

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**American Superior Insurance Co. in Liquidation**  
**Statement of Affairs**  
**As of June 30, 2011**

	<u>Estimated Realizable Value</u>
<b>ASSETS</b>	
Pooled Cash Due from the Admin Fund	\$2,045,958.53
Accrued Interest Receivable	4,148.84
Advance to Guaranty Associations	16,650,000.00
FI Hurricane Cat Fund Payments to Guaranty Assoc.	<u>66,213,947.25</u>
Total Assets	<u><u>\$84,914,054.62</u></u>

<b>LIABILITIES</b>	
Administrative Claims (Class 1)	
- Guaranty Associations	14,577,825.02
Loss Claims (Class 2)	
- Guaranty Associations	144,991,550.51
- Other	348,446.06
Unearned Premium Claims under Non-assessable Policies (Class 3)	
- Guaranty Associations	12,160,082.53
- Other	3,064,344.70
Federal Government Claims (Class 4)	18,700.00
General Creditor Claims (Class 6)	
- Other	584,984.95
State & Local Government Claims (Class 7)	6,370.51
Late Filed Claims (Class 8)	<u>2,744,939.66</u>
Total Liabilities	<u>\$178,497,243.94</u>

<b>EQUITY</b>	
Contributed Equity - State of Florida	192,907.72
Estate Equity	<u>(93,776,097.04)</u>
Excess (Deficiency) of Assets over Liabilities	<u>(\$93,583,189.32)</u>
Total Liabilities and Equity	<u><u>\$84,914,054.62</u></u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**American Superior Insurance Co. 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
<b>CASH RECEIPTS</b>		
Premium Collections	\$0.00	\$602,683.07
Assessment Recoveries	0.00	82.79
Reinsurance Recoveries	38,107.58	12,430,620.94
Agents' Balances Recoveries	0.00	382,524.06
Subrogation and Salvage Recoveries	1,150.00	202,312.07
Litigation Recoveries	35,000.00	85,000.00
SDTF Reimbursements	212.00	212.00
Tax Recoveries	205,394.81	229,036.43
Other Collections / Recoveries	9,905.00	2,113,849.25
Sale of Personal Property Inventory	0.00	59,770.64
Receipts Before Investment Activities	289,769.39	16,106,091.25
Interest and Dividend Receipts	116,645.03	1,899,401.34
Sale of Short Term Investment	0.00	3,254,027.65
Sale of Long Term Investment	0.00	45,973.54
Receipts From Investment Activities	116,645.03	5,199,402.53
<b>Total Cash Receipts</b>	<b>406,414.42</b>	<b>21,305,493.78</b>
<b>CASH DISBURSEMENTS &amp; DISTRIBUTIONS</b>		
Professional Fees and Expenses	111,281.62	3,545,016.24
Salaries and Fringe Benefits	90,447.80	2,912,004.85
Employee Welfare	2,578.62	10,649.57
Travel Expenses	1,703.31	18,574.70
Admin Expenses	9,601.77	234,292.21
Equipment and Furniture Expenses	14,596.87	62,277.20
Rent, Building and Equipment	55,810.52	250,095.66
Taxes	6.66	232,044.93
Disbursements	286,027.17	7,264,955.36
Distributions		
Administrative Claims (Class 1)	0.00	56,068.51
Loss Claims (Class 2)	0.00	6,136.78
Unearned Premium-Non-Assessable Policies Claims (Class	0.00	189,919.53
Early Access-Guaranty Associations	4,000,000.00	16,650,000.00
Total Distributed	4,000,000.00	16,902,124.82
Disbursements & Distributions Before Investment Activities	4,286,027.17	24,167,080.18
Financial Expenses	4,890.65	102,368.85
Disbursements for Investment Activities	4,890.65	102,368.85
<b>Total Cash Disbursements &amp; Distributions</b>	<b>4,290,917.82</b>	<b>24,269,449.03</b>
<b>Net Increase (Decrease) in Cash</b>	<b>(3,884,503.40)</b>	<b>(2,963,955.25)</b>
<b>Beginning Cash Balance:</b>		
Beginning Cash	5,930,461.93	3,527,531.53
Adjustments to Beginning Cash	0.00	1,482,382.25
<b>Adjusted Beginning Cash Balance</b>	<b>5,930,461.93</b>	<b>5,009,913.78</b>
<b>Ending Cash Balance</b>	<b>2,045,958.53</b>	<b>2,045,958.53</b>

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

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**American Superior Insurance Co. in Liquidation**  
**Schedule of Accrued Interest Receivable**  
**For the Twelve Months Ended June 30, 2011**

**Accrued Interest Receivable**

<u>Description</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	12,819.76	105,706.94	(114,377.86)	4,148.84
Totals:		<u>12,819.76</u>	<u>105,706.94</u>	<u>(114,377.86)</u>	<u>4,148.84</u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**American Superior Insurance Co. in Liquidation**  
**Schedule of Advance to Guaranty Association**  
For the Twelve Months Ended June 30, 2011

**Advance To Guaranty Association**

<b>Description</b>	<b>Balance 7/1/10</b>	<b>Advanced</b>	<b>Recovered</b>	<b>Balance 6/30/11</b>
Florida Insurance Guaranty Association	12,650,000.00	4,000,000.00	0.00	16,650,000.00
Totals:	<u>12,650,000.00</u>	<u>4,000,000.00</u>	<u>0.00</u>	<u>16,650,000.00</u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**American Superior Insurance Co. in Liquidation**  
**Schedule of FHCF Advance to Guaranty Association**  
**For the Twelve Months Ended June 30, 2011**

**Florida Hurricane Catastrophe Fund**  
**Advance To Guaranty Association**

<b>Description</b>	<b>Balance 7/1/10</b>	<b>Advanced</b>	<b>Recovered</b>	<b>Balance 6/30/11</b>
Florida Insurance Guaranty Association	66,213,947.25	0.00	0.00	66,213,947.25
Totals:	<u>66,213,947.25</u>	<u>0.00</u>	<u>0.00</u>	<u>66,213,947.25</u>

**Florida Department of Financial Services, Division of Rehabilitation  
and Liquidation**  
**American Superior Insurance Co. in Liquidation**  
**Notes to Financial Statements**  
**Dated June 30, 2011**

1. **Estate Information.** American Superior Insurance Co. was a property and casualty company domiciled in Florida and placed in liquidation on December 15, 2004.
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. **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 to/from the Admin Fund".
5. **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.
6. **Florida Hurricane Catastrophe Fund (FHCF) Advance to Guaranty Association (FIGA).** Represents funds advanced directly from FHCF to FIGA for the payment of covered claims and expenses pursuant to Chapter 215, Florida Statutes. 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.
  - Class I and Class II claims are the classes of claims evaluated. All other claims are being reported as gross filed.
  - The First Interim Claims Report has been approved by Estate Management. The First Interim Claims Report was filed with the courts on September 27, 2010. The notice of determination deadline for filing an objection was November 30, 2010.
  - Forty two objections have been filed. The unresolved disputed amount is \$679,472.59. Fourteen objections have been resolved.
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.