

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Senior Citizens Mutual Insurance Co. 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	\$88,246.85
Pooled Cash in SPIA Reserved for Distributions	5,511.29
Accrued Interest Receivable	1,431.24
Fixed Assets	<u>75.00</u>
Total Assets	<u><u>\$95,264.38</u></u>
<b>LIABILITIES</b>	
Distribution Liability	5,511.29
Total Liabilities	<u>\$5,511.29</u>
<b>EQUITY</b>	
Contributed Equity - State of Florida	62,058.15
Estate Equity	<u>27,694.94</u>
Excess (Deficiency) of Assets over Liabilities	<u>\$89,753.09</u>
Total Liabilities and Equity	<u><u>\$95,264.38</u></u>

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**  
**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>		
Premium Collections	\$0.00	\$4,304.91
Reinsurance Recoveries	0.00	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	155.18	23,261.82
Sale of Personal Property Inventory	0.00	<u>35,951.92</u>
Receipts Before Investment Activities	155.18	169,990.31
Interest and Dividend Receipts	10,646.51	991,883.84
Sale of Short Term Investment	0.00	2,877,393.40
Sale of Long Term Investment	0.00	<u>340,622.24</u>
Receipts From Investment Activities	<u>10,646.51</u>	<u>4,209,899.48</u>
<b>Total Cash Receipts</b>	<b><u>10,801.69</u></b>	<b><u>4,379,889.79</u></b>
<b>CASH DISBURSEMENTS &amp; DISTRIBUTIONS</b>		
Professional Fees and Expenses	32.33	231,446.88
Salaries and Fringe Benefits	27,426.98	1,150,464.95
Employee Welfare	22.43	1,684.50
Travel Expenses	4.55	18,761.27
Admin Expenses	43.67	17,488.42
Equipment and Furniture Expenses	657.45	9,062.69
Rent, Building and Equipment	555.10	46,053.46
Taxes	0.00	<u>4.55</u>
Disbursements	28,742.51	1,474,966.72
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)	0.00	234.23
General Creditors Claims (Class 6)	0.00	1,049,510.67
Government Claims (Class 7)	0.00	9,540.00
Shareholder Claims	<u>1,994,488.70</u>	<u>1,994,488.70</u>
Total Distributed	1,994,488.70	3,151,440.36
Disbursements & Distributions Before Investment Activities	2,023,231.21	4,626,407.08
Financial Expenses	585.05	43,269.13
Purchase Short Term Investment	0.00	<u>343,032.42</u>
Disbursements for Investment Activities	<u>585.05</u>	<u>386,301.55</u>
<b>Total Cash Disbursements &amp; Distributions</b>	<b><u>2,023,816.26</u></b>	<b><u>5,012,708.63</u></b>
<b>Net Increase (Decrease) in Cash</b>	<b><u>(2,013,014.57)</u></b>	<b><u>(632,818.84)</u></b>
<b>Beginning Cash Balance:</b>		
Beginning Cash	2,106,772.71	689,374.04
Adjustments to Beginning Cash	0.00	<u>37,202.94</u>
<b>Adjusted Beginning Cash Balance</b>	<b><u>2,106,772.71</u></b>	<b><u>726,576.98</u></b>
<b>Ending Cash Balance</b>	<b><u>93,758.14</u></b>	<b><u>93,758.14</u></b>

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

**Accrued Interest Receivable**

<b>Description</b>		<b>Balance 7/1/16</b>	<b>Accrued</b>	<b>Received</b>	<b>Balance 9/30/16</b>
State Treasury	SPIA, 4-20-0-010000-00000	2,953.61	8,817.81	(10,340.18)	1,431.24
Totals:		<u>2,953.61</u>	<u>8,817.81</u>	<u>(10,340.18)</u>	<u>1,431.24</u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Senior Citizens Mutual Insurance Co. in Liquidation**  
**Schedule of Fixed Assets**  
**For the Three Months Ended September 30, 2016**

**Computer Equipment**

<b>Description</b>	<b>Balance 7/1/16</b>	<b>Adjustments</b>	<b>Sold</b>	<b>Balance 9/30/16</b>
Various electronic equipment	0.00	75.00	0.00	75.00
Total:	<u>0.00</u>	<u>75.00</u>	<u>0.00</u>	<u>75.00</u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Senior Citizens Mutual Insurance Co. in Liquidation**  
**Schedule of Distribution Liability**  
**For the Three Months Ended September 30, 2016**

**Distribution Liability**

<b>Description</b>	<b>Balance 7/1/16</b>	<b>Adjustments</b>	<b>Balance 9/30/16</b>
Unreleased/unissued distribution amounts	0.00	5,511.29	5,511.29
Totals:	<u>0.00</u>	<u>5,511.29</u>	<u>5,511.29</u>

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

**Dated September 30, 2016**

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, 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. **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.
5. **Fixed Assets.** Assets of a durable nature such as buildings, furniture, computer equipment, and machinery. The property in this estate consists of electronic equipment such as computers, servers, phones, etc. and its' estimated value is based on prices of similar equipment from the State of Florida's Public Auction site.
6. **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.
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.
  - All claims have been adjudicated and are reported net of authorized distributions.
  - A 100% claims distribution for Class 1, Class 2 and Class 3 claims was authorized on December 21, 2012.
  - A 100% claims distribution for Class 4, Class 6 and Class 7 claims was authorized on September 11, 2013.
  - The Second Interim Claims Report was approved December 22, 2015; two objections were filed with an estimated claimed value of approximately \$2,000,000.
  - An Amended Second Interim Claims Report was approved June 6, 2016. The objection filing deadline was July 11, 2016: no objections were filed.
  - A 100% claims distribution for Class 10 claims was authorized on August 30, 2016.

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