

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Sunstar Health Plan, Inc. in Liquidation**  
**Statement of Affairs**  
**As of September 30, 2009**

	<u>Estimated Realizable Value</u>
<b>ASSETS</b>	
Cash-Restricted	\$3,594,442.20
Pooled Cash Due from the Admin Fund	7,672,934.83
Accrued Interest Receivable	<u>23,553.40</u>
Total Assets	<u><u>\$11,290,930.43</u></u>

<b>LIABILITIES</b>	
Secured Claims	3,594,442.20
Loss Claims (Class 2)	
- Other	22,192.48
Unearned Premium Claims	
under Non-assessable Policies (Class 3)	
- Other	19,352.04
Employee Claims (Class 5)	1,008.00
General Creditor Claims (Class 6)	
- Guaranty Associations	12,438,330.48
- Other	33,501,747.29
Late Filed Claims (Class 8)	<u>59,584.83</u>
Total Liabilities	<u>\$49,636,657.32</u>

<b>EQUITY</b>	
Contributed Equity - State of Florida	263,443.52
Estate Equity	<u>(38,609,170.41)</u>
Excess (Deficiency) of Assets over Liabilities	<u>(\$38,345,726.89)</u>
Total Liabilities and Equity	<u><u>\$11,290,930.43</u></u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Sunstar Health Plan, Inc. 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	\$718.41
Reinsurance Recoveries	0.00	243,212.79
Subrogation and Salvage Recoveries	0.00	7,791.59
Litigation Recoveries	0.00	5,020,297.32
Other Collections / Recoveries	540.29	3,791,331.64
Sale of Personal Property Inventory	0.00	1,074.62
Sale of Other Assets	0.00	71.28
Receipts Before Investment Activities	540.29	9,064,497.65
Interest and Dividend Receipts	75,735.67	4,088,377.82
Sale of Short Term Investment	0.00	300,000.00
Receipts From Investment Activities	75,735.67	4,388,377.82
<b>Total Cash Receipts</b>	<b>76,275.96</b>	<b>13,452,875.47</b>
<b>CASH DISBURSEMENTS &amp; DISTRIBUTIONS</b>		
Professional Fees and Expenses	86.61	7,567,910.26
Salaries and Fringe Benefits	5,021.77	2,016,506.21
Employee Welfare	50.12	10,252.43
Travel Expenses	8.05	94,218.20
Admin Expenses	338.96	234,377.50
Equipment and Furniture Expenses	268.71	80,681.60
Rent, Building and Equipment	2,243.67	295,598.10
Taxes	0.81	114.52
Litigation Settlement Payments	0.00	380,932.14
Reinsurance Premium Ceded	0.00	17,250.80
Disbursements	8,018.70	10,697,841.76
Distributions		
Secured Claims	0.00	161.85
Administrative Claims (Class 1)	0.00	1,973,221.14
Loss Claims (Class 2)	0.00	159,621.16
Unearned Premium-Non-Assessable Policies Claims (Class	0.00	85,318.54
Total Distributed	0.00	2,218,322.69
Disbursements & Distributions Before Investment Activities	8,018.70	12,916,164.45
Financial Expenses	3,960.82	154,622.73
Disbursements for Investment Activities	3,960.82	154,622.73
<b>Total Cash Disbursements &amp; Distributions</b>	<b>11,979.52</b>	<b>13,070,787.18</b>
<b>Net Increase (Decrease) in Cash</b>	<b>64,296.44</b>	<b>382,088.29</b>
<b>Beginning Cash Balance:</b>		
Beginning Cash	11,203,080.59	10,885,288.74
Adjustments to Beginning Cash	0.00	0.00
<b>Adjusted Beginning Cash Balance</b>	<b>11,203,080.59</b>	<b>10,885,288.74</b>
<b>Ending Cash Balance</b>	<b>11,267,377.03</b>	<b>11,267,377.03</b>

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

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Sunstar Health Plan, Inc. in Liquidation**  
**Schedule of Cash - Restricted**  
**For the Three Months Ended September 30, 2009**

**Cash - Restricted**

<u>Description</u>	<u>Account</u>	<u>Balance 7/1/09</u>	<u>Interest</u>	<u>Adjustments</u>	<u>Balance 9/30/09</u>
Premium Received after Liquidation	SPIA	3,594,442.20	0.00	0.00	3,594,442.20

Totals: 3,594,442.20      0.00      0.00      3,594,442.20

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Sunstar Health Plan, Inc. 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	22,584.31	95,274.89	(94,305.80)	23,553.40

Totals:	22,584.31	95,274.89	(94,305.80)	23,553.40
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**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Sunstar Health Plan, Inc. in Liquidation**  
**Schedule of Secured Claims**  
 For the Three Months Ended September 30, 2009

**Secured Claims**

Description	Balance 7/1/09	Adjustments	Balance 9/30/09
Premium Received after liquidation	3,594,442.20	0.00	3,594,442.20
Totals:	3,594,442.20	0.00	3,594,442.20

# Florida Department of Financial Services, Division of Rehabilitation and Liquidation

## Sunstar Health Plan, Inc. in Liquidation Notes to Financial Statements

Dated September 30, 2009

1. **Estate Information.** Sunstar Health Plan, Inc. was a health maintenance organization domiciled in Florida and placed in liquidation on February 1, 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, 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. **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 restricted cash for this estate consists of premium received after liquidation that is subject to resolution with the HMOCAP.
7. **Secured Claims.** The secured claims represent premium received after liquidation. A resolution to the treatment of this premium is being worked out with the HMOCAP.
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 June 30, 2009.
  - HMOCAP claims filed as of 01/30/01 have been prioritized pursuant to the court order entered on 11/07/03.
  - The 1<sup>st</sup> Interim Claims Report was filed with the court on July 21, 2004.
  - The 3<sup>rd</sup> Interim Claims Report was filed with the court on July 19, 2007.
  - A distribution in the amount of \$2,259,529.42 was authorized by the court on February 7, 2008. Of this amount, \$20,300.85 in checks have been voided due to incorrect addresses.
    - 100% was authorized for Class 1 Administrative Claims in the amount of \$1,973,221.14.
    - 100% was authorized for Class 2 Claims in the amount of \$181,763.64.
    - 100% was authorized for Class 3 Unearned Premium Claims in the amount of \$104,544.64.
    - Forty-five additional claims have been evaluated. A Fifth Interim Claims Report is pending.
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.