

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

	<u>Estimated Realizable Value</u>
ASSETS	
Pooled Cash Due from the Admin Fund	\$7,973,450.93
Short Term Investments-Restricted	1,103,592.72
Accrued Interest Receivable	16,647.98
Advance to Guaranty Associations	10,650,000.00
FI Hurricane Cat Fund Payments to Guaranty Assoc.	66,213,947.25
Total Assets	<u><u>\$85,957,638.88</u></u>

LIABILITIES	
Secured Claims	1,103,592.72
Administrative Claims (Class 1)	
- Guaranty Associations	14,588,814.68
Loss Claims (Class 2)	
- Guaranty Associations	145,304,800.53
- Other	14,578,634.68
Unearned Premium Claims	
under Non-assessable Policies (Class 3)	
- Guaranty Associations	12,156,468.53
- Other	3,079,393.62
Federal Government Claims (Class 4)	44,049.36
General Creditor Claims (Class 6)	
- Other	1,540,410.47
State & Local Government Claims (Class 7)	6,370.51
Late Filed Claims (Class 8)	2,744,941.66
Total Liabilities	<u>\$195,147,476.76</u>

EQUITY	
Contributed Equity - State of Florida	148,861.09
Estate Equity	<u>(109,338,698.97)</u>
Excess (Deficiency) of Assets over Liabilities	<u>(\$109,189,837.88)</u>
Total Liabilities and Equity	<u><u>\$85,957,638.88</u></u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
American Superior 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
CASH RECEIPTS		
Premium Collections	\$381.00	\$602,683.07
Assessment Recoveries	49.12	82.79
Reinsurance Recoveries	0.00	12,358,635.46
Agents' Balances Recoveries	0.00	382,524.06
Subrogation and Salvage Recoveries	425.00	198,828.96
Tax Recoveries	4,211.40	4,509.75
Other Collections / Recoveries	(952,988.51)	2,097,974.87
Sale of Personal Property Inventory	0.00	59,770.64
Receipts Before Investment Activities	(947,921.99)	15,705,009.60
Interest and Dividend Receipts	14,413.38	1,746,018.13
Sale of Short Term Investment	0.00	3,254,027.65
Sale of Long Term Investment	0.00	45,973.54
Receipts From Investment Activities	14,413.38	5,046,019.32
Total Cash Receipts	(933,508.61)	20,751,028.92
CASH DISBURSEMENTS & DISTRIBUTIONS		
Professional Fees and Expenses	29,386.06	3,371,661.87
Salaries and Fringe Benefits	14,222.09	2,758,195.29
Employee Welfare	559.95	6,101.17
Travel Expenses	217.09	15,735.82
Admin Expenses	1,649.06	221,089.51
Equipment and Furniture Expenses	2,993.35	39,598.46
Rent, Building and Equipment	14,010.66	150,365.99
Taxes	8.97	232,029.88
Disbursements	63,047.23	6,794,777.99
Distributions		
Administrative Claims (Class 1)	0.00	56,068.51
Loss Claims (Class 2)	0.00	6,136.78
Unearned Premium-Non-Assessable Policies Claims (Class	0.00	189,919.53
Early Access-Guaranty Associations	0.00	10,650,000.00
Total Distributed	0.00	10,902,124.82
Disbursements & Distributions Before Investment Activities	63,047.23	17,696,902.81
Financial Expenses	2,873.43	90,588.96
Disbursements for Investment Activities	2,873.43	90,588.96
Total Cash Disbursements & Distributions	65,920.66	17,787,491.77
Net Increase (Decrease) in Cash	(999,429.27)	2,963,537.15
Beginning Cash Balance:		
Beginning Cash	8,972,880.20	3,527,531.53
Adjustments to Beginning Cash	0.00	1,482,382.25
Adjusted Beginning Cash Balance	8,972,880.20	5,009,913.78
Ending Cash Balance	7,973,450.93	7,973,450.93

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

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
American Superior Insurance Co. in Liquidation
Schedule of Short Term Investments - Restricted
For the Three Months Ended September 30, 2009

Money Market Account

Description	Balance 7/1/09	Interest Reinvested	Reclassifications	Balance 9/30/09
Mellon Bank	1,100,815.72	2,777.00	0.00	1,103,592.72
	<u>1,100,815.72</u>	<u>2,777.00</u>	<u>0.00</u>	<u>1,103,592.72</u>

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

Accrued Interest Receivable

<u>Description</u>		<u>Balance</u> <u>7/1/09</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance</u> <u>9/30/09</u>
State Treasury	SPIA, 4-20-0-010000-00000	16,602.38	68,446.93	(68,401.33)	16,647.98
Totals:		<u>16,602.38</u>	<u>68,446.93</u>	<u>(68,401.33)</u>	<u>16,647.98</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
American Superior Insurance Co. in Liquidation
Schedule of Advance to Guaranty Association
For the Three Months Ended September 30, 2009

Advance To Guaranty Association

<u>Description</u>	<u>Balance 7/1/09</u>	<u>Advanced</u>	<u>Recovered</u>	<u>Balance 9/30/09</u>
Florida Insurance Guaranty Association	10,650,000.00	0.00	0.00	10,650,000.00
Totals:	<u>10,650,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>10,650,000.00</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
American Superior Insurance Co. in Liquidation
Schedule of FHCF Advance to Guaranty Association
For the Three Months Ended September 30, 2009

Florida Hurricane Catastrophe Fund
Advance To Guaranty Association

Description	Balance 7/1/09	Advanced	Recovered	Balance 9/30/09
Florida Insurance Guaranty Association	66,213,947.25	0.00	0.00	66,213,947.25
Totals:	<u>66,213,947.25</u>	<u>0.00</u>	<u>0.00</u>	<u>66,213,947.25</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
American Superior Insurance Co. in Liquidation
Schedule of Secured Claims
For the Three Months Ended September 30, 2009

Secured Claims

Description	Balance 7/1/09	Adjustments	Interest	Balance 9/30/09
Mellon Bank - Joint Account	1,100,815.72	0.00	2,777.00	1,103,592.72
Totals:	<u>1,100,815.72</u>	<u>0.00</u>	<u>2,777.00</u>	<u>1,103,592.72</u>

**Florida Department of Financial Services, Division of Rehabilitation
and Liquidation**
American Superior Insurance Co. in Liquidation
Notes to Financial Statements

Dated September 30, 2009

1. **Estate Information.** American Superior Insurance Co. was a property and casualty company domiciled in Florida and placed in liquidation on December 15, 2004.
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. **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 to/from the Admin Fund".
5. **Short Term Investments - Restricted.** The investments are stated at fair value, which approximates market value. Market values are those provided by the depository trust institution in possession of the securities at the balance sheet date or through brokerage institutions. Where market values are not readily determinable, market value represents management's best estimate of the investments' fair value. The funds in this estate represent \$1.1 million from Imagine Insurance being held in a joint, interest bearing account at Mellon Bank that will not be released until there is an agreement between both parties or the court orders its release.
6. **Advance to Guaranty Association(s).** Represents funds advanced to guaranty associations for the payment of covered claims and expenses. The guaranty association is obligated to promptly return any or all of these funds if the Receiver determines that repayment of claims of equal or superior priority is necessary.
7. **Florida Hurricane Catastrophe Fund (FHCF) Advance to Guaranty Association (FIGA).** Represents funds advanced directly from FHCF to FIGA for the payment of covered claims and expenses pursuant to Chapter 215, Florida Statutes. The guaranty association is obligated to promptly return any or all of these funds if the Receiver determines that repayment of claims of equal or superior priority is necessary.
8. **Secured Claims.** The secured claim represents \$1.1 million from Imagine Insurance being held in a joint, interest bearing account pursuant to a final judgment dated January 15, 2008. These funds will be released when there is an agreement between both parties approved by the court.
9. **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.
10. **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.
11. **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.