

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Universal Health Care Inc in Liquidation
Statement of Affairs
As of June 30, 2016

	<u>Estimated Realizable Value</u>
ASSETS	
Cash-Restricted	\$4,298,631.56
Special Purpose Investment Account-Restricted	1,231,311.99
Pooled Cash Due from the Admin Fund	36,667,193.35
Accrued Interest Receivable	51,492.46
Accounts Receivable	6,892,236.46
Allowance - Accounts Receivables	<u>(6,892,236.46)</u>
Total Assets	<u><u>\$42,248,629.36</u></u>

LIABILITIES	
Secured Claims	1,240,523.89
Loss Claims (Class 2)	
- Other	6,204.79
Employee Claims (Class 5)	841,000.00
General Creditor Claims (Class 6)	
- Other	30,081,669.90
State & Local Government Claims (Class 7)	506,523.06
Late Filed Claims (Class 8)	1,609,346.81
Surplus Notes/Unearned Premium Claims under Assessable Policies (Class 9)	
- Other	5,548,100.00
Shareholder Claims	1,284,634.25
Total Liabilities	<u>1,240,523.89</u>
	\$41,118,002.70

EQUITY	
Contributed Equity - State of Florida	126,597.25
Estate Equity	<u>1,004,029.41</u>
Excess (Deficiency) of Assets over Liabilities	<u>\$1,130,626.66</u>
Total Liabilities and Equity	<u><u>\$42,248,629.36</u></u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Universal Health Care Inc in Liquidation
Statement of Cash Receipts and Disbursements
From the Date of Liquidation through June 30, 2016

	Fiscal Year to Date	Since Date of Liquidation
CASH RECEIPTS		
Premium Collections	\$14,266,312.26	\$15,787,385.42
Reinsurance Recoveries	0.00	57,104.06
Subrogation and Salvage Recoveries	197,969.87	1,454,747.02
Litigation Recoveries	0.00	25,000.00
Tax Recoveries	0.00	3,700.00
Other Collections / Recoveries	26,789.17	5,151,931.83
Sale of Personal Property Inventory	0.00	65,698.91
Sale of Real Property Inventory	0.00	11,230,000.00
Receipts Before Investment Activities	14,491,071.30	33,775,567.24
Interest and Dividend Receipts	486,296.06	1,064,323.39
Sale of Short Term Investment	0.00	8,015,091.19
Receipts From Investment Activities	486,296.06	9,079,414.58
Total Cash Receipts	14,977,367.36	42,854,981.82
CASH DISBURSEMENTS & DISTRIBUTIONS		
Professional Fees and Expenses	166,063.96	2,958,494.63
Salaries and Fringe Benefits	555,818.64	2,689,280.72
Employee Welfare	1,321.89	4,316.58
Travel Expenses	1,185.04	66,125.83
Admin Expenses	4,328.31	3,146,763.77
Equipment and Furniture Expenses	6,520.08	136,427.18
Rent, Building and Equipment	31,831.47	167,770.94
Taxes	0.06	156,524.38
Disbursements	767,069.45	9,325,704.03
Distributions		
Administrative Claims (Class 1)	0.00	5,363.32
Total Distributed	0.00	5,363.32
Disbursements & Distributions Before Investment Activities	767,069.45	9,331,067.35
Financial Expenses	38,785.89	117,657.58
Purchase Short Term Investment	0.00	2.86
Disbursements for Investment Activities	38,785.89	117,660.44
Total Cash Disbursements & Distributions	805,855.34	9,448,727.79
Net Increase (Decrease) in Cash	14,171,512.02	33,406,254.03
Beginning Cash Balance:		
Beginning Cash	28,025,624.88	9,409,150.42
Adjustments to Beginning Cash	0.00	(618,267.55)
Adjusted Beginning Cash Balance	28,025,624.88	8,790,882.87
Ending Cash Balance	42,197,136.90	42,197,136.90

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Universal Health Care, Inc. in Liquidation
Schedule of Cash - Restricted
For the Twelve Months Ended June 30, 2016

Cash - Restricted

Description		Balance 7/1/15	Interest	Service Charges	Adjustments	Balance 6/30/16
Bank United Medicaid Savings		4,283,594.25	15,037.31	0.00	0.00	4,298,631.56
Totals:		<u>4,283,594.25</u>	<u>15,037.31</u>	<u>0.00</u>	<u>0.00</u>	<u>4,298,631.56</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Universal Health Care, Inc. in Liquidation
Schedule of Investments - Restricted
For the Twelve Months Ended June 30, 2016

Special Purpose Investment Account - Restricted

Description	Balance 7/1/15	Deposits Transfers	Interest	Distributions Reissues	Balance 6/30/16
Special Purpose Investment Account Diversion Savings	1,214,777.52	0.00	16,534.47	0.00	1,231,311.99
Totals:	<u>1,214,777.52</u>	<u>0.00</u>	<u>16,534.47</u>	<u>0.00</u>	<u>1,231,311.99</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Universal Health Care, Inc. in Liquidation
Schedule of Accrued Interest Receivable
For the Twelve Months Ended June 30, 2016

Accrued Interest Receivable

Description		Balance 7/1/15	Accrued	Received	Balance 6/30/16
State Treasury	SPIA, 4-20-0-010000-00000	18,826.44	483,928.78	(451,262.76)	51,492.46
Totals:		<u>18,826.44</u>	<u>483,928.78</u>	<u>(451,262.76)</u>	<u>51,492.46</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Universal Health Care, Inc. in Liquidation
Schedule of Accounts Receivable
For the Twelve Months Ended June 30, 2016

Premium Receivable

Description	Balance 7/1/15	Recoveries	Balance 6/30/16
Accrued CMS Retro Premium	21,158,548.72	(14,266,312.26)	6,892,236.46
Totals:	<u>21,158,548.72</u>	<u>(14,266,312.26)</u>	<u>6,892,236.46</u>

Allowance - Premium Receivable

Description	Balance 7/1/15	Recoveries	Balance 6/30/16
100% Reserve for CMS Retro Premium	(21,158,548.72)	14,266,312.26	(6,892,236.46)
Totals:	<u>(21,158,548.72)</u>	<u>14,266,312.26</u>	<u>(6,892,236.46)</u>

Net Receivables: 0.00

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Universal Health Care, Inc. in Liquidation
Schedule of Secured Claims
For the Twelve Months Ended June 30, 2016

Secured Claims Against the Estate

Description	Balance 7/1/15	Adjustments/ Payments	Interest	Balance 6/30/16
Funds transferred from the Diversion Account at Fifth Third Bank	1,214,777.52	0.00	16,534.47	1,231,311.99
Pinellas County Tax Collector	0.00	9,211.90	0.00	9,211.90
Totals:	<u>1,214,777.52</u>	<u>9,211.90</u>	<u>16,534.47</u>	<u>1,240,523.89</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation

Universal Health Care Inc. in Liquidation Notes to Financial Statements

Dated June 30, 2016

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, 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. **Cash - Restricted.** Consists of funds currently held in the company bank accounts at Bank United pursuant to agreements the company had with the Florida Agency for Health Care Administration.
6. **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.
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. **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 and a claim from Pinellas County Tax Collector.
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.
 - The First Interim Claims Report was approved on June 20, 2016. The deadline to file an objection is August 15, 2016.
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.
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.