

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Physicians United Plan Inc in Liquidation
Statement of Affairs
As of June 30, 2018

	<u>Estimated Realizable Value</u>
ASSETS	
SPIA-Restricted	\$26,436.61
Pooled Cash in SPIA Due from the Admin Fund	19,662,546.58
Accrued Interest Receivable	26,589.50
Accounts Receivable	37,525,652.76
Allowance - Accounts Receivables	(37,525,652.76)
Fixed Assets	<u>3,625.00</u>
Total Assets	<u><u>\$19,719,197.69</u></u>
LIABILITIES	
Secured Claims	26,436.61
Loss Claims (Class 2)	
Class 2 - Other	61,668,435.55
Unearned Premium Claims	
under Non-assessable Policies (Class 3)	
Class 3 - Other	4,770.50
Federal Government Claims (Class 4)	10,082,367.68
Employee Claims (Class 5)	96,545.88
General Creditor Claims (Class 6)	
Class 6 - Other	15,008,496.44
Late Filed Claims (Class 8)	459,943.95
Surplus Notes/Unearned Premium Claims	
under Assessable Policies (Class 9)	
Class 9 - Other	27,452,843.00
Shareholder Claims	<u>4,303,222.48</u>
Total Liabilities	<u>\$119,103,062.09</u>
EQUITY	
Contributed Equity - State of Florida	90,142.36
Estate Equity	<u>(99,474,006.76)</u>
Excess (Deficiency) of Assets over Liabilities	<u>(\$99,383,864.40)</u>
Total Liabilities and Equity	<u><u>\$19,719,197.69</u></u>

The accompanying notes & schedules are an integral part of these financial statements
UNAUDITED

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, 2018

	Fiscal Year to Date	Since Date of Liquidation
CASH RECEIPTS		
Premium Collections	\$0.00	\$854.48
Reinsurance Recoveries	0.00	27,532.84
Subrogation and Salvage Recoveries	59,608.52	656,217.41
Litigation Recoveries	0.00	25,000.00
Tax Recoveries	0.00	237,201.49
Other Collections / Recoveries	(492,089.86)	3,010,251.14
Sale of Personal Property Inventory	0.00	126,042.73
Sale of Other Assets	0.00	1,693.50
Receipts Before Investment Activities	(432,481.34)	4,084,793.59
Interest and Dividend Receipts	364,886.79	1,382,379.44
Receipts From Investment Activities	364,886.79	1,382,379.44
Total Cash Receipts	(67,594.55)	5,467,173.03
CASH DISBURSEMENTS & DISTRIBUTIONS		
Professional Fees and Expenses	972,232.94	3,587,867.17
Salaries and Fringe Benefits	436,411.75	2,916,882.44
Employee Welfare	2,657.33	5,364.77
Travel Expenses	2,549.37	42,088.80
Admin Expenses	2,682.04	68,759.02
Equipment and Furniture Expenses	2,575.31	17,732.15
Rent, Building and Equipment	51,035.16	236,243.66
Taxes	347.44	4,015.59
Disbursements	1,470,491.34	6,878,953.60
Disbursements & Distributions Before Investment Activities	1,470,491.34	6,878,953.60
Financial Expenses	24,834.76	106,650.02
Disbursements for Investment Activities	24,834.76	106,650.02
Total Cash Disbursements & Distributions	1,495,326.10	6,985,603.62
Net Increase (Decrease) in Cash	(1,562,920.65)	(1,518,430.59)
Beginning Cash Balance:		
Beginning Cash	21,251,903.84	13,348,577.61
Adjustments to Beginning Cash	0.00	7,858,836.17
Adjusted Beginning Cash Balance	21,251,903.84	21,207,413.78
Ending Cash Balance	19,688,983.19	19,688,983.19

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, 2018

SPIA - Restricted

Description	Balance 7/1/17	Adjustments	Interest	Balance 6/30/18
Physicians Partners Risk Sharing Agreement State Treasury - SPIA Account	519,641.29	(527,253.82)	7,612.53	(0.00)
Medproviders Network, LLC Risk Sharing Agre State Treasury - SPIA Account	26,021.45	(17.96)	433.12	26,436.61
Funds from LOC's deposited in separate Special Purpose Investment Accounts pursuant to risk sharing agreements that are subject to final reconciliation.				
Totals:	<u>545,662.74</u>	<u>(527,271.78)</u>	<u>8,045.65</u>	<u>26,436.61</u>

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, 2018

Accrued Interest Receivable

Description		Balance 7/1/17	Accrued	Received	Balance 6/30/18
State Treasury	SPIA, 4-20-0-010000-00000	23,912.12	337,054.25	(334,376.87)	26,589.50
Totals:		23,912.12	337,054.25	(334,376.87)	26,589.50

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, 2018

Other Collection, Recovery Receivable

Description	Balance 7/1/17	Adjustments/ Payments	Balance 6/30/18
Claims Payment Advances to Medical Providers	5,325,039.76	0.00	5,325,039.76
Management Services Organization Risk Sharing Receivable	61,626,771.95	(29,426,158.95)	32,200,613.00
Total:	<u>66,951,811.71</u>	<u>(29,426,158.95)</u>	<u>37,525,652.76</u>

Allowance - Other Collections Recovery Receivable

Description	Balance 7/1/17	Adjustments/ Payments	Balance 6/30/18
Claims Payment Advances to Medical Providers	(5,325,039.76)	0.00	(5,325,039.76)
Management Services Organization Risk Sharing Receivable	(61,626,771.95)	29,426,158.95	(32,200,613.00)
Total:	<u>(66,951,811.71)</u>	<u>29,426,158.95</u>	<u>(37,525,652.76)</u>

Total Accounts Receivable - Net of Allowance

0.00

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, 2018

Computer Equipment

Description	Balance 7/1/17	Adjustments/Payments	Balance 6/30/18
Various electronic equipment	3,625.00	0.00	3,625.00
	<u>3,625.00</u>	<u>0.00</u>	<u>3,625.00</u>

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, 2018

Secured Claims Against Estate

Description	Balance 7/1/17	Adjustments	Interest	Balance 6/30/18
Physicians Partners Risk Sharing Agreement State Treasury - SPIA Account	519,641.29	(527,253.82)	7,612.53	(0.00)
Medproviders Network, LLC Risk Sharing Agre State Treasury - SPIA Account	26,021.45	(17.96)	433.12	26,436.61
Funds from LOC's deposited in separate Special Purpose Investment Accounts pursuant to risk sharing agreements that are subject to final reconciliation.				
Totals:	<u>545,662.74</u>	<u>(527,271.78)</u>	<u>8,045.65</u>	<u>26,436.61</u>

**Florida Department of Financial Services, Division of Rehabilitation
and Liquidation
Physicians United Plan Inc. in Liquidation
Notes to Financial Statements
Dated June 30, 2018**

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, 2017 through June 30, 2018. 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 Wells Fargo 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 (SPIA) – Restricted.** Represents funds that are tied to risk sharing agreements with medical providers and are subject to final reconciliation.
6. **Accounts Receivable – Other Receivables.** These account receivables represent claims payment advances (deposits) to medical providers and Management Services Organization (MSO) risk sharing receivables. The risk sharing receivables have been adjusted to their final reconciliation amount. These receivables are offset by a 100% allowance as the timing and the certainty of their collectability are currently indeterminate.
7. **Allowance –Other Receivables.** An estimate of uncollectible amounts for certain assets.
8. **Fixed Assets.** Assets of a durable nature such as buildings, furniture, computer equipment, and machinery. The property in this estate consists of electronic equipment such as computers, servers, phones, etc. and its' estimated value is based on prices of similar equipment from the State of Florida's Public Auction site.
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. This secured claim represents funds that are tied to a risk sharing agreement with a medical provider and is subject to final reconciliation.
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 September 22, 2017. The deadline to file an objection was December 18, 2017. Twenty-Five objections have been filed to date and remain pending with an estimated net claimed value of \$99,812,605.92.
11. **Interest Distributions.** For companies placed into receivership on or after July 1, 2012, Section 631.271, Florida Statutes authorizes the payment of interest on claims in Classes 1-9 prior to making any payment on shareholder claims.

**Florida Department of Financial Services, Division of Rehabilitation
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Notes to Financial Statements
Dated June 30, 2018**

12. **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 requested a federal release from the U.S. Department of Justice (DOJ) on October 24, 2017.
13. **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.
14. **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.