

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Trans-Florida Casualty Insurance Co. in Liquidation**  
**Statement of Affairs**  
**As of December 31, 2010**

|                                       | <u>Estimated<br/>Realizable<br/>Value</u>      |
|---------------------------------------|--|
| <b>ASSETS</b>                         |  |
| Pooled Cash Due from the Admin Fund   | \$895,889.37                                   |
| Accrued Interest Receivable           | 763.18   |
|                                       | Total Assets                                   |
|                                       | \$896,652.55                                   |
| <b>LIABILITIES</b>                    |  |
| Loss Claims (Class 2)                 |  |
| - Other                               | 300.00   |
| General Creditor Claims (Class 6)     |  |
| - Other                               | 57,670.84                                      |
| Late Filed Claims (Class 8)           | 8,343.85                                       |
|                                       | Total Liabilities                              |
|                                       | \$66,314.69                                    |
| <b>EQUITY</b>                         |  |
| Contributed Equity - State of Florida | 205,446.11                                     |
| Estate Equity                         | 624,891.75                                     |
|                                       | Excess (Deficiency) of Assets over Liabilities |
|                                       | \$830,337.86                                   |
|                                       | Total Liabilities and Equity                   |
|                                       | \$896,652.55                                   |

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Trans-Florida Casualty Insurance Co. in Liquidation**  
**Statement of Cash Receipts and Disbursements**  
**From the Date of Liquidation through December 31, 2010**

|  | Fiscal Year<br>to Date | Since Date<br>of<br>Liquidation |
|--|------------------------|---------------------------------|
| <b>CASH RECEIPTS</b>                                       |                        |                                 |
| Premium Collections  | \$0.00                 | \$5,283.14                      |
| Reinsurance Recoveries                                     | 0.00                   | 15,308.00                       |
| Agents' Balances Recoveries                                | 0.00                   | 148,032.70                      |
| Subrogation and Salvage Recoveries                         | 0.00                   | 10.00                           |
| Litigation Recoveries                                      | 0.00                   | 4,561,050.00                    |
| Other Collections / Recoveries                             | 51.05                  | 432,811.70                      |
| Sale of Personal Property Inventory                        | 0.00                   | 1,220.00                        |
| Rental Income  | 0.00                   | 453.67                          |
| Mortgage Principal Recovery                                | 0.00                   | 311,018.97                      |
| Mortgage Interest Income                                   | 0.00                   | 16,697.38                       |
| Sale of Other Assets                                       | 0.00                   | 29,837.76                       |
| Receipts Before Investment Activities                      | 51.05                  | 5,521,723.32                    |
| Interest and Dividend Receipts                             | 14,031.24              | 783,210.19                      |
| Sale of Short Term Investment                              | 0.00                   | 440,000.00                      |
| Receipts From Investment Activities                        | 14,031.24              | 1,223,210.19                    |
| <b>Total Cash Receipts</b>                                 | <b>14,082.29</b>       | <b>6,744,933.51</b>             |
| <b>CASH DISBURSEMENTS &amp; DISTRIBUTIONS</b>              |                        |                                 |
| Professional Fees and Expenses                             | 54.68                  | 1,719,714.59                    |
| Salaries and Fringe Benefits                               | 18,543.87              | 878,685.49                      |
| Employee Welfare   | 16.72                  | 3,486.13                        |
| Travel Expenses  | 11.43                  | 19,201.54                       |
| Admin Expenses   | 142.03                 | 123,006.41                      |
| Equipment and Furniture Expenses                           | 71.18                  | 56,188.45                       |
| Rent, Building and Equipment                               | 1,115.15               | 168,601.20                      |
| Taxes  | 0.00                   | 824.13                          |
| Disbursements  | 19,955.06              | 2,969,707.94                    |
| Distributions  |                        |                                 |
| Administrative Claims (Class 1)                            | 0.00                   | 489,873.43                      |
| Loss Claims (Class 2)                                      | 0.00                   | 3,677,065.98                    |
| Unearned Premium-Non-Assessable Policies Claims (Class 3)  | 0.00                   | 386,640.78                      |
| Employee Claims (Class 5)                                  | 0.00                   | 3,212.00                        |
| General Creditors Claims (Class 6)                         | 10,632.51              | 10,632.51                       |
| Late Filed Claims (Class 8)                                | 18,591.82              | 18,591.82                       |
| Total Distributed  | 29,224.33              | 4,586,016.52                    |
| Disbursements & Distributions Before Investment Activities | 49,179.39              | 7,555,724.46                    |
| Financial Expenses   | 827.23                 | 20,489.35                       |
| Disbursements for Investment Activities                    | 827.23                 | 20,489.35                       |
| <b>Total Cash Disbursements &amp; Distributions</b>        | <b>50,006.62</b>       | <b>7,576,213.81</b>             |
| <b>Net Increase (Decrease) in Cash</b>                     | <b>(35,924.33)</b>     | <b>(831,280.30)</b>             |
| <b>Beginning Cash Balance:</b>                             |                        |                                 |
| Beginning Cash   | 931,813.70             | 1,727,169.67                    |
| Adjustments to Beginning Cash                              | 0.00                   | 0.00                            |

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

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation  
Trans-Florida Casualty Insurance Co. in Liquidation  
Statement of Cash Receipts and Disbursements  
From the Date of Liquidation through December 31, 2010**

|  | <u>Fiscal Year<br/>to Date</u> | <u>Since Date<br/>of<br/>Liquidation</u> |
|--|--------------------------------|--|
| <b>Adjusted Beginning Cash Balance</b> | <u><u>\$931,813.70</u></u>     | <u><u>\$1,727,169.67</u></u>             |
| <b>Ending Cash Balance</b>             | <b>895,889.37</b>              | <b>895,889.37</b>                        |

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

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Trans-Florida Casualty Insurance Co. in Liquidation**  
**Schedule of Accrued Interest Receivable**  
For the Six Months Ended December 31, 2010

**Accrued Interest Receivable**

| <u>Due from</u> | <u>Account</u>            | <u>Balance<br/>7/1/10</u> | <u>Accrued</u>   | <u>Received</u>    | <u>Balance<br/>12/31/10</u> |
|-----------------|---------------------------|---------------------------|------------------|--------------------|-----------------------------|
| State Treasury  | SPIA, 4-20-0-010000-00000 | 1,847.38                  | 13,151.60        | (14,235.80)        | 763.18                      |
| Totals:         |                           | <u>1,847.38</u>           | <u>13,151.60</u> | <u>(14,235.80)</u> | <u>763.18</u>               |

**Florida Department of Financial Services, Division of Rehabilitation  
and Liquidation  
Trans-Florida Casualty Insurance Co. in Liquidation  
Notes to Financial Statements**

**Dated December 31, 2010**

1. **Estate Information.** Trans-Florida Casualty Insurance Company was a property and casualty company domiciled in Florida and placed in liquidation on June 18, 1992.
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. **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. Claim liability numbers are based upon information and documentation provided to the Receiver as of September 30, 2010.
  - All classes of claims have been evaluated and reported to the court.
  - All objections have been resolved.
  - Class 1 Administrative Claims, Class 2 Loss Claims and Class 3 Unearned Premium Claims and Class 5 Employee Claims have been adjudicated and are reported net of distributions.
  - A Claims distribution in the amount of \$3,212.00 for Class 5 Employee Claims was authorized in October of 1993.
  - A Claims distribution in the amount of \$4,494,295.13 was authorized on October 14, 2005.
    - 100% was authorized for Class 1 Administrative Claims in the amount of \$430,588.37.
    - 100% was authorized for Class 2 Claims in the amount of \$3,677,065.98.
    - 100% was authorized for Class 3 Unearned Premium Claims in the amount of \$386,640.78.
    - A fourth interim claims report was approved by Estate Management.
  - A Fourth Interim Claims Report was filed with the court on July 24, 2009.
  - The objection deadline was August 13, 2009. No objections were filed.

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Notes to Financial Statements**

**Dated December 31, 2010**

- The Federal Priority issue has been resolved between the Receiver and the Department of Justice. The Second Judicial Circuit Court approved the agreement on March 19, 2010.
  - Due to the availability of additional assets in the estate the Receiver filed and Amended Final Claims Report and a Distribution Report authorizing a 100% distribution to Class 6 and class 8 claimants. The order was filed on December 07, 2010. The court order authorized \$95,239.02 for released but only \$29,224.33 was released and \$66,014.69 was suspended by accounting.
7. **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.