

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Queensway Casualty Insurance Co. in Liquidation
Statement of Affairs
As of June 30, 2011

	<u>Estimated Realizable Value</u>
ASSETS	
Pooled Cash Due from the Admin Fund	\$67,637.41
Accrued Interest Receivable	102.44
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Total Assets	<u><u>\$67,739.85</u></u>

LIABILITIES	
Unclaimed Property	45,413.37
State Regulatory Trust Fund Payable	40,000.00
Unearned Premium Claims under Non-assessable Policies (Class 3)	
- Guaranty Associations	949,076.62
- Other	26,425.56
General Creditor Claims (Class 6)	
- Other	491,674.90
Late Filed Claims (Class 8)	1,719,297.88
Surplus Notes/Unearned Premium Claims under Assessable Policies (Class 9)	
- Other	500,000.00
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Total Liabilities	\$3,771,888.33

EQUITY	
Contributed Equity - State of Florida	171,607.74
Estate Equity	(3,875,756.22)
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Excess (Deficiency) of Assets over Liabilities	(\$3,704,148.48)
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Total Liabilities and Equity	<u><u>\$67,739.85</u></u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Queensway Casualty Insurance Co. in Liquidation
Statement of Cash Receipts and Disbursements
From the Date of Liquidation through June 30, 2011

	Fiscal Year to Date	Since Date of Liquidation
CASH RECEIPTS		
Premium Collections	\$0.00	\$12,900.99
Reinsurance Recoveries	0.00	1,360,738.92
Agents' Balances Recoveries	0.00	215,528.24
Subrogation and Salvage Recoveries	0.00	77,214.96
Litigation Recoveries	0.00	116,262.26
Advance Insurance Regulatory Trust Fund	40,000.00	40,000.00
Other Collections / Recoveries	29.44	18,466.96
Sale of Personal Property Inventory	0.00	0.66
Mortgage Principal Recovery	0.00	209,352.48
Mortgage Interest Income	0.00	127,662.17
Receipts Before Investment Activities	40,029.44	2,178,127.64
Interest and Dividend Receipts	7,411.37	2,189,630.13
Sale of Short Term Investment	0.00	1,284,184.13
Sale of Long Term Investment	0.00	826,078.22
Receipts From Investment Activities	7,411.37	4,299,892.48
Total Cash Receipts	47,440.81	6,478,020.12
CASH DISBURSEMENTS & DISTRIBUTIONS		
Professional Fees and Expenses	3,143.70	237,755.12
Salaries and Fringe Benefits	44,929.14	917,521.03
Employee Welfare	7.83	5,732.35
Travel Expenses	5.36	10,426.72
Admin Expenses	215.58	49,392.79
Equipment and Furniture Expenses	32.97	35,396.61
Rent, Building and Equipment	1,411.75	84,107.00
Taxes	0.00	81.70
Disbursements	49,746.33	1,340,413.32
Distributions		
Administrative Claims (Class 1)	0.00	1,732,298.00
Loss Claims (Class 2)	0.00	5,956,046.22
Unearned Premium-Non-Assessable Policies Claims (Class	374,577.75	374,577.75
Total Distributed	374,577.75	8,062,921.97
Disbursements & Distributions Before Investment Activities	424,324.08	9,403,335.29
Financial Expenses	639.60	62,287.36
Disbursements for Investment Activities	639.60	62,287.36
Total Cash Disbursements & Distributions	424,963.68	9,465,622.65
Net Increase (Decrease) in Cash	(377,522.87)	(2,987,602.53)
Beginning Cash Balance:		
Beginning Cash	445,160.28	3,055,239.94
Adjustments to Beginning Cash	0.00	0.00
Adjusted Beginning Cash Balance	445,160.28	3,055,239.94
Ending Cash Balance	67,637.41	67,637.41

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Queensway Casualty Insurance Co. in Liquidation
Schedule of Accrued Interest Receivable
For the Twelve Months Ended June 30, 2011

Accrued Interest Receivable

Due from	Account	Balance 7/1/10	Accrued	Received	Balance 6/30/11
State Treasury	SPIA, 4-20-0-010000-00000	895.71	6,543.22	(7,336.49)	102.44
Totals:		<u>895.71</u>	<u>6,543.22</u>	<u>(7,336.49)</u>	<u>102.44</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Queensway Casualty Insurance Co. in Liquidation
Schedule of Unclaimed Property
For the Twelve Months Ended June 30, 2011

Unclaimed Property

Description	Balance 7/1/10	Accrued	Balance 6/30/11
Due to Abandoned Property	0.00	45,413.37	45,413.37
Totals:	<u>0.00</u>	<u>45,413.37</u>	<u>45,413.37</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Queensway Casualty Insurance Co. in Liquidation
Schedule of Accounts Payable
For the Twelve Months Ended June 30, 2011

State Regulatory Trust Fund Payable

Description	Balance 7/1/10	Received	Balance 6/30/11
Borrowed to Finance Estate Operations	0.00	40,000.00	40,000.00
Totals:	<u>0.00</u>	<u>40,000.00</u>	<u>40,000.00</u>

**Florida Department of Financial Services, Division of Rehabilitation
and Liquidation**
Queensway Casualty Insurance Co. in Liquidation
Notes to Financial Statements
Dated June 30, 2011

1. **Estate Information.** Queensway Casualty Insurance Co. was a property and casualty company domiciled in Florida and placed in liquidation on January 18, 2001.
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. **Unclaimed Property.** The Unclaimed Property funds consist of claim distribution funds for claimants who could not be located. The funds are due to the Unclaimed Property section of the State of Florida.
7. **State Regulatory Trust Fund Payable.** Represents an initial funding request to subsidize projected administrative costs of the receivership while recoveries are being pursued. If there are sufficient funds at discharge the Receiver will pay back the principal plus interest.
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 March 31, 2011.
 - The 1st Interim Claims Report was filed with the court on June 11, 2008.
 - Class I and class II claims are the only classes of claims evaluated. All other claims are being reported as gross filed.
 - The objection deadline was July 31, 2008.
 - Two objections were filed and they have been resolved.
 - A 100% distribution to Class I and Class II claimants was authorized by the courts on August 07, 2009. \$7,689,744.22 was dispersed to claimants and \$42,487.99 was suspended either due to incorrect address or a pending W-9 issue.
 - Additional assets were recovered by the receiver; therefore it became necessary to evaluate the class III return premium claims. The evaluation process has been completed and the 2nd interim claims report has been approved by Estate Management.

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Notes to Financial Statements
Dated June 30, 2011

- The Second Interim Claims Report was filed with the courts on April 5, 2010. The deadline for claimants to object to the receiver's recommendation is June 30, 2010. Five objections were filed and all of them have been resolved.
 - An order was entered approving the Final Claims Report-Part II and Distribution Report for Class III claimants on December 13, 2010. A 27.9011% distribution in the amount \$377,375.24 was approved; \$367,277.19 for FIGA and \$10,098.05 for the other claimants. \$127.89 was suspended because of no better address.
 - All voided and suspended checks have been moved to the Unclaimed Property Account in preparation for discharge of this estate. The claim liability numbers have been adjusted accordingly.
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.