

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Universal Health Care Ins Company in Liquidation**  
**Statement of Affairs**  
**As of September 30, 2015**

**Estimated  
Realizable  
Value**

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**ASSETS**

Pooled Cash Due from the Admin Fund	\$27,695,246.02
Accrued Interest Receivable	29,632.83
Accounts Receivable	44,229,117.72
Allowance - Accounts Receivables	(44,229,117.72)
Other Assets	536,288.04
Advance to Guaranty Associations	1,012,775.28
Total Assets	<u>\$29,273,942.17</u>

**LIABILITIES**

Administrative Claims (Class 1)	
- Guaranty Associations	883,393.00
Loss Claims (Class 2)	
- Guaranty Associations	6,149,431.00
- Other	33,509,392.53
General Creditor Claims (Class 6)	
- Other	8,634,470.04
Late Filed Claims (Class 8)	1,601,213.22
Claims Not Prioritized	3,025,896.21
Total Liabilities	<u>\$53,803,796.00</u>

**EQUITY**

Contributed Equity - State of Florida	118,043.19
Estate Equity	<u>(24,647,897.02)</u>
Excess (Deficiency) of Assets over Liabilities	<u>(\$24,529,853.83)</u>
Total Liabilities and Equity	<u>\$29,273,942.17</u>

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

**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 September 30, 2015**

	<u>Fiscal Year to Date</u>	<u>Since Date of Liquidation</u>
<b>CASH RECEIPTS</b>		
Premium Collections	\$0.00	\$82,443.87
Subrogation and Salvage Recoveries	3,871.06	938,628.97
Litigation Recoveries	0.00	25,000.00
Tax Recoveries	0.00	50,552.89
Other Collections / Recoveries	<u>210.91</u>	<u>6,670,315.54</u>
Receipts Before Investment Activities	4,081.97	7,766,941.27
Interest and Dividend Receipts	92,494.52	1,090,490.81
Sale of Short Term Investment	0.00	1,243,185.00
Sale of Long Term Investment	<u>0.00</u>	<u>26,836,690.42</u>
Receipts From Investment Activities	<u>92,494.52</u>	<u>29,170,366.23</u>
<b>Total Cash Receipts</b>	<b><u>96,576.49</u></b>	<b><u>36,937,307.50</u></b>
<b>CASH DISBURSEMENTS &amp; DISTRIBUTIONS</b>		
Professional Fees and Expenses	16,041.51	2,136,822.87
Salaries and Fringe Benefits	116,521.90	2,281,371.31
Employee Welfare	213.44	3,558.74
Travel Expenses	557.11	53,840.67
Admin Expenses	527.87	1,180,553.23
Equipment and Furniture Expenses	2,411.94	33,688.73
Rent, Building and Equipment	12,419.81	136,683.03
Taxes	<u>0.07</u>	<u>318.49</u>
Disbursements	148,693.65	5,826,837.07
Distributions		
Administrative Claims (Class 1)	<u>0.00</u>	<u>144,465.42</u>
Total Distributed	0.00	144,465.42
Disbursements & Distributions Before Investment Activities	148,693.65	5,971,302.49
Financial Expenses	8,957.66	128,932.87
Purchase Short Term Investment	0.00	141,080.47
Purchase Long Term Investment	<u>0.00</u>	<u>196,729.59</u>
Disbursements for Investment Activities	<u>8,957.66</u>	<u>466,742.93</u>
<b>Total Cash Disbursements &amp; Distributions</b>	<b><u>157,651.31</u></b>	<b><u>6,438,045.42</u></b>
<b>Net Increase (Decrease) in Cash</b>	<b><u>(61,074.82)</u></b>	<b><u>30,499,262.08</u></b>
<b>Beginning Cash Balance:</b>		
Beginning Cash	27,756,320.84	1,955,083.62
Adjustments to Beginning Cash	<u>0.00</u>	<u>(4,759,099.68)</u>
<b>Adjusted Beginning Cash Balance</b>	<b><u>27,756,320.84</u></b>	<b><u>(2,804,016.06)</u></b>
<b>Ending Cash Balance</b>	<b><u>27,695,246.02</u></b>	<b><u>27,695,246.02</u></b>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Universal Health Care Insurance Company in Liquidation**  
**Schedule of Accrued Interest Receivable**  
**For the Three Months Ended September 30, 2015**

**Accrued Interest Receivable**

<b>Description</b>		<b>Balance 7/1/15</b>	<b>Accrued</b>	<b>Received</b>	<b>Balance 9/30/15</b>
State Treasury	SPIA, 4-20-0-010000-00000	23,201.75	90,367.10	(83,936.02)	29,632.83
Totals:		23,201.75	90,367.10	(83,936.02)	29,632.83

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Universal Health Care Insurance Company in Liquidation**  
**Schedule of Accounts Receivable**  
**For the Three Months Ended September 30, 2015**

**Premium Receivable**

<b>Description</b>	<b>Balance 7/1/15</b>	<b>Adjustments</b>	<b>Balance 9/30/15</b>
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**

<b>Description</b>	<b>Balance 7/1/15</b>	<b>Adjustments</b>	<b>Balance 9/30/15</b>
Due from UHC HMO Texas	9,828.14	0.00	9,828.14
Totals:	<u>9,828.14</u>		<u>9,828.14</u>

Total Receivables: 44,229,117.72

**Allowance - Premium Receivable**

<b>Description</b>	<b>Balance 7/1/15</b>	<b>Adjustments</b>	<b>Balance 9/30/15</b>
100% Reserve for 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>

**Allowance - Other Collections - Recovery Receivable**

<b>Description</b>	<b>Balance 7/1/15</b>	<b>Adjustments</b>	<b>Balance 9/30/15</b>
100% Reserve for Parents, Affiliates	(21,817,009.44)	21,807,181.30	(9,828.14)
	<u>(21,817,009.44)</u>	<u>21,807,181.30</u>	<u>(9,828.14)</u>

Total Allowances: (44,229,117.72)

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 Three Months Ended September 30, 2015

**Statutory Deposits**

<b>Description</b>	<b>Balance 7/1/15</b>	<b>Interest</b>	<b>Market Value Adjustments</b>	<b>Recovered</b>	<b>Balance 9/30/15</b>
South Carolina	126,085.46	0.00	(84.42)	0.00	126,001.04
Virginia	305,010.85	0.00	7.35	0.00	305,018.20
New Mexico	105,268.80	0.00	0.00	0.00	105,268.80
Totals:	536,365.11	0.00	(77.07)	0.00	536,288.04

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Universal Health Care Insurance Company in Liquidation**  
**Schedule of Other Assets**  
For the Three Months Ended September 30, 2015

**Advance To Guaranty Association**

Description	Balance 7/1/15	Advanced	Recovered/Adjusted	Balance 9/30/15
North Carolina Life & Health Ins. Guaranty Association (1)	1,010,671.78	0.00	2,103.50	1,012,775.28
	<u>1,010,671.78</u>	<u>0.00</u>	<u>2,103.50</u>	<u>1,012,775.28</u>

(1) This deposit was held at US Bank for the North Carolina Department of Insurance (NCDOI). The bank was notified of the UHCIC Florida receivership on 3/26/13. US Bank was instructed to change ownership of the account to the Florida Receiver. Subsequently, US Bank per instructions from the NCDOI released the deposit to the North Carolina Life & Health Insurance Guaranty Association (NCLHGA). The National Organization of Life and Health Guaranty Associations (NOLHGA) entered into an early access agreement with the Receiver on behalf of NCLHGA on December 8, 2014 that was filed with the Receivership court February 16, 2015.

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

## Universal Health Care Insurance Company, Inc in Liquidation Notes to Financial Statements

Dated September 30, 2015

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, 2015 through June 30, 2016. 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. **Accounts Receivable.** Receivables are shown with allowance provisions for uncollectible amounts unless otherwise indicated. These consist of premium Receivable and other collections – recovery receivable.
6. **Allowance – Accounts Receivable.** An estimate of uncollectible or impaired amounts for certain assets.
7. **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.
8. **Advance to Guaranty Association(s).** Represents funds advanced to guaranty associations for the payment of covered claims and expenses. The guaranty association is obligated to promptly return any or all of these funds if the Receiver determines that repayment of claims of equal or superior priority is necessary
9. **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.
  - Filed Proof of Claim forms are currently being processed and the claim liability numbers are subject to change.
  - Claim liabilities are based upon company estimates as of month ending February 28, 2013.
10. **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).
11. **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.
12. **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.