

**Florida Department of Financial Services, Division of Rehabilitation and  
Liquidation  
Guarantee Insurance Company in Liquidation  
Statement of Affairs  
9/30/2020**

|   | <u>Estimated<br/>Realizable<br/>Value</u> |
|---|---|
| <b>ASSETS</b>                               |   |
| SPIA-Restricted                             | \$461,403.47                              |
| Pooled Cash in SPIA Due from the Admin Fund | 31,502,475.17                             |
| Short Term Investments-Restricted           | 2,254,985.94                              |
| Allowance - Short Term Investments          | (2,254,985.94)                            |
| Accrued Interest Receivable                 | 55,492.40                                 |
| Reinsurance Recoverable                     | 11,907,108.66                             |
| Allowance Reinsurance Recoverable           | (9,139,676.58)                            |
| Accounts Receivable                         | 20,908,954.89                             |
| Allowance - Accounts Receivables            | (20,908,954.89)                           |
| Long Term Investments                       | 2,117.89                                  |
| Allowance - Long Term Investments           | (2,117.89)                                |
| Other Assets                                | 2,090,410.08                              |
| Advance to Guaranty Associations            | 1,599,699.05                              |
| Total Assets                                | <u><u>\$38,476,912.25</u></u>             |

|  |                           |
|--|---------------------------|
| <b>LIABILITIES</b>   |                           |
| Secured Claims   | 463,765.39                |
| Class 1 Administrative Claims  |                           |
| Class 1 - Guaranty Associations  | 95,044,553.99             |
| Class 2 Loss Claims  |                           |
| Class 2 - Guaranty Associations  | 513,964,684.36            |
| Class 2 - Other  | 12,749,515.16             |
| Class 3 Unearned Premium Claims<br>under Non-assessable Policies           |                           |
| Class 3 - Guaranty Associations  | 14,648,810.12             |
| Class 3 - Other  | 16,472,091.13             |
| Class 4 Federal Government Claims  | 18,053.11                 |
| Class 5 Employee Claims  | 27,804.05                 |
| Class 6 General Creditor Claims  |                           |
| Class 6 - Other  | 332,912,279.18            |
| Class 7 State & Local Government Claims                                    | 858,382.75                |
| Class 8 Late Filed Claims  | 1,697,472.98              |
| Class 9 Surplus Notes/Unearned Premium Claims<br>under Assessable Policies |                           |
| Class 9 - Other  | 20,039,944.00             |
| Class 11 Shareholder Claims  | 401,270.39                |
| Total Liabilities  | <u>\$1,009,298,626.61</u> |

|  |                               |
|--|-------------------------------|
| <b>EQUITY</b>                                  |                               |
| Contributed Equity - State of Florida          | 396,539.71                    |
| Estate Equity                                  | (971,218,254.07)              |
| Excess (Deficiency) of Assets over Liabilities | <u>(\$970,821,714.36)</u>     |
| Total Liabilities and Equity                   | <u><u>\$38,476,912.25</u></u> |

**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 9/30/2020**

|  | Fiscal Year<br>to Date | Since Date<br>of<br>Liquidation |
|--|------------------------|---------------------------------|
| <b>CASH RECEIPTS</b>   |                        |                                 |
| Premium Collections  | \$31,025.87            | \$16,853,056.57                 |
| Reinsurance Recoveries   | 106,495.36             | 2,672,755.45                    |
| Subrogation and Salvage Recoveries                                     | 466,098.73             | 6,767,450.99                    |
| Litigation Recoveries  | 0.00                   | 284,718.94                      |
| Tax Recoveries   | 0.00                   | 945,251.60                      |
| Other Collections / Recoveries   | (1,084,022.79)         | 8,762,218.91                    |
| Sale of Personal Property Inventory                                    | 0.00                   | 8,344.80                        |
| Sale of Real Property Inventory  | 0.00                   | 2,175,000.00                    |
| Mortgage Interest Income   | 0.00                   | 9,812.50                        |
| Receipts Before Investment Activities                                  | (480,402.83)           | 38,478,609.76                   |
| Interest and Dividend Receipts   | 194,187.63             | 3,006,619.44                    |
| Sale of Short Term Investment  | 0.00                   | 40,466.78                       |
| Sale of Long Term Investment   | 0.00                   | 296,389.26                      |
| Receipts From Investment Activities                                    | 194,187.63             | 3,343,475.48                    |
| <b>Total Cash Receipts</b>   | <b>(286,215.20)</b>    | <b>41,822,085.24</b>            |
| <b>CASH DISBURSEMENTS &amp; DISTRIBUTIONS</b>                          |                        |                                 |
| Professional Fees and Expenses   | 438,744.11             | 5,846,285.73                    |
| Salaries and Fringe Benefits   | 177,961.41             | 6,347,477.50                    |
| Employee Welfare   | 551.49                 | 16,162.60                       |
| Travel Expenses  | 80.00                  | 59,495.52                       |
| Admin Expenses   | 100.87                 | 236,489.83                      |
| Equipment and Furniture Expenses                                       | 5,283.77               | 54,775.95                       |
| Rent, Building and Equipment   | 6,321.57               | 228,872.31                      |
| Taxes  | 0.00                   | 86,888.37                       |
| Disbursements  | 629,043.22             | 12,876,447.81                   |
| Distributions  |                        |                                 |
| Secured Claims   | (11,863.45)            | (11,863.45)                     |
| Administrative Claims (Class 1)  | 0.00                   | 0.00                            |
| Loss Claims (Class 2)  | 0.00                   | 0.00                            |
| Unearned Premium-Non-Assessable Policies Claims (Class 3)              | 0.00                   | 0.00                            |
| Federal Government Claims (Class 4)                                    | 0.00                   | 0.00                            |
| Employee Claims (Class 5)  | 0.00                   | 0.00                            |
| General Creditors Claims (Class 6)                                     | 0.00                   | 0.00                            |
| Government Claims (Class 7)  | 0.00                   | 0.00                            |
| Late Filed Claims (Class 8)  | 0.00                   | 0.00                            |
| Surplus Notes/Unearned Premium-Assessable Policies Claims<br>(Class 9) | 0.00                   | 0.00                            |
| Shareholder Claims   | 0.00                   | 0.00                            |
| Early Access-Guaranty Associations                                     | 0.00                   | 1,303,351.30                    |
| Payments to Other Receivers  | 0.00                   | 104,864.66                      |
| Total Distributed  | (11,863.45)            | 1,396,352.51                    |
| Disbursements & Distributions Before Investment Activities             | 617,179.77             | 14,272,800.32                   |
| Financial Expenses   | 10,511.28              | 155,057.35                      |
| Purchase Short Term Investment   | 0.00                   | 14,647.64                       |
| Purchase Long Term Investment  | 0.00                   | 908.45                          |
| Disbursements for Investment Activities                                | 10,511.28              | 170,613.44                      |
| <b>Total Cash Disbursements &amp; Distributions</b>                    | <b>627,691.05</b>      | <b>14,443,413.76</b>            |
| <b>Net Increase (Decrease) in Cash</b>                                 | <b>(913,906.25)</b>    | <b>27,378,671.48</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 9/30/2020

|  | Fiscal Year<br>to Date      | Since Date<br>of<br>Liquidation |
|--|-----------------------------|---------------------------------|
| <b>Beginning Cash Balance:</b>         |                             |                                 |
| Beginning Cash                         | 32,877,784.89               | (27,534,728.94)                 |
| Adjustments to Beginning Cash          | 0.00                        | 32,119,936.10                   |
| <b>Adjusted Beginning Cash Balance</b> | <b><u>32,877,784.89</u></b> | <b><u>4,585,207.16</u></b>      |
| <br>                                   |                             |                                 |
| <b>Ending Cash Balance</b>             | <b><u>31,963,878.64</u></b> | <b><u>31,963,878.64</u></b>     |

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Guarantee Insurance Company**  
**Schedule of SPIA - Restricted**  
For the Three Months Ended September 30, 2020

**SPIA - Restricted**

| <b>Description</b>                |               | <b>Balance<br/>7/1/20</b> | <b>Adjustments/Deposits</b> | <b>Interest</b> | <b>Transfers/Distributions</b> | <b>Balance<br/>9/30/20</b> |
|-----------------------------------|---------------|---------------------------|-----------------------------|-----------------|--------------------------------|----------------------------|
| TigerRisk Re                      | SPIA 42008000 | 388,199.67                | 0.00                        | 2,288.09        | 0.00                           | 390,487.76                 |
| Captive Cell Owner Southern Waste | SPIA 42007000 | 70,500.18                 | 0.00                        | 415.53          | 0.00                           | 70,915.71                  |
| Total:                            |               | 458,699.85                | 0.00                        | 2,288.09        | 0.00                           | 461,403.47                 |

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Guarantee Insurance Company**  
**Schedule of Short Term Investments- Restricted**  
**For the Three Months Ended September 30, 2020**

**Short Term Investments - Restricted**

| <b>Description</b>   |             | <b>Balance<br/>7/1/20</b> | <b>Adjustments</b>    | <b>Balance<br/>9/30/20</b> |
|--|-------------|---------------------------|-----------------------|----------------------------|
| NCCI Inc. Pool Admin. FBO GIC                                      | US Bank     | 251,154.00                | 15.00                 | 251,169.00                 |
| The Peoples Ins. Co. of China/GIC & Victoria<br>Ins. Co. of Canada | US Bank     | 70,609.34                 | 0.00                  | 70,609.34                  |
| IAT Reinsurance Co. Ltd. FBO GIC                                   | US Bank     | 1,640,543.39              | 292,664.21            | 1,933,207.60               |
| GIC/Scottsdale Ins. Co. Reinsurance Trust                          | Wells Fargo | 8,440,730.27              | (8,440,730.27)        | 0.00                       |
|  |             | <u>10,403,037.00</u>      | <u>(8,148,051.06)</u> | <u>2,254,985.94</u>        |

**Allowance - Short Term Investments - Restricted**

| <b>Description</b>   |             | <b>Balance<br/>7/1/20</b> | <b>Adjustments</b>  | <b>Balance<br/>9/30/20</b> |
|--|-------------|---------------------------|---------------------|----------------------------|
| NCCI Inc. Pool Admin. FBO GIC                                      | US Bank     | (251,154.00)              | (15.00)             | (251,169.00)               |
| The Peoples Ins. Co. of China/GIC & Victoria<br>Ins. Co. of Canada | US Bank     | (70,609.34)               | 0.00                | (70,609.34)                |
| IAT Reinsurance Co. Ltd. FBO GIC                                   | US Bank     | (1,640,543.39)            | (292,664.21)        | (1,933,207.60)             |
| GIC/Scottsdale Ins. Co. Reinsurance Trust                          | Wells Fargo | (8,440,730.27)            | 8,440,730.27        | 0.00                       |
| Totals:  |             | <u>(10,403,037.00)</u>    | <u>8,148,051.06</u> | <u>(2,254,985.94)</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 Three Months Ended September 30, 2020**

**Accrued Interest Receivable**

| <b>Description</b> |                           | <b>Balance<br/>7/1/20</b> | <b>Accrued</b>    | <b>Received</b>     | <b>Balance<br/>9/30/20</b> |
|--------------------|---------------------------|---------------------------|-------------------|---------------------|----------------------------|
| State Treasury     | SPIA, 4-20-0-010000-00000 | 56,441.94                 | 192,486.80        | (193,436.34)        | 55,492.40                  |
| Totals:            |                           | <u>56,441.94</u>          | <u>192,486.80</u> | <u>(193,436.34)</u> | <u>55,492.40</u>           |

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Guarantee Insurance Company in Liquidation**  
**Schedule of Reinsurance Recoverables - Net of Allowance**  
**For Three Months Ended September 30, 2020**

**Reinsurance Recoverables**

| <b>Recovery Agent</b> | <b>Balance<br/>7/01/20</b> | <b>Billed</b>     | <b>Recovered</b>    | <b>Adjustments</b> | <b>9/30/20</b>       |
|-----------------------|----------------------------|-------------------|---------------------|--------------------|----------------------|
| Receiver              | 11,907,108.66              | 106,495.36        | <b>(106,495.36)</b> | 0.00               | 11,907,108.66        |
| Total                 | <u>11,907,108.66</u>       | <u>106,495.36</u> | <u>(106,495.36)</u> | <u>0.00</u>        | <u>11,907,108.66</u> |

**Allowance Reinsurance**

| <b>Recovery Agent</b> | <b>Balance<br/>7/01/20</b> | <b>Increases</b> | <b>Decreases</b> | <b>9/30/20</b>        |
|-----------------------|----------------------------|------------------|------------------|-----------------------|
| Receiver              | (9,139,676.58)             | 0.00             | 0.00             | (9,139,676.58)        |
| Total                 | <u>(9,139,676.58)</u>      | <u>0.00</u>      | <u>0.00</u>      | <u>(9,139,676.58)</u> |

**Reinsurance Recoverables - Net of Allowance**

**2,767,432.08**

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

UNAUDITED

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Guarantee Insurance Company**  
**Schedule of Accounts Receivable**  
For the Three Months Ended September 30, 2020

**Other Collections - Recovery/Receivable**

| <b>Description</b>  | <b>Balance<br/>7/1/20</b> | <b>Adjustments</b> | <b>Payments Received</b> | <b>Balance<br/>9/30/20</b> |
|---|---------------------------|--------------------|--------------------------|----------------------------|
| 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.<br>(fka Stonewood Ins. Co.) | 50,000.00                 | (1,208.50)         | (48,791.50)              | 0.00                       |
| <b>Totals:</b>  | <u>20,958,954.89</u>      | <u>(1,208.50)</u>  | <u>(48,791.50)</u>       | <u>20,908,954.89</u>       |

**Allowance - Other Receivables**

| <b>Description</b>  | <b>Balance<br/>7/1/20</b> | <b>Adjustments</b> | <b>Payments Received</b> | <b>Balance<br/>9/30/20</b> |
|---|---------------------------|--------------------|--------------------------|----------------------------|
| 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.<br>(fka Stonewood Ins. Co.) | (50,000.00)               | 1,208.50           | 48,791.50                | 0.00                       |
| <b>Totals:</b>  | <u>(20,958,954.89)</u>    | <u>1,208.50</u>    | <u>48,791.50</u>         | <u>(20,908,954.89)</u>     |

**Total Accounts Receivable - Net of Allowances**

0.00



**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Guarantee Insurance Company**  
**Schedule of Long Term Investments**  
For the Three Months Ended September 30, 2020

**Stocks**

| <b>Description</b>  | <b>Balance<br/>7/1/20</b> | <b>Adjustments</b> | <b>Interest</b> | <b>Balance<br/>9/30/20</b> |
|---|---------------------------|--------------------|-----------------|----------------------------|
| Shares of Patriot National Inc. - UBS Financial Services Acct.      | 0.00                      | 0.00               | 0.00            | 0.00                       |
| Shares of Liquid Holdings Group Inc. - UBS Financial Services Acct. | 4,235.79                  | (2,117.90)         | 0.00            | 2,117.89                   |
| Totals:   | <u>4,235.79</u>           | <u>(2,117.90)</u>  | <u>0.00</u>     | <u>2,117.89</u>            |

**Total Long Term Investments** 2,117.89

**Allowance - Long Term Investments**

| <b>Description</b>  | <b>Balance<br/>7/1/20</b> | <b>Adjustments</b> | <b>Recoveries</b> | <b>Balance<br/>9/30/20</b> |
|---|---------------------------|--------------------|-------------------|----------------------------|
| Shares of Patriot National Inc. - UBS Financial Services Acct.      | 0.00                      | 0.00               | 0.00              | 0.00                       |
| Shares of Liquid Holdings Group Inc. - UBS Financial Services Acct. | (4,235.79)                | 2,117.90           | 0.00              | (2,117.89)                 |
| Totals:   | <u>(4,235.79)</u>         | <u>2,117.90</u>    | <u>0.00</u>       | <u>(2,117.89)</u>          |

**Total Allowance - Long Term Investments** 0.00

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Guarantee Insurance Company**  
**Schedule of Other Assets**  
**For the Three Months Ended September 30, 2020**

**Statutory Deposits**

| <b>Description</b>                               | <b>Balance<br/>7/1/20</b> | <b>Adjustments</b> | <b>Recovered</b> | <b>Balance<br/>9/30/20</b> |
|--|---------------------------|--------------------|------------------|----------------------------|
| Nevada - Bank of New York Mellon (Work Comp) (2) | 0.00                      | 0.00               | 0.00             | 0.00                       |
| New Mexico - Century Trust                       | 95,000.00                 | 2,760.89           | 0.00             | 97,760.89                  |
| Oregon - US Bank                                 | 1,130,307.12              | 635.84             | 0.00             | 1,130,942.96               |
| South Carolina - US Bank                         | 351,336.63                | 365.41             | 0.00             | 351,702.04                 |
| Virginia - Bureau of Insurance                   | 510,024.49                | (20.30)            | 0.00             | 510,004.19                 |
| North Carolina - Us Bank (1)                     | 0.00                      | 0.00               | 0.00             | 0.00                       |
| <b>Totals:</b>                                   | <u>2,086,668.24</u>       | <u>3,741.84</u>    | <u>0.00</u>      | <u>2,090,410.08</u>        |

(1) This deposit was transferred to the North Carolina Insurance Guaranty Association and the Receiver will be pursuing an early access

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Guarantee Insurance Company**  
**Schedule of Advance To Guaranty Association**  
**For the Three Months Ended September 30, 2020**

**Advance To Guaranty Association**

| <b>Description</b> | <b>Balance<br/>7/1/20</b> | <b>Advanced</b> | <b>Recovered</b> | <b>Balance<br/>9/30/20</b> |
|--------------------|---------------------------|-----------------|------------------|----------------------------|
| Idaho              | 246,229.50                | 0.00            | 0.00             | 246,229.50                 |
| Montana            | 50,118.25                 | 0.00            | 0.00             | 50,118.25                  |
| Missouri           | 1,212,601.30              | 0.00            | 0.00             | 1,212,601.30               |
| Nevada             | 90,750.00                 | 0.00            | 0.00             | 90,750.00                  |
| Totals:            | <u>1,599,699.05</u>       | <u>0.00</u>     | <u>0.00</u>      | <u>1,599,699.05</u>        |

Note: A multi-state Guaranty Association Early Access Agreement was approved by court order dated September 28, 2018.

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Guarantee Insurance Company**  
**Schedule of Secured Claims**  
**For the Three Months Ended September 30, 2020**

**Secured Claims - Other Reinsurance**

| Description  | Account                       | Balance<br>7/1/20 | Received | Interest | Distributions | Balance<br>9/30/20 |
|--------------|-------------------------------|-------------------|----------|----------|---------------|--------------------|
| TigerRisk Re | State Treasury - SPIA Account | 388,199.67        | 0.00     | 2,288.09 | 0.00          | 390,487.76         |
| Totals:      |                               | 388,199.67        | 0.00     | 2,288.09 | 0.00          | 390,487.76         |

**Secured Claims Against Estate**

| Description                                 | Balance<br>7/1/20 | Deposits  | Interest | Claim Filed | Balance<br>9/30/20 |           |
|---|-------------------|-----------|----------|-------------|--------------------|-----------|
| Law Firm Professional Services POC          | 11,863.45         | 0.00      | 0.00     | (11,863.45) | 0.00               |           |
| CoAmerica Bank-International Trade Services | 70,500.18         | 0.00      | 415.53   | 0.00        | 70,915.71          |           |
| Totals:                                     |                   | 82,363.63 | 0.00     | 415.53      | (11,863.45)        | 70,915.71 |

**Secured Claims - Large Deductible**

| Description                          | Account | Balance<br>7/1/20 | Received   | Adjustments | Distributions  | Balance<br>9/30/20 |
|--------------------------------------|---------|-------------------|------------|-------------|----------------|--------------------|
| Dockery Limited Partnership **       |         | 0.00              | 0.00       | 0.00        | 0.00           | 0.00               |
| Quality Business Services, Inc.      |         | 55,571.52         | 56,179.75  | 0.00        | (111,751.27)   | 0.00               |
| Sundowner Trailers Inc.              |         | 128,726.68        | 0.00       | 0.00        | (128,726.68)   | 0.00               |
| Century Employer Organization        |         | 104,000.00        | 3,774.24   | 0.00        | (107,774.24)   | 0.00               |
| Trion Solutions Inc                  |         | 676,225.74        | 225,000.00 | 0.00        | (901,225.74)   | 0.00               |
| Insource Employer Solutions/Lydecker |         | 15,746.10         | 0.00       | 0.00        | (13,384.18)    | 2,361.92           |
| Totals:                              |         | 980,270.04        | 284,953.99 | 0.00        | (1,262,862.11) | 2,361.92           |

\*\* Dockery combined w/Century

**Total Secured Claims** 463,765.39

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

**Dated September 30, 2020**

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, 2020 through June 30, 2021. 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. **Special Purpose Investment Account (SPIA) – Restricted.** Represents funds wired to the Receiver by Tiger Risk Re and CoAmerica Bank. Tiger Risk claims the funds were sent to GIC in error and have requested their return. Captive Cell owners claim the funds belong to them. The Receiver will hold these funds in a segregated account until a final disposition is determined.
6. **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.
7. **Reinsurance.** Reinsurance receivables have resulted from losses that have been paid and billed to the reinsurer(s). These receivables have been determined to be owed 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 footnotes (6) and (15) that 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.
8. **Accounts Receivable.** These account receivables consist of various notes entered by GIC with the borrowers listed on the Schedule of Accounts Receivable, a receivable due from a forbearance agreement in lieu of a judgment, and cash collateral held by Falls Lake National Ins. Co. for a 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.
9. **Allowance – Accounts Receivable.** An estimate of uncollectible amounts for certain assets.
10. **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 stock in Patriot National Inc. and Liquid Holdings Group, Inc. as valued on the GIC UBS Financial Services account statement at September 30, 2020.

Some of these funds may ultimately not be 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 September 30, 2020**

11. **Other Assets.** These assets consist of states' statutory deposits held at various financial institutions. The Schedule of Other Assets reflects the value of these deposits at September 30, 2020 or latest available, those that have been collected by the Receiver and those where the state has taken its deposit.
12. **Advance to Guaranty Association(s).** Represents funds advanced to guaranty associations for the payment of covered claims and expenses. The guaranty association is obligated to promptly return any of these funds if the Receiver determines that repayment of claims of equal or superior priority is necessary
13. **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 wired to the Receiver from Tiger Risk Re and CoAmerica Bank that were deposited to a segregated account until disposition of the funds can be resolved and amounts related to large deductible policies some or all of which may be used to reimburse the guaranty funds as they pay losses.
14. **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 December 4, 2018. The deadline to file an objection was February 19, 2019. Ten objections were filed and resolved.
  - The Second Interim Claims Report was approved on January 28, 2020. The deadline to file an objection was March 27, 2020. Three objections were filed and remain pending.
15. **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.
16. **Federal Priority.** The federal government has taken the position that 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 also taken the position that it is not subject to state insurance liquidation claim's proceedings deadlines. To establish finality, shield itself from potential liability, and ultimately discharge the estate, the Receiver will request a federal release from the U.S. Department of Justice
17. **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.
18. **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.