

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Guarantee Insurance Company in Liquidation**  
**Statement of Affairs**  
**As of June 30, 2018**

**Estimated  
Realizable  
Value**

**ASSETS**

Cash-Company Operating	\$14,705.93
SPIA-Restricted	498,952.53
Pooled Cash in SPIA Due from the Admin Fund	20,611,729.56
Short Term Investments-Restricted	36,821,375.81
Allowance - Short Term Investments	(36,821,375.81)
Accrued Interest Receivable	24,034.22
Reinsurance Recoverable	9,565,264.58
Allowance Reinsurance Recoverable	(9,565,264.58)
Accounts Receivable	22,683,954.89
Allowance - Accounts Receivables	(22,658,954.89)
Marshaled Inventory	1,170,000.00
Long Term Investments	48,761.07
Allowance - Long Term Investments	(48,761.07)
Other Assets	3,822,165.07
<b>Total Assets</b>	<b><u><u>\$26,166,587.31</u></u></b>

**LIABILITIES**

Secured Claims	592,600.00
Administrative Claims (Class 1)	
Class 1 - Guaranty Associations	47,265,267.64
Loss Claims (Class 2)	
Class 2 - Guaranty Associations	363,919,841.19
Unearned Premium Claims	
under Non-assessable Policies (Class 3)	
Class 3 - Other	11,475,951.13
Surplus Notes/Unearned Premium Claims	
under Assessable Policies (Class 9)	
Class 9 - Other	28,601,000.00
<b>Total Liabilities</b>	<b><u><u>\$451,854,659.96</u></u></b>

**EQUITY**

Contributed Equity - State of Florida	75,147.45
Estate Equity	(425,763,220.10)
<b>Excess (Deficiency) of Assets over Liabilities</b>	<b><u><u>(\$425,688,072.65)</u></u></b>
<b>Total Liabilities and Equity</b>	<b><u><u>\$26,166,587.31</u></u></b>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Guarantee Insurance Company 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
<b>CASH RECEIPTS</b>		
Premium Collections	\$10,853,382.27	\$10,853,382.27
Reinsurance Recoveries	670,484.41	670,484.41
Subrogation and Salvage Recoveries	1,462,756.42	1,462,756.42
Tax Recoveries	411,960.91	411,960.91
Other Collections / Recoveries	4,917,611.42	4,917,611.42
Sale of Personal Property Inventory	7,461.75	7,461.75
Sale of Real Property Inventory	1,255,000.00	1,255,000.00
Mortgage Interest Income	9,812.50	9,812.50
Receipts Before Investment Activities	19,588,469.68	19,588,469.68
Interest and Dividend Receipts	1,108,876.37	1,108,876.37
Sale of Short Term Investment	6,102.54	6,102.54
Receipts From Investment Activities	1,114,978.91	1,114,978.91
<b>Total Cash Receipts</b>	<b>20,703,448.59</b>	<b>20,703,448.59</b>
<b>CASH DISBURSEMENTS &amp; DISTRIBUTIONS</b>		
Professional Fees and Expenses	1,449,764.34	1,449,764.34
Salaries and Fringe Benefits	2,252,197.40	2,252,197.40
Employee Welfare	5,065.00	5,065.00
Travel Expenses	48,555.51	48,555.51
Admin Expenses	109,540.87	109,540.87
Equipment and Furniture Expenses	2,928.34	2,928.34
Rent, Building and Equipment	94,014.93	94,014.93
Taxes	68,335.49	68,335.49
Disbursements	4,030,401.88	4,030,401.88
Distributions		
Payments to Other Receivers	104,864.66	104,864.66
Total Distributed	104,864.66	104,864.66
Disbursements & Distributions Before Investment Activities	4,135,266.54	4,135,266.54
Financial Expenses	18,859.64	18,859.64
Purchase Short Term Investment	9,141.55	9,141.55
Disbursements for Investment Activities	28,001.19	28,001.19
<b>Total Cash Disbursements &amp; Distributions</b>	<b>4,163,267.73</b>	<b>4,163,267.73</b>
<b>Net Increase (Decrease) in Cash</b>	<b>16,540,180.86</b>	<b>16,540,180.86</b>
<b>Beginning Cash Balance:</b>		
Beginning Cash	0.00	0.00
Adjustments to Beginning Cash	32,119,936.10	32,119,936.10
Cash from New Estates	(27,534,728.94)	(27,534,728.94)
<b>Adjusted Beginning Cash Balance</b>	<b>4,585,207.16</b>	<b>4,585,207.16</b>
<b>Ending Cash Balance</b>	<b>21,125,388.02</b>	<b>21,125,388.02</b>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Guarantee Insurance Company**  
**Schedule of Cash - Company**  
For the Twelve Months Ended June 30, 2018

**Cash - Company**

Description	Balance		Deposits	Checks/Fees	Transfers	Voids/Stop Pays/Adjustments	Balance
	11/27/17	Interest					
Fifth Third Bank - Premium	4,968,675.98	0.00	10,120,279.08	595,557.71	(15,669,806.84)		14,705.93
Fifth Third - Operating	(8,250.35)	0.00	0.00	0.00	0.00	8,250.35	0.00
Fifth Third - Premium Refund	(174,895.73)	0.00	0.00	0.00	73,474.00	101,421.73	0.00
Bank of America - UW	1,290,143.84	3,340.27	411,836.50	(9,102.16)	(1,705,145.96)	8,927.51	0.00
Bank of America - Claims	(32,066,663.33)	0.00	0.00	(5,914,290.10)	6,201,710.52	31,779,242.91	0.00
Bank of America - Operating	(39,524.45)	0.00	0.00	0.00	0.00	39,524.45	0.00
Bank of America - Premium	(1,544,773.90)	0.00	0.00	0.00	0.00	1,544,773.90	0.00
Totals:	(27,575,287.94)	3,340.27	10,532,115.58		(11,099,768.28)	33,482,140.85	14,705.93

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Guarantee Insurance Company**  
**Schedule of SPIA - Restricted**  
**For the Twelve Months Ended June 30, 2018**

**SPIA - Restricted**

<b>Description</b>		<b>Balance 11/27/18</b>	<b>Adjustments/Deposits</b>	<b>Interest</b>	<b>Transfers/Distributions</b>	<b>Balance 6/30/18</b>
NCIGF Prefunding	SPIA 42009000	0.00	4,302,546.77	17,602.91	(4,188,809.34)	131,340.34
TigerRisk Re	SPIA 42008000	0.00	365,248.69	2,363.50	0.00	367,612.19
<b>Total:</b>		<u>0.00</u>	<u>4,667,795.46</u>	<u>19,966.41</u>	<u>(4,188,809.34)</u>	<u>498,952.53</u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Guarantee Insurance Company**  
**Schedule of Short Term Investments- Restricted**  
For the Twelve Months Ended June 30, 2018

**Short Term Investments - Restricted**

Description		Balance 11/27/17	Adjustments	Balance 6/30/18
NCCI Inc. Pool Admin. FBO GIC	US Bank	10,024,643.21	11.93	10,024,655.14
The Peoples Ins. Co. of China/GIC & Victoria Ins. Co. of Canada	US Bank	70,609.34	0.00	70,609.34
IAT Reinsurance Co. Ltd. FBO GIC	US Bank	1,823,090.43	(78,577.34)	1,744,513.09
Custodial Account under Agreement Dated 12/31/03 with GIC - Pledged to M&T	Wilmington Trust	1,131,063.01	(1,131,063.01)	0.00
GIC/Zurich American Ins. Co. Reinsurance Trust	Wells Fargo	7,296,020.02	(80,071.37)	7,215,948.65
GIC/Ancora Re Reinsurance Trust	Wells Fargo	581.77	2.07	583.84
GIC/Scottsdale Ins. Co. Reinsurance Trust	Wells Fargo	17,701,950.17	63,115.58	17,765,065.75
		<u>38,047,957.95</u>	<u>(1,226,582.14)</u>	<u>36,821,375.81</u>

**Allowance - Short Term Investments - Restricted**

Description		Balance 11/27/17	Adjustments	Balance 6/30/18
NCCI Inc. Pool Admin. FBO GIC	US Bank	(10,024,643.21)	(11.93)	(10,024,655.14)
The Peoples Ins. Co. of China/GIC & Victoria Ins. Co. of Canada	US Bank	(70,609.34)	0.00	(70,609.34)
IAT Reinsurance Co. Ltd. FBO GIC	US Bank	(1,823,090.43)	78,577.34	(1,744,513.09)
Custodial Account under Agreement Dated 12/31/03 with GIC - Pledged to M&T	Wilmington Trust	(1,131,063.01)	1,131,063.01	0.00
GIC/Zurich American Ins. Co. Reinsurance Trust	Wells Fargo	(7,296,020.02)	80,071.37	(7,215,948.65)
GIC/Ancora Re Reinsurance Trust	Wells Fargo	(581.77)	(2.07)	(583.84)
GIC/Scottsdale Ins. Co. Reinsurance Trust	Wells Fargo	(17,701,950.17)	(63,115.58)	(17,765,065.75)
		<u>(38,047,957.95)</u>	<u>1,226,582.14</u>	<u>(36,821,375.81)</u>

**Total Short Term Investments - Net of Allowances**

0.00

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Guarantee Insurance Company**  
**Schedule of Accrued Interest Receivable**  
**For the Twelve Months Ended June 30, 2018**

**Accrued Interest Receivable**

<u>Description</u>		<u>Balance 11/27/17</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance 6/30/18</u>
State Treasury	SPIA, 4-20-0-010000-00000	0.00	87,864.05	(63,829.83)	24,034.22
<b>Totals:</b>		<u>0.00</u>	<u>87,864.05</u>	<u>(63,829.83)</u>	<u>24,034.22</u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation  
 Guarantee Insurance Company in Liquidation  
 Schedule of Reinsurance Recoverables - Net of Allowance  
 For Twelve Months Ended June 30, 2018**

**Reinsurance Recoverables**

<b>Recovery</b>	<b>Balance 7/1/2017</b>	<b>Billed</b>	<b>Recovered</b>	<b>Adjustments</b>	<b>Balance 06/30/2018</b>
Receiver	0.00	10,163,295.57	(232,782.28)	(365,248.71)	9,565,264.58
<b>Total</b>	<b>0.00</b>	<b>10,163,295.57</b>	<b>(232,782.28)</b>	<b>(365,248.71)</b>	<b>9,565,264.58</b>

**Allowance Reinsurance**

<b>Recovery</b>	<b>Balance 7/1/2017</b>	<b>Increases</b>	<b>Adjustments</b>	<b>Balance 06/30/2018</b>
Receiver	0.00	0.00	(9,565,264.58)	(9,565,264.58)
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(9,565,264.58)</b>

**Reinsurance Recoverables - Net of Allowance** 0.00

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Guarantee Insurance Company**  
**Schedule of Accounts Receivable**  
**For the Twelve Months Ended June 30, 2018**

**Other Collections - Recovery/Receivable**

Description	Balance 11/27/17	Adjustments	Payments Received	Balance 6/30/18
Note Receivable - Ancora Re	3,708,954.89	0.00	0.00	3,708,954.89
Note Receivable - Steve Mariano	13,000,000.00	0.00	0.00	13,000,000.00
Note Receivable - Quadra Capital	1,200,000.00	0.00	0.00	1,200,000.00
Note Receivable - Steele Investment Partners	3,000,000.00	0.00	0.00	3,000,000.00
Funds Held Falls Lake National Ins. Co. (fka Stonewood Ins. Co.)	500,000.00	0.00	0.00	500,000.00
Note Receivable - Tobacco Road	450,000.00	0.00	0.00	450,000.00
Weber Forbearance Agreement on Judgment	800,000.00	0.00	0.00	800,000.00
M&T Bank Cash Collateral on LOC	25,000.00	0.00	0.00	25,000.00
Totals:	<u>22,683,954.89</u>	<u>0.00</u>	<u>0.00</u>	<u>22,683,954.89</u>

**Allowance - Other Receivables**

Description	Balance 11/27/17	Adjustments	Payments Received	Balance 6/30/18
Note Receivable - Ancora Re	(3,708,954.89)	0.00	0.00	(3,708,954.89)
Note Receivable - Steve Mariano	(13,000,000.00)	0.00	0.00	(13,000,000.00)
Note Receivable - Quadra Capital	(1,200,000.00)	0.00	0.00	(1,200,000.00)
Note Receivable - Steele Investment Partners	(3,000,000.00)	0.00	0.00	(3,000,000.00)
Funds Held Falls Lake National Ins. Co. (fka Stonewood Ins. Co.)	(500,000.00)	0.00	0.00	(500,000.00)
Note Receivable - Tobacco Road	(450,000.00)	0.00	0.00	(450,000.00)
Weber Forbearance Agreement on Judgment	(800,000.00)	0.00	0.00	(800,000.00)
Totals:	<u>(22,658,954.89)</u>	<u>0.00</u>	<u>0.00</u>	<u>(22,658,954.89)</u>

**Total Accounts Receivable - Net of Allowances**

25,000.00



**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Guarantee Insurance Company**  
**Schedule of Marshaled Inventory**  
**For the Twelve Months Ended June 30, 2018**

**Inventory - Real Property**

<b>Description</b>	<b>Balance 11/27/17</b>	<b>Adjustments</b>	<b>Sales Proceeds</b>	<b>Balance 6/30/18</b>
Residential Property Located at: 404 NE 8th Avenue in Ft. Lauderdale	2,428,856.00	531,144.00	(1,790,000.00)	1,170,000.00
<b>Totals:</b>	<u>2,428,856.00</u>	<u>531,144.00</u>	<u>(1,790,000.00)</u>	<u>1,170,000.00</u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Guarantee Insurance Company**  
**Schedule of Investments**  
**For the Twelve Months Ended June 30, 2018**

**Long Term Investments**

<b>Description</b>	<b>Balance 11/27/17</b>	<b>Adjustments</b>	<b>Interest</b>	<b>Balance 6/30/18</b>
Shares of Patriot National Inc. - UBS Financial Services Acct.	54,000.00	(24,300.00)	0.00	29,700.00
Shares of Liquid Holdings Group Inc. - UBS Financial Services Acct.	0.00	19,061.07	0.00	19,061.07
<b>Totals:</b>	<u>54,000.00</u>	<u>(5,238.93)</u>	<u>0.00</u>	<u>48,761.07</u>

**Allowance - Long Term Investments**

<b>Description</b>	<b>Balance 11/27/17</b>	<b>Adjustments</b>	<b>Recoveries</b>	<b>Balance 1/0/00</b>
Shares of Patriot National Inc. - UBS Financial Services Acct.	0.00	(29,700.00)	0.00	(29,700.00)
Shares of Liquid Holdings Group Inc. - UBS Financial Services Acct.	0.00	(19,061.07)	0.00	(19,061.07)
<b>Totals:</b>	<u>0.00</u>	<u>(48,761.07)</u>	<u>0.00</u>	<u>(48,761.07)</u>

**Total Long Term Investments - Net of Allowances** 0.00

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Guarantee Insurance Company**  
**Schedule of Other Assets**  
For the Twelve Months Ended June 30, 2018

**Statutory Deposits**

Description	Balance 11/27/17	Adjustments	Recovered	Balance 6/30/18
California - Citibank	27,796.44	24.08	0.00	27,820.52
Delaware - Wilmington Trust	109,931.80	(103.67)	(109,828.13)	0.00
Florida - US Bank	2,302,196.50	0.00	(2,302,196.50)	0.00
Georgia - US Bank	84,943.96	615.01	(85,558.97)	0.00
Indiana - Bank of New York Mellon	98,422.00	(1,328.00)	0.00	97,094.00
Massachusetts - Conduent	99,348.00	90.00	0.00	99,438.00
Missouri - Central Bank	1,199,549.45	(8,424.05)	1,718.75	1,192,844.15
Nevada - Bank of New York Mellon (Special Dep)	198,992.00	(1,554.00)	0.00	197,438.00
Nevada - Bank of New York Mellon (Work Comp)	99,496.00	(777.00)	0.00	98,719.00
Capital Surplus Acct. for IN, NV, TN Deposits	336,829.62	230,982.15	(452,514.44)	115,297.33
New Mexico - Century Trust	198,777.39	(1,603.13)	(104,864.66)	92,309.60
Oregon - US Bank	1,074,671.40	(2,985.93)	0.00	1,071,685.47
South Carolina - US Bank	323,643.00	(416.00)	0.00	323,227.00
Tennessee - Bank of New York Mellon	120,675.60	(120,675.60)	0.00	0.00
Texas - Texas Treasury	1,997,260.00	2,740.00	(2,000,000.00)	0.00
Virginia - Bureau of Insurance	506,292.00	0.00	0.00	506,292.00
Idaho - US Bank (1)	245,206.87	396.07	(245,602.94)	0.00
Montana - US Bank (1)	50,030.54	291.46	(50,322.00)	0.00
North Carolina - Us Bank (1)	301,583.77	0.00	(301,583.77)	0.00
Totals:	<u>9,375,646.34</u>	<u>97,271.39</u>	<u>(5,650,752.66)</u>	<u>3,822,165.07</u>

(1) These deposits were taken by their respective states and the Receiver will be pursuing early access agreements for them.

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Guarantee Insurance Company**  
**Schedule of Secured Claims**  
For the Twelve Months Ended June 30, 2018

**Secured Claims Other Reinsurance**

Description	Account	Balance 11/27/17	Received	Interest	Distributions	Balance 6/30/18
TigerRisk Re	State Treasury - SPIA Account	0.00	365,248.69	2,363.50	0.00	367,612.19
<b>Totals:</b>		0.00	365,248.69	2,363.50	0.00	367,612.19

**Secured Claims Against Estate**

Description	Account	Balance 11/27/17	Deposits	Interest	Checks/ Adjustments	Balance 6/30/18
NCIGF Prefund Agreement	State Treasury - SPIA Account	0.00	4,960,866.72	17,602.91	(4,845,857.57)	132,612.06
<b>Totals:</b>		0.00	4,960,866.72	17,602.91	(4,845,857.57)	132,612.06

Funds from NCIGF deposited in separate Special Purpose Investment Accounts pursuant to prefunding agreement and subject to final reconciliation.

**Secured Claims Large Deductible**

Description	Account	Balance 11/27/17	Received	Interest	Distributions	Balance 6/30/18
Dockery Limited Partnership	State Treasury - SPIA Account	0.00	92,375.75	0.00	0.00	92,375.75
<b>Totals:</b>		0.00	92,375.75	0.00	0.00	92,375.75

**Total Secured Claims** 592,600.00

**Florida Department of Financial Services, Division of Rehabilitation  
and Liquidation  
Guarantee Insurance Co. in Liquidation  
Notes to Financial Statements  
Dated June 30, 2018**

1. **Estate Information.** Guarantee Ins. Co (GIC) was a property and casualty insurance company that issued workers compensation policies and was domiciled in Florida. It was placed in liquidation on November 27, 2017.
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.** Most 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. **Cash – Company Operating.** These are company accounts balances as of June 30, 2018, that were in control of the Receiver. The company has only one account remaining open at Fifth Third Bank.
6. **Special Purpose Investment Account (SPIA) – Restricted.** Represents remaining funds at June 30, 2018 provided through the National Council of Insurance Guaranty Funds (NCIGF) that are tied to a prefunding agreement between the NCIGF and the Receiver dated November 28, 2017. The funds were provided so that the Receiver could continue workers' compensation indemnity and pharmacy benefit payments to claimants on behalf of the respective Guaranty Associations. There are also funds wired to the Receiver by Tiger Risk Re that they have indicated were sent in error to GIC and have requested be returned. These funds will be held separately until their request has been resolved.
7. **Short Term Investments - Restricted.** 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 consist of various accounts at US Bank and Wells Fargo that are restricted pursuant to reinsurance trust agreements that will be resolved as the receivership proceeds.

The collectability of some of these funds is dependent on factors beyond the control of the Receiver. Some of these funds may ultimately not be collectible or available for payment of GIC claims.
8. **Reinsurance.** Reinsurance receivables have resulted from losses that have been paid and billed to the reinsurer(s). These receivables have been determined to be collectible and are shown with allowance provisions for uncollectible amounts. The amount may include one or more reinsurance receivables being collected on behalf of the Receiver by an intermediary or the Receiver's staff. This receivable consists of Captive Reinsurers' Negative Funds Held Balances for which the Receiver is pursuing collection and funds wired by Tiger Risk referenced in footnote (6). and will be adjusted when the ultimate disposition of the funds is resolved.

The collectability of some of these funds is dependent on factors beyond the control of the Receiver. Some of these funds may ultimately not be collectible or available for payment of GIC claims
9. **Accounts Receivable.** These account receivables consist of various notes entered by GIC with the borrowers listed on the Schedule of Accounts Receivable, receivable due from a Forbearance Agreement to not pursue a judgment, cash collateral held at M&T Bank until the expiration of a letter of credit in November 2018 and cash collateral held by Falls Lake National Ins. Co. for policy that GIC reinsured on a 50% quota share contract.

The collectability of some of these funds is dependent on the outcome of ongoing litigation and other factors. Due to the inherent uncertainty of litigation and factors beyond the control of the Receiver, some of these funds may ultimately not be collectible or available for payment of GIC claims.

**Florida Department of Financial Services, Division of Rehabilitation  
and Liquidation  
Guarantee Insurance Co. in Liquidation  
Notes to Financial Statements  
Dated June 30, 2018**

10. **Allowance – Accounts Receivable.** An estimate of uncollectible amounts for certain assets.
11. **Marshaled Inventory – Real Property.** Assets of a durable nature such as buildings, furniture, computer equipment, and machinery. The property in this estate consists of a residential property located in Ft. Lauderdale, FL at its initial appraised values.
12. **Long 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. This investment consists of shares of stock in Patriot National Inc. and Liquid Holdings Group, Inc. as valued on the GIC UBS Financial Services account statement at June 30, 2018.

Some of these funds may ultimately not be available for payment of GIC claims.
13. **Other Assets.** These assets consist of states' statutory deposits, those that are in control of the Receiver. The Schedule of Other Assets also reflects those deposits that have been collected by the Receiver and those where the state has taken its deposit.
14. **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 from the National Council of Insurance Guaranty Funds deposited in a segregated account pursuant to the prefunding agreement and are subject to final reconciliation. Also included are the TigerRisk Re funds that were deposited to a segregated account and an amount related to a large deductible policy some or all of which may be used to reimburse the guaranty funds as they pay losses.
15. **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.
  - All Proof of Claims submitted have not yet been processed and liabilities are expected to increase.
16. **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.
17. **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).
18. **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.
19. **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.