

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Quality Health Plan in Liquidation**  
**Statement of Affairs**  
**As of June 30, 2015**

	<u>Estimated Realizable Value</u>
<b>ASSETS</b>	
Cash-Company Operating	\$4,167.50
Pooled Cash Due from the Admin Fund	5,724,343.91
Accrued Interest Receivable	<u>4,796.01</u>
<b>Total Assets</b>	<b><u><u>\$5,733,307.42</u></u></b>
<b>LIABILITIES</b>	
Loss Claims (Class 2)	
- Other	284,742.62
Federal Government Claims (Class 4)	482.68
Employee Claims (Class 5)	15,146.52
General Creditor Claims (Class 6)	
- Other	76,966,885.78
State & Local Government Claims (Class 7)	980.62
Late Filed Claims (Class 8)	632,989.84
Shareholder Claims	<u>4,384,534.00</u>
<b>Total Liabilities</b>	<b><u>\$82,285,762.06</u></b>
<b>EQUITY</b>	
Contributed Equity - State of Florida	35,269.36
Estate Equity	<u>(76,587,724.00)</u>
<b>Excess (Deficiency) of Assets over Liabilities</b>	<b><u>(\$76,552,454.64)</u></b>
<b>Total Liabilities and Equity</b>	<b><u><u>\$5,733,307.42</u></u></b>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Quality Health Plans in Liquidation**  
**Statement of Cash Receipts and Disbursements**  
**From the Date of Liquidation through June 30, 2015**

	<u>Fiscal Year to Date</u>	<u>Since Date of Liquidation</u>
<b>CASH RECEIPTS</b>		
Premium Collections	\$0.00	\$3,215,969.19
Subrogation and Salvage Recoveries	20,000.00	73,753.22
Other Collections / Recoveries	45,443.79	2,747,590.88
Sale of Personal Property Inventory	0.00	2,500.00
Sale of Other Assets	<u>1,463.50</u>	<u>1,463.50</u>
Receipts Before Investment Activities	66,907.29	6,041,276.79
Interest and Dividend Receipts	<u>100,667.98</u>	<u>278,693.12</u>
Receipts From Investment Activities	<u>100,667.98</u>	<u>278,693.12</u>
<b>Total Cash Receipts</b>	<b><u>167,575.27</u></b>	<b><u>6,319,969.91</u></b>
<b>CASH DISBURSEMENTS &amp; DISTRIBUTIONS</b>		
Professional Fees and Expenses	696,732.85	789,928.95
Salaries and Fringe Benefits	216,058.76	1,053,333.50
Employee Welfare	261.56	673.08
Travel Expenses	49.74	22,739.12
Admin Expenses	1,019.28	101,241.66
Equipment and Furniture Expenses	1,071.70	4,434.29
Rent, Building and Equipment	10,620.90	64,033.28
Taxes	<u>4,042.77</u>	<u>4,318.13</u>
Disbursements	929,857.56	2,040,702.01
Disbursements & Distributions Before Investment Activities	929,857.56	2,040,702.01
Financial Expenses	<u>7,781.30</u>	<u>23,855.71</u>
Disbursements for Investment Activities	<u>7,781.30</u>	<u>23,855.71</u>
<b>Total Cash Disbursements &amp; Distributions</b>	<b><u>937,638.86</u></b>	<b><u>2,064,557.72</u></b>
<b>Net Increase (Decrease) in Cash</b>	<b><u>(770,063.59)</u></b>	<b><u>4,255,412.19</u></b>
<b>Beginning Cash Balance:</b>		
Beginning Cash	6,498,575.00	1,660,779.87
Adjustments to Beginning Cash	<u>0.00</u>	<u>(187,680.65)</u>
<b>Adjusted Beginning Cash Balance</b>	<b><u>6,498,575.00</u></b>	<b><u>1,473,099.22</u></b>
<b>Ending Cash Balance</b>	<b><u>5,728,511.41</u></b>	<b><u>5,728,511.41</u></b>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Quality Health Plans**  
**Schedule of Cash - Company Operating**  
**For the Twelve Months Ended June 30, 2015**

**Cash - Company Operating**

<u>Description</u>	<u>Balance</u> <u>7/1/14</u>	<u>Adjustments</u>	<u>Balance</u> <u>6/30/15</u>
Bank United (formerly Herald Bank) DDA Account	295.44	3,872.06	4,167.50
<b>Totals:</b>	<u>295.44</u>	<u>3,872.06</u>	<u>4,167.50</u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Quality Health Plans**  
**Schedule of Accrued Interest Receivable**  
**For the Twelve Months Ended June 30, 2015**

**Accrued Interest Receivable**

<u>Description</u>		<u>Balance</u> <u>7/1/14</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance</u> <u>6/30/15</u>
State Treasury	SPIA, 4-20-0-010000-00000	7,803.04	90,304.47	(93,311.50)	4,796.01
Totals:		<u>7,803.04</u>	<u>90,304.47</u>	<u>(93,311.50)</u>	<u>4,796.01</u>

**Florida Department of Financial Services, Division of Rehabilitation  
and Liquidation**  
**Quality Health Plan in Liquidation**  
**Notes to Financial Statements**  
**Dated June 30, 2015**

1. **Estate Information.** Quality Health Plan was a provider-sponsored health maintenance organization domiciled in Florida and placed in liquidation on December 1, 2011.
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, 2014 through June 30, 2015. 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".
5. **Cash - Company Operating.** Consists of funds currently held in the Company's bank accounts that were used prior to liquidation and have not yet been closed.
6. **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.
  - Claims are being evaluated and are reported at their claimed values.
7. **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 will file a federal release request with the U.S. Department of Justice (DOJ).
8. **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.
9. **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.