deputy Liquidator in this matter.

Under an Order, the Liquidator is authorized and directed to forthwith take possession and control of the assets of Oceanus and administer them under the general supervision of the Court. Pursuant to Section 38-27-370 of the South Carolina Code of Laws, the Liquidator is directed to exercise any and all rights of Oceanus in connection with any assets being held for the benefit of Oceanus by any person or entity. The Liquidator is vested by operation of law with title to all of the property, contracts, and rights of action and all of the books and records of Oceanus, wherever located, as of the entry of this Order of Liquidation and further succeeds to the title of all assets, claims and rights of the insurer.

Effective with the issuance of the Order, the rights and liabilities of Oceanus and its creditors, shareholders and all other persons interested in the estate of Oceanus are now fixed except as provided in 38-27-380 and 38-27-560 of the South Carolina Code of Laws. The Liquidator exercises and is subject to all of the rights, powers and duties of a Liquidator under Chapter 27 of Title 38 of the South Carolina Code of Laws.

All persons or other legal entities shall pay all sums and premiums due Oceanus in accordance with Section 38-27-520 of the South Carolina Code of Laws and deliver any and all property of Oceanus, personal or real, of every kind or nature, to the Liquidator or his designated representatives.

Please TAKE NOTE THAT all policies in effect at the time of issuance of the Order of Liquidation shall continue in force only for the lesser of:

- (1) a period of thirty 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 when the insured has replaced the insurance coverage with equivalent insurance in 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 of the South Carolina Code of Laws.

Pursuant to Section 38-27-430 of the South Carolina Code of Laws, no action at law or equity, whether in this state or elsewhere, may be brought against Oceanus, or its Liquidator, nor shall any existing actions be maintained or further prosecuted after issuance of the Order. The Liquidator may intervene in any pending action in order to protect the estate of Oceanus at the expense of Oceanus.

The Liquidator may institute actions and proceedings on behalf of Oceanus subject to Section 38-27-430 of the South Carolina Code of Laws. Mutual debts or credits between Oceanus and another person in connection with this liquidation shall be subject to Section 38-27-490 of the South Carolina Code of Laws. Any amount recoverable by the Liquidator from reinsurers shall not be reduced as a result of this Order regardless of any provision in the reinsurance contract or other agreement pursuant to Section 38-27-510 of the South Carolina Code of Laws.

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ATTENTION AGENTS: Every agent who received notice of this Order pursuant to Section 38-27-410 and who represents Oceanus shall, absent written waiver of this requirement by the Liquidator, give written notice of this Order by first class mail to the last address contained in the agent's records to each policyholder or other person named in any policy issued by the agent.

- (1) All policies in effect at the time of issuance of the order of liquidation continue in force only for the lesser of :
 - (a) a period of thirty days from the date of entry of the liquidation order (**10/21/17 at 11:59 p.m., EDT**);
 - (b) the expiration of the policy coverage;
 - (c) the date when the insured has replaced the insurance coverage with equivalent insurance in another insurer or otherwise terminated policy;
 - (d) the liquidator has effected a transfer of the policy pursuant to item (8) of subsection (a) of 38-27-400.

Notice by a general agent satisfies the notice requirement of this paragraph for any agents under contract to him or her. Each agent is obligated to give notice and shall file a report of compliance with the Liquidator. Any agent failing to give notice or file a report of compliance required by Section 38-27-420 of the South Carolina Code of Laws, for whom the Liquidator has not waived such requirement, may be subject to the penalty provisions of Section 38-2-10 of the South Carolina Code of Laws.

All agents, brokers, premium finance companies or other persons, other than insureds, responsible for the payment of premiums shall be obligated to pay to the Liquidator any unpaid earned premium and all unearned commissions held by that person at the date of insolvency.

All insureds of Oceanus are obligated to pay to the Liquidator any unpaid earned premium due at the time of the declaration of insolvency.

Any person failing to comply with the above provisions, is subject to the penalties provided therein, including imposition of civil penalties by the Director of Insurance of not more than \$1,000 for each act in violation of said statute.

The Liquidator is implementing a claims process and adopting a Proof of Claim Notice form. The liquidation will make available a Proof of Claim form for filing claims. Please keep the Liquidator informed of any changes of address. The bar date (last date to file a timely POC) is **March 20, 2018**.

If you have questions or need further information concerning the liquidation of Oceanus, inquiries may be directed to Claimant Services, Oceanus Insurance Company, A Risk Retention Group, in Liquidation, The Office of The Special Deputy Liquidator 9821 N. 95th St. Suite 105 Scottsdale, AZ 85258. The claimant service department is also available for inquiries at (480) 948-4351 and via email at ClaimantServices@oceanusinsurance.com.

Also, please visit Oceanus' website (www.oceanusinsurance.com) for information on the ongoing liquidation. The website is also a source for documents, including formal notices, Proof of Claim forms, and Court filings.