

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Senior Citizens Mutual Insurance Co. in Liquidation
Statement of Affairs
As of March 31, 2014

	<u>Estimated Realizable Value</u>
ASSETS	
Pooled Cash Due from the Admin Fund	\$2,415,681.40
Pooled Cash Reserved for Unclaimed Property	55,852.00
Accrued Interest Receivable	<u>2,080.50</u>
Total Assets	<u><u>\$2,473,613.90</u></u>
LIABILITIES	
Unclaimed Property	55,852.00
Shareholder Claims (Class 11)	1.00
Total Liabilities	<u>\$55,853.00</u>
EQUITY	
Contributed Equity - State of Florida	54,429.59
Estate Equity	<u>2,363,331.31</u>
Excess (Deficiency) of Assets over Liabilities	<u>\$2,417,760.90</u>
Total Liabilities and Equity	<u><u>\$2,473,613.90</u></u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Senior Citizens Mutual Insurance Co. in Liquidation
Statement of Cash Receipts and Disbursements
From the Date of Liquidation through March 31, 2014

	Fiscal Year to Date	Since Date of Liquidation
CASH RECEIPTS		
Premium Collections	\$0.00	\$4,304.91
Reinsurance Recoveries	5,000.00	5,000.00
Agents' Balances Recoveries	0.00	2,940.54
Litigation Recoveries	0.00	79,750.02
Tax Recoveries	0.00	18,781.10
Other Collections / Recoveries	130.44	22,851.59
Sale of Personal Property Inventory	0.00	35,951.92
Receipts Before Investment Activities	5,130.44	169,580.08
Interest and Dividend Receipts	20,142.94	901,301.15
Sale of Short Term Investment	0.00	2,877,393.40
Sale of Long Term Investment	0.00	340,622.24
Receipts From Investment Activities	20,142.94	4,119,316.79
Total Cash Receipts	25,273.38	4,288,896.87
CASH DISBURSEMENTS & DISTRIBUTIONS		
Professional Fees and Expenses	476.52	228,849.54
Salaries and Fringe Benefits	47,281.77	754,199.27
Employee Welfare	66.51	1,446.46
Travel Expenses	21.74	16,486.80
Admin Expenses	162.17	16,864.08
Equipment and Furniture Expenses	623.91	6,691.63
Rent, Building and Equipment	2,594.07	39,043.06
Taxes	0.16	3.05
Disbursements	51,226.85	1,063,583.89
Distributions		
Administrative Claims (Class 1)	0.00	3,995.73
Loss Claims (Class 2)	0.00	2,312.85
Unearned Premium-Non-Assessable Policies Claims (Class 3)	0.00	91,358.18
Federal Government Claims (Class 4)	234.23	234.23
General Creditors Claims (Class 6)	993,708.67	993,708.67
Government Claims (Class 7)	9,490.00	9,490.00
Total Distributed	1,003,432.90	1,101,099.66
Disbursements & Distributions Before Investment Activities	1,054,659.75	2,164,683.55
Financial Expenses	3,226.58	36,224.48
Purchase Short Term Investment	0.00	343,032.42
Disbursements for Investment Activities	3,226.58	379,256.90
Total Cash Disbursements & Distributions	1,057,886.33	2,543,940.45
Net Increase (Decrease) in Cash	(1,032,612.95)	1,744,956.42
Beginning Cash Balance:		
Beginning Cash	3,504,146.35	689,374.04
Adjustments to Beginning Cash	0.00	37,202.94
Adjusted Beginning Cash Balance	3,504,146.35	726,576.98
Ending Cash Balance	2,471,533.40	2,471,533.40

The accompanying notes & schedules are an integral part of these financial statements
UNAUDITED

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Senior Citizens Mutual Insurance Co. in Liquidation
Schedule of Accrued Interest Receivable
For the Six Months Ended March 31, 2014

Accrued Interest Receivable

Description		Balance 7/1/13	Accrued	Received	Balance 3/31/14
State Treasury	SPIA, 4-20-0-010000-00000	3,860.99	17,875.93	(19,656.42)	2,080.50
Totals:		3,860.99	17,875.93	(19,656.42)	2,080.50

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Schedule of Unclaimed Property
For the Six Months Ended March 31, 2014

Unclaimed Property

Description	Balance 7/1/13	Adjustments	Balance 3/31/14
Unreleased/unissued/outstanding distributions amounts to be sent to various states unclaimed property sections.	0.00	55,852.00	55,852.00
Totals:	<u>0.00</u>	<u>55,852.00</u>	<u>55,852.00</u>

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

Dated March 31, 2014

1. **Estate Information.** Senior Citizens Mutual Insurance Co. was a property and casualty company domiciled in Florida and placed in liquidation on June 1, 2005.
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, 2013 through June 30, 2014. 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. **Unclaimed Property.** The Unclaimed Property funds consist of claim distribution funds for claimants who could not be located. The funds are due to the Unclaimed Property sections of various states.
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 information and documentation provided to the Receiver as of December 31, 2013.
 - All claims except Class XI shareholder claims have been adjudicated and are reported net of authorized distributions.
 - A 100% claims distribution for Class I, Class II and Class III claims was authorized on December 21, 2012.
 - A 100% claims distribution for Class IV, Class VI and Class VII claims was authorized on September 11, 2013.
 - Pursuant to Section 631.271(1) (k), Florida Statutes 2012, all shareholder claims are now classified as Class XI claims. The Receiver's interpretation of the applicable statutes may be subject to judicial review.
 - There is one pending Class XI shareholder filed claim with an unknown value at this time.

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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). The federal release was subject to the approval of the receivership court. The U.S. DOJ release for this estate was approved by court order on February 26, 2013.
9. **Interest Distribution.** Section 631.271, Florida Statutes was revised in 2012 to expressly authorize the payment of interest to all other claimants prior to the payment of any shareholder claims. This estate is impacted by this statutory revision. The receiver's proposed interpretation of this law is under consideration in the Receivership court.
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.