

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Healthplans of America in Liquidation
Statement of Affairs
As of June 30, 2011

	<u>Estimated Realizable Value</u>
ASSETS	
Pooled Cash Due from the Admin Fund	\$4,519,169.64
Accrued Interest Receivable	9,117.19
Advance to Guaranty Associations	<u>1,000,000.00</u>
Total Assets	<u><u>\$5,528,286.83</u></u>

LIABILITIES	
Administrative Claims (Class 1)	
- Guaranty Associations	205,631.49
Loss Claims (Class 2)	
- Guaranty Associations	10,272.66
- Other	198,609.52
Unearned Premium Claims under Non-assessable Policies (Class 3)	
- Guaranty Associations	1,254.69
Federal Government Claims (Class 4)	7,374.73
Employee Claims (Class 5)	1,192.19
General Creditor Claims (Class 6)	
- Guaranty Associations	998,392.44
- Other	24,661,963.77
State & Local Government Claims (Class 7)	3,879.62
Late Filed Claims (Class 8)	<u>406,575.14</u>
Total Liabilities	<u>\$26,495,146.25</u>

EQUITY	
Contributed Equity - State of Florida	173,001.85
Estate Equity	<u>(21,139,861.27)</u>
Excess (Deficiency) of Assets over Liabilities	<u>(\$20,966,859.42)</u>
Total Liabilities and Equity	<u><u>\$5,528,286.83</u></u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Healthplans of America 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
CASH RECEIPTS		
Reinsurance Recoveries	\$0.00	\$890,000.00
Litigation Recoveries	0.00	5,000.00
Other Collections / Recoveries	22.03	523,906.54
Sale of Personal Property Inventory	0.00	1,600.00
Receipts Before Investment Activities	22.03	1,420,506.54
Interest and Dividend Receipts	114,865.69	1,920,172.46
Receipts From Investment Activities	114,865.69	1,920,172.46
Total Cash Receipts	114,887.72	3,340,679.00
CASH DISBURSEMENTS & DISTRIBUTIONS		
Professional Fees and Expenses	438.65	391,004.66
Salaries and Fringe Benefits	33,419.32	1,413,222.03
Employee Welfare	166.30	5,299.71
Travel Expenses	112.22	63,414.60
Admin Expenses	1,878.43	138,021.39
Equipment and Furniture Expenses	943.77	32,659.60
Rent, Building and Equipment	5,080.57	141,158.46
Taxes	0.44	10,054.21
Disbursements	42,039.70	2,194,834.66
Distributions		
Secured Claims	0.00	933,038.90
Early Access-Guaranty Associations	0.00	1,000,000.00
Total Distributed	0.00	1,933,038.90
Disbursements & Distributions Before Investment Activities	42,039.70	4,127,873.56
Financial Expenses	5,552.90	49,065.18
Disbursements for Investment Activities	5,552.90	49,065.18
Total Cash Disbursements & Distributions	47,592.60	4,176,938.74
Net Increase (Decrease) in Cash	67,295.12	(836,259.74)
Beginning Cash Balance:		
Beginning Cash	4,451,874.52	5,355,429.38
Adjustments to Beginning Cash	0.00	0.00
Adjusted Beginning Cash Balance	4,451,874.52	5,355,429.38
Ending Cash Balance	4,519,169.64	4,519,169.64

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Healthplans Of America in Liquidation
Schedule of Accrued Interest Receivable
For the Twelve Months Ended June 30, 2011

Accrued Interest Receivable

Due from	Account	Balance 7/1/10	Accrued	Received	Balance 6/30/11
State Treasury	SPIA, 4-20-0-010000-00000	8,901.05	113,429.16	(113,213.02)	9,117.19
Totals:		<u>8,901.05</u>	<u>113,429.16</u>	<u>(113,213.02)</u>	<u>9,117.19</u>

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Schedule of Advance to Guaranty Associations
For the Twelve Months Ended June 30, 2011

Advance To Guaranty Associations

Description	Balance 7/1/10	Advanced	Recovered	Balance 6/30/11
Florida Health Maintenance Organization Consumer Assistance Plan	1,000,000.00	0.00	0.00	1,000,000.00
Totals:	<u>1,000,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,000,000.00</u>

**Florida Department of Financial Services, Division of Rehabilitation
and Liquidation**
Healthplans of America in Liquidation
Notes to Financial Statements
Dated June 30, 2011

1. **Estate Information.** Healthplans of America was a health maintenance organization domiciled in Florida and placed in liquidation on November 4, 1998.
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, expenses and applicable premium due. 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 March 31, 2011.
 - HMOCAP claim filed as of 11/04/99 has been prioritized pursuant to the court order entered on 11/07/03.
 - The claims evaluation process has been completed. Classes I through VI are the only claims evaluated. All other claims are being reported as gross filed.
 - First Interim Claims Report was filed with the courts on April 25, 2011. The claims objection dead line was 45 days post the filing of the claims report.
 - Two objections have been filed thus far. The IRS is one of the objectors and it is unclear how much they are demanding for resolution. The other objector has made a claim for \$335.75.
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.