

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
American Superior Insurance Co. in Liquidation
Statement of Affairs
As of June 30, 2009

	<u>Estimated Realizable Value</u>
ASSETS	
Cash-Restricted	\$999,143.52
Pooled Cash Due from the Admin Fund	7,973,736.68
Short Term Investments	2,543.81
Short Term Investments-Restricted	1,100,815.72
Accrued Interest Receivable	16,602.38
Advance to Guaranty Associations	10,650,000.00
FI Hurricane Cat Fund Payments to Guaranty Assoc.	<u>66,213,947.25</u>
Total Assets	<u><u>\$86,956,789.36</u></u>

LIABILITIES	
Secured Claims	2,102,503.05
Administrative Claims (Class 1)	
- Guaranty Associations	14,576,707.47
Loss Claims (Class 2)	
- Guaranty Associations	145,243,717.53
- Other	14,578,625.68
Unearned Premium Claims under Non-assessable Policies (Class 3)	
- Guaranty Associations	12,153,149.53
- Other	3,037,296.22
Federal Government Claims (Class 4)	44,049.36
General Creditor Claims (Class 6)	
- Other	1,540,328.33
State & Local Government Claims (Class 7)	6,370.51
Late Filed Claims (Class 8)	<u>2,744,941.66</u>
Total Liabilities	<u>\$196,027,689.34</u>

EQUITY	
Contributed Equity - State of Florida	144,389.55
Estate Equity	<u>(109,215,289.53)</u>
Excess (Deficiency) of Assets over Liabilities	<u>(\$109,070,899.98)</u>
Total Liabilities and Equity	<u><u>\$86,956,789.36</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, 2009

	Fiscal Year to Date	Since Date of Liquidation
CASH RECEIPTS		
Premium Collections	\$25,863.49	\$602,302.07
Assessment Recoveries	0.00	33.67
Reinsurance Recoveries	5,358,860.40	12,358,635.46
Agents' Balances Recoveries	0.00	382,524.06
Subrogation and Salvage Recoveries	7,350.00	198,403.96
Tax Recoveries	0.00	298.35
Other Collections / Recoveries	4,545.39	3,050,963.38
Sale of Personal Property Inventory	10.30	59,770.64
Receipts Before Investment Activities	5,396,629.58	16,652,931.59
Interest and Dividend Receipts	271,409.91	1,731,604.75
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	271,409.91	5,031,605.94
Total Cash Receipts	5,668,039.49	21,684,537.53
CASH DISBURSEMENTS & DISTRIBUTIONS		
Professional Fees and Expenses	1,862,417.22	3,342,275.81
Salaries and Fringe Benefits	351,390.42	2,743,973.20
Employee Welfare	1,923.06	5,541.22
Travel Expenses	2,280.66	15,518.73
Admin Expenses	8,625.26	219,440.45
Equipment and Furniture Expenses	12,206.46	36,605.11
Rent, Building and Equipment	51,923.41	136,355.33
Taxes	232,000.00	232,020.91
Disbursements	2,522,766.49	6,731,730.76
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	2,650,000.00	10,650,000.00
Total Distributed	2,650,000.00	10,902,124.82
Disbursements & Distributions Before Investment Activities	5,172,766.49	17,633,855.58
Financial Expenses	11,030.47	87,715.53
Disbursements for Investment Activities	11,030.47	87,715.53
Total Cash Disbursements & Distributions	5,183,796.96	17,721,571.11
Net Increase (Decrease) in Cash	484,242.53	3,962,966.42
Beginning Cash Balance:		
Beginning Cash	8,488,637.67	3,527,531.53
Adjustments to Beginning Cash	0.00	1,482,382.25
Adjusted Beginning Cash Balance	8,488,637.67	5,009,913.78
Ending Cash Balance	8,972,880.20	8,972,880.20

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 Cash - Restricted
For the Twelve Months Ended June 30, 2009

SPIA Money Market Accounts - Restricted

Description		Balance 7/1/08	Interest Reinvested	Reclassifications	Balance 6/30/09
State Treasury	SPIA, 4-20-0-010000-00000	0.00	40,143.52	959,000.00	999,143.52
Totals		<u>0.00</u>	<u>40,143.52</u>	<u>959,000.00</u>	<u>999,143.52</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
American Superior Insurance Co. in Liquidation
Schedule of Short Term Investments - Unrestricted
For the Twelve Months Ended June 30, 2009

Money Market Account

Description	Balance 7/1/08	Interest Reinvested	Adjustments	Balance 6/30/09
US Bank - Goldman Sachs	2,527.16	16.65	0.00	2,543.81
	<u>2,527.16</u>	<u>16.65</u>	<u>0.00</u>	<u>2,543.81</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
American Superior Insurance Co. in Liquidation
Schedule of Short Term Investments - Restricted
For the Twelve Months Ended June 30, 2009

Money Market Account

Description	Balance 7/1/08	Interest Reinvested	Reclassifications	Balance 6/30/09
Mellon Bank	0.00	7,504.05	1,093,311.67	1,100,815.72
	<u>0.00</u>	<u>7,504.05</u>	<u>1,093,311.67</u>	<u>1,100,815.72</u>

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, 2009

Accrued Interest Receivable

Description		Balance 7/1/08	Accrued	Received	Balance 6/30/09
State Treasury	SPIA, 4-20-0-010000-00000	24,735.06	259,456.88	(267,589.56)	16,602.38
Totals:		<u>24,735.06</u>	<u>259,456.88</u>	<u>(267,589.56)</u>	<u>16,602.38</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, 2009

Advance To Guaranty Association

Description	Balance 7/1/08	Advanced	Recovered	Balance 6/30/09
Florida Insurance Guaranty Association	8,000,000.00	2,650,000.00	0.00	10,650,000.00
Totals:	<u>8,000,000.00</u>	<u>2,650,000.00</u>	<u>0.00</u>	<u>10,650,000.00</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
American Superior Insurance Co. in Liquidation
Schedule of FHC Advance to Guaranty Association
For the Twelve Months Ended June 30, 2009

Florida Hurricane Catastrophe Fund
Advance To Guaranty Association

Description	Balance 7/1/08	Advanced	Recovered	Balance 6/30/09
Florida Insurance Guaranty Association	0.00	66,213,947.25	0.00	66,213,947.25
Totals:	0.00	66,213,947.25	0.00	66,213,947.25

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
American Superior Insurance Co. in Liquidation
Schedule of Secured Claims
For the Twelve Months Ended June 30, 2009

Secured Claims

Description	Balance 7/1/08	Adjustments	Interest	Balance 6/30/09
Mellon Bank - Joint Account	1,090,956.99	0.00	9,858.73	1,100,815.72
SPIA Account - Imagine Re	976,817.21	(3,402.31)	25,728.62	999,143.52
US Bank - Residual from closure of Imagine Re account	4.87	2,522.29	16.65	2,543.81
Totals:	<u>2,067,779.07</u>	<u>(880.02)</u>	<u>35,604.00</u>	<u>2,102,503.05</u>

**Florida Department of Financial Services, Division of Rehabilitation
and Liquidation**
American Superior Insurance Co. in Liquidation
Notes to Financial Statements
Dated June 30, 2009

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, 2008 through June 30, 2009. 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. **Cash - Restricted.** Cash, which is restricted in accordance with Florida statute, by court order, by loan or security agreement, by escrow agreement, or by any other legal means is generally unavailable for administrative expenses and is presented on the Statement of Affairs as "Cash-Restricted". The funds represent a court ordered distribution from the Imagine Re US Bank account to be held in an interest bearing state account until final court ordered disposition.
6. **Short Term Investments.** The investments are stated at fair value, which approximates market value. Market values are those provided by the depository trust institution in possession of the securities at the balance sheet date or through brokerage institutions. Where market values are not readily determinable, market value represents management's best estimate of the investments' fair value. In this estate the funds represent a residual money market account balance left in the US Bank account that held reinsurance funds pertaining to Imagine Re. These funds are being researched to determine the appropriate disposition.
7. **Short Term Investments - Restricted.** The investments are stated at fair value, which approximates market value. Market values are those provided by the depository trust institution in possession of the securities at the balance sheet date or through brokerage institutions. Where market values are not readily determinable, market value represents management's best estimate of the investments' fair value. The funds in this estate represent \$1.1 million from Imagine Insurance being held in a joint, interest bearing account at Mellon Bank that will not be released until there is an agreement between both parties or the court orders its release.
8. **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.
9. **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.
10. **Secured Claims.** The secured claims represent \$959,000 plus interest related to the Imagine Insurance Company reinsurance and \$1.09 million plus interest from Imagine Insurance being held in a joint, interest bearing account pursuant to a final judgment dated January 15, 2008. The Receiver is accounting for these funds separately until the appeals process is complete and the court instructs their release. Additionally, there is a small residual balance in the former Imagine Re US Bank account that the Receiver is researching to determine the final disposition.

**Florida Department of Financial Services, Division of Rehabilitation
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American Superior Insurance Co. in Liquidation
Notes to Financial Statements**

Dated June 30, 2009

11. **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, 2009.
12. **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.
13. **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.