

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Northern Capital Insurance Company in Liquidation
Statement of Affairs
As of June 30, 2013

	<u>Estimated Realizable Value</u>
ASSETS	
Pooled Cash Due from the Admin Fund	\$15,258,790.46
Accrued Interest Receivable	14,705.15
Accounts Receivable	5,814.87
Advance to Guaranty Associations	<u>59,194,147.43</u>
Total Assets	<u><u>\$74,473,457.91</u></u>

LIABILITIES	
Secured Claims	3,930,215.38
Administrative Claims (Class 1)	
- Guaranty Associations	10,197,569.30
Loss Claims (Class 2)	
- Guaranty Associations	37,479,235.21
- Other	48,972.41
Unearned Premium Claims under Non-assessable Policies (Class 3)	
- Guaranty Associations	34,243,491.28
- Other	5,102,909.04
Federal Government Claims (Class 4)	1,596.74
Employee Claims (Class 5)	24,000.00
General Creditor Claims (Class 6)	
- Other	6,870,479.69
State & Local Government Claims (Class 7)	13,767.00
Late Filed Claims (Class 8)	2,178,052.38
Shareholder Claims (Class 11)	<u>3,338,027.42</u>
Total Liabilities	<u>\$103,428,315.85</u>

EQUITY	
Contributed Equity - State of Florida	99,284.18
Estate Equity	<u>(29,054,142.12)</u>
Excess (Deficiency) of Assets over Liabilities	<u>(\$28,954,857.94)</u>
Total Liabilities and Equity	<u><u>\$74,473,457.91</u></u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Northern Capital Insurance Company in Liquidation
Statement of Cash Receipts and Disbursements
From the Date of Liquidation through June 30, 2013

	Fiscal Year to Date	Since Date of Liquidation
CASH RECEIPTS		
Premium Collections	\$0.00	\$20,550.69
Agents' Balances Recoveries	126,705.94	1,924,461.88
Subrogation and Salvage Recoveries	7,345.79	17,267.73
Tax Recoveries	3,930,215.38	3,930,260.65
Other Collections / Recoveries	2,405.42	1,562,835.32
Sale of Personal Property Inventory	0.00	72,362.60
Sale of Real Property Inventory	245,000.00	2,485,000.00
Rental Income	0.00	79,495.00
Receipts Before Investment Activities	4,311,672.53	10,092,233.87
Interest and Dividend Receipts	326,636.04	2,206,463.43
Sale of Short Term Investment	0.00	52,946,750.97
Receipts From Investment Activities	326,636.04	55,153,214.40
Total Cash Receipts	4,638,308.57	65,245,448.27
CASH DISBURSEMENTS & DISTRIBUTIONS		
Professional Fees and Expenses	320,992.27	1,142,436.94
Salaries and Fringe Benefits	282,171.84	1,897,728.14
Employee Welfare	2,369.29	6,045.88
Travel Expenses	3,560.63	34,406.40
Admin Expenses	10,044.15	611,908.89
Equipment and Furniture Expenses	14,611.42	66,072.71
Rent, Building and Equipment	47,363.55	198,843.80
Taxes	4,032.25	66,234.40
Disbursements	685,145.40	4,023,677.16
Distributions		
Early Access-Guaranty Associations	6,000,000.00	59,194,147.43
Total Distributed	6,000,000.00	59,194,147.43
Disbursements & Distributions Before Investment Activities	6,685,145.40	63,217,824.59
Financial Expenses	19,995.56	229,608.64
Disbursements for Investment Activities	19,995.56	229,608.64
Total Cash Disbursements & Distributions	6,705,140.96	63,447,433.23
Net Increase (Decrease) in Cash	(2,066,832.39)	1,798,015.04
Beginning Cash Balance:		
Beginning Cash	17,325,622.85	9,045,312.14
Adjustments to Beginning Cash	0.00	4,415,463.28
Adjusted Beginning Cash Balance	17,325,622.85	13,460,775.42
Ending Cash Balance	15,258,790.46	15,258,790.46

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Northern Capital Insurance Company
Schedule of Accrued Interest Receivable
For the Twelve Months Ended June 30, 2013

Accrued Interest Receivable

Description		Balance 7/1/12	Accrued	Received	Balance 6/30/13
State Treasury	SPIA, 4-20-0-010000-00000	34,611.23	289,384.22	(309,290.30)	14,705.15
Totals:		<u>34,611.23</u>	<u>289,384.22</u>	<u>(309,290.30)</u>	<u>14,705.15</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Northern Capital Insurance Company
Schedule of Accounts Receivable - Net of Allowances
For the Twelve Months Ended June 30, 2013

Accounts Receivable

Description	Balance 7/1/12	Adjustments	Recovered	Balance 6/30/13
Agent Balance - Notes Receivable	22,212.72	12,983.98	(29,631.83)	5,564.87
Totals:	<u>22,212.72</u>	<u>12,983.98</u>	<u>(29,631.83)</u>	<u>5,564.87</u>

Deposits Receivable

Description	Balance 7/1/12	Received	Released	Balance 6/30/13
Florida Power & Light	0.00	250.00	0.00	250.00
Totals:	<u>0.00</u>	<u>250.00</u>	<u>0.00</u>	<u>250.00</u>

Total Receivables

5,814.87

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Northern Capital Insurance Company
Schedule of Advance to Guaranty Association
For the Twelve Months Ended June 30, 2013

Advance to Guaranty Association

Description	Balance 7/1/12	Advanced	Recovered/Adjusted	Balance 6/30/13
Florida Insurance Guaranty Association RP	34,194,147.43	0.00	0.00	34,194,147.43
Florida Insurance Guaranty Association EA	19,000,000.00	6,000,000.00	0.00	25,000,000.00
Totals:	53,194,147.43	6,000,000.00	0.00	59,194,147.43

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Northern Capital Insurance Company
Schedule of Secured Claims
For the Twelve Months Ended June 30, 2013

Secured Claims Against Estate

Due to	Balance 7/1/12			Balance 6/30/13
Federal Tax Refunds	0.00	0.00	3,930,215.38	3,930,215.38
Totals:	0.00	0.00	3,930,215.38	3,930,215.38

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

Dated June 30, 2013

1. **Estate Information.** Northern Capital Insurance Co. was a property and casualty company domiciled in Florida and placed in liquidation on May 1, 2010.
2. **Basis of Presentation.** The accompanying financial statements have been prepared on the liquidation basis of accounting using a fiscal year of July 1, 2012 through June 30, 2013. 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. **Accounts Receivable.** Represents Agents Balances in process of collection and funds held as security deposits by Florida Power and Light Company.
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. In this instance FIGA has verbally agreed that Return Premium checks the Receiver allows to clear post-liquidation are early access. When the account is closed and the numbers are finalized our Legal and Clams sections will draft an early access agreement for their signature. The amount of return premium checks currently reflected is not a final, reconciled number.
7. **Secured Claim.** Consists of federal tax refunds from the Northern Capital Inc. consolidated returns for the years 2007 and 2008.
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, 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
 - Proofs of claim forms were mailed and the claims-filing deadline was April 30, 2011. All return premium claims are "deemed filed" per court order entered on August 04, 2010.
 - The guaranty fund claim is being reported at their gross-filed amount. All other classes are being reported at their estimated value.
 - \$34,194,147.43 was advanced to policyholders on behalf of the Florida Insurance Guaranty Association.
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.