

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Universal Health Care in Liquidation
Statement of Affairs
As of September 30, 2014

	<u>Estimated Realizable Value</u>
ASSETS	
Cash-Restricted	\$5,476,098.87
Pooled Cash Due from the Admin Fund	23,466,455.70
Pooled Cash Reserved for Unclaimed Property	499.09
Accrued Interest Receivable	20,611.20
Accounts Receivable	21,158,548.72
Allowance - Accounts Receivables	<u>(21,158,548.72)</u>
Total Assets	<u><u>\$28,963,664.86</u></u>

LIABILITIES	
Unclaimed Property	499.09
General Creditor Claims (Class 6)	
- Other	789,460.15
Claims Not Prioritized	<u>55,952,908.85</u>
Total Liabilities	<u>\$56,742,868.09</u>

EQUITY	
Contributed Equity - State of Florida	93,130.57
Estate Equity	<u>(27,872,333.80)</u>
Excess (Deficiency) of Assets over Liabilities	<u>(\$27,779,203.23)</u>
Total Liabilities and Equity	<u><u>\$28,963,664.86</u></u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Universal Health Care in Liquidation
Statement of Cash Receipts and Disbursements
From the Date of Liquidation through September 30, 2014

	Fiscal Year to Date	Since Date of Liquidation
CASH RECEIPTS		
Premium Collections	\$12,258.26	\$1,521,073.16
Reinsurance Recoveries	0.00	57,104.06
Subrogation and Salvage Recoveries	192,633.71	1,026,861.43
Litigation Recoveries	0.00	25,000.00
Tax Recoveries	0.00	3,700.00
Other Collections / Recoveries	274,228.46	3,366,523.73
Sale of Personal Property Inventory	0.00	65,698.91
Sale of Real Property Inventory	10,500,000.00	11,230,000.00
Receipts Before Investment Activities	10,979,120.43	17,295,961.29
Interest and Dividend Receipts	59,871.01	269,143.27
Sale of Short Term Investment	0.00	8,015,091.19
Receipts From Investment Activities	59,871.01	8,284,234.46
Total Cash Receipts	11,038,991.44	25,580,195.75
CASH DISBURSEMENTS & DISTRIBUTIONS		
Professional Fees and Expenses	513,133.35	1,206,409.24
Salaries and Fringe Benefits	111,775.75	1,777,056.76
Employee Welfare	202.73	1,993.72
Travel Expenses	92.76	64,192.03
Admin Expenses	2,035,706.45	3,130,659.29
Equipment and Furniture Expenses	7,555.40	118,914.70
Rent, Building and Equipment	12,715.56	115,072.98
Taxes	0.00	156,507.22
Disbursements	2,681,182.00	6,570,805.94
Distributions		
Administrative Claims (Class 1)	(0.07)	4,864.23
General Creditors Claims (Class 6)	789,460.15	789,460.15
Claims-Other	(789,460.15)	(789,460.15)
Total Distributed	(0.07)	4,864.23
Disbursements & Distributions Before Investment Activities	2,681,181.93	6,575,670.17
Financial Expenses	5,512.05	56,897.81
Purchase Short Term Investment	0.00	2.86
Disbursements for Investment Activities	5,512.05	56,900.67
Total Cash Disbursements & Distributions	2,686,693.98	6,632,570.84
Net Increase (Decrease) in Cash	8,352,297.46	18,947,624.91
Beginning Cash Balance:		
Beginning Cash	20,590,756.20	9,409,150.42
Adjustments to Beginning Cash	0.00	586,278.33
Adjusted Beginning Cash Balance	20,590,756.20	9,995,428.75
Ending Cash Balance	28,943,053.66	28,943,053.66

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Universal Health Care, Inc. in Liquidation
Schedule of Cash - Restricted
For the Three Months Ended September 30, 2014

Cash - Restricted

Description		Balance 7/1/14	Interest	Service Charges	Balance 9/30/14
Bank United	Medicaid Savings	4,268,630.10	2,538.16	0.00	4,271,168.26
Fifth-Third Bank	Diversion Savings	1,205,059.81	184.11	(313.31)	1,204,930.61
Totals:		5,473,689.91	2,722.27	(313.31)	5,476,098.87

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Universal Health Care, Inc. in Liquidation
Schedule of Accrued Interest Receivable
For the Three Months Ended September 30, 2014

Accrued Interest Receivable

Description		Balance 7/1/14	Accrued	Received	Balance 9/30/14
State Treasury	SPIA, 4-20-0-010000-00000	18,198.27	54,591.32	(52,178.39)	20,611.20
Totals:		<u>18,198.27</u>	<u>54,591.32</u>	<u>(52,178.39)</u>	<u>20,611.20</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Universal Health Care, Inc. in Liquidation
Schedule of Accounts Receivable
For the Three Months Ended September 30, 2014

Premium Receivable

Description	Balance 7/1/14	Adjustments	Balance 9/30/14
Accrued CMS Retro Premium	21,158,548.72	0.00	21,158,548.72
Totals:	<u>21,158,548.72</u>	<u>0.00</u>	<u>21,158,548.72</u>

Allowance - Premium Receivable

Description	Balance 7/1/14	Adjustments	Balance 9/30/14
100% Reserve for CMS Retro Premium	(21,158,548.72)	0.00	(21,158,548.72)
Totals:	<u>(21,158,548.72)</u>	<u>0.00</u>	<u>(21,158,548.72)</u>

Net Receivables:

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Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Universal Health Care, Inc. in Liquidation
Schedule of Unclaimed Property
For the Three Months Ended September 30, 2014

Unclaimed Property

<u>Description</u>	<u>Balance 7/1/14</u>	<u>Adjustments/ Payments</u>	<u>Balance 9/30/14</u>
Funds are due to the Unclaimed Property sections of various states.	0.00	499.09	499.09
Totals:	<u>0.00</u>	<u>499.09</u>	<u>499.09</u>

**Florida Department of Financial Services, Division of Rehabilitation
and Liquidation**
Universal Health Care Inc. in Liquidation
Notes to Financial Statements
Dated September 30, 2014

1. **Estate Information.** Universal Health Care Inc. is a health insurer, based in Tampa, FL and was placed in rehabilitation on March 21, 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, 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. **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".

"Pooled Cash Reserved for Unclaimed Property" is a segregated amount of Pooled Cash that represents the remaining amount of Pooled Cash reserved for voided checks after a distribution account is closed and reconciled for outstanding checks. These amounts will be set to the Bureau of Unclaimed Property upon court authorization.
6. **Cash - Restricted.** Consists of funds currently held in the company bank accounts at Bank United and Fifth Third Bank pursuant to agreements the company had with the Florida Department of Elder Affairs and the Florida Agency for Health Care Administration.
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. **Unclaimed Property.** The Unclaimed Property funds consist of claim distribution funds for claimants who could not be located. The funds are due to the Unclaimed Property sections of various states.
10. **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.
 - Proof of Claim forms have been mailed and are being processed as received.
 - 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).

**Florida Department of Financial Services, Division of Rehabilitation
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Universal Health Care Inc. in Liquidation
Notes to Financial Statements
Dated September 30, 2014**

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.

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.