

**IN THE CIRCUIT COURT OF THE SECOND JUDICIAL CIRCUIT,
IN AND FOR LEON COUNTY, FLORIDA**

In Re: Receivership of
Gulfstream Property and Casualty Insurance Company,
a Florida Corporation

Case No.: 2021 CA 001308

**THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES, DIVISION OF
REHABILITATION AND LIQUIDATION AS RECEIVER OF GULFSTREAM
PROPERTY AND CASUALTY INSURANCE COMPANY'S APPLICATION FOR ORDER
AUTHORIZING EARLY ACCESS DISBURSEMENTS TO ELIGIBLE GUARANTY
ASSOCIATIONS**

COMES NOW, The Florida Department of Financial Services, Division of Rehabilitation and Liquidation as Receiver of Gulfstream Property and Casualty Insurance Company (hereinafter "Department"), by and through the undersigned counsel, and hereby files this Application for entry of an Order Authorizing the Department to disburse funds in the amount of Eight Million, Two Hundred Twenty-Seven Thousand, Twenty-Nine Dollars and No Cents (\$8,227,029.00) to eligible Guaranty Associations (hereinafter "GAs"). These funds are hereinafter referred to as early access funds. In support of its application, the Department states as follows:

1. Gulfstream Property and Casualty Insurance Company (hereinafter "GPCIC") was a corporation authorized pursuant to the Florida Insurance Code to transact business in the State of Florida.
2. On July 28, 2021, this Court entered an *Order Appointing the Florida Department of Financial Services as the Receiver of Gulfstream Property and Casualty Insurance Company for purposes of Liquidation, Injunction, and Notice of Automatic Stay*.
3. In March and October of 2022 in accordance with Section 631.397 and as ordered by the Court, the Department previously distributed a total of Thirty-One Million, Two Hundred

Twelve Thousand, Three Hundred Forty-Four Thousand Dollars (\$31,212,344.00) to the eligible GAs as early access funds.

4. Pursuant to section 631.021(1), Florida Statutes, this Court has jurisdiction over the Receivership and is authorized to enter all necessary and/or proper orders to carry out the purpose of the Florida Insurers Rehabilitation and Liquidation Act, sections 631.001 et seq., Florida Statutes (“the Act”).

5. Section 631.397, Florida Statutes, provides, in substance, that the Department may disburse assets out of GPCIC’s marshaled assets, as such assets become available, to each GA entitled to receive such funds contingent on each GA agreeing to return to the Department such previously disbursed funds as may be required to pay claims of secured creditors and claims having a higher priority than the claims of the GAs.

6. In compliance with section 631.397(2)(d), Florida Statutes, the Department has entered into Agreements with the eligible GAs which provide in substance that each GA shall return such early access disbursements as may be required to pay claims of secured creditors and claims falling within the priority scheme established by part I of Chapter 631, Florida Statutes. Further, each GA will not be entitled to share in the funds ultimately distributed from the GPCIC receivership estate until such allocated distributions to which each GA is otherwise entitled exceed the previous disbursements ordered by this Court and the amount of early access disbursement prayed for in this application. A copy of the executed Early Access Agreement is attached hereto and incorporated herein by reference as **Exhibit A**.

7. The Department represents that in accord with section 631.397(2)(a), Florida Statutes, there are sufficient assets in the estate of *GPCIC* to permit the proposed early access disbursements to the GAs, while reserving amounts for the payment of expenses of administration,

the payment of claims of secured creditors to the extent of the value of the security held, and the payment of claims falling within the priorities established by Part I of Chapter 631, Florida Statutes. A chart of GAs entitled to a disbursement from the GPCIC receivership and the amount each is entitled to receive is attached hereto as **Exhibit B** and a copy of the December 31, 2022 Financial Statement of GPCIC is attached hereto as **Exhibit C**.

8. In accord with section 631.397(2)(b), Florida Statutes, if additional assets become available in an amount sufficient to allow further early access disbursements, the Department will seek additional authority to disburse same.

9. The Department also represents that the proposed early access disbursement provides for the equitable allocation of disbursements to each association entitled thereto, consistent with section 631.397(2)(c), Florida Statutes.

WHEREFORE, the Department respectfully requests this Court enter an Order authorizing the disbursement of early access funds in the amount of Eight Million Two Hundred Twenty-Seven Thousand Twenty-Nine Dollars and No Cents (\$8,227,029.00) to the eligible Guaranty Associations (Florida \$6,290,778.00; Louisiana \$1,666,854.00; Mississippi \$3,065.00; South Carolina \$50,942.00; and Texas \$215,390.00).

Respectfully Submitted on this the 17th day of March 2023.

/s/Miriam Victorian
Miriam O. Victorian, Chief Attorney
Florida Bar No. 355471
Miriam.Victorian@myfloridacfo.com
Florida Department of Financial Services
Division of Rehabilitation and Liquidation
325 John Knox Road, Suite 101
The Atrium
Tallahassee, FL
(850) 413-4408 Telephone

CERTIFICATE OF SERVICE

The undersigned hereby certifies that she served all parties who have entered an appearance on the ECF system with a copy of this Motion.

/s/Miriam Victorian

Miriam O, Victorian, Chief Attorney

Florida Bar No. 355471

Miriam.Victorian@myfloridacfo.com

Gulfstream Property and Casualty Insurance Company, In Liquidation

Early Access Agreement

This Early Access Agreement is entered into on this the 7th day of January, ~~2021~~, ²⁰²² (12) between the **Florida Department of Financial Services, as Receiver of Gulfstream Property and Casualty Insurance Company ("Department")**, and the undersigned **Insurance Guaranty Association(s) ("Guaranty Association")**.

WHEREAS, Gulfstream Property and Casualty Insurance Company, ("Gulfstream"), was a Florida domiciled corporation previously authorized to transact insurance business in the State of Florida and other states; and

WHEREAS, on July 28, 2021, the Second Judicial Circuit Court in and for Leon County, Florida, (the "Court") entered its **Consent Order of Liquidation, Injunction, and Notice of Automatic Stay** ("Liquidation Order"); and

WHEREAS, section 631.397(1), Florida Statutes, provides, in relevant part, that the Department may apply to this Court for authorization to "disburse assets out of such insurer's marshaled assets, as such assets become available, to each Guaranty Association entitled thereto" ("Early Access disbursement"); and

WHEREAS, the Department will from time to time determine whether the Gulfstream receivership estate has sufficient liquid assets available to make an Early Access disbursement to the Guaranty Association; and

WHEREAS, if the Department determines that the Gulfstream receivership estate has sufficient liquid funds available to make an Early Access disbursement, the Department may apply to the Court for an order permitting the Department to make an Early Access disbursement to the Guaranty Association pursuant to section 631.397, Florida Statutes, for the partial payment of claims and/or administrative expenses; and

WHEREAS, the Guaranty Association may only receive such a disbursement if the total amount of the contemplated disbursement plus the total amount of all Early Access disbursements already received by the Guaranty Association is less than the Guaranty Association's incurred claims and administrative expenses; and

WHEREAS, the Department and the Guaranty Association acknowledge and agree that neither the Department's review of the Guaranty Association's documentation for purposes of Early Access disbursement(s) nor this Early Access Agreement constitute an evaluation of or recommendation on any claim which the Guaranty Association may be entitled to under section 631.271, Florida Statutes;

NOW THEREFORE, the Department and the Guaranty Association agree as follows:

1. The Guaranty Association will respond in good faith to requests from the Department for information, files and documents. The Department will be permitted full access to the books, records, and files of the Guaranty Association pertaining to the handling and payment of covered claims and administrative expenses incurred by the Guaranty Association in fulfilling its obligations under its enabling statute.

2. Beginning with the quarter ending December 31, 2021, and on at least a quarterly basis thereafter, the Department shall produce a reasonably detailed and current statement of the Estate's financial condition. The statement will be in substantially the format published on the Department's website. The Department shall provide this information as soon as it is available following the close of each quarter.

3. The Guaranty Association will make reports to the Department no less frequently than quarterly, through the Secure Uniform Data Standard ("UDS") or in another form acceptable to the Department disclosing the status of the following items received, held or processed during the reporting period: current open claims count, open claims reserves, claim

payments, salvage or subrogation recoveries, if any, and such other items as may be reasonably required by the Department. The reports shall be sent to the Department electronically via the UDS server housed by the National Conference of Insurance Guaranty Funds (“NCIGF”) or mailed to the Department at to the address listed in Paragraph 11 below, or such other location designated by the Department

4. The Guaranty Association will utilize any payment received pursuant to this Agreement solely for the payment of covered claims, as defined by section 631.271, and Part II, Chapter 631, Florida Statutes, or the pertinent part of the relevant state statute applicable to the Guaranty Association, and for the payment of claims handling or administrative expenses, as defined by section 631.271(1)(a)(2), Florida Statutes, relating to the Receivership of Gulfstream.

5. The Guaranty Association will not be penalized, by offset or otherwise, by the amount of any special deposit or any other statutory deposit or asset of the insolvent insurer held in that state unless the Guaranty Association has actually received such deposit or asset.

6. The Guaranty Association agrees to return to the Department within 60 days all or any portion of any Early Access disbursements acquired by the Guaranty Association pursuant to this Agreement, with any income earned thereon, if the Department determines, at any time, that such repayment is necessary to pay claims or expenses which the Department determines to be of equal or superior priority. Should it be necessary for the Guaranty Association to make an assessment in order to return the relevant portion of the disbursement to the Department, the Guaranty Association shall have 90 days within which to return the disbursement. In the event the Guaranty Association is required to repay to the Department any Early Access disbursements, the Guaranty Association will pay the Department in cash or

other liquid assets as may be acceptable to the Department.

7. Pursuant to section 631.271, Florida Statutes, the Guaranty Association understands and agrees that any disbursement made pursuant to this Agreement constitutes partial payment on any claim which the Guaranty Association may have in the Gulfstream Receivership and that it will not share in any final distribution of assets from the Gulfstream Receivership until claimants of an equal priority receive an equal pro rata distribution on their claims. Any and all interest that the Guaranty Association earns on funds so disbursed shall also be considered Early Access disbursements for purposes of this Agreement.

8. Prior to the final distribution of the assets of Gulfstream, the Department will be given reasonable access to the financial accounts, records and procedures of the Guaranty Association with respect to the receipt of assets or the payment of covered claims. The Guaranty Association will, within 30 days after receipt of a written request from the Department, return to the Department any Early Access disbursements made pursuant to this Agreement which are more than the amount ultimately determined by the Department to be due the Guaranty Association as a final distribution of the assets of Gulfstream. The Department and the Guaranty Association shall cooperate in planning the destruction or other final disposition of the information, files and documents received by the Guaranty Association from Gulfstream or the Department.

9. The Guaranty Association's execution of this Agreement and acceptance of any amount distributed thereunder, shall be without prejudice to the Guaranty Association's rights with respect to final or other distributions from the estate of Gulfstream.

10. This Early Access Agreement shall be construed in accordance with Florida

law. Any legal action by either party to enforce or interpret this Agreement or the parties' obligations under this Agreement shall be commenced, litigated, and adjudicated in and by the Second Judicial Circuit Court, in and for Leon County, Florida. The Guaranty Association's submission to the aforementioned jurisdiction is strictly for the purposes of enforcement of this Agreement and not for any other purpose.

11. Any notice required to be given to the parties shall be given by regular United States mail, postage prepaid, addressed as follows:

Department: Toma Wilkerson [or her successor],
Division Director
Florida Department of Financial Services,
Division of Rehabilitation and Liquidation
325 John Knox Rd,
Atrium Building, Suite 101
Tallahassee, Florida 32303

Guaranty Assoc.: See address identified in signature block below.

12. This Agreement merges all prior offers and agreements of every kind as related to Early Access and expresses the full and final intent of the parties and shall be effective only upon Court approval. This Agreement shall not be modified, except by an instrument in writing, executed by the authorized representatives of the parties, and subject to Court approval.

13. This Agreement supersedes all earlier Early Access agreements and will apply to all future Early Access disbursements to the Guaranty Association. It will be attached to all future Early Access motions filed by the Department.

14. This Agreement may be executed in any number of counterparts, any or all of which may contain the signature of only one of the Parties, and all of which together shall be considered a single original document.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date last indicated below:

[THIS SECTION INTENTIONALLY LEFT BLANK]

[SIGNATURES OF THE PARTIES ARE ON THE FOLLOWING PAGES]

Gulfstream Property and Casualty Insurance Company, in Liquidation
By and through Toma Wilkerson, Division Director Florida
Department of Financial Services,
Division of Rehabilitation and Liquidation

By: Toma L. Wilkerson

Printed Name: Toma L. Wilkerson

Date: 11/7/2022

Gulfstream Ins Co

Florida Insurance Guaranty Association

~~[Insert Name of Guaranty Association]~~

"Guaranty Association"

By: Thomas D. Streukens

Printed Name: Thomas D. Streukens

Title: Executive Director

Date: 12/17/2021

Address: P.O. Box 14249

Tallahassee, FL 32317

~~{Insert Name of Guaranty~~

~~Association}~~ Alabama Insurance

Guaranty Association "Guaranty

Association"

By: AC Lentine

Printed Name: AC Lentine

Title: Executive Director

Date: December 15, 2021

Address: 600 University Park Place

Suite 260

Birmingham AL 35209

[Insert Name of Guaranty Association]

"Guaranty Association"

By: Louisiana I.G.A.

Printed Name: John Wells

Title: Executive Director

Date: 11/4/2022

Address: 2142 Quail Run Drive

Baton Rouge, LA 70808

[Insert Name of Guaranty Association]

"Mississippi Insurance Guaranty
Association"

By: Arthur Russell

Printed Name: Arthur Russell

Title: Executive Director

Date: 12/4/21

Address: 713 South Pearl Orchard

Road, Suite 200

Ridgeland, MS 39157

[Insert Name of Guaranty Association]

"Guaranty Association"

By: Tom Souder

Printed Name: Tom Souder

Title: Sr. Director

Date: 12/8/2022

Address: 240 Stoneridge Dr., Ste 101,

Columbia, SC 29210

Texas Property and Casualty Guaranty

Association

By:



Printed Name: Annette Evans

Title: Claims Director

Date: December 14, 2021

Address: 9120 Burnet Road

Austin, TX 78758

**Florida Department of Financial Services, Division of Rehabilitation and
Liquidation
Gulfstream Property and Casualty Ins Co in Liquidation
Statement of Affairs
12/31/2022**

**Estimated
Realizable
Value**

ASSETS

Pooled Cash in SPIA Due from the Admin Fund	\$39,135,880.69
Short Term Investments	2,501.45
Accrued Interest Receivable	53,452.16
Reinsurance Recoverable	21,438.26
Other Assets	123,290.35
Advance to Guaranty Associations	31,212,344.00
Total Assets	\$70,548,906.91

LIABILITIES

Class 1 Administrative Claims	
Class 1 - Guaranty Associations	6,737,238.17
Class 2 Loss Claims	
Class 2 - Guaranty Associations	41,957,347.28
Class 2 - Other	206,051.73
Class 3 Unearned Premium Claims under Non-assessable Policies	
Class 3 - Guaranty Associations	44,380,559.29
Class 3 - Other	553,565.71
Class 6 General Creditor Claims	
Class 6 - Other	242,495.09
Class 7 State & Local Government Claims	3,470.01
Class 8 Late Filed Claims	1,072,963.08
Total Liabilities	\$95,153,690.36

EQUITY

Contributed Equity - State of Florida	135,287.26
Estate Equity	(24,740,070.71)
Excess (Deficiency) of Assets over Liabilities	(\$24,604,783.45)
Total Liabilities and Equity	\$70,548,906.91

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

UNAUDITED

EXHIBIT B

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

Gulfstream Property and Casualty Ins Co in Liquidation

Statement of Cash Receipts and Disbursements

From the Date of Liquidation through 12/31/2022

	Fiscal Year to Date	Since Date of Liquidation
CASH RECEIPTS		
Premium Collections	\$0.00	\$188,702.17
Reinsurance Recoveries	6,711,098.50	41,958,649.37
Agents' Balances Recoveries	1,560,883.49	4,455,467.62
Subrogation and Salvage Recoveries	205,908.22	699,169.79
Tax Recoveries	0.00	27.00
Other Collections / Recoveries	188.12	860,018.63
Sale of Real Property Inventory	0.00	2,300,000.00
Receipts Before Investment Activities	8,478,078.33	50,462,034.58
Interest and Dividend Receipts	265,491.71	592,143.88
Sale of Short Term Investment	0.00	21,403,651.19
Receipts From Investment Activities	265,491.71	21,995,795.07
Total Cash Receipts	8,743,570.04	72,457,829.65
CASH DISBURSEMENTS & DISTRIBUTIONS		
Professional Fees and Expenses	185,573.73	524,772.03
Salaries and Fringe Benefits	153,510.59	1,403,836.71
Employee Welfare	795.03	2,127.63
Travel Expenses	914.96	14,457.53
Admin Expenses	820.22	633,737.98
Equipment and Furniture Expenses	14,709.83	21,190.40
Rent, Building and Equipment	4,891.44	8,056.94
Taxes	(119.62)	15,189.70
Disbursements	361,096.18	2,623,368.92
Distributions		
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
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
Early Access-Guaranty Associations	7,796,344.00	31,212,344.00
Total Distributed	7,796,344.00	31,212,344.00
Disbursements & Distributions Before Investment Activities	8,157,440.18	33,835,712.92
Financial Expenses	74,146.76	167,549.20
Purchase Short Term Investment	0.00	534,760.49
Disbursements for Investment Activities	74,146.76	702,309.69
Total Cash Disbursements & Distributions	8,231,586.94	34,538,022.61
Net Increase (Decrease) in Cash	511,983.10	37,919,807.04
Beginning Cash Balance:		
Beginning Cash	38,623,897.59	(1,630,962.63)
Adjustments to Beginning Cash	0.00	2,847,036.28
Adjusted Beginning Cash Balance	38,623,897.59	1,216,073.65
Ending Cash Balance	39,135,880.69	39,135,880.69

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Gulfstream Property and Casualty Insurance Co., in Liquidation
Schedule of Short Term Investments
For the Six Months Ended December 31, 2022

Money Market Accounts

Description	Balance 7/28/21	Adjustments/Interest	Transfers	Balance 12/31/22
Hancock Whitney GSPCIC	2,500.50	0.95	0.00	2,501.45
	2,500.50	0.95	0.00	2,501.45

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Gulfstream Property and Casualty Insurance Co., in Liquidation
Schedule of Accrued Interest Receivable
For the Six Months Ended December 31, 2022

Accrued Interest Receivable

Description		Balance 7/1/22	Accrued	Received	Balance 12/31/22
State Treasury	SPIA, 4-20-0-010000-00000	16,334.33	271,645.26	(234,527.43)	53,452.16
Totals:		16,334.33	271,645.26	(234,527.43)	53,452.16

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Gulfstream Property and Casualty Ins Co in Liquidation
Schedule of Reinsurance Recoverables - Net of Allowance
For Six Months Ended December 31, 2022

Reinsurance Recoverables

Recovery Agent	7/1/22	Billed	Recovered	Adjustments	12/31/22
Receiver	21,438.26	6,715,806.84	(6,715,806.84)		21,438.26
Total	21,438.26	6,715,806.84	(6,715,806.84)	0.00	21,438.26

Allowance Reinsurance

Recovery Agent	7/1/22	Increases	Decreases	12/31/2022
Receiver	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00

Reinsurance Recoverables - Net of Allowance

21,438.26

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Gulfstream Property and Casualty Insurance Co., in Liquidation
Schedule of Other Assets
For the Six Months Ended December 31, 2022

Statutory Deposits

Description	Balance	Adjustments	Recovered	Balance
	7/1/22			12/31/22
South Carolina	132,173.87	(8,883.52)	0.00	123,290.35
Totals:	132,173.87	(8,883.52)	0.00	123,290.35

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Gulfstream Property and Casualty Insurance Co., in Liquidation
Schedule of Advance to Guaranty Associations
For the Six Months Ended December 31, 2022

Description	Balance 7/1/22	Advanced	Recovered	Balance 12/31/22
Florida (FIGA)	22,600,000.00	4,639,999.00	0.00	27,239,999.00
Alabama	4,000.00	281,711.00	0.00	285,711.00
Louisiana	0.00	2,068,969.00	0.00	2,068,969.00
Mississippi	0.00	122,650.00	0.00	122,650.00
South Carolina	780,000.00	580,866.00	0.00	1,360,866.00
Texas	32,000.00	102,149.00	0.00	134,149.00
	<u>23,416,000.00</u>	<u>7,796,344.00</u>	<u>0.00</u>	<u>31,212,344.00</u>

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

**Florida Department of Financial Services, Division of Rehabilitation
and Liquidation**
Gulfstream Property & Casualty Insurance Co. in Liquidation
Notes to Financial Statements
Dated December 31, 2022

1. **Estate Information.** Gulfstream P & C Insurance Company was a property and casualty organization domiciled in Florida placed in liquidation on July 28, 2021.
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, 2022 through June 30, 2023. 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. **Short-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. These investments consist of various accounts at Hancock Whitney Bank..
6. **Reinsurance.** Reinsurance receivables have resulted from losses that have been paid and billed to the reinsurer(s). The financial statements reflect the gross amount of the billed losses less an allowance for any receivable(s) where there is an uncertainty regarding collectability. The receivable amount may include paid losses that are ceded to one or more reinsurance contracts being collected on behalf of the Receiver by an intermediary or the Receiver's staff.
7. **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 December 31, 2021 or latest available, those that have been collected by the Receiver and those where the state has taken its deposit.
8. **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.
9. **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.
 - Class 1 and Class 3 claim liabilities are based upon Guaranty Association payments and estimates.
 - Class 2 claims liabilities are based on Guaranty Association payments, estimates, and Filed Proof of Claims forms.
 - Classes 4 - 11 claims liabilities are based on Filed Proof of Claim forms.
 - Filed Proof of Claims forms continue to be processed and all liabilities are subject to change.
10. **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.

**Florida Department of Financial Services, Division of Rehabilitation
and Liquidation**
Gulfstream Property & Casualty Insurance Co. in Liquidation
Notes to Financial Statements
Dated December 31, 2022

11. **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.
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.