

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Quality Health Plan in Liquidation
Statement of Affairs
As of September 30, 2019

	<u>Estimated Realizable Value</u>
ASSETS	
Pooled Cash in SPIA Due from the Admin Fund	\$5,709,373.30
Accrued Interest Receivable	15,579.13
Fixed Assets	<u>6,235.00</u>
Total Assets	<u><u>\$5,731,187.43</u></u>
LIABILITIES	
Class 2 Loss Claims	
Class 2 - Other	26,784.96
Class 4 Federal Government Claims	7,278.56
Class 5 Employee Claims	17,407.43
Class 6 General Creditor Claims	
Class 6 - Other	38,605,272.88
Class 7 State & Local Government Claims	980.62
Class 8 Late Filed Claims	656,540.67
Class 9 Surplus Notes/Unearned Premium Claims under Assessable Policies	
Class 9 - Other	4,384,532.00
Class 11 Shareholder Claims	<u>2.00</u>
Total Liabilities	<u>\$43,698,799.12</u>
EQUITY	
Contributed Equity - State of Florida	100,840.69
Estate Equity	<u>(38,068,452.38)</u>
Excess (Deficiency) of Assets over Liabilities	<u>(\$37,967,611.69)</u>
Total Liabilities and Equity	<u><u>\$5,731,187.43</u></u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Quality Health Plan in Liquidation
Statement of Cash Receipts and Disbursements
From the Date of Liquidation through September 30, 2019

	Fiscal Year to Date	Since Date of Liquidation
CASH RECEIPTS		
Premium Collections	\$0.00	\$3,215,969.19
Subrogation and Salvage Recoveries	0.00	78,753.22
Litigation Recoveries	0.00	2,975,000.00
Tax Recoveries	0.00	338.67
Other Collections / Recoveries	4,202.47	2,789,254.49
Sale of Personal Property Inventory	730.20	3,969.22
Sale of Other Assets	0.00	1,463.50
Receipts Before Investment Activities	4,932.67	9,064,748.29
Interest and Dividend Receipts	51,838.22	722,583.05
Receipts From Investment Activities	51,838.22	722,583.05
Total Cash Receipts	56,770.89	9,787,331.34
CASH DISBURSEMENTS & DISTRIBUTIONS		
Professional Fees and Expenses	3,977.43	3,306,610.83
Salaries and Fringe Benefits	66,396.37	1,907,594.83
Employee Welfare	330.61	2,920.20
Travel Expenses	600.51	28,590.36
Admin Expenses	69.24	104,274.10
Equipment and Furniture Expenses	988.52	14,324.02
Rent, Building and Equipment	5,890.52	129,367.12
Taxes	0.00	4,520.46
Disbursements	78,253.20	5,498,201.92
Disbursements & Distributions Before Investment Activities	78,253.20	5,498,201.92
Financial Expenses	1,781.11	52,855.34
Disbursements for Investment Activities	1,781.11	52,855.34
Total Cash Disbursements & Distributions	80,034.31	5,551,057.26
Net Increase (Decrease) in Cash	(23,263.42)	4,236,274.08
Beginning Cash Balance:		
Beginning Cash	5,732,636.72	1,660,779.87
Adjustments to Beginning Cash	0.00	(187,680.65)
Adjusted Beginning Cash Balance	5,732,636.72	1,473,099.22
Ending Cash Balance	5,709,373.30	5,709,373.30

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Quality Health Plans in Liquidation
Schedule of Accrued Interest Receivable
For the Three Months Ended September 30, 2019

Accrued Interest Receivable

Description		Balance 7/1/19	Accrued	Received	Balance 9/30/19
State Treasury	SPIA, 4-20-0-010000-00000	13,009.10	52,673.74	(50,103.71)	15,579.13
Totals:		<u>13,009.10</u>	<u>52,673.74</u>	<u>(50,103.71)</u>	<u>15,579.13</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Quality Health Plans in Liquidation
Schedule of Fixed Assets
For the Three Months Ended September 30, 2019

Computer Equipment

Description	Balance 7/1/19	Adjustments	Sold	Balance 9/30/19
Various electronic equipment	6,235.00	0.00	0.00	6,235.00
Total:	<u>6,235.00</u>	<u>0.00</u>	<u>0.00</u>	<u>6,235.00</u>

**Florida Department of Financial Services, Division of Rehabilitation
and Liquidation**
Quality Health Plan in Liquidation
Notes to Financial Statements
Dated September 30, 2019

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, 2019 through June 30, 2020. 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 Wells Fargo 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. **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. **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 was approved on December 9, 2015. Class 2 through Class 6 claims were evaluated and reported. All other claims are being reported at their estimated value. Ten objections were filed and resolved.
 - The Second Interim Claims Report was approved on June 13, 2016. Two Class 6 claims were evaluated and reported. One objection was filed and has an estimated value of \$6,123,363.00.
7. **Interest Distributions.** For companies placed into receivership on or after July 1, 2012, Section 631.271, Florida Statutes authorizes the payment of interest on claims in Classes 1-9 prior to making any payment on shareholder claims. At this time, the Receiver does not anticipate having sufficient assets in this estate to pay all claims for Classes 1-9. Accordingly, this statement does not reflect an interest reserve for Classes 1-9 allowed claims.
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 February 24, 2016.
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.