

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Sunshine State Insurance Company in Liquidation**  
**Statement of Affairs**  
**As of March 31, 2016**

	<b>Estimated Realizable Value</b>
<b>ASSETS</b>	
Pooled Cash Due from the Admin Fund	\$22,711,042.91
Accrued Interest Receivable	32,274.92
Advance to Guaranty Associations	<u>11,113,906.83</u>
Total Assets	<u><u>\$33,857,224.66</u></u>

<b>LIABILITIES</b>	
Administrative Claims (Class 1)	
- Guaranty Associations	4,570,677.16
Loss Claims (Class 2)	
- Guaranty Associations	13,296,469.25
- Other	15,300.00
Unearned Premium Claims	
under Non-assessable Policies (Class 3)	
- Guaranty Associations	23,328,676.56
- Other	152,200.00
Federal Government Claims (Class 4)	1.00
General Creditor Claims (Class 6)	
- Other	8,225,120.63
State & Local Government Claims (Class 7)	2,565.22
Late Filed Claims (Class 8)	700.00
Shareholder Claims	<u>206,464.00</u>
Total Liabilities	<u>\$49,798,173.82</u>

<b>EQUITY</b>	
Contributed Equity - State of Florida	25,785.55
Estate Equity	<u>(15,966,734.71)</u>
Excess (Deficiency) of Assets over Liabilities	<u>(\$15,940,949.16)</u>
Total Liabilities and Equity	<u><u>\$33,857,224.66</u></u>

**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 March 31, 2016**

	Fiscal Year to Date	Since Date of Liquidation
<b>CASH RECEIPTS</b>		
Premium Collections	\$0.00	\$1,889,555.37
Reinsurance Recoveries	11,020,048.37	11,442,193.45
Agents' Balances Recoveries	2,792.52	133,388.76
Subrogation and Salvage Recoveries	64,030.69	184,686.65
Tax Recoveries	297,802.00	297,802.00
Other Collections / Recoveries	21,025.96	3,659,876.39
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	11,087,119.16	23,748,850.28
Interest and Dividend Receipts	224,250.46	651,544.98
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	724,250.46	9,249,403.30
<b>Total Cash Receipts</b>	<b>11,811,369.62</b>	<b>32,998,253.58</b>
<b>CASH DISBURSEMENTS &amp; DISTRIBUTIONS</b>		
Professional Fees and Expenses	310,035.83	1,117,463.53
Salaries and Fringe Benefits	416,129.54	1,809,136.51
Employee Welfare	931.12	4,118.38
Travel Expenses	288.70	17,415.23
Admin Expenses	1,673.36	16,699.19
Equipment and Furniture Expenses	9,919.76	42,231.21
Rent, Building and Equipment	20,141.07	53,385.99
Taxes	0.07	15.68
Disbursements	759,119.45	3,060,465.72
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	10,759,119.45	13,060,465.72
Financial Expenses	20,339.87	54,640.29
Purchase Short Term Investment	0.00	2,491,599.54
Disbursements for Investment Activities	20,339.87	2,546,239.83
<b>Total Cash Disbursements &amp; Distributions</b>	<b>10,779,459.32</b>	<b>15,606,705.55</b>
<b>Net Increase (Decrease) in Cash</b>	<b>1,031,910.30</b>	<b>17,391,548.03</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>22,711,042.91</b>	<b>22,711,042.91</b>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Sunshine State Insurance Company in Liquidation**  
**Schedule of Accrued Interest Receivable**  
**For the Nine Months Ended March 31, 2016**

**Accrued Interest Receivable**

<b>Description</b>		<b>Balance 7/1/15</b>	<b>Accrued</b>	<b>Received</b>	<b>Balance 3/31/16</b>
State Treasury	SPIA, 4-20-0-010000-00000	18,027.11	238,741.29	(224,493.48)	32,274.92
Totals:		18,027.11	238,741.29	(224,493.48)	32,274.92

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Sunshine State Insurance Company in Liquidation**  
**Schedule of Advance To Guaranty Association**  
**For the Nine Months Ended March 31, 2016**

**Advance To Guaranty Association**

<b>Description</b>	<b>Balance 7/1/15</b>	<b>Advanced</b>	<b>Recovered</b>	<b>Balance 3/31/16</b>
Florida Insurance Guaranty Association (company checks allowed to clear post-liquidation)	1,113,906.83	0.00	0.00	1,113,906.83
Florida Insurance Guaranty Association	0.00	10,000,000.00	0.00	10,000,000.00
<b>Totals:</b>	<b>1,113,906.83</b>	<b>10,000,000.00</b>	<b>0.00</b>	<b>11,113,906.83</b>

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

**Dated March 31, 2016**

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. This item includes checks that the Receiver allowed to clear post-liquidation in the amount of \$1,113,906.83 that were court approved as early access by order entered May 21, 2015 and includes \$10,000,000 advanced in January 2016.
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.