

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Florida Employers Safety Assoc. SIF in Liquidation
Statement of Affairs
As of March 31, 2009

	<u>Estimated Realizable Value</u>
ASSETS	
Pooled Cash Due from the Admin Fund	\$745,105.16
Accrued Interest Receivable	1,597.21
Accounts Receivable	<u>2,924.96</u>
Total Assets	<u><u>\$749,627.33</u></u>
LIABILITIES	
Loss Claims (Class 2)	
- Guaranty Associations	8,728,484.00
General Creditor Claims (Class 6)	
- Other	19,208,875.15
State & Local Government Claims (Class 7)	398,114.81
Late Filed Claims (Class 8)	1,774,354.92
Surplus Notes/Unearned Premium Claims under Assessable Policies (Class 9)	
- Guaranty Associations	361,067.00
- Other	<u>1,006,781.26</u>
Total Liabilities	<u>\$31,477,677.14</u>
EQUITY	
Contributed Equity - State of Florida	1,043,373.47
Estate Equity	<u>(31,771,423.28)</u>
Excess (Deficiency) of Assets over Liabilities	<u>(\$30,728,049.81)</u>
Total Liabilities and Equity	<u><u>\$749,627.33</u></u>

The accompanying notes & schedules are an integral part of these financial statements
UNAUDITED

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Florida Employers Safety Assoc. SIF in Liquidation
Statement of Cash Receipts and Disbursements
From the Date of Liquidation through March 31, 2009

	<u>Fiscal Year to Date</u>	<u>Since Date of Liquidation</u>
CASH RECEIPTS		
Premium Collections	\$0.00	\$1,974,935.43
Assessment Recoveries	350,805.87	21,371,534.90
Reinsurance Recoveries	0.00	16,706,525.45
Agents' Balances Recoveries	5,059.00	11,540.03
Subrogation and Salvage Recoveries	0.00	2,101,179.66
Litigation Recoveries	0.00	4,714,537.52
SDTF Reimbursements	0.00	5,604,104.61
Tax Recoveries	4,048.00	708,138.95
Other Collections / Recoveries	17.11	1,230,689.18
Sale of Personal Property Inventory	0.00	10,233.00
Receipts Before Investment Activities	<u>359,929.98</u>	<u>54,433,418.73</u>
Interest and Dividend Receipts	14,457.48	8,846,637.95
Sale of Long Term Investment	0.00	6,990,811.10
Receipts From Investment Activities	<u>14,457.48</u>	<u>15,837,449.05</u>
Total Cash Receipts	<u>374,387.46</u>	<u>70,270,867.78</u>
CASH DISBURSEMENTS & DISTRIBUTIONS		
Professional Fees and Expenses	75,865.11	15,177,703.27
Salaries and Fringe Benefits	87,031.84	2,719,410.03
Employee Welfare	13.39	36,429.15
Travel Expenses	11.85	68,143.68
Admin Expenses	3,512.76	277,030.67
Equipment and Furniture Expenses	81.06	244,780.25
Rent, Building and Equipment	3,346.09	364,996.62
Taxes	0.00	344,388.88
Disbursements	<u>169,862.10</u>	<u>19,232,882.55</u>
Distributions		
Administrative Claims (Class 1)	0.00	6,158,064.99
Loss Claims (Class 2)	0.00	44,222,757.79
Unearned Premium-Non-Assessable Policies Claims (Class	0.00	303,263.00
Excess Funds to Owner	0.00	25,843.46
Total Distributed	<u>0.00</u>	<u>50,709,929.24</u>
Disbursements & Distributions Before Investment Activities	<u>169,862.10</u>	<u>69,942,811.79</u>
Financial Expenses	760.53	161,961.62
Disbursements for Investment Activities	<u>760.53</u>	<u>161,961.62</u>
Total Cash Disbursements & Distributions	<u>170,622.63</u>	<u>70,104,773.41</u>
Net Increase (Decrease) in Cash	<u>203,764.83</u>	<u>166,094.37</u>
Beginning Cash Balance:		
Beginning Cash	541,340.33	274,977.68
Adjustments to Beginning Cash	0.00	304,033.11
Adjusted Beginning Cash Balance	<u>541,340.33</u>	<u>579,010.79</u>

The accompanying notes & schedules are an integral part of these financial statements
UNAUDITED

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Florida Employers Safety Assoc. SIF in Liquidation
Statement of Cash Receipts and Disbursements
From the Date of Liquidation through March 31, 2009**

	<u>Fiscal Year to Date</u>	<u>Since Date of Liquidation</u>
Ending Cash Balance	<u>\$745,105.16</u>	<u>\$745,105.16</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Florida Employers Safety Assoc. SIF in Liquidation
Schedule of Accrued Interest Receivable
For the Nine Months Ended March 30, 2009

Accrued Interest Receivable

Due from	Account	Balance 7/1/08	Accrued	Received	Balance 3/31/09
State Treasury	SPIA, 4-20-0-010000-00000	1,566.56	13,567.77	(13,537.12)	1,597.21

Total:	1,566.56	13,567.77	(13,537.12)	1,597.21
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Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Florida Employers Safety Assoc. SIF in Liquidation
Schedule of Accounts Receivable
For the Nine Months Ended March 30, 2009

Agent Balance Receivables - Unearned Commission

Description	Balance 7/1/08	Adjustment	Balance 3/31/09
Promissory Notes	0.00	2,924.96	2,924.96
Total:	<u>0.00</u>	<u>2,924.96</u>	<u>2,924.96</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation

Florida Employers Safety Assoc. SIF in Liquidation Notes to Financial Statements

Dated March 31, 2009

1. **Estate Information.** Florida Employers Safety Assoc. SIF was a worker's compensation self-insurance fund domiciled in Florida and placed in liquidation on October 22, 1996.
2. **Basis of Presentation.** The accompanying financial statements have been prepared on the liquidation basis of accounting using a fiscal year of July 1, 2008 through June 30, 2009. 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. **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".
6. **Accounts Receivable.** Represents the gross amount of promissory notes payable to the Receiver for assessments collections receivable.
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 December 31, 2008.
 - None of the Claims Liabilities reported reflect the results of an independent actuarial review in June 1999.
 - The Guaranty Association's Class 2 Loss Claims have been reduced by \$848,695.63 in funds received by the Florida Workers Compensation Insurance Guaranty Association from sources other than the Florida Receiver.
 - The First Interim Claims Report was filed with the Court on June 6, 2007. Only Guaranty Fund Class 1 and Class 2 claims are recommended for payment. Class 2 – Other Claims have been disallowed and Classes 3 – 10 are reported as gross filed.
 - All objections have been resolved.
 - A distribution was authorized by the court on February 26, 2008.
 - 100% was authorized for Class 1 Administrative Claims
 - 83.04% was authorized for Class 2 Loss Claims
 - Early access payments in the amount of \$303,263.00 were applied to the guaranty fund class II claim.
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.

**Florida Department of Financial Services, Division of Rehabilitation
and Liquidation**

**Florida Employers Safety Assoc. SIF in Liquidation
Notes to Financial Statements**

Dated March 31, 2009

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.