

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Insurance Co. of Florida in Liquidation**  
**Statement of Affairs**  
**As of September 30, 2016**

	<u>Estimated Realizable Value</u>
<b>ASSETS</b>	
Pooled Cash in SPIA Due from the Admin Fund	\$943,385.48
Pooled Cash in SPIA Reserved for Unclaimed Property	4,293,858.39
Accrued Interest Receivable	<u>6,830.89</u>
Total Assets	<u><u>\$5,244,074.76</u></u>
<b>LIABILITIES</b>	
Unclaimed Property	4,293,858.39
Shareholder Claims	<u>411,027.83</u>
Total Liabilities	\$4,704,886.22
<b>EQUITY</b>	
Contributed Equity - State of Florida	733,157.85
Estate Equity	<u>(193,969.31)</u>
Excess (Deficiency) of Assets over Liabilities	<u>\$539,188.54</u>
Total Liabilities and Equity	<u><u>\$5,244,074.76</u></u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Insurance Company of Florida in Liquidation**  
**Statement of Cash Receipts and Disbursements**  
**From the Date of Liquidation through September 30, 2016**

	Fiscal Year to Date	Since Date of Liquidation
<b>CASH RECEIPTS</b>		
Reinsurance Recoveries	\$0.00	\$11,092,893.48
Agents' Balances Recoveries	0.00	84,003.43
Subrogation and Salvage Recoveries	0.00	37,799.40
Litigation Recoveries	0.00	848,156.58
Tax Recoveries	659.19	190,686.39
Other Collections / Recoveries	274.48	1,375,486.76
Sale of Personal Property Inventory	0.00	67,241.50
Receipts Before Investment Activities	933.67	13,696,267.54
Interest and Dividend Receipts	27,845.25	13,403,852.78
Sale of Short Term Investment	0.00	106,798.12
Sale of Long Term Investment	0.00	3,006,541.30
Receipts From Investment Activities	27,845.25	16,517,192.20
<b>Total Cash Receipts</b>	<b>28,778.92</b>	<b>30,213,459.74</b>
<b>CASH DISBURSEMENTS &amp; DISTRIBUTIONS</b>		
Professional Fees and Expenses	74.05	1,090,994.51
Salaries and Fringe Benefits	30,371.80	1,441,335.09
Employee Welfare	50.76	38,457.64
Travel Expenses	10.11	38,222.26
Admin Expenses	48.51	189,603.39
Equipment and Furniture Expenses	110.11	234,152.38
Rent, Building and Equipment	1,006.66	447,801.66
Taxes	0.00	384,730.64
Disbursements	31,672.00	3,865,297.57
Distributions		
Administrative Claims (Class 1)	0.00	4,696,297.73
Loss Claims (Class 2)	(16,945.75)	17,692,642.75
Unearned Premium-Non-Assessable Policies Claims (Class 3)	(24,586.21)	52,914.98
Federal Government Claims (Class 4)	0.00	969.75
Employee Claims (Class 5)	1,075.59	14,073.35
General Creditors Claims (Class 6)	173,573.06	677,942.89
Late Filed Claims (Class 8)	(612.37)	83,068.27
Total Distributed	132,504.32	23,217,909.72
Disbursements & Distributions Before Investment Activities	164,176.32	27,083,207.29
Financial Expenses	1,994.74	329,314.91
Disbursements for Investment Activities	1,994.74	329,314.91
<b>Total Cash Disbursements &amp; Distributions</b>	<b>166,171.06</b>	<b>27,412,522.20</b>
<b>Net Increase (Decrease) in Cash</b>	<b>(137,392.14)</b>	<b>2,800,937.54</b>
<b>Beginning Cash Balance:</b>		
Beginning Cash	5,374,636.01	1,161,646.08
Adjustments to Beginning Cash	0.00	1,274,660.25
<b>Adjusted Beginning Cash Balance</b>	<b>5,374,636.01</b>	<b>2,436,306.33</b>
<b>Ending Cash Balance</b>	<b>5,237,243.87</b>	<b>5,237,243.87</b>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Insurance Co. Of Florida in Liquidation**  
**Schedule of Accrued Interest Receivable**  
**For the Three Months Ended September 30, 2016**

**Accrued Interest Receivable**

<u>Due from</u>	<u>Account</u>	<u>Balance 7/1/16</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance 9/30/16</u>
State Treasury	SPIA, 4-20-0-010000-00000	7,900.01	52,297.11	(53,366.23)	6,830.89
Totals:		<u>7,900.01</u>	<u>52,297.11</u>	<u>(53,366.23)</u>	<u>6,830.89</u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
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**Schedule of Unclaimed Property**  
**For the Three Months Ended September 30, 2016**

**Unclaimed Property**

<b>Description</b>	<b>Balance 7/1/15</b>	<b>Adjustments</b>	<b>Balance 9/30/16</b>
Unissued amounts and voided checks from the claims distribution(s) to be sent to the various states' unclaimed property sections	0.00	4,293,858.39	4,293,858.39
	<u>0.00</u>	<u>4,293,858.39</u>	<u>4,293,858.39</u>

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

**Dated September 30, 2016**

1. **Estate Information.** Insurance Company of Florida was a property and casualty company domiciled in Florida and placed in liquidation on December 29, 1992.
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, 2016 through June 30, 2017. 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.
4. **Statement Format Changes.** On July 1, 2001, the Receiver converted accounting systems, which resulted in the historical accounting data being presented differently in this set of financial statements than the previously prepared statements for this estate. Because the new system uses a more detailed chart-of-accounts and summarizes data into categories different than previously used, the 'Since Date of Liquidation' column of historical data on the 'Statement of Cash Receipts and Disbursements' may not correspond directly to previous statement presentations. Users of this "Liquidation to-date" information should solicit additional information from the Receiver before making assumptions about the data.
5. **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 from the Admin Fund".

"Pooled Cash Reserved for Unclaimed Property" is a segregated amount of Pooled Cash that represents the remaining amount of Pooled Cash reserved for voided checks after a distribution account is closed and reconciled for outstanding checks. These amounts will be sent to the Bureau of Unclaimed Property upon court authorization.
6. **Unclaimed Property.** Represents unissued and voided checks from the claims distribution(s) to be sent to the various states' unclaimed property sections.
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, un-adjudicated, and have not been reduced by any early access payments from the Florida Receiver. Claim liability numbers are based upon the most current available information and documentation provided to the Receiver from both internal and external sources.
  - The First Interim Claims Report and a 100% claims distribution for Class 5 claims was authorized in September 1993.
  - The Second Interim Claims Report was approved on February 8, 2011. Except for the Puerto Rico Insurance Guaranty Association and one Puerto Rican claim, Class 1, Class 2, and Class 3 claims were reported. No objections were filed.
  - The Third Interim Claims Report was approved on September 6, 2011. Class 2 Puerto Rico and Class 3 claims were reported, along with one additional Class 5 claim. Two objections were filed and resolved.
  - The Fourth Interim Claims Report was approved on June 3, 2015. Two Class 2 Puerto Rican claimants and the master claim for the Puerto Rico Insurance Guaranty Association were reported. No objections were filed.
  - A 100% claims distribution for Class 1, Class 2 and Class 3 claims was authorized on October 28, 2015.

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- The Fifth Interim Claims Report was approved March 11, 2016. Class 4, Class 6 and Class 8 claims were reported. No objections were filed.
  - A 100% claims distribution for Class 4, Class 5, Class 6 and Class 8 claims was authorized on May 12, 2016.
  - The Sixth Interim Claims Report was approved May 13, 2016. One Class 10 claim was reported. No objection was filed.
  - A 90% claims distribution for Class 10 claims was authorized on June 21, 2016.
8. **Federal Priority.** Pursuant to 31 U.S.C.A. § 3713, a federal government claim must be paid first, when a debtor to the United States is insolvent. The federal government has taken the position that it is not subject to state insurance liquidation proceeding's claims filing deadlines. To establish finality, shield itself from potential liability, and ultimately discharge the estate, the Receiver requested a federal release from the U.S. Department of Justice (DOJ) on January 5, 2015. A supplemental affidavit was submitted to DOJ on July 8, 2015 and was approved by court order on October 12, 2015.
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.