Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Physicians United Plan Inc in Liquidation
Statement of Affairs
As of June 30, 2019

	Estimated Realizable Value
ASSETS	
SPIA-Restricted	$27,021.68
Pooled Cash in SPIA Due from the Admin Fund	20,597,442.66
Accrued Interest Receivable	46,832.76
Accounts Receivable	35,025,652.76
Allowance - Accounts Receivables	(35,025,652.76)
Fixed Assets	3,625.00
Total Assets	$20,674,922.10
LIABILITIES	
Secured Claims	27,021.68
Class 2 Loss Claims	
Class 2 - Other	58,646,375.53
Class 3 Unearned Premium Claims under Non-assessable Policies	
Class 3 - Other	4,770.50
Class 4 Federal Government Claims	10,082,367.68
Class 5 Employee Claims	96,545.88
Class 6 General Creditor Claims	
Class 6 - Other	1,612,655.88
Class 8 Late Filed Claims	782,444.21
Class 9 Surplus Notes/Unearned Premium Claims under Assessable Policies	
Class 9 - Other	26,083,899.00
Class 11 Shareholder Claims	12,331.73
Total Liabilities	$97,348,412.09
EQUITY	
Contributed Equity - State of Florida	148,081.24
Estate Equity	(76,821,571.23)
Excess (Deficiency) of Assets over Liabilities	($76,673,489.99)
Total Liabilities and Equity	$20,674,922.10

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, 2019

	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	8,931.08	665,148.49
Litigation Recoveries	0.00	25,000.00
Tax Recoveries	0.00	237,201.49
Other Collections / Recoveries	2,500,268.11	5,510,519.25
Sale of Personal Property Inventory	0.00	126,042.73
Sale of Other Assets	0.00	1,693.50
Receipts Before Investment Activities	2,509,199.19	6,593,992.78
Interest and Dividend Receipts	476,801.31	1,859,180.75
Receipts From Investment Activities	476,801.31	1,859,180.75
Total Cash Receipts	**2,986,000.50**	**8,453,173.53**
CASH DISBURSEMENTS & DISTRIBUTIONS		
Professional Fees and Expenses	953,277.26	4,541,144.43
Salaries and Fringe Benefits	364,347.15	3,281,229.59
Employee Welfare	2,863.68	8,228.45
Travel Expenses	1,453.42	43,542.22
Admin Expenses	628,681.88	697,440.90
Equipment and Furniture Expenses	23,498.13	41,230.28
Rent, Building and Equipment	50,919.96	287,163.62
Taxes	357.13	4,372.72
Disbursements	2,025,398.61	8,904,352.21
Disbursements & Distributions Before Investment Activities	2,025,398.61	8,904,352.21
Financial Expenses	25,120.74	131,770.76
Disbursements for Investment Activities	25,120.74	131,770.76
Total Cash Disbursements & Distributions	**2,050,519.35**	**9,036,122.97**
Net Increase (Decrease) in Cash	**935,481.15**	**(582,949.44)**
Beginning Cash Balance:		
Beginning Cash	19,688,983.19	13,348,577.61
Adjustments to Beginning Cash	0.00	7,858,836.17
Adjusted Beginning Cash Balance	**19,688,983.19**	**21,207,413.78**
Ending Cash Balance	**20,624,464.34**	**20,624,464.34**
Cash Balance per the Statement of Affairs (non-printing)	**20,624,464.34**	**0.00**
Cash Balance per the Statement of Affairs	20,624,464.34	20,624,464.34
Out-of-Balance with the Statement of Affairs	**0.00**	**0.00**
Suspense/Over & Short	**0.00**	**0.00**

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, 2019

SPIA - Restricted

Description		Balance 7/1/18	Adjustments	Interest	Balance 6/30/19
Medproviders Network, LLC Risk Sharing Agreement	State Treasury - SPIA Account	26,436.61	0.00	585.07	27,021.68
	Totals:	26,436.61	0.00	585.07	27,021.68

Funds from LOC's deposited in separate Special Purpose Investment Accounts pursuant to risk sharing agreements that are subject to final reconciliation.

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, 2019

Accrued Interest Receivable

Description		Balance 7/1/18	Accrued	Received	Balance 6/30/19
State Treasury	SPIA, 4-20-0-010000-00000	26,589.50	471,532.45	(451,289.19)	46,832.76
	Totals:	26,589.50	471,532.45	(451,289.19)	46,832.76

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, 2019

Other Collection, Recovery Receivable

Description	Balance 7/1/18	Adjustments/ Payments	Balance 6/30/19
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	(31,926,158.95)	29,700,613.00
Total:	66,951,811.71	(31,926,158.95)	35,025,652.76

Allowance - Other Collections Recovery Receivable

Description	Balance 7/1/18	Adjustments/ Payments	Balance 6/30/19
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)	31,926,158.95	(29,700,613.00)
Total:	(66,951,811.71)	31,926,158.95	(35,025,652.76)

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, 2019

Computer Equipment

Description	Balance 7/1/18	Adjustments/Payments	Balance 6/30/19
Various electronic equipment	3,625.00	0.00	3,625.00
	3,625.00	0.00	3,625.00

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Physicians United Plan Inc. in Liquidation
Schedule of Secured Claims Against Estate
For the Twelve Months Ended June 30, 2019

Secured Claims Against Estate

Description		Balance 7/1/18	Adjustments	Interest	Balance 6/30/19
Medproviders Network, LLC Risk Sharing Agreemen State Treasury - SPIA Account		26,436.61	0.00	585.07	27,021.68
Funds from LOC's deposited in separate Special Purpose Investment Accounts pursuant to risk sharing agreements that are subject to final reconciliation.	Totals:	26,436.61	0.00	585.07	27,021.68

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

Dated June 30, 2019

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, 2018 through June 30, 2019. 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 and twenty-three remain pending with an estimated net claimed value of $91,957,108.37.

    - The Second Interim Claims Report was approved on June 22, 2018. The deadline to file an objection was September 21, 2018 and no objections were filed.

    - The Third Interim Claims Report was approved on December 19, 2018. The deadline to file an objection was March 12, 2019. One objection was filed and resolved.

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Physicians United Plan Inc. in Liquidation
Notes to Financial Statements
Dated June 30, 2019

- The Fourth Interim Claims Report was approved on March 18, 2019. The deadline to file an objection is June 10, 2019. Four objections were filed and remain pending with an estimated net claimed value of $1,917,683.98.

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. At this time, the Receiver does not anticipate having sufficient assets in this estate to pay all claims for Classes 1-9. Accordingly, this statement does not reflect an interest reserve for Classes 1-9 allowed claims.

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 <u>not</u> take into consideration any estimates for future administrative costs to liquidate the estate or costs to pursue or litigate claims against others.