

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Physicians United Plan Inc in Liquidation
Statement of Affairs
As of June 30, 2016

**Estimated
Realizable
Value**

ASSETS

Special Purpose Investment Account-Restricted	\$537,794.13
Pooled Cash Due from the Admin Fund	22,226,042.43
Pooled Cash Reserved for Unclaimed Property	364.75
Accrued Interest Receivable	31,244.21
Accounts Receivable	68,116,770.95
Allowance - Accounts Receivables	(68,116,770.95)
Fixed Assets	10,000.00
Total Assets	<u><u>\$22,805,445.52</u></u>

LIABILITIES

Unclaimed Property	364.75
Secured Claims	537,794.13
Loss Claims (Class 2)	
- Other	308,997.64
Unearned Premium Claims	
under Non-assessable Policies (Class 3)	
- Other	4,761.30
Federal Government Claims (Class 4)	16,532,686.98
Employee Claims (Class 5)	87,195.06
General Creditor Claims (Class 6)	
- Other	16,087,203.41
Late Filed Claims (Class 8)	22,711.12
Surplus Notes/Unearned Premium Claims	
under Assessable Policies (Class 9)	
- Other	27,452,843.00
Shareholder Claims	4,303,222.48
Claims Not Prioritized	37,200,379.01
Total Liabilities	<u><u>\$102,538,158.88</u></u>

EQUITY

Contributed Equity - State of Florida	35,571.43
Estate Equity	<u>(79,768,284.79)</u>
Excess (Deficiency) of Assets over Liabilities	<u>(\$79,732,713.36)</u>
Total Liabilities and Equity	<u><u>\$22,805,445.52</u></u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Physicians United Plan, Inc in Liquidation
Statement of Cash Receipts and Disbursements
From the Date of Liquidation through June 30, 2016

	<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	126,121.96	457,942.14
Litigation Recoveries	25,000.00	25,000.00
Tax Recoveries	237,178.00	237,201.49
Other Collections / Recoveries	249,426.29	3,491,940.12
Sale of Personal Property Inventory	0.00	123,483.88
Sale of Other Assets	0.00	1,693.50
Receipts Before Investment Activities	637,726.25	4,365,648.45
Interest and Dividend Receipts	338,427.81	666,136.69
Receipts From Investment Activities	338,427.81	666,136.69
Total Cash Receipts	<u>976,154.06</u>	<u>5,031,785.14</u>
CASH DISBURSEMENTS & DISTRIBUTIONS		
Professional Fees and Expenses	478,777.82	1,328,164.59
Salaries and Fringe Benefits	591,505.55	1,810,875.31
Employee Welfare	800.13	1,730.53
Travel Expenses	263.76	38,265.51
Admin Expenses	140.07	59,988.90
Equipment and Furniture Expenses	4,566.39	13,852.00
Rent, Building and Equipment	19,837.73	163,636.66
Taxes	3,540.05	3,604.17
Disbursements	1,099,431.50	3,420,117.67
Disbursements & Distributions Before Investment Activities	1,099,431.50	3,420,117.67
Financial Expenses	27,732.95	54,879.94
Disbursements for Investment Activities	27,732.95	54,879.94
Total Cash Disbursements & Distributions	<u>1,127,164.45</u>	<u>3,474,997.61</u>
Net Increase (Decrease) in Cash	<u>(151,010.39)</u>	<u>1,556,787.53</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>22,764,201.31</u>	<u>22,764,201.31</u>

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

Cash - Restricted

Description	Balance 7/1/15	Adjustments	Interest	Balance 6/30/16
Physicians Partners Risk Sharing Agreement State Treasury - SPIA Account	505,270.11	0.00	6,877.54	512,147.65
Medproviders Network, LLC Risk Sharing Agreement State Treasury - SPIA Account	25,302.34	0.00	344.14	25,646.48
Funds from LOC's deposited in separate Special Purpose Investment Accounts pursuant to risk sharing agreements that are subject to final reconciliation.				
Totals:	0.00	0.00	7,221.68	537,794.13

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Physicians United Plan 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	18,637.12	337,757.82	(325,150.73)	31,244.21
Totals:		18,637.12	337,757.82	(325,150.73)	31,244.21

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

Other Collections - Recovery Receivable

Description	Balance 7/1/15	Adjustments/ Payments	Balance 6/30/16
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 7/1/15	Adjustments/ Payments	Balance 6/30/16
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 Twelve Months Ended June 30, 2016

Fixed Assets

Description	Balance 7/1/15	Adjustments	Balance 6/30/16
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 Unclaimed Property
For the Twelve Months Ended June 30, 2016

Unclaimed Property

Description	Balance 7/1/15	Adjustment	Balance 6/30/16
Voided medical loss rebate checks to be sent to Unclaimed Property	624.89	(260.14)	364.75
Totals:	624.89	(260.14)	364.75

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Physicians United Plan Inc. in Liquidation
Schedule of Secured Claims Against Estate
For the Twelve Months Ended June 30, 2016

Secured Claims Against Estate

Description	Balance 7/1/15	Adjustment	Balance 6/30/16
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	7,221.68	12,794.13
Totals:	530,572.45	7,221.68	537,794.13

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

Dated June 30, 2016

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".

"Pooled Cash Reserved for Unclaimed Property" is a segregated amount of Pooled Cash that represents the remaining amount of Pooled Cash reserved for voided checks after a distribution account is closed and reconciled for outstanding checks. These amounts will be sent to the Bureau of Unclaimed Property upon court authorization.
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. **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.
7. **Fixed Assets.** Estimated value of personal property such as computers, office furniture and equipment. In this estate it is computer equipment.
8. **Unclaimed Property.** Represents unreleased, unissued and/or outstanding distribution amounts to be sent to the various states' unclaimed property sections.
9. **Secured Claims.** 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.

**Florida Department of Financial Services, Division of Rehabilitation
and Liquidation**

**Physicians United Plan Inc. in Liquidation
Notes to Financial Statements**

Dated June 30, 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.