

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Universal Health Care Ins Company in Liquidation
Statement of Affairs
As of March 31, 2014

	<u>Estimated Realizable Value</u>
ASSETS	
Cash-Distribution	\$9.34
Pooled Cash Due from the Admin Fund	32,127,208.23
Accrued Interest Receivable	27,046.48
Accounts Receivable	66,036,299.02
Allowance - Accounts Receivables	(66,036,299.02)
Other Assets	<u>2,954,890.78</u>
Total Assets	<u><u>\$35,109,154.83</u></u>
LIABILITIES	
Claims Not Prioritized	54,560,175.00
Total Liabilities	<u>\$54,560,175.00</u>
EQUITY	
Contributed Equity - State of Florida	96,463.31
Estate Equity	<u>(19,547,483.48)</u>
Excess (Deficiency) of Assets over Liabilities	<u>(\$19,451,020.17)</u>
Total Liabilities and Equity	<u><u>\$35,109,154.83</u></u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Universal Health Care Ins Company 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	\$601.81	\$81,365.15
Subrogation and Salvage Recoveries	299,829.29	299,880.41
Litigation Recoveries	25,000.00	25,000.00
Tax Recoveries	1,928.00	50,552.89
Other Collections / Recoveries	<u>1,166,813.80</u>	<u>4,017,001.88</u>
Receipts Before Investment Activities	1,494,172.90	4,473,800.33
Interest and Dividend Receipts	377,210.50	400,322.75
Sale of Short Term Investment	511,752.22	1,243,185.00
Sale of Long Term Investment	<u>1,234,979.55</u>	<u>26,836,690.42</u>
Receipts From Investment Activities	<u>2,123,942.27</u>	<u>28,480,198.17</u>
Total Cash Receipts	<u>3,618,115.17</u>	<u>32,953,998.50</u>
CASH DISBURSEMENTS & DISTRIBUTIONS		
Professional Fees and Expenses	383,594.23	416,793.76
Salaries and Fringe Benefits	933,874.56	1,417,820.84
Employee Welfare	910.79	1,487.32
Travel Expenses	16,603.70	48,880.45
Admin Expenses	20,537.73	1,142,021.67
Equipment and Furniture Expenses	18,530.04	23,692.93
Rent, Building and Equipment	56,240.06	68,832.09
Taxes	<u>299.71</u>	<u>299.77</u>
Disbursements	1,430,590.82	3,119,828.83
Distributions		
Administrative Claims (Class 1)	<u>144,465.42</u>	<u>144,465.42</u>
Total Distributed	144,465.42	144,465.42
Disbursements & Distributions Before Investment Activities	1,575,056.24	3,264,294.25
Financial Expenses	34,866.14	70,869.56
Purchase Short Term Investment	139,174.22	141,080.47
Purchase Long Term Investment	<u>196,729.59</u>	<u>196,729.59</u>
Disbursements for Investment Activities	<u>370,769.95</u>	<u>408,679.62</u>
Total Cash Disbursements & Distributions	<u>1,945,826.19</u>	<u>3,672,973.87</u>
Net Increase (Decrease) in Cash	<u>1,672,288.98</u>	<u>29,281,024.63</u>
Beginning Cash Balance:		
Beginning Cash	29,606,295.20	1,955,083.62
Adjustments to Beginning Cash	<u>848,633.39</u>	<u>891,109.32</u>
Adjusted Beginning Cash Balance	<u>30,454,928.59</u>	<u>2,846,192.94</u>
Ending Cash Balance	<u>32,127,217.57</u>	<u>32,127,217.57</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Universal Health Care Insurance Company in Liquidation
Schedule of Cash Distribution
For the Nine Months Ended March 31, 2014

Cash Distribution

Description	Balance 7/1/13	Funding/Voids	Interest	Distributions/Reissues	Balance 3/31/14
Return of premium from Medicare Advantage insurance plans after policy cancellation.	0.00	144,465.42	9.34	(144,465.42)	9.34
Totals:	<u>0.00</u>	<u>144,465.42</u>	<u>9.34</u>	<u>(144,465.42)</u>	<u>9.34</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Universal Health Care Insurance Company in Liquidation
Schedule of Accrued Interest Receivable
For the Nine 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	19,495.63	203,280.47	(195,729.62)	27,046.48
Totals:		19,495.63	203,280.47	(195,729.62)	27,046.48

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Universal Health Care Insurance Company in Liquidation
Schedule of Accounts Receivable
For the Nine Months Ended March 31, 2014

Premium Receivable

Description	Balance 7/1/13	Adjustments	Balance 3/31/14
Accrued CMS Retro Premium	44,219,289.58	0.00	44,219,289.58
Totals:	<u>44,219,289.58</u>	<u>0.00</u>	<u>44,219,289.58</u>

Other Collections - Recovery Receivable

Description	Balance 7/1/13	Adjustments	Balance 3/31/14
Due from AMC	11,981,417.30	0.00	11,981,417.30
Due from UHC	462,884.55	0.00	462,884.55
Due from UHC HMO Texas	9,828.14	0.00	9,828.14
Due from UNCNV	28.06	0.00	28.06
Due from UHCG-TAX	9,362,851.39	0.00	9,362,851.39
Totals:	<u>21,817,009.44</u>		<u>21,817,009.44</u>

Total Receivables: 66,036,299.02

Allowance - Premium Receivable

Description	Balance 7/1/13	Adjustments	Balance 3/31/14
100% Reserve for CMS Retro Premium	(44,219,289.58)	0.00	(44,219,289.58)
Totals:	<u>(44,219,289.58)</u>	<u>-</u>	<u>(44,219,289.58)</u>

Allowance - Other Collections - Recovery Receivable

Description	Balance 7/1/13	Adjustments	Balance 3/31/14
100% Reserve for Parents, Affiliates	(21,817,009.44)	0.00	(21,817,009.44)
	<u>(21,817,009.44)</u>	<u>0.00</u>	<u>(21,817,009.44)</u>

Total Allowances: (66,036,299.02)

Net Receivables: -

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Universal Health Care Insurance Company in Liquidation
Schedule of Other Assets
For the Nine Months Ended March 31, 2014

Statutory Deposits

Description	Balance 7/1/13	Interest	Market Value Adjustments	Recovered	Balance 3/31/14
Florida	215,150.50	0.00	(40.85)	0.00	215,109.65
Georgia	35,066.66	0.00	0.00	(35,066.66)	0.00
South Carolina	126,079.18	0.00	(0.43)	0.00	126,078.75
Texas	1,004,507.65	0.00	183,504.73	0.00	1,188,012.38
Nevada	239,841.38	0.00	0.00	(239,841.38)	0.00
North Carolina	1,010,671.78	0.00	0.00	0.00	1,010,671.78
Virginia	310,136.20	0.00	(335.33)	0.00	309,800.87
Alabama	515,504.70	0.00	0.00	(515,504.70)	0.00
New Mexico	105,319.92	0.00	(102.57)	0.00	105,217.35
Totals:	3,562,277.97	0.00	(41.28)	(790,412.74)	2,954,890.78

**Florida Department of Financial Services, Division of Rehabilitation
and Liquidation**
Universal Health Care Insurance Company, Inc in Liquidation
Notes to Financial Statements
Dated March 31, 2014

1. **Estate Information.** Universal Health Care Insurance Company, Inc. is a health insurer, based in Tampa, FL and was placed in rehabilitation on March 22, 2013. It was subsequently placed in liquidation on April 1, 2013.
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".
6. **Cash – Distribution.** Represents return of premium from Medicare Advantage insurance plans after policy cancellation and accrued interest.
7. **Accounts Receivable.** Receivables are shown with allowance provisions for uncollectible amounts unless otherwise indicated. These consist of premium Receivable and other collections – recovery receivable.
8. **Allowance – Accounts Receivable.** An estimate of uncollectible or impaired amounts for certain assets.
9. **Other Assets.** Represents assets such as statutory deposits, and are based on the realizable value plus any accrued interest. Where practicable, the existence and amount of such deposits is disclosed in footnotes to specific estate's schedules.
10. **Claims.** Unless otherwise noted, the Statement of Affairs contains claim liability by priority class pursuant to 631.271, Florida Statutes. Unless otherwise stated, the claim liabilities are gross filed, unadjudicated, and have not been reduced by any early access payments from the Florida Receiver or offset by any special deposits. Claim liability numbers are based upon information and documentation provided to the Receiver as of December 31, 2013.
 - Proof of Claim forms have not been mailed.
 - Claim liabilities are based upon company estimates as of month ending February 28, 2013.
11. **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).
12. **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.

**Florida Department of Financial Services, Division of Rehabilitation
and Liquidation**

Universal Health Care Insurance Company, Inc in Liquidation

Notes to Financial Statements

Dated March 31, 2014

13. **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.