

March 23, 2007

The Honorable Alex Sink  
The Chief Financial Officer  
Department of Financial Services  
The Capitol, PL-11  
Tallahassee, FL 32399

**VIA EMAIL**

Re: Universal Health Care Insurance Company, Inc.

Dear Chief Financial Office Sink:

Please be advised that the Office of Insurance Regulation (hereinafter referred to as the "Office") has determined that one or more grounds exist for the initiation of delinquency proceedings, pursuant to Chapter 631, Florida Statutes, against the above-referenced company. As such, I am advising you of that determination. Attached hereto as Exhibit A is a Consent Order for Public Administrative Supervision and Contingent Order of Liquidation signed by the company so that delinquency proceedings can be initiated by the Division of Rehabilitation and Liquidation if the company failed to come into compliance with the Florida Insurance Code by March 23, 2007. The company has failed to increase its surplus level to the level necessary to comply with the Florida Insurance Code, and based on the information provided by the company, is insolvent.

As always, the Office stands ready to provide any additional information or assistance the Department needs in order for this matter to proceed as expeditiously as possible. Thank you for your attention to this matter.

Sincerely,

Kevin M. McCarty

cc: Dan Sumner, General Counsel  
Department of Financial Services