

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
MD Medicare Choice in Liquidation
Statement of Cash Receipts and Disbursements
From the Date of Liquidation through September 30, 2013

	Fiscal Year to Date	Since Date of Liquidation
CASH RECEIPTS		
Premium Collections	\$0.00	\$274.40
Reinsurance Recoveries	0.00	317,462.21
Subrogation and Salvage Recoveries	0.00	13,342.89
Other Collections / Recoveries	0.00	17,130,558.59
Sale of Personal Property Inventory	0.00	173,359.96
Receipts Before Investment Activities	0.00	17,634,998.05
Interest and Dividend Receipts	43,913.74	1,944,173.46
Sale of Short Term Investment	0.00	497,886.93
Receipts From Investment Activities	43,913.74	2,442,060.39
Total Cash Receipts	43,913.74	20,077,058.44
CASH DISBURSEMENTS & DISTRIBUTIONS		
Professional Fees and Expenses	26,062.99	369,198.90
Salaries and Fringe Benefits	16,655.15	2,133,344.34
Employee Welfare	157.05	2,519.78
Travel Expenses	88.55	101,116.90
Admin Expenses	179.32	230,855.06
Equipment and Furniture Expenses	904.16	18,508.25
Rent, Building and Equipment	4,649.58	178,713.93
Taxes	0.00	278,961.56
Disbursements	48,696.80	3,313,218.72
Distributions		
Secured Claims	0.00	549,642.92
Loss Claims (Class 2)	(100.00)	1,116.68
Total Distributed	(100.00)	550,759.60
Disbursements & Distributions Before Investment Activities	48,596.80	3,863,978.32
Financial Expenses	6,349.58	113,930.88
Disbursements for Investment Activities	6,349.58	113,930.88
Total Cash Disbursements & Distributions	54,946.38	3,977,909.20
Net Increase (Decrease) in Cash	(11,032.64)	16,099,149.24
Beginning Cash Balance:		
Beginning Cash	19,492,759.02	398,365.45
Adjustments to Beginning Cash	0.00	2,984,211.69
Adjusted Beginning Cash Balance	19,492,759.02	3,382,577.14
Ending Cash Balance	19,481,726.38	19,481,726.38

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
MD Medicare Choice in Liquidation
Schedule of Accrued Interest Receivable
For the Three Months Ended September 30, 2013

Accrued Interest Receivable

Description		Balance 7/1/13	Accrued	Received	Balance 9/30/13
State Treasury	SPIA, 4-20-0-010000-00000	21,521.47	40,615.62	(49,805.51)	12,331.58
Totals:		<u>21,521.47</u>	<u>40,615.62</u>	<u>(49,805.51)</u>	<u>12,331.58</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
MD Medicare Choice in Liquidation
Schedule of Accounts Receivable
For the Three Months Ended September 30, 2013

Other Collection / Recovery Receivable

Description	Balance 7/1/13	Adjustments	Received	Balance 9/30/13
FL Bank Reserve Fund Balance	266,794.81	0.00	0.00	266,794.81
Employee Receivable	7,126.47	0.00	(607.01)	6,519.46
	<u>273,921.28</u>	<u>0.00</u>	<u>(607.01)</u>	<u>273,314.27</u>

Allowance - Other Collection / Recovery Receivable

Description	Balance 7/1/13	Received	Adjustments	Balance 9/30/13
FL Bank Reserve Fund Balance	(266,794.81)	0.00	0.00	(266,794.81)
	<u>(266,794.81)</u>	<u>0.00</u>	<u>0.00</u>	<u>(266,794.81)</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
MD Medicare Choice in Liquidation
Schedule of Distribution Liability
For the Three Months Ended September 30, 2013

Distribution Liability

Due from	Account	Balance 7/1/11	Adjustments	Balance 9/30/13
	Unreleased/unissued distribution amounts	0.00	100.00	100.00
Totals:		0.00	100.00	100.00

**Florida Department of Financial Services, Division of Rehabilitation
and Liquidation**
MD Medicare Choice, Inc. in Liquidation
Notes to Financial Statements
September 30, 2013

1. **Estate Information.** MD Medicare Choice, Inc. was a health maintenance organization domiciled in Florida and placed in liquidation on September 30, 2008.
2. **Basis of Presentation.** The accompanying financial statements have been prepared on a modified cash basis of accounting using a fiscal year of July 1, 2013 through June 30, 2014. The assets are stated at their estimated realizable values, while the liabilities are stated at their gross filed amounts and are periodically adjusted as evaluated, adjudicated and/or paid. Interest is accrued and reinsurance receivables are only posted when billed to reinsurers. In addition, the statements do not provide accruals for all future administrative expenses 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.

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".

"Pooled Cash Reserved for Distributions" is a segregated amount of Pooled Cash that represents the remaining amount of Pooled Cash reserved for a court authorized distribution(s) that has not been released or reissued.

4. **Accounts Receivable.** This accounts receivable represents the remaining funds due to MD Medicare's Florida Bank account from the Reserve Fund. As of 6/30/13 99.04% of the Reserve Fund assets have been distributed. It also includes advances to employees made at the time of liquidation that are due back to the estate and for which we have promissory notes.
5. **Allowance -- Accounts Receivable.** An estimate of uncollectible or impaired amounts for certain assets. This allowance represents the Reserve Fund balance due to MD Medicare's Florida Bank account.
6. **Distribution Liability.** . Represents the remaining liability for a court authorized distribution(s) that has not been released because the Receiver does not have a good mailing address for the claimant or does not have a completed W9 from the claimant.
7. **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 at June 30, 2013.

Pursuant to Section 631.271(1)(k), Florida Statutes 2012, all shareholder claims are now classified as Class 11 claims. The Receiver's interpretation of the applicable statutes may be subject to judicial review

- Seventy-seven claimants were identified as having a "secured claim" against the estate. On September 26, 2011 a court order was entered authorizing the Receiver to release Escrowed Funds in settlement and payment of these "secured claims" in the amount of \$549,642.92.
 - Class II claims are the only claims evaluated. All other claims are being reported as gross-filed.
 - A 100% claims distribution for class II loss claims in the amount of \$1,216.68 was authorized by the court on June 7, 2013 and the seven checks were mailed June 25, 2013.
 - A class IV Federal Government claim is being reviewed at this time.
8. **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.

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

**MD Medicare Choice, Inc. in Liquidation
Notes to Financial Statements**

September 30, 2013

- 9. 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.