

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
American Superior Insurance Co. in Liquidation
Statement of Affairs
As of December 31, 2010

	<u>Estimated Realizable Value</u>
ASSETS	
Pooled Cash Due from the Admin Fund	\$3,087,552.17
Accrued Interest Receivable	2,590.19
Reinsurance Recoverable	13,551.16
Advance to Guaranty Associations	15,650,000.00
Fl Hurricane Cat Fund Payments to Guaranty Assoc.	<u>66,213,947.25</u>
Total Assets	<u><u>\$84,967,640.77</u></u>

LIABILITIES	
Administrative Claims (Class 1)	
- Guaranty Associations	14,577,825.02
Loss Claims (Class 2)	
- Guaranty Associations	144,991,550.51
- Other	347,121.06
Unearned Premium Claims under Non-assessable Policies (Class 3)	
- Guaranty Associations	12,160,082.53
- Other	3,064,344.70
Federal Government Claims (Class 4)	18,700.00
General Creditor Claims (Class 6)	
- Other	584,984.95
State & Local Government Claims (Class 7)	6,370.51
Late Filed Claims (Class 8)	<u>2,744,939.66</u>
Total Liabilities	\$178,495,918.94

EQUITY	
Contributed Equity - State of Florida	185,606.02
Estate Equity	<u>(93,713,884.19)</u>
Excess (Deficiency) of Assets over Liabilities	<u>(\$93,528,278.17)</u>
Total Liabilities and Equity	<u><u>\$84,967,640.77</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 December 31, 2010

	Fiscal Year to Date	Since Date of Liquidation
CASH RECEIPTS		
Premium Collections	\$0.00	\$602,683.07
Assessment Recoveries	0.00	82.79
Reinsurance Recoveries	38,107.58	12,430,620.94
Agents' Balances Recoveries	0.00	382,524.06
Subrogation and Salvage Recoveries	750.00	201,912.07
Litigation Recoveries	0.00	50,000.00
SDTF Reimbursements	212.00	212.00
Tax Recoveries	205,394.81	229,036.43
Other Collections / Recoveries	5,323.75	2,109,268.00
Sale of Personal Property Inventory	0.00	59,770.64
Receipts Before Investment Activities	249,788.14	16,066,110.00
Interest and Dividend Receipts	87,807.68	1,870,563.99
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	87,807.68	5,170,565.18
Total Cash Receipts	337,595.82	21,236,675.18
CASH DISBURSEMENTS & DISTRIBUTIONS		
Professional Fees and Expenses	81,404.12	3,515,138.74
Salaries and Fringe Benefits	54,730.07	2,876,287.12
Employee Welfare	1,606.97	9,677.92
Travel Expenses	1,110.51	17,981.90
Admin Expenses	3,814.08	228,504.52
Equipment and Furniture Expenses	6,843.72	54,524.05
Rent, Building and Equipment	27,754.71	222,039.85
Taxes	0.00	232,038.27
Disbursements	177,264.18	7,156,192.37
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	3,000,000.00	15,650,000.00
Total Distributed	3,000,000.00	15,902,124.82
Disbursements & Distributions Before Investment Activities	3,177,264.18	23,058,317.19
Financial Expenses	3,241.40	100,719.60
Disbursements for Investment Activities	3,241.40	100,719.60
Total Cash Disbursements & Distributions	3,180,505.58	23,159,036.79
Net Increase (Decrease) in Cash	(2,842,909.76)	(1,922,361.61)
Beginning Cash Balance:		
Beginning Cash	5,930,461.93	3,527,531.53
Adjustments to Beginning Cash	0.00	1,482,382.25
Adjusted Beginning Cash Balance	5,930,461.93	5,009,913.78

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
Statement of Cash Receipts and Disbursements
From the Date of Liquidation through December 31, 2010**

	<u>Fiscal Year to Date</u>	<u>Since Date of Liquidation</u>
Ending Cash Balance	\$3,087,552.17	\$3,087,552.17

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 Accrued Interest Receivable
For the Six Months Ended December 31, 2010

Accrued Interest Receivable

Description		Balance 7/1/10	Accrued	Received	Balance 12/31/10
State Treasury	SPIA, 4-20-0-010000-00000	12,819.76	76,903.87	(87,133.44)	2,590.19
Totals:		<u>12,819.76</u>	<u>76,903.87</u>	<u>(87,133.44)</u>	<u>2,590.19</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
American Superior Insurance Company in Liquidation
Schedule of Reinsurance Recoverables - Net of Allowance
For the Six Months Ended December 31, 2010

Reinsurance Recoverables

Recovery Agent	Balance 07/01/2010	Billed	Recovered	Adjustments	Balance 12/31/2010
Financial Services	13,551.16	38,107.58	(38,107.58)	0.00	13,551.16
Total	13,551.16	38,107.58	(38,107.58)	0.00	13,551.16

Allowance Reinsurance

Recovery Agent	Balance 07/01/2010	Increases	Decreases	Balance 12/31/2010
Financial Services	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00

Reinsurance Recoverables - Net of Allowance

13,551.16

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
American Superior Insurance Co. in Liquidation
Schedule of Advance to Guaranty Association
For the Six Months Ended December 31, 2010

Advance To Guaranty Association

<u>Description</u>	<u>Balance 7/1/10</u>	<u>Advanced</u>	<u>Recovered</u>	<u>Balance 12/31/10</u>
Florida Insurance Guaranty Association	12,650,000.00	3,000,000.00	0.00	15,650,000.00
Totals:	<u>12,650,000.00</u>	<u>3,000,000.00</u>	<u>0.00</u>	<u>15,650,000.00</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 Six Months Ended December 31, 2010

Florida Hurricane Catastrophe Fund
Advance To Guaranty Association

<u>Description</u>	<u>Balance 7/1/10</u>	<u>Advanced</u>	<u>Recovered</u>	<u>Balance 12/31/10</u>
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 Notes to Financial Statements

Dated September December 31, 2010

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, 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. **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. **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.
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. **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 September 30, 2010.
 - Class I and Class II claims are the classes of claims evaluated. All other claims are being reported as gross filed.
 - The First Interim Claims Report has been approved by Estate Management. The First Interim Claims Report was filed with the courts on September 27, 2010. The notice of determination deadline for filing an objection was November 30, 2010.
 - Twenty objections have been filed thus far. The unresolved disputed amount is \$646,952.99. One objection has been resolved.
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.