

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Caduceus SIF in Liquidation
Statement of Affairs
As of June 30, 2011**

	<u>Estimated Realizable Value</u>
ASSETS	
Pooled Cash Due from the Admin Fund	\$8,545,053.75
Accrued Interest Receivable	17,209.97
Reinsurance Recoverable	<u>760,091.92</u>
Total Assets	<u><u>\$9,322,355.64</u></u>
LIABILITIES	
Unclaimed Property	<u>1,819,007.08</u>
Total Liabilities	\$1,819,007.08
EQUITY	
Contributed Equity - State of Florida	254,602.58
Estate Equity	<u>7,248,745.98</u>
Excess (Deficiency) of Assets over Liabilities	<u>\$7,503,348.56</u>
Total Liabilities and Equity	<u><u>\$9,322,355.64</u></u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Caduceus SIF 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	\$262,300.56
Assessment Recoveries	905,160.15	(1,733,833.35)
Reinsurance Recoveries	464,525.42	6,511,785.94
Agents' Balances Recoveries	0.00	609,794.25
Litigation Recoveries	0.00	21,736,904.07
Tax Recoveries	1,489,734.00	2,907,450.02
Other Collections / Recoveries	8.28	123,495.00
Receipts Before Investment Activities	2,859,427.85	30,417,896.49
Interest and Dividend Receipts	191,230.87	4,549,611.15
Receipts From Investment Activities	191,230.87	4,549,611.15
Total Cash Receipts	3,050,658.72	34,967,507.64
CASH DISBURSEMENTS & DISTRIBUTIONS		
Professional Fees and Expenses	107,645.05	11,012,917.17
Salaries and Fringe Benefits	78,840.24	1,998,277.82
Employee Welfare	220.66	8,502.30
Travel Expenses	141.16	12,625.55
Admin Expenses	704.70	34,657.30
Equipment and Furniture Expenses	1,233.72	48,625.12
Rent, Building and Equipment	5,954.37	138,826.57
Taxes	0.58	4,977,118.08
Disbursements	194,740.48	18,231,549.91
Distributions		
Loss Claims (Class 2)	(945,302.72)	8,675,975.87
General Creditors Claims (Class 6)	787,297.11	843,306.51
Government Claims (Class 7)	2,804.49	2,804.49
Surplus Notes/Unearned Premium-Assessable Policies Clai	104,784.36	104,784.36
Total Distributed	(50,416.76)	9,626,871.23
Disbursements & Distributions Before Investment Activities	144,323.72	27,858,421.14
Financial Expenses	10,672.43	132,768.40
Disbursements for Investment Activities	10,672.43	132,768.40
Total Cash Disbursements & Distributions	154,996.15	27,991,189.54
Net Increase (Decrease) in Cash	2,895,662.57	6,976,318.10
Beginning Cash Balance:		
Beginning Cash	5,649,391.18	1,568,735.65
Adjustments to Beginning Cash	0.00	0.00
Adjusted Beginning Cash Balance	5,649,391.18	1,568,735.65
Ending Cash Balance	8,545,053.75	8,545,053.75

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

Accrued Interest Receivable

<u>Due from</u>	<u>Account</u>	<u>Balance 7/1/10</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance 6/30/11</u>
State Treasury	SPIA, 4-20-0-010000-00000	11,364.24	194,725.88	(188,880.15)	17,209.97
Totals:		<u>11,364.24</u>	<u>194,725.88</u>	<u>(188,880.15)</u>	<u>17,209.97</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Caduceus SIF in Liquidation
Schedule of Reinsurance Recoverables - Net of Allowance
For the Twelve Months Ended June 30, 2011

Reinsurance Recoverables

Recovery Agent	Balance 07/01/2010	Billed	Recovered	Balance 06/30/2011
Ormond	166,134.26	1,058,677.15	(464,719.49)	760,091.92
	<u>166,134.26</u>	<u>1,058,677.15</u>	<u>(464,719.49)</u>	<u>760,091.92</u>

Allowance Reinsurance

Recovery Agent	Balance 07/01/2010	Increases	Decreases	Balance 06/30/2011
Ormond	(161,088.19)	0.00	161,088.19	0.00
Total	<u>(161,088.19)</u>	<u>0.00</u>	<u>161,088.19</u>	<u>0.00</u>

Reinsurance Recoverables - Net of Allowance

760,091.92

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Caduceus SIF in Liquidation
Schedule of Unclaimed Property
For the Twelve Months Ended June 30, 2011

Unclaimed Property

Due to	Balance 7/1/10	Accrued	Remitted	Balance 6/30/11
Suspended and/or voided checks	0.00	1,819,007.08	0.00	1,819,007.08
Totals:	<u>0.00</u>	<u>1,819,007.08</u>	<u>0.00</u>	<u>1,819,007.08</u>

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

Dated June 30, 2011

1. **Estate Information.** Caduceus SIF was a medical malpractice self-insured fund domiciled in Florida and placed in liquidation on January 3, 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 Due from the Admin Fund".
6. **Reinsurance.** Reinsurance receivables have resulted from losses that have been paid and billed to the reinsurer(s). The financial statements reflect the gross amount of the billed losses less an allowance for any receivable(s) currently considered to be uncollectible. The receivable amount may include paid losses that are ceded to one or more reinsurance contracts being collected on behalf of the Receiver by an intermediary.
7. **Unclaimed Property.** The Unclaimed Property funds consist of claim distribution funds for claimants who could not be located. The funds are due to the Unclaimed Property section of the State of Florida.
8. **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.
 - The 1st Interim Claims Report was filed with the Court on April 12, 2007.
 - The objection deadline was May 15, 2007. 15 objections were timely filed. All objections have been resolved.
 - A 100% distribution to Class 2 Claimants was authorized by the courts on December 06, 2007 in the amount of \$8,821,975.87. However only \$8,175,975.87 has been released; \$7,641,182.03 was released on December 11, 2007 and \$534,793.84 was released on December 20, 2007. \$5,342.68 was released on February 4, 2010.
 - A second distribution was authorized by the courts on October 02, 2009. A 100% distribution was authorized for payment to Class VI, Class VII and Class IX claimants in the amount of \$1,218,742.29; of that amount \$278,782.25 was suspended from payment either due to W-9 issues or the incorrect mailing address. However of the suspended amount subsequent additional payments have been released to Class VI claimants in the amount of \$56,009.40.

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Caduceus SIF in Liquidation
Notes to Financial Statements**

Dated June 30, 2011

- \$500,000.00 was released to two Class II claimants on March 30, 2010, pursuant to the distribution court order dated March 15, 2010. The claimants had filed an objection to the Receiver's recommendation but the Receiver's recommendation was upheld by the appeals courts.
 - All voided or suspended checks have been moved to the unclaimed property account.
9. **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.
10. **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.