

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Northern Capital Insurance Company in Liquidation
Statement of Affairs
As of June 30, 2012

	<u>Estimated Realizable Value</u>
ASSETS	
Pooled Cash Due from the Admin Fund	\$17,325,622.85
Accrued Interest Receivable	34,611.23
Accounts Receivable	22,462.72
Marshaled Inventory	260,000.00
Advance to Guaranty Associations	53,194,147.43
Total Assets	<u><u>\$70,836,844.23</u></u>

LIABILITIES	
Administrative Claims (Class 1)	
- Guaranty Associations	8,254,919.79
Loss Claims (Class 2)	
- Guaranty Associations	39,157,290.21
- Other	30,731.55
Unearned Premium Claims under Non-assessable Policies (Class 3)	
- Guaranty Associations	34,240,720.28
- Other	5,105,680.04
Federal Government Claims (Class 4)	1,596.74
Employee Claims (Class 5)	19,964.53
General Creditor Claims (Class 6)	
- Other	6,849,896.89
State & Local Government Claims (Class 7)	721,421.18
Late Filed Claims (Class 8)	2,172,858.63
Shareholder Claims (Class 10)	3,067,194.42
Total Liabilities	<u>\$99,622,274.26</u>

EQUITY	
Contributed Equity - State of Florida	80,450.55
Estate Equity	<u>(28,865,880.58)</u>
Excess (Deficiency) of Assets over Liabilities	<u>(\$28,785,430.03)</u>
Total Liabilities and Equity	<u><u>\$70,836,844.23</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, 2012

	Fiscal Year to Date	Since Date of Liquidation
CASH RECEIPTS		
Premium Collections	\$0.00	\$20,550.69
Assessment Recoveries	(2,650.00)	0.00
Agents' Balances Recoveries	284,352.11	1,797,755.94
Subrogation and Salvage Recoveries	0.00	9,921.94
Tax Recoveries	0.00	45.27
Other Collections / Recoveries	110,418.51	1,560,429.90
Sale of Personal Property Inventory	1,502.60	72,362.60
Sale of Real Property Inventory	455,000.00	2,240,000.00
Rental Income	2,650.00	79,495.00
Receipts Before Investment Activities	851,273.22	5,780,561.34
Interest and Dividend Receipts	641,248.95	1,879,827.39
Sale of Short Term Investment	0.00	52,946,750.97
Receipts From Investment Activities	641,248.95	54,826,578.36
Total Cash Receipts	1,492,522.17	60,607,139.70
CASH DISBURSEMENTS & DISTRIBUTIONS		
Professional Fees and Expenses	213,795.71	821,444.67
Salaries and Fringe Benefits	330,684.19	1,615,556.30
Employee Welfare	1,530.18	3,676.59
Travel Expenses	1,662.72	30,845.77
Admin Expenses	35,576.45	601,864.74
Equipment and Furniture Expenses	15,192.01	51,461.29
Rent, Building and Equipment	44,395.72	151,480.25
Taxes	11,909.33	62,202.15
Disbursements	654,746.31	3,338,531.76
Distributions		
Early Access-Guaranty Associations	16,372,554.11	53,194,147.43
Total Distributed	16,372,554.11	53,194,147.43
Disbursements & Distributions Before Investment Activities	17,027,300.42	56,532,679.19
Financial Expenses	32,920.20	209,613.08
Disbursements for Investment Activities	32,920.20	209,613.08
Total Cash Disbursements & Distributions	17,060,220.62	56,742,292.27
Net Increase (Decrease) in Cash	(15,567,698.45)	3,864,847.43
Beginning Cash Balance:		
Beginning Cash	30,254,553.43	9,045,312.14
Adjustments to Beginning Cash	2,638,767.87	4,415,463.28
Adjusted Beginning Cash Balance	32,893,321.30	13,460,775.42
Ending Cash Balance	17,325,622.85	17,325,622.85

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, 2012

Accrued Interest Receivable

<u>Description</u>		<u>Balance 7/1/11</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance 6/30/12</u>
State Treasury	SPIA, 4-20-0-010000-00000	60,695.88	633,515.21	(659,599.86)	34,611.23
Totals:		<u>60,695.88</u>	<u>633,515.21</u>	<u>(659,599.86)</u>	<u>34,611.23</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, 2012

Accounts Receivable

Description	Balance 7/1/11	Adjustments	Recovered	Balance 6/30/12
Agent Balance - Notes Receivable	5,974.81	103,331.61	(87,093.70)	22,212.72
Totals:	<u>5,974.81</u>	<u>103,331.61</u>	<u>(87,093.70)</u>	<u>22,212.72</u>

Deposits Receivable

Description	Balance 7/1/11	Received	Released	Balance 6/30/12
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

22,462.72

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Northern Capital Insurance Company
Schedule of Marshaled Inventory
For the Twelve Months Ended June 30, 2012

Marshaled Inventory

Description	Balance 7/1/11	Proceeds	Market Adj.	Balance 6/30/12
74 Hammond	260,000.00	0.00	0.00	260,000.00
Valencia Unit 202	500,000.00	(450,000.00)	(50,000.00)	0.00
Totals:	<u>760,000.00</u>	<u>(450,000.00)</u>	<u>(50,000.00)</u>	<u>260,000.00</u>

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, 2012

Advance to Guaranty Association

Description	Balance 7/1/11	Advanced	Recovered/Adjusted	Balance 6/30/12
Florida Insurance Guaranty Association RP	31,821,593.32	0.00	2,372,554.11	34,194,147.43
Florida Insurance Guaranty Association EA	5,000,000.00	14,000,000.00	0.00	19,000,000.00
Totals:	<u>36,821,593.32</u>	<u>14,000,000.00</u>	<u>2,372,554.11</u>	<u>53,194,147.43</u>

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

Dated June 30, 2012

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, 2011 through June 30, 2012. 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. **Marshaled Inventory.** Represents real property consisting of a single family home and residential condominium units and are valued based on appraisals.
7. **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.
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, 2012.
 - Proof of claim forms have been mailed. 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 has been 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.