

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Union General Insurance Co. in Liquidation**  
**Statement of Affairs**  
**As of September 30, 2009**

	<u>Estimated Realizable Value</u>
<b>ASSETS</b>	
Pooled Cash Due from the Admin Fund	\$582,509.38
Accrued Interest Receivable	<u>1,223.33</u>
Total Assets	<u><u>\$583,732.71</u></u>
<b>LIABILITIES</b>	
General Creditor Claims (Class 6)	
- Other	50,929.04
Late Filed Claims (Class 8)	<u>30,139.47</u>
Total Liabilities	\$81,068.51
<b>EQUITY</b>	
Contributed Equity - State of Florida	318,971.15
Estate Equity	<u>183,693.05</u>
Excess (Deficiency) of Assets over Liabilities	<u>\$502,664.20</u>
Total Liabilities and Equity	<u><u>\$583,732.71</u></u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Union General Insurance Co. in Liquidation**  
**Statement of Cash Receipts and Disbursements**  
**From the Date of Liquidation through September 30, 2009**

	Fiscal Year to Date	Since Date of Liquidation
<b>CASH RECEIPTS</b>		
Premium Collections	\$0.00	\$37,794.76
Reinsurance Recoveries	0.00	5,410,906.21
Agents' Balances Recoveries	0.00	419,104.09
Subrogation and Salvage Recoveries	3,320.00	310,163.52
Litigation Recoveries	0.00	733,459.68
Other Collections / Recoveries	0.70	464,457.20
Sale of Personal Property Inventory	0.00	30,169.49
Sale of Real Property Inventory	0.00	1,717,169.50
Rental Income	0.00	453.67
Receipts Before Investment Activities	3,320.70	9,123,678.12
Interest and Dividend Receipts	3,891.77	4,721,957.38
Sale of Short Term Investment	0.00	785,000.00
Sale of Long Term Investment	0.00	850,000.00
Receipts From Investment Activities	3,891.77	6,356,957.38
<b>Total Cash Receipts</b>	<b>7,212.47</b>	<b>15,480,635.50</b>
<b>CASH DISBURSEMENTS &amp; DISTRIBUTIONS</b>		
Professional Fees and Expenses	1,130.24	979,604.93
Salaries and Fringe Benefits	1,365.32	1,420,623.16
Employee Welfare	3.77	17,390.63
Travel Expenses	0.60	41,451.40
Admin Expenses	69.85	283,180.27
Equipment and Furniture Expenses	19.79	153,229.38
Rent, Building and Equipment	413.50	280,410.78
Taxes	0.06	43,883.84
Disbursements	3,003.13	3,219,774.39
Distributions		
Administrative Claims (Class 1)	0.00	1,353,426.44
Loss Claims (Class 2)	0.00	9,302,271.26
Unearned Premium-Non-Assessable Policies Claims (Class 3)	0.00	1,615,636.67
Employee Claims (Class 5)	0.00	12,551.54
Claims-Other	0.00	128,578.70
Total Distributed	0.00	12,412,464.61
Disbursements & Distributions Before Investment Activities	3,003.13	15,632,239.00
Financial Expenses	207.15	40,438.89
Purchase Short Term Investment	0.00	35,000.00
Disbursements for Investment Activities	207.15	75,438.89
<b>Total Cash Disbursements &amp; Distributions</b>	<b>3,210.28</b>	<b>15,707,677.89</b>
<b>Net Increase (Decrease) in Cash</b>	<b>4,002.19</b>	<b>(227,042.39)</b>
<b>Beginning Cash Balance:</b>		
Beginning Cash	578,507.19	809,551.77
Adjustments to Beginning Cash	0.00	0.00
<b>Adjusted Beginning Cash Balance</b>	<b>578,507.19</b>	<b>809,551.77</b>

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

**UNAUDITED**

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Union General Insurance Co. in Liquidation**  
**Statement of Cash Receipts and Disbursements**  
**From the Date of Liquidation through September 30, 2009**

	<u>Fiscal Year to Date</u>	<u>Since Date of Liquidation</u>
Ending Cash Balance	<u>\$582,509.38</u>	<u>\$582,509.38</u>

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

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Union General Insurance Co. in Liquidation**  
**Schedule of Accrued Interest Receivable**  
**For the Three Months Ended September 30, 2009**

**Accrued Interest Receivable**

<b>Due from</b>	<b>Account</b>	<b>Balance 7/1/09</b>	<b>Accrued</b>	<b>Received</b>	<b>Balance 9/30/09</b>
State Treasury	SPIA, 4-20-0-010000-00000	1,152.22	4,915.54	(4,844.43)	1,223.33

Totals:	1,152.22	4,915.54	(4,844.43)	1,223.33
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**Florida Department of Financial Services, Division of Rehabilitation  
and Liquidation  
Union General Insurance Co. in Liquidation  
Notes to Financial Statements**

**Dated September 30, 2009**

1. **Estate Information.** Union General Insurance Co. was a property and casualty company domiciled in Florida and placed in liquidation on May 11, 1993.
2. **Basis of Presentation.** The accompanying financial statements have been prepared on the liquidation basis of accounting using a fiscal year of July 1, 2009 through June 30, 2010. 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. Claims liability numbers are based upon information and documentation provided to the Receiver as of June 30, 2009.
  - The second interim claims report was filed with the court on October 14, 2005.
  - The objection deadline of December 16, 2005 has passed and all filed objections have been resolved.
  - Class 5 Employee Claims are adjudicated and net of distributions.
  - A claims distribution in the amount of \$12,551.54 for Class 5 Employee Claims was authorized in February of 1994.
  - A 100% claims distribution for Class I Administrative Claims, Class 2 Loss Claims and Class 3 Unearned Premium Claims, in the amount of \$4,035,320.78 was authorized by the court on July 27, 2006. However, a revised accounting notice of distribution was filed with the court on September 6, 2006 reducing FIGA's Class II liabilities by \$4,254.36; thus reducing the distribution amount to \$4,031,066.42.
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.