

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Sunstar Health Plan, Inc. in Liquidation
Statement of Affairs
As of June 30, 2011

	<u>Estimated Realizable Value</u>
ASSETS	
Pooled Cash Due from the Admin Fund	\$8,791,518.78
Accrued Interest Receivable	<u>16,953.87</u>
Total Assets	<u><u>\$8,808,472.65</u></u>
LIABILITIES	
Loss Claims (Class 2)	
- Other	21,344.59
Unearned Premium Claims under Non-assessable Policies (Class 3)	
- Other	19,352.04
Employee Claims (Class 5)	1,008.00
General Creditor Claims (Class 6)	
- Guaranty Associations	12,438,330.48
- Other	33,545,767.66
Late Filed Claims (Class 8)	<u>59,617.83</u>
Total Liabilities	\$46,085,420.60
EQUITY	
Contributed Equity - State of Florida	272,162.18
Estate Equity	<u>(37,549,110.13)</u>
Excess (Deficiency) of Assets over Liabilities	<u>(\$37,276,947.95)</u>
Total Liabilities and Equity	<u><u>\$8,808,472.65</u></u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Sunstar Health Plan, Inc. 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		
Premium Collections	\$0.00	\$718.41
Reinsurance Recoveries	0.00	243,212.79
Subrogation and Salvage Recoveries	0.00	7,791.59
Litigation Recoveries	0.00	5,020,297.32
Other Collections / Recoveries	35.72	3,791,495.39
Sale of Personal Property Inventory	0.00	1,074.62
Sale of Other Assets	0.00	71.28
Receipts Before Investment Activities	35.72	9,064,661.40
Interest and Dividend Receipts	(770,800.82)	3,529,590.11
Sale of Short Term Investment	0.00	300,000.00
Receipts From Investment Activities	(770,800.82)	3,829,590.11
Total Cash Receipts	(770,765.10)	12,894,251.51
CASH DISBURSEMENTS & DISTRIBUTIONS		
Professional Fees and Expenses	637.27	7,569,057.17
Salaries and Fringe Benefits	50,232.50	2,092,138.74
Employee Welfare	244.03	10,676.72
Travel Expenses	162.15	94,480.01
Admin Expenses	953.93	237,451.78
Equipment and Furniture Expenses	1,380.61	82,803.27
Rent, Building and Equipment	6,172.78	307,868.91
Taxes	0.63	115.93
Litigation Settlement Payments	0.00	380,932.14
Reinsurance Premium Ceded	0.00	17,250.80
Disbursements	59,783.90	10,792,775.47
Distributions		
Secured Claims	1,797,221.10	1,797,382.95
Administrative Claims (Class 1)	0.00	1,973,221.14
Loss Claims (Class 2)	0.00	160,469.05
Unearned Premium-Non-Assessable Policies Claims (Class	0.00	85,318.54
Total Distributed	1,797,221.10	4,016,391.68
Disbursements & Distributions Before Investment Activities	1,857,005.00	14,809,167.15
Financial Expenses	13,843.10	178,854.32
Disbursements for Investment Activities	13,843.10	178,854.32
Total Cash Disbursements & Distributions	1,870,848.10	14,988,021.47
Net Increase (Decrease) in Cash	(2,641,613.20)	(2,093,769.96)
Beginning Cash Balance:		
Beginning Cash	11,433,131.98	10,885,288.74
Adjustments to Beginning Cash	0.00	0.00
Adjusted Beginning Cash Balance	11,433,131.98	10,885,288.74
Ending Cash Balance	8,791,518.78	8,791,518.78

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Sunstar Health Plan, Inc. 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	22,775.05	289,509.27	(295,330.45)	16,953.87

Totals:	22,775.05	289,509.27	(295,330.45)	16,953.87
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Florida Department of Financial Services, Division of Rehabilitation and Liquidation

Sunstar Health Plan, Inc. in Liquidation Notes to Financial Statements

Dated June 30, 2011

1. **Estate Information.** Sunstar Health Plan, Inc. was a health maintenance organization domiciled in Florida and placed in liquidation on February 1, 2000.
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
6. **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 claims filed as of 01/30/01 have been prioritized pursuant to the court order entered on 11/07/03.
 - The 1st Interim Claims Report was filed with the court on July 21, 2004.
 - The 3rd Interim Claims Report was filed with the court on July 19, 2007.
 - A distribution in the amount of \$2,259,529.42 was authorized by the court on February 7, 2008. Of this amount, \$20,300.85 in checks have either been voided or reissued since the initial distribution due to incorrect addresses of the claimants.
 - 100% was authorized for Class 1 Administrative Claims in the amount of \$1,973,221.14.
 - 100% was authorized for Class 2 Claims in the amount of \$181,763.64.
 - 100% was authorized for Class 3 Unearned Premium Claims in the amount of \$104,544.64.
 - A 5th Interim Claims Report was filed with the courts on August 9, 2010. The court order granted the claimants forty-five days to object to the Notice of Determination. No objections were filed.
 - Adjustments were made to Class VI liability numbers due to the fact negative numbers were included in previously reported claim numbers. The liability has increased by \$44,020.27. One Class II claim and two Class III claims failed to be included on the previous distribution report; however the liability was accounted for, thus no increase in the liability.
7. **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.
8. **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.