

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Insurance Co. of Florida in Liquidation
Statement of Affairs
As of March 31, 2016

	<u>Estimated Realizable Value</u>
ASSETS	
Cash-Distribution	\$37,876.42
Pooled Cash Due from the Admin Fund	5,837,061.64
Pooled Cash Reserved for Distributions	140,313.74
Accrued Interest Receivable	<u>8,504.59</u>
Total Assets	<u><u>\$6,023,756.39</u></u>
LIABILITIES	
Distribution Liability	140,313.74
Federal Government Claims (Class 4)	969.75
Employee Claims (Class 5)	6,567.22
General Creditor Claims (Class 6)	
- Guaranty Associations	505,834.92
- Other	616,478.56
Late Filed Claims (Class 8)	<u>92,032.00</u>
Total Liabilities	<u>\$1,362,196.19</u>
EQUITY	
Contributed Equity - State of Florida	731,203.32
Estate Equity	<u>3,930,356.88</u>
Excess (Deficiency) of Assets over Liabilities	<u>\$4,661,560.20</u>
Total Liabilities and Equity	<u><u>\$6,023,756.39</u></u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Insurance Co. of Florida in Liquidation
Statement of Cash Receipts and Disbursements
From the Date of Liquidation through March 31, 2016

	<u>Fiscal Year to Date</u>	<u>Since Date of Liquidation</u>
CASH RECEIPTS		
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	0.00	190,027.20
Other Collections / Recoveries	3,697.04	1,378,043.32
Sale of Personal Property Inventory	<u>0.00</u>	<u>67,241.50</u>
Receipts Before Investment Activities	3,697.04	13,698,164.91
Interest and Dividend Receipts	135,616.75	13,349,097.03
Sale of Short Term Investment	0.00	106,798.12
Sale of Long Term Investment	<u>0.00</u>	<u>3,006,541.30</u>
Receipts From Investment Activities	135,616.75	16,462,436.45
Total Cash Receipts	<u>139,313.79</u>	<u>30,160,601.36</u>
CASH DISBURSEMENTS & DISTRIBUTIONS		
Professional Fees and Expenses	3,884.46	1,090,338.69
Salaries and Fringe Benefits	204,587.23	1,346,743.25
Employee Welfare	399.73	38,370.78
Travel Expenses	159.66	38,192.80
Admin Expenses	1,797.74	189,286.49
Equipment and Furniture Expenses	3,300.58	233,860.47
Rent, Building and Equipment	10,489.45	445,023.32
Taxes	<u>4,214.58</u>	<u>384,730.64</u>
Disbursements	228,833.43	3,766,546.44
Distributions		
Administrative Claims (Class 1)	4,627,017.89	4,696,297.73
Loss Claims (Class 2)	17,709,588.50	17,709,588.50
Unearned Premium-Non-Assessable Policies Claims (Class 3)	77,476.28	77,476.28
Employee Claims (Class 5)	136.08	6,566.62
Claims-Other	(136.08)	0.00
Early Access-Guaranty Associations	<u>(10,683,341.14)</u>	<u>0.00</u>
Total Distributed	11,730,741.53	22,489,929.13
Disbursements & Distributions Before Investment Activities	11,959,574.96	26,256,475.57
Financial Expenses	<u>12,764.73</u>	<u>325,180.32</u>
Disbursements for Investment Activities	<u>12,764.73</u>	<u>325,180.32</u>
Total Cash Disbursements & Distributions	<u>11,972,339.69</u>	<u>26,581,655.89</u>
Net Increase (Decrease) in Cash	<u>(11,833,025.90)</u>	<u>3,578,945.47</u>
Beginning Cash Balance:		
Beginning Cash	16,573,617.45	1,161,646.08
Adjustments to Beginning Cash	<u>1,274,660.25</u>	<u>1,274,660.25</u>
Adjusted Beginning Cash Balance	<u>17,848,277.70</u>	<u>2,436,306.33</u>
Ending Cash Balance	<u>6,015,251.80</u>	<u>6,015,251.80</u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Insurance Co. Of Florida in Liquidation
Schedule of Cash Distribution
For the Nine Months Ended March 31, 2016**

Cash Distribution

Description	Balance 7/1/15	Funding/Voids	Interest	Distributions/Reissues	Balance 3/31/16
Interest earned - Bank of America	0.00	10,606,883.87	484.17	(10,569,491.62)	37,876.42
Totals:	0.00	10,606,883.87	484.17	(10,569,491.62)	37,876.42

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
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Schedule of Accrued Interest Receivable
 For the Nine Months Ended March 31, 2016

Accrued Interest Receivable

Due from	Account	Balance 7/1/15	Accrued	Received	Balance 3/31/16
State Treasury	SPIA, 4-20-0-010000-00000	13,799.04	118,799.26	(124,093.71)	8,504.59
Totals:		<u>13,799.04</u>	<u>118,799.26</u>	<u>(124,093.71)</u>	<u>8,504.59</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
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Schedule of Distribution Liability
For the Nine Months Ended March 31, 2016

Distribution Liability

Due from	Account	Balance 7/1/15	Adjustments	Balance 3/31/16
Unreleased/unissued distribution amounts		0.00	140,313.74	140,313.74
Totals:		<u>0.00</u>	<u>140,313.74</u>	<u>140,313.74</u>

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

Dated March 31, 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, 2015 through June 30, 2016. 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 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.
6. **Cash – Distribution.** Represents interest earned on the distribution account.
7. **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.
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, 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.

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- A 100% claims distribution for Class 1, Class 2 and Class 3 claims was authorized on October 28, 2015.
 - The Fifth Interim Claims Report was approved March 11, 2016. Class 4, Class 6 and Class 8 claims were reported. The deadline to file an objection is April 29, 2016
9. **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.
10. **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.
11. **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.