

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Associated Business Owners SIF in Liquidation**  
**Statement of Affairs**  
**As of December 31, 2010**

	<u>Estimated Realizable Value</u>
<b>ASSETS</b>	
Pooled Cash Due from the Admin Fund	\$3,152,286.99
Accrued Interest Receivable	2,613.31
Advance to Guaranty Associations	<u>21,861,591.00</u>
Total Assets	<u><u>\$25,016,491.30</u></u>

<b>LIABILITIES</b>	
Administrative Claims (Class 1)	
- Guaranty Associations	3,811,750.53
Loss Claims (Class 2)	
- Guaranty Associations	28,196,952.81
- Other	6,453.59
Federal Government Claims (Class 4)	1.00
Employee Claims (Class 5)	4,911.46
General Creditor Claims (Class 6)	
- Other	2,079,205.00
Late Filed Claims (Class 8)	1,525,810.48
Surplus Notes/Unearned Premium Claims under Assessable Policies (Class 9)	
- Guaranty Associations	960,964.00
- Other	<u>406,193.57</u>
Total Liabilities	\$36,992,242.44

<b>EQUITY</b>	
Contributed Equity - State of Florida	384,880.19
Estate Equity	<u>(12,360,631.33)</u>
Excess (Deficiency) of Assets over Liabilities	<u>(\$11,975,751.14)</u>
Total Liabilities and Equity	<u><u>\$25,016,491.30</u></u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Associated Business Owners SIF in Liquidation**  
**Statement of Cash Receipts and Disbursements**  
**From the Date of Liquidation through December 31, 2010**

	<u>Fiscal Year to Date</u>	<u>Since Date of Liquidation</u>
<b>CASH RECEIPTS</b>		
Premium Collections	\$0.00	\$4,557,364.34
Assessment Recoveries	0.00	7,688,578.35
Reinsurance Recoveries	0.00	3,301,392.26
Agents' Balances Recoveries	0.00	3,964.70
Subrogation and Salvage Recoveries	0.00	6,697.50
Litigation Recoveries	0.00	1,015.00
SDTF Reimbursements	0.00	495,886.50
Tax Recoveries	0.00	763,687.96
Other Collections / Recoveries	1,445.99	40,295.21
Sale of Personal Property Inventory	0.00	3,745.00
Receipts Before Investment Activities	1,445.99	16,862,626.82
Interest and Dividend Receipts	88,144.87	4,906,652.83
Sale of Short Term Investment	0.00	2,387,406.54
Sale of Long Term Investment	0.00	6,056,735.94
Receipts From Investment Activities	88,144.87	13,350,795.31
<b>Total Cash Receipts</b>	<b><u>89,590.86</u></b>	<b><u>30,213,422.13</u></b>
<b>CASH DISBURSEMENTS &amp; DISTRIBUTIONS</b>		
Professional Fees and Expenses	1,230.92	4,098,339.74
Salaries and Fringe Benefits	9,332.42	1,314,040.80
Employee Welfare	471.94	25,754.48
Travel Expenses	322.67	27,233.76
Admin Expenses	551.41	107,406.25
Equipment and Furniture Expenses	2,011.22	151,708.14
Rent, Building and Equipment	8,044.21	284,565.09
Taxes	0.00	263.84
Disbursements	21,964.79	6,009,312.10
Distributions		
Early Access-Guaranty Associations	3,000,000.00	21,000,000.00
Total Distributed	3,000,000.00	21,000,000.00
Disbursements & Distributions Before Investment Activities	3,021,964.79	27,009,312.10
Financial Expenses	3,293.98	147,710.95
Purchase Short Term Investment	0.00	192,663.43
Disbursements for Investment Activities	3,293.98	340,374.38
<b>Total Cash Disbursements &amp; Distributions</b>	<b><u>3,025,258.77</u></b>	<b><u>27,349,686.48</u></b>
<b>Net Increase (Decrease) in Cash</b>	<b><u>(2,935,667.91)</u></b>	<b><u>2,863,735.65</u></b>
<b>Beginning Cash Balance:</b>		
Beginning Cash	6,087,954.90	288,551.34
Adjustments to Beginning Cash	0.00	0.00
<b>Adjusted Beginning Cash Balance</b>	<b><u>6,087,954.90</u></b>	<b><u>288,551.34</u></b>
<b>Ending Cash Balance</b>	<b>3,152,286.99</b>	<b>3,152,286.99</b>

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

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Associated Business Owners SIF in Liquidation**  
**Schedule of Accrued Interest Receivable**  
**For the Six Months Ended December 31, 2010**

**Accrued Interest Receivable**

<b>Due from</b>	<b>Account</b>	<b>Balance 7/1/10</b>	<b>Accrued</b>	<b>Received</b>	<b>Balance 12/31/10</b>
State Treasury	SPIA, 4-20-0-010000-00000	12,147.98	77,998.56	(87,533.23)	2,613.31
<b>Totals:</b>		<u>12,147.98</u>	<u>77,998.56</u>	<u>(87,533.23)</u>	<u>2,613.31</u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Associated Business Owners SIF in Liquidation**  
**Schedule of Advance to Guaranty Associations**  
For the Six Months Ended December 31, 2010

**Advance To Guaranty Associations**

<b>Description</b>	<b>Balance 7/1/10</b>	<b>Advanced</b>	<b>Recovered</b>	<b>Balance 12/31/10</b>
Florida Workers Compensation Insurance Guaranty Association	14,500,000.00	7,361,591.00	0.00	21,861,591.00
Totals:	<u>14,500,000.00</u>	<u>7,361,591.00</u>	<u>0.00</u>	<u>21,861,591.00</u>

**Florida Department of Financial Services, Division of Rehabilitation  
and Liquidation  
Associated Business Owners SIF in Liquidation  
Notes to Financial Statements**

**Dated December 31, 2010**

1. **Estate Information.** Associated Business Owners SIF was a worker compensation self-insurance fund domiciled in Florida and placed in liquidation on March 25, 1997.
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. **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. **Advance to Guaranty Association(s).** Represents funds advanced to guaranty associations for the payment of covered claims and expenses. The guaranty association is obligated to promptly return any or all of these funds if the Receiver determines that repayment of claims of equal or superior priority is necessary.
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 September 30, 2010.
  - None of the claims liabilities reported reflect the results of an independent actuarial review in March of 2000.
  - The first interim claims report was filed with the court on June 29, 2007. The objection deadline was August 31, 2007.
  - Two objections were filed and both have been resolved.
  - The claims evaluation process has been completed. Class I and Class II claims were the only claims evaluated. All other claims are being reported as gross filed.
  - The Florida Workers Compensation Guaranty Association claim has been evaluated and the guaranty association has been noticed. The guaranty association has waived their rights to object to the receiver's recommendation.
  - The distribution to class I and II claimants is pending.
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.