

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Sunshine State Insurance Company in Liquidation**  
**Statement of Affairs**  
**As of September 30, 2015**

**Estimated  
Realizable  
Value**

---

**ASSETS**

Pooled Cash Due from the Admin Fund	\$21,389,265.57
Accrued Interest Receivable	23,182.86
Advance to Guaranty Associations	<u>11,113,906.83</u>
<b>Total Assets</b>	<b><u><u>\$32,526,355.26</u></u></b>

**LIABILITIES**

Administrative Claims (Class 1)	
- Guaranty Associations	3,861,743.26
Loss Claims (Class 2)	
- Guaranty Associations	12,922,914.38
- Other	15,200.00
Unearned Premium Claims under Non-assessable Policies (Class 3)	
- Guaranty Associations	22,063,387.21
- Other	100.00
Federal Government Claims (Class 4)	1.00
General Creditor Claims (Class 6)	
- Other	8,069,185.88
State & Local Government Claims (Class 7)	2,565.22
Late Filed Claims (Class 8)	400.00
Shareholder Claims	<u>206,464.00</u>
<b>Total Liabilities</b>	<b><u>\$47,141,960.95</u></b>

**EQUITY**

Contributed Equity - State of Florida	19,483.93
Estate Equity	<u>(14,635,089.62)</u>
Excess (Deficiency) of Assets over Liabilities	<u>(\$14,615,605.69)</u>
<b>Total Liabilities and Equity</b>	<b><u><u>\$32,526,355.26</u></u></b>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Sunshine State Insurance Company in Liquidation**  
**Statement of Cash Receipts and Disbursements**  
**From the Date of Liquidation through September 30, 2015**

	Fiscal Year to Date	Since Date of Liquidation
<b>CASH RECEIPTS</b>		
Premium Collections	\$0.00	\$1,889,555.37
Reinsurance Recoveries	9,560,723.58	9,982,868.66
Agents' Balances Recoveries	1,034.83	131,631.07
Subrogation and Salvage Recoveries	33,500.00	154,155.96
Tax Recoveries	297,802.00	297,802.00
Other Collections / Recoveries	1,512.10	3,640,362.53
Sale of Personal Property Inventory	0.00	2,459,928.04
Sale of Other Assets	(318,580.38)	3,681,419.62
Receipts Before Investment Activities	9,575,992.13	22,237,723.25
Interest and Dividend Receipts	72,134.17	499,428.69
Sale of Short Term Investment	0.00	8,097,858.32
Sale of Long Term Investment	500,000.00	500,000.00
Receipts From Investment Activities	572,134.17	9,097,287.01
<b>Total Cash Receipts</b>	<b>10,148,126.30</b>	<b>31,335,010.26</b>
<b>CASH DISBURSEMENTS &amp; DISTRIBUTIONS</b>		
Professional Fees and Expenses	210,536.23	1,017,963.93
Salaries and Fringe Benefits	206,567.56	1,599,574.53
Employee Welfare	210.68	3,397.94
Travel Expenses	164.25	17,290.78
Admin Expenses	282.36	15,308.19
Equipment and Furniture Expenses	7,105.97	39,417.42
Rent, Building and Equipment	6,225.77	39,470.69
Taxes	0.07	15.68
Disbursements	431,092.89	2,732,439.16
Distributions		
Early Access-Guaranty Associations	10,000,000.00	10,000,000.00
Total Distributed	10,000,000.00	10,000,000.00
Disbursements & Distributions Before Investment Activities	10,431,092.89	12,732,439.16
Financial Expenses	6,900.45	41,200.87
Purchase Short Term Investment	0.00	2,491,599.54
Disbursements for Investment Activities	6,900.45	2,532,800.41
<b>Total Cash Disbursements &amp; Distributions</b>	<b>10,437,993.34</b>	<b>15,265,239.57</b>
<b>Net Increase (Decrease) in Cash</b>	<b>(289,867.04)</b>	<b>16,069,770.69</b>
<b>Beginning Cash Balance:</b>		
Beginning Cash	21,679,132.61	4,155,919.87
Adjustments to Beginning Cash	0.00	1,163,575.01
<b>Adjusted Beginning Cash Balance</b>	<b>21,679,132.61</b>	<b>5,319,494.88</b>
<b>Ending Cash Balance</b>	<b>21,389,265.57</b>	<b>21,389,265.57</b>

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

**Accrued Interest Receivable**

<u>Description</u>		<u>Balance 7/1/15</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance 9/30/15</u>
State Treasury	SPIA, 4-20-0-010000-00000	18,027.11	70,603.68	(65,447.93)	23,182.86
<b>Totals:</b>		<u>18,027.11</u>	<u>70,603.68</u>	<u>(65,447.93)</u>	<u>23,182.86</u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Sunshine State Insurance Company in Liquidation**  
**Schedule of Advance To Guaranty Association**  
**For the Three Months Ended September 30, 2015**

**Advance To Guaranty Association**

<b>Description</b>	<b>Balance 7/1/15</b>	<b>Advanced</b>	<b>Recovered</b>	<b>Balance 9/30/15</b>
Florida Insurance Guaranty Association (company checks allowed to clear post-liquidation)	1,113,906.83	0.00	0.00	11,113,906.83
Florida Insurance Guaranty Association	0.00	10,000,000.00	0.00	0.00
Totals:	<u>1,113,906.83</u>	<u>10,000,000.00</u>	<u>0.00</u>	<u>11,113,906.83</u>

**Florida Department of Financial Services, Division of Rehabilitation  
and Liquidation  
Sunshine State Insurance Co. in Liquidation  
Notes to Financial Statements**

**Dated September 30, 2015**

1. **Estate Information.** Sunshine State Insurance Co. was a property and casualty company domiciled in Florida and placed in liquidation on June 3, 2014.
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. **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. The checks that the Receiver allowed to clear post-liquidation are considered early access and an order was entered on May 21, 2015.
6. **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 were mailed and the claim-filing deadline was June 3, 2015
  - The First Interim Claims Report was approved on March 13, 2015. One Class 2 claim was reported to Court and no objection was filed.
7. **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).
8. **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.
9. **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.