

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Charter American Casualty Insurance Co. in Liquidation**  
**Statement of Affairs**  
**As of June 30, 2011**

	<u>Estimated Realizable Value</u>
<b>ASSETS</b>	
Cash-Distribution	\$8.71
Pooled Cash Due from the Admin Fund	576,748.63
Accrued Interest Receivable	<u>1,178.07</u>
Total Assets	<u><u>\$577,935.41</u></u>
<b>LIABILITIES</b>	
General Creditor Claims (Class 6) - Other	35,677.22
Late Filed Claims (Class 8)	<u>9,911.77</u>
Total Liabilities	\$45,588.99
<b>EQUITY</b>	
Contributed Equity - State of Florida	145,614.96
Estate Equity	<u>386,731.46</u>
Excess (Deficiency) of Assets over Liabilities	<u>\$532,346.42</u>
Total Liabilities and Equity	<u><u>\$577,935.41</u></u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Charter American Casualty Insurance Co. in Liquidation**  
**Statement of Cash Receipts and Disbursements**  
**From the Date of Liquidation through June 30, 2011**

	Fiscal Year to Date	Since Date of Liquidation
<b>CASH RECEIPTS</b>		
Reinsurance Recoveries	\$0.00	\$2,168,238.01
Agents' Balances Recoveries	0.00	217,671.34
Subrogation and Salvage Recoveries	150.00	81,905.07
Litigation Recoveries	0.00	10,006.02
Other Collections / Recoveries	3.21	155,801.29
Sale of Personal Property Inventory	0.00	94,485.00
Mortgage Principal Recovery	0.00	132,751.58
Mortgage Interest Income	0.00	7,058.00
Receipts Before Investment Activities	153.21	2,867,916.31
Interest and Dividend Receipts	14,784.68	1,995,423.06
Sale of Short Term Investment	0.00	700,000.00
Receipts From Investment Activities	14,784.68	2,695,423.06
<b>Total Cash Receipts</b>	<b>14,937.89</b>	<b>5,563,339.37</b>
<b>CASH DISBURSEMENTS &amp; DISTRIBUTIONS</b>		
Professional Fees and Expenses	96.96	390,302.71
Salaries and Fringe Benefits	10,507.58	727,307.30
Employee Welfare	17.81	5,672.77
Travel Expenses	11.65	16,044.61
Admin Expenses	123.53	155,141.31
Equipment and Furniture Expenses	100.57	156,222.83
Rent, Building and Equipment	1,082.88	134,317.35
Taxes	0.05	204.52
Disbursements	11,941.03	1,585,213.40
Distributions		
Administrative Claims (Class 1)	0.00	366,083.42
Loss Claims (Class 2)	0.00	2,304,354.51
Unearned Premium-Non-Assessable Policies Claims (Class 3)	0.00	1,028,336.09
Employee Claims (Class 5)	0.00	829.20
General Creditors Claims (Class 6)	0.00	18,786.64
Late Filed Claims (Class 8)	0.00	16,398.17
Claims-Other	0.00	150.00
Total Distributed	0.00	3,734,938.03
Disbursements & Distributions Before Investment Activities	11,941.03	5,320,151.43
Financial Expenses	1,224.03	23,883.58
Disbursements for Investment Activities	1,224.03	23,883.58
<b>Total Cash Disbursements &amp; Distributions</b>	<b>13,165.06</b>	<b>5,344,035.01</b>
<b>Net Increase (Decrease) in Cash</b>	<b>1,772.83</b>	<b>219,304.36</b>
<b>Beginning Cash Balance:</b>		
Beginning Cash	574,984.51	357,452.98
Adjustments to Beginning Cash	0.00	0.00
<b>Adjusted Beginning Cash Balance</b>	<b>574,984.51</b>	<b>357,452.98</b>
<b>Ending Cash Balance</b>	<b>576,757.34</b>	<b>576,757.34</b>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Charter American Casualty Insurance Co. In Liquidation**  
**Schedule of Cash - Distribution**  
For the Twelve Months Ended June 30, 2011

**Cash - Distribution**

<b>Due from</b>	<b>Account</b>	<b>Balance 7/1/10</b>	<b>Received</b>	<b>Balance 6/30/11</b>
Interest Earned on Distribution Account		0.00	8.71	8.71
Totals:		<u>0.00</u>	<u>8.71</u>	<u>8.71</u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Charter American Casualty Insurance Co. In Liquidation**  
**Schedule of Accrued Interest Receivable**  
**For the Twelve Months Ended June 30, 2011**

**Accrued Interest Receivable**

<b>Due from</b>	<b>Account</b>	<b>Balance 7/1/10</b>	<b>Accrued</b>	<b>Received</b>	<b>Balance 6/30/11</b>
State Treasury	SPIA, 4-20-0-010000-00000	1,175.62	14,571.00	(14,568.55)	1,178.07
Totals:		<u>1,175.62</u>	<u>14,571.00</u>	<u>(14,568.55)</u>	<u>1,178.07</u>

**Florida Department of Financial Services, Division of Rehabilitation  
and Liquidation**  
**Charter American Casualty Insurance Co. in Liquidation**  
**Notes to Financial Statements**

**Dated June 30, 2011**

1. **Estate Information.** Charter American Casualty Insurance Company was a property and casualty company domiciled in Florida and placed in liquidation on April 29, 1992.
2. **Basis of Presentation.** The accompanying financial statements have been prepared on the liquidation basis of accounting using a fiscal year of July 1, 2010 through June 30, 2011. The assets are stated at their estimated realizable values, while the liabilities are stated at their ultimate (gross filed) amounts and are periodically adjusted as evaluated, adjudicated and/or paid. In addition, the statements do not provide accruals for future administrative costs to liquidate the estate or costs to pursue or litigate claims against others.
3. **Unaudited.** The accompanying financial statements have not been audited by an independent certified public accountant and no opinion is expressed on their compliance with generally accepted accounting principles.
4. **Statement Format Changes.** On July 1, 2001, the Receiver converted accounting systems, which resulted in the historical accounting data being presented differently in this set of financial statements than the previously prepared statements for this estate. Because the new system uses a more detailed chart-of-accounts and summarizes data into categories different than previously used, the 'Since Date of Liquidation' column of historical data on the 'Statement of Cash Receipts and Disbursements' may not correspond directly to previous statement presentations. Users of this "Liquidation to-date" information should solicit additional information from the Receiver before making assumptions about the data.
5. **Cash – Distribution Account.** Represents interest earned on the distribution account.
6. **Pooled Investments.** The majority of the invested assets of the estates are combined into two main pooled accounts: the Receiver's operating account held at the Bank of America and the Special Purpose Investment Account held at the State of Florida Treasury. Each estate's share of the pooled investments is presented on the accompanying financial statements as "Pooled Cash Due from the Admin Fund".
7. **Claims.** Unless otherwise noted, the Statement of Affairs contains claim liabilities by priority class pursuant to 631.271, Florida Statutes. Unless otherwise stated, the claim liabilities reported are gross filed, unadjudicated, and have not been reduced by any early access payments from the Florida Receiver. Claims liability numbers are based upon information and documentation provided to the Receiver as of March 31, 2011.
  - All claims have been evaluated and filed with the Court.
  - All objections have been resolved.
  - A claims distribution in the amount of \$829.20 for Class 5 Employee Claims was authorized in January of 1994.
  - A claims distribution in the amount of \$3,616,577.59 representing a 100% distribution to Class 1 Administrative Claims, Class 2 Loss Claims and Class 3 Unearned Premium Claims was authorized by the court on Feb 1, 2006.
  - The federal priority issue has been resolved by the Receiver with the Justice Department.
  - Class 6 and Class 8 claims have been evaluated and approved for payment. A distribution order was entered on March 24, 2010. A 100% distribution to Class 6 and Class 8 claimants was approved by the courts in the amount of \$80,733.80. Claimants with insufficient addresses, their claim checks have suspended and moved to the unclaimed property.
8. **Contributed Equity – State of Florida.** The Receiver will, from time to time, expend public funds to carry out certain duties during the course of liquidating an insurance company. The Division accounts for these expenditures as a contribution of equity by the State.
9. **Excess (Deficiency) of Assets over Liabilities.** The excess or (deficiency) represents the estimated realizable value of assets after deducting the current estimate of liabilities. This excess or (deficiency) does not take into consideration any estimates for future administrative costs to liquidate the estate or costs to pursue or litigate claims against others.