

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Insurance Co. of Florida in Liquidation
Statement of Affairs
As of September 30, 2015

	<u>Estimated Realizable Value</u>
ASSETS	
Pooled Cash Due from the Admin Fund	\$16,578,738.98
Accrued Interest Receivable	17,763.83
Advance to Guaranty Associations	<u>11,958,196.87</u>
Total Assets	<u><u>\$28,554,699.68</u></u>

LIABILITIES	
Administrative Claims (Class 1)	
- Guaranty Associations	4,627,017.89
Loss Claims (Class 2)	
- Guaranty Associations	14,543,450.26
- Other	3,223,303.08
Unearned Premium Claims under Non-assessable Policies (Class 3)	
- Guaranty Associations	32,439.94
- Other	128,185.24
Federal Government Claims (Class 4)	969.75
Employee Claims (Class 5)	136.08
General Creditor Claims (Class 6)	
- Guaranty Associations	505,834.92
- Other	851,102.47
Late Filed Claims (Class 8)	<u>14,870,966.24</u>
Total Liabilities	<u>\$38,783,405.87</u>

EQUITY	
Contributed Equity - State of Florida	727,394.88
Estate Equity	<u>(10,956,101.07)</u>
Excess (Deficiency) of Assets over Liabilities	<u>(\$10,228,706.19)</u>
Total Liabilities and Equity	<u><u>\$28,554,699.68</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 September 30, 2015

	Fiscal Year to Date	Since Date of Liquidation
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	197.93	1,374,544.21
Sale of Personal Property Inventory	0.00	67,241.50
Receipts Before Investment Activities	197.93	13,694,665.80
Interest and Dividend Receipts	55,197.82	13,268,678.10
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	55,197.82	16,382,017.52
Total Cash Receipts	55,395.75	30,076,683.32
CASH DISBURSEMENTS & DISTRIBUTIONS		
Professional Fees and Expenses	3,158.17	1,089,612.40
Salaries and Fringe Benefits	33,600.24	1,175,756.26
Employee Welfare	208.21	38,179.26
Travel Expenses	124.71	38,157.85
Admin Expenses	153.42	187,642.17
Equipment and Furniture Expenses	2,355.91	232,915.80
Rent, Building and Equipment	5,176.76	439,710.63
Taxes	214.58	380,730.64
Disbursements	44,992.00	3,582,705.01
Distributions		
Administrative Claims (Class 1)	0.00	69,279.84
Employee Claims (Class 5)	0.00	6,430.54
Claims-Other	0.00	136.08
Early Access-Guaranty Associations	0.00	10,683,341.14
Total Distributed	0.00	10,759,187.60
Disbursements & Distributions Before Investment Activities	44,992.00	14,341,892.61
Financial Expenses	5,282.22	317,697.81
Disbursements for Investment Activities	5,282.22	317,697.81
Total Cash Disbursements & Distributions	50,274.22	14,659,590.42
Net Increase (Decrease) in Cash	5,121.53	15,417,092.90
Beginning Cash Balance:		
Beginning Cash	16,573,617.45	1,161,646.08
Adjustments to Beginning Cash	0.00	0.00
Adjusted Beginning Cash Balance	16,573,617.45	1,161,646.08
Ending Cash Balance	16,578,738.98	16,578,738.98

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, 2015

Accrued Interest Receivable

Due from	Account	Balance 7/1/15	Accrued	Received	Balance 9/30/15
State Treasury	SPIA, 4-20-0-010000-00000	13,799.04	54,043.48	(50,078.69)	17,763.83
Totals:		<u>13,799.04</u>	<u>54,043.48</u>	<u>(50,078.69)</u>	<u>17,763.83</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Insurance Co. of Florida in Liquidation
Schedule of Advance to Guaranty Associations
For the Three Months Ended September 30, 2015

Advance To Guaranty Associations

Description	Balance 7/1/15	Advanced	Recovered	Adjustments	Balance 9/30/15
Florida Insurance Guaranty Association	6,396,258.39	0.00	0.00	0.00	6,396,258.39
Michigan Property & Casualty Guaranty Association (1)	214,010.06	0.00	0.00	0.00	214,010.06
Western Guaranty Fund - Colorado	10,894.94	0.00	0.00	0.00	10,894.94
Western Guaranty Fund - Montana	190.00	0.00	0.00	0.00	190.00
Utah Property & Casualty	195.48	0.00	0.00	0.00	195.48
Arizona Insurance Guaranty Association	308,789.71	0.00	0.00	0.00	308,789.71
Georgia Insurers Insolvency Pool	286,387.56	0.00	0.00	0.00	286,387.56
Mississippi Insurance Guaranty Association	51,879.51	0.00	0.00	0.00	51,879.51
Illinois Insurance Guaranty Fund	303,201.81	0.00	0.00	0.00	303,201.81
Puerto Rico P & C Insurance Guaranty Corporation (2)	4,208,729.46	0.00	0.00	0.00	4,208,729.46
Nevada Insurance Guaranty Association	87,871.62	0.00	0.00	0.00	87,871.62
Maryland Guaranty Fund	82,782.80	0.00	0.00	0.00	82,782.80
Tennessee Insurance Guaranty Association (3)	7,005.53	0.00	0.00	0.00	7,005.53
Totals:	11,958,196.87	0.00	0.00	0.00	11,958,196.87

(1) Michigan has received two early access distributions from the Receiver: \$69,031.66 by court order dated 10/15/04 and \$4,100.97 by court order dated 4/27/05.

They also received \$140,877.43 from a special deposit under their control that was not a disbursement of funds from the Receiver.

(2) Puerto Rico has received two early access distributions from the Receiver: \$2,882,883.51 by court order dated 10/26/04 and \$191,867.65 by court order dated 4/27/05.

They also retained \$1,133,978.30 that is treated as early access per court order dated 10/28/04.

(3) A court ordered early access agreement dated 8/5/04 allowed the TDOI to release \$7,005.53 of a statutory deposit to the TIGA for admin expenses.

The remainder of the statutory deposit (\$62,655.70) was released to the Receiver as a general asset of the estate.

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

Dated September 30, 2015

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".
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.
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.

**Florida Department of Financial Services, Division of Rehabilitation
and Liquidation
Insurance Co. of Florida in Liquidation
Notes to Financial Statements
Dated September 30, 2015**

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.
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.