

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

	<u>Estimated Realizable Value</u>
ASSETS	
Cash-Restricted	\$4,276,167.12
Special Purpose Investment Account-Restricted	1,205,147.52
Pooled Cash Due from the Admin Fund	23,508,325.06
Accrued Interest Receivable	36,358.02
Accounts Receivable	21,158,548.72
Allowance - Accounts Receivables	<u>(21,158,548.72)</u>
Total Assets	<u><u>\$29,025,997.72</u></u>
LIABILITIES	
Secured Claims	1,205,147.52
General Creditor Claims (Class 6)	
- Other	789,460.15
Claims Not Prioritized	55,952,908.85
Total Liabilities	<u>55,952,908.85</u>
EQUITY	
Contributed Equity - State of Florida	103,547.25
Estate Equity	<u>(29,025,066.05)</u>
Excess (Deficiency) of Assets over Liabilities	<u>(\$28,921,518.80)</u>
Total Liabilities and Equity	<u><u>\$29,025,997.72</u></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 in Liquidation
Statement of Cash Receipts and Disbursements
From the Date of Liquidation through December 31, 2014

	Fiscal Year to Date	Since Date of Liquidation
CASH RECEIPTS		
Premium Collections	\$13,224.16	\$1,522,039.06
Reinsurance Recoveries	0.00	57,104.06
Subrogation and Salvage Recoveries	241,261.92	1,075,489.64
Litigation Recoveries	0.00	25,000.00
Tax Recoveries	0.00	3,700.00
Other Collections / Recoveries	2,005,015.78	5,097,311.05
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	12,759,501.86	19,076,342.72
Interest and Dividend Receipts	152,440.08	361,712.34
Sale of Short Term Investment	0.00	8,015,091.19
Receipts From Investment Activities	152,440.08	8,376,803.53
Total Cash Receipts	12,911,941.94	27,453,146.25
CASH DISBURSEMENTS & DISTRIBUTIONS		
Professional Fees and Expenses	959,064.45	1,652,340.34
Salaries and Fringe Benefits	255,733.38	1,921,014.39
Employee Welfare	653.44	2,444.43
Travel Expenses	151.40	64,250.67
Admin Expenses	2,042,184.88	3,137,137.72
Equipment and Furniture Expenses	17,380.40	128,739.70
Rent, Building and Equipment	19,483.19	121,840.61
Taxes	17.08	156,524.30
Disbursements	3,294,668.22	7,184,292.16
Distributions		
Administrative Claims (Class 1)	499.02	5,363.32
General Creditors Claims (Class 6)	789,460.15	789,460.15
Claims-Other	(789,460.15)	(789,460.15)
Total Distributed	499.02	5,363.32
Disbursements & Distributions Before Investment Activities	3,295,167.24	7,189,655.48
Financial Expenses	13,345.32	64,731.08
Purchase Short Term Investment	0.00	2.86
Disbursements for Investment Activities	13,345.32	64,733.94
Total Cash Disbursements & Distributions	3,308,512.56	7,254,389.42
Net Increase (Decrease) in Cash	9,603,429.38	20,198,756.83
Beginning Cash Balance:		
Beginning Cash	20,590,756.20	9,409,150.42
Adjustments to Beginning Cash	(1,204,545.88)	(618,267.55)
Adjusted Beginning Cash Balance	19,386,210.32	8,790,882.87
Ending Cash Balance	28,989,639.70	28,989,639.70

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Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Universal Health Care, Inc. in Liquidation
Schedule of Cash - Restricted
For the Six Months Ended December 31, 2014

Cash - Restricted

Description	Balance 7/1/14	Interest	Service Charges	Adjustments	Balance 12/31/14
Bank United Medicaid Savings	4,268,630.10	7,537.02	0.00	0.00	4,276,167.12
Totals:	4,268,630.10	7,537.02	0.00	0.00	4,276,167.12

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Universal Health Care, Inc. in Liquidation
Schedule of Investments - Restricted
For the Six Months Ended December 31, 2014

Special Purpose Investment Account - Restricted

Description	Balance 7/1/14	Deposits Transfers	Interest	Distributions Reissues	Balance 12/31/14
Special Purpose Investment Account Diversion Savings	0.00	1,204,545.88	601.64	0.00	1,205,147.52
Totals:	<u>0.00</u>	<u>1,204,545.88</u>	<u>601.64</u>	<u>0.00</u>	<u>1,205,147.52</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Universal Health Care, Inc. in Liquidation
Schedule of Accrued Interest Receivable
For the Six Months Ended December 31, 2014

Accrued Interest Receivable

Description		Balance 7/1/14	Accrued	Received	Balance 12/31/14
State Treasury	SPIA, 4-20-0-010000-00000	18,198.27	150,083.89	(131,924.14)	36,358.02
Totals:		<u>18,198.27</u>	<u>150,083.89</u>	<u>(131,924.14)</u>	<u>36,358.02</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Universal Health Care, Inc. in Liquidation
Schedule of Accounts Receivable
For the Six Months Ended December 31, 2014

Premium Receivable

Description	Balance 7/1/14	Adjustments	Balance 12/31/14
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 12/31/14
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 Secured Claims
For the Six Months Ended December 31, 2014

Secured Claims Against the Estate

Description	Balance 7/1/14	Adjustments/ Payments	Balance 12/31/14
Funds transferred from the Diversion Account at Fifth Third Bank	0.00	1,205,147.52	1,205,147.52
Totals:	<u>0.00</u>	<u>1,205,147.52</u>	<u>1,205,147.52</u>

**Florida Department of Financial Services, Division of Rehabilitation
and Liquidation**
Universal Health Care Inc. in Liquidation
Notes to Financial Statements
Dated December 31, 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".
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. **Special Purpose Investment Account – Restricted.** Funds deposited into the Receiver's SPIA account as a restricted asset pending a determination of ownership of the Diversion Account
8. **Accounts Receivable.** Receivables are shown with allowance provisions for uncollectible amounts unless otherwise indicated. These consist of premium receivable and other collections - recovery receivable.
9. **Allowance – Accounts Receivable.** An estimate of uncollectible or impaired amounts for certain assets.
10. **Secured Claim.** Consists of funds deposited into the Receiver's SPIA account as a restricted asset pending a determination of the ownership of the Diversion Account.
11. **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.
12. **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 December 31, 2014**

13. **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.
14. **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.