

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Physicians United Plan Inc in Liquidation
Statement of Affairs
As of September 30, 2015

**Estimated
Realizable
Value**

ASSETS

Special Purpose Investment Account-Restricted	\$532,169.77
Pooled Cash Due from the Admin Fund	22,380,155.88
Short Term Investments	2,086,737.64
Accrued Interest Receivable	24,028.76
Accounts Receivable	68,116,770.95
Allowance - Accounts Receivables	(68,116,770.95)
Fixed Assets	10,000.00
Total Assets	\$25,033,092.05

LIABILITIES

Secured Claims	2,618,907.41
Loss Claims (Class 2)	
- Other	310,019.67
Federal Government Claims (Class 4)	16,532,686.98
Employee Claims (Class 5)	81,195.08
General Creditor Claims (Class 6)	
- Other	16,021,750.05
Late Filed Claims (Class 8)	2,788.00
Surplus Notes/Unearned Premium Claims under Assessable Policies (Class 9)	
- Other	27,452,843.00
Shareholder Claims	4,078,222.48
Claims Not Prioritized	37,520,494.74
Total Liabilities	\$104,618,907.41

EQUITY

Contributed Equity - State of Florida	17,750.38
Estate Equity	(79,603,565.74)
Excess (Deficiency) of Assets over Liabilities	(\$79,585,815.36)
Total Liabilities and Equity	\$25,033,092.05

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Physicians United Plan, Inc
Statement of Cash Receipts and Disbursements
From the Date of Liquidation through September 30, 2015

	<u>Fiscal Year to Date</u>	<u>Since Date of Liquidation</u>
CASH RECEIPTS		
Premium Collections	\$0.00	\$854.48
Reinsurance Recoveries	0.00	27,532.84
Subrogation and Salvage Recoveries	14,046.24	345,866.42
Tax Recoveries	0.00	23.49
Other Collections / Recoveries	233,302.66	3,475,816.49
Sale of Personal Property Inventory	0.00	123,483.88
Sale of Other Assets	0.00	1,693.50
Receipts Before Investment Activities	247,348.90	3,975,271.10
Interest and Dividend Receipts	76,165.81	403,874.69
Receipts From Investment Activities	76,165.81	403,874.69
Total Cash Receipts	<u>323,514.71</u>	<u>4,379,145.79</u>
CASH DISBURSEMENTS & DISTRIBUTIONS		
Professional Fees and Expenses	150,778.28	1,000,165.05
Salaries and Fringe Benefits	165,810.67	1,385,180.43
Employee Welfare	163.57	1,093.97
Travel Expenses	97.98	38,099.73
Admin Expenses	(4,368.74)	55,480.09
Equipment and Furniture Expenses	1,851.93	11,137.54
Rent, Building and Equipment	4,928.00	148,726.93
Taxes	0.05	64.17
Disbursements	319,261.74	2,639,947.91
Disbursements & Distributions Before Investment Activities	319,261.74	2,639,947.91
Financial Expenses	7,139.02	34,286.01
Disbursements for Investment Activities	7,139.02	34,286.01
Total Cash Disbursements & Distributions	<u>326,400.76</u>	<u>2,674,233.92</u>
Net Increase (Decrease) in Cash	<u>(2,886.05)</u>	<u>1,704,911.87</u>
Beginning Cash Balance:		
Beginning Cash	22,915,211.70	13,348,577.61
Adjustments to Beginning Cash	0.00	7,858,836.17
Adjusted Beginning Cash Balance	<u>22,915,211.70</u>	<u>21,207,413.78</u>
Ending Cash Balance	<u>22,912,325.65</u>	<u>22,912,325.65</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Physicians United Plan Inc. in Liquidation
Schedule of Cash - Restricted
For the Three Months Ended September 30, 2015

Cash - Restricted

Description		Balance 7/1/15	Adjustments	Interest	Balance 9/30/15
Physicians Partners Risk Sharing Agreement	State Treasury - SPIA Account	505,270.11	0.00	1,521.20	506,791.31
Physicians Partners Risk Sharing Agreement	State Treasury - SPIA Account	25,302.34	0.00	76.12	25,378.46
Funds being held in separate Special Purpose Investment Accounts pursuant to risk sharing agreements that are subject to final reconciliation.					
Totals:		0.00	0.00	1,597.32	532,169.77

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Physicians United Plan Inc. in Liquidation
Schedule of Short Term Investments
For the Three Months Ended September 30, 2015

Certificates of Deposits

Description		Balance	Transfers/	Interest/	Balance
		7/1/15	Adjustments	Dividends	9/30/15
LOC Collateral for HCA Management Services	Certificate of Deposit - Wells Fargo	0.00	1,507,095.04	0.00	1,507,095.04
LOC Collateral for FDG Southpark	Certificate of Deposit - Wells Fargo	0.00	400,800.79	0.00	400,800.79
LOC Collateral for PUP Commercial Credit Card	Certificate of Deposit - Wells Fargo	0.00	100,008.21	0.00	100,008.21
LOC Collateral for RR Tampa LLC	Certificate of Deposit - Wells Fargo	0.00	78,833.60	0.00	78,833.60
		0.00	2,086,737.64	0.00	2,086,737.64

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Physicians United Plan Inc. in Liquidation
Schedule of Accrued Interest Receivable
For the Three Months Ended September 30, 2015

Accrued Interest Receivable

Description		Balance 7/1/15	Accrued	Received	Balance 9/30/15
State Treasury	SPIA, 4-20-0-010000-00000	18,637.12	73,041.75	(67,650.11)	24,028.76
Totals:		18,637.12	73,041.75	(67,650.11)	24,028.76

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Physicians United Plan Inc. in Liquidation
Schedule of Accounts Receivable
For the Three Months Ended September 30, 2015

Other Collections - Recovery Receivable

Description	Balance 7/1/15	Adjustments/ Payments	Balance 9/30/15
Claims Payment Advances to Medical Providers	0.00	5,325,039.76	5,325,039.76
Management Services Organization Risk Sharing Receivable	0.00	61,626,771.95	61,626,771.95
Net Receivable from Centers for Medicare & Medicaid Services	0.00	1,164,959.24	1,164,959.24
Totals	0.00	68,116,770.95	68,116,770.95

Total Receivables 68,116,770.95

Allowance - Other Collections Recovery Receivable

Description	Balance 1/0/00	Adjustments/ Payments	Balance 1/0/00
Claims Payment Advances to Medical Providers	0.00	(5,325,039.76)	(5,325,039.76)
Management Services Organization Risk Sharing Receivable	0.00	(61,626,771.95)	(61,626,771.95)
Net Receivable from Centers for Medicare & Medicaid Services	0.00	(1,164,959.24)	(1,164,959.24)
Totals	0.00	(68,116,770.95)	(68,116,770.95)

Total Allowance for Impaired Assets (68,116,770.95)

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Physicians United Plan Inc. in Liquidation
Schedule of Fixed Assets
For the Three Months Ended September 30, 2015

Fixed Assets

Description	Balance 7/1/15	Adjustments	Balance 9/30/15
EDP Equipment & Software	0.00	10,000.00	10,000.00
	0.00	10,000.00	10,000.00

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Physicians United Plan Inc. in Liquidation
Schedule of Secured Claims Against Estate
For the Three Months Ended September 30, 2015

Secured Claims Against Estate

Description	Balance 7/1/15	Adjustment	Balance 9/30/15
LOC Collateral for HCA Management Services	1,507,095.04	0.00	1,507,095.04
LOC Collateral for FDG Southpark	400,800.79	0.00	400,800.79
LOC Collateral for PUP Commercial Credit Card	100,008.21	0.00	100,008.21
LOC Collateral for RR Tampa LLC	78,833.60	0.00	78,833.60
Physicians Partners Risk Sharing Agreement	500,000.00	0.00	500,000.00
Physicians Partners Risk Sharing Agreement	25,000.00	0.00	25,000.00
SPIA - Restricted Cash Interest	5,572.45	1,597.32	7,169.77
Totals:	2,617,310.09	1,597.32	2,618,907.41

**Florida Department of Financial Services, Division of Rehabilitation
and Liquidation**
Physicians United Plan Inc. in Liquidation
Notes to Financial Statements

Dated September 30, 2015

1. **Estate Information.** Physicians United Plan Inc. was a health maintenance organization domiciled in Florida and placed in liquidation on July 1, 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. **Special Purpose Investment Account – Restricted.** Represents funds that are tied to risk sharing agreements with medical providers and are subject to final reconciliations that may take up to a year to complete.
6. **Short Term Investments.** The investments are stated at fair value, which approximates market value. Market values are those provided by the depository trust institution or brokerage institution in possession of the securities at the balance sheet date. These investments are certificates of deposit held by Wells Fargo as collateral for LOC's.
7. **Accounts Receivable.** These account receivables represent claims payment advances (deposit) to medical providers, Management Services Organization (MSO) risk sharing receivables, and net premium receivable from the Center for Medicare and Medicaid Services (CMS). These are subject to final reconciliations that may take up to two years. These receivables are offset by a 100% allowance as the timing and the certainty of their collectability are currently indeterminate.
8. **Fixed Assets.** Estimated value of personal property such as computers, office furniture and equipment.
9. **Secured Claim.** Secured claims represent liabilities for such items as collateral for bonds or LOC's, amounts for which the ownership is in dispute with other entities, amounts subject to court ordered distribution and other such items. These secured claims represent funds that are tied to risk sharing agreements with medical providers and are subject to final reconciliations that may take up to a year to complete and certificates of deposit held by Wells Fargo as collateral for LOC's that are in the process of being resolved by our Legal section.
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.
 - Claims liabilities are based upon company estimates as of liquidation July 1st, 2014.
 - Filed Proof of Claim forms are currently being processed and the liability numbers are subject to change.
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).

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Notes to Financial Statements
Dated September 30, 2015**

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.