

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation  
Caduceus SIF 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	\$11,069,423.31
Accrued Interest Receivable	23,136.96
Reinsurance Recoverable	161,088.19
Allowance Reinsurance Recoverable	(161,088.19)
Accounts Receivable	<u>1,477,959.48</u>
Total Assets	<u><u>\$12,570,519.75</u></u>

<b>LIABILITIES</b>	
Loss Claims (Class 2)	
- Other	646,000.00
General Creditor Claims (Class 6)	
- Other	1,106,700.88
State & Local Government Claims (Class 7)	2,804.49
Surplus Notes/Unearned Premium Claims under Assessable Policies (Class 9)	
- Other	<u>109,236.92</u>
Total Liabilities	<u>\$1,864,742.29</u>

<b>EQUITY</b>	
Contributed Equity - State of Florida	240,827.33
Estate Equity	<u>10,464,950.13</u>
Excess (Deficiency) of Assets over Liabilities	<u>\$10,705,777.46</u>
Total Liabilities and Equity	<u><u>\$12,570,519.75</u></u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Caduceus SIF 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	\$262,300.56
Assessment Recoveries	0.00	1,359,146.30
Reinsurance Recoveries	2,787,570.58	5,582,735.10
Agents' Balances Recoveries	0.00	609,794.25
Litigation Recoveries	0.00	21,736,904.07
Tax Recoveries	14,419.00	1,402,716.02
Other Collections / Recoveries	15.27	123,364.21
Receipts Before Investment Activities	2,802,004.85	31,076,960.51
Interest and Dividend Receipts	65,369.68	4,206,500.10
Receipts From Investment Activities	65,369.68	4,206,500.10
<b>Total Cash Receipts</b>	<b>2,867,374.53</b>	<b>35,283,460.61</b>
<b>CASH DISBURSEMENTS &amp; DISTRIBUTIONS</b>		
Professional Fees and Expenses	86,714.53	10,494,438.92
Salaries and Fringe Benefits	46,984.87	1,794,030.01
Employee Welfare	83.26	8,058.08
Travel Expenses	101.80	12,377.66
Admin Expenses	316.02	32,792.39
Equipment and Furniture Expenses	443.77	46,508.32
Rent, Building and Equipment	2,251.04	127,712.52
Taxes	1.34	4,977,116.78
Disbursements	136,896.63	17,493,034.68
Distributions		
Loss Claims (Class 2)	0.00	8,175,975.87
Total Distributed	0.00	8,175,975.87
Disbursements & Distributions Before Investment Activities	136,896.63	25,669,010.55
Financial Expenses	4,241.50	113,762.40
Disbursements for Investment Activities	4,241.50	113,762.40
<b>Total Cash Disbursements &amp; Distributions</b>	<b>141,138.13</b>	<b>25,782,772.95</b>
<b>Net Increase (Decrease) in Cash</b>	<b>2,726,236.40</b>	<b>9,500,687.66</b>
<b>Beginning Cash Balance:</b>		
Beginning Cash	8,343,186.91	1,568,735.65
Adjustments to Beginning Cash	0.00	0.00
<b>Adjusted Beginning Cash Balance</b>	<b>8,343,186.91</b>	<b>1,568,735.65</b>
<b>Ending Cash Balance</b>	<b>11,069,423.31</b>	<b>11,069,423.31</b>

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

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Caduceus SIF in Liquidation**  
**Schedule of Accrued Interest Receivable**  
**For the Twelve Months Ended September 30, 2009**

**Accrued Interest Receivable**

<u>Due from</u>	<u>Account</u>	<u>Balance 7/1/09</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance 9/30/09</u>
State Treasury	SPIA, 4-20-0-010000-00000	16,864.25	84,942.62	(78,669.91)	23,136.96
Totals:		<u>16,864.25</u>	<u>84,942.62</u>	<u>(78,669.91)</u>	<u>23,136.96</u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Caduceus SIF in Liquidation**  
**Schedule of Reinsurance Recoverables - Net of Allowance**  
**For the Three Months Ended September 30, 2009**

**Reinsurance Recoverables**

<b>Recovery Agent</b>	<b>Balance 07/01/2009</b>	<b>Billed</b>	<b>Recovered</b>	<b>Balance 09/30/2009</b>
Ormond	161,088.19	2,787,570.58	(2,787,570.58)	161,088.19
	<u>161,088.19</u>	<u>2,787,570.58</u>	<u>(2,787,570.58)</u>	<u>161,088.19</u>

**Allowance Reinsurance**

<b>Recovery Agent</b>	<b>Balance 07/01/2009</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance 09/30/2009</b>
Ormond	(161,088.19)	0.00	0.00	(161,088.19)
Total	<u>(161,088.19)</u>	<u>0.00</u>	<u>0.00</u>	<u>(161,088.19)</u>

**Reinsurance Recoverables - Net of Allowance**

0.00

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Caduceus SIF in Liquidation**  
**Schedule of Accounts Receivable**  
**For the Twelve Months Ended September 30, 2009**

**Assessments Collections Receivable**

<u>Description</u>	<u>Balance 7/1/09</u>	<u>Adjustments</u>	<u>Balance 9/30/09</u>
Promissory Notes	1,477,959.48	0.00	1,477,959.48
Totals:	<u>1,477,959.48</u>	<u>0.00</u>	<u>1,477,959.48</u>

**Florida Department of Financial Services, Division of Rehabilitation  
and Liquidation  
Caduceus SIF in Liquidation  
Notes to Financial Statements**

**Dated September 30, 2009**

1. **Estate Information.** Caduceus SIF was a medical malpractice self-insured fund domiciled in Florida and placed in liquidation on January 3, 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. **Reinsurance.** Reinsurance receivables have resulted from losses that have been paid and billed to the reinsurer(s). The financial statements reflect the gross amount of the billed losses less an allowance for any receivable(s) currently considered to be uncollectible. The receivable amount may include paid losses that are ceded to one or more reinsurance contracts being collected on behalf of the Receiver by an intermediary.
7. **Accounts Receivable.** Represents the gross amount of promissory notes payable to the Receiver for assessments collections receivable.
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.
  - The 1<sup>st</sup> Interim Claims Report was filed with the Court on April 12, 2007.
  - The objection deadline was May 15, 2007. 15 objections were timely filed.
  - All objections have been resolved except for two. The pending two objections have an additional exposure of \$500,000. The objection hearings were ruled in favor of the receiver however the claimants filed an appeal with appellant court.
  - A 100% distribution to Class 2 Claimants was authorized by the courts on December 06, 2007 in the amount of \$8,821,975.87. However only \$8,175,975.87 has been released; \$7,641,182.03 was released on December 11, 2007 and \$534,793.84 was released on December 20, 2007.
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.