Florida Department of Financial Services, Division of Rehabilitation and Liquidation

Gulfstream Property and Casualty Ins Co in Liquidation

Statement of Affairs

9/30/2022

	Estimated Realizable Value
ASSETS	
Pooled Cash in SPIA Due from the Admin Fund	$46,769,729.82
Short Term Investments	2,501.13
Accrued Interest Receivable	45,435.97
Reinsurance Recoverable	21,438.26
Other Assets	124,952.91
Advance to Guaranty Associations	23,416,000.00
Total Assets	$70,380,058.09
LIABILITIES	
Class 1 Administrative Claims	
Class 1 - Guaranty Associations	6,404,615.81
Class 2 Loss Claims	
Class 2 - Guaranty Associations	36,987,878.79
Class 3 Unearned Premium Claims under Non-assessable Policies	
Class 3 - Guaranty Associations	44,345,570.29
Class 3 - Other	580,998.71
Total Liabilities	$88,319,063.60
EQUITY	
Contributed Equity - State of Florida	116,326.44
Estate Equity	(18,055,331.95)
Excess (Deficiency) of Assets over Liabilities	($17,939,005.51)
Total Liabilities and Equity	$70,380,058.09

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 and Casualty Ins Co in Liquidation
Statement of Cash Receipts and Disbursements
From the Date of Liquidation through 9/30/2022

	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	1,463,587.31	4,358,171.44
Subrogation and Salvage Recoveries	97,565.03	590,826.60
Tax Recoveries	0.00	27.00
Other Collections / Recoveries	6.60	859,837.11
Sale of Real Property Inventory	0.00	2,300,000.00
Receipts Before Investment Activities	8,272,257.44	50,256,213.69
Interest and Dividend Receipts	120,846.31	447,498.48
Sale of Short Term Investment	0.00	21,403,651.19
Receipts From Investment Activities	120,846.31	21,851,149.67
Total Cash Receipts	8,393,103.75	72,107,363.36
CASH DISBURSEMENTS & DISTRIBUTIONS		
Professional Fees and Expenses	96,419.60	435,617.90
Salaries and Fringe Benefits	76,787.84	1,327,113.96
Employee Welfare	507.10	1,839.70
Travel Expenses	536.86	14,079.43
Admin Expenses	443.59	633,361.35
Equipment and Furniture Expenses	11,276.44	17,757.01
Rent, Building and Equipment	2,513.81	5,679.31
Taxes	0.00	15,309.32
Disbursements	188,485.24	2,450,757.98
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
Early Access-Guaranty Associations	0.00	23,416,000.00
Total Distributed	0.00	23,416,000.00
Disbursements & Distributions Before Investment Activities	188,485.24	25,866,757.98
Financial Expenses	58,786.28	152,188.72
Purchase Short Term Investment	0.00	534,760.49
Disbursements for Investment Activities	58,786.28	686,949.21
Total Cash Disbursements & Distributions	**247,271.52**	**26,553,707.19**
Net Increase (Decrease) in Cash	**8,145,832.23**	**45,553,656.17**
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	**46,769,729.82**	**46,769,729.82**

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 and Casualty Insurance Co., in Liquidation
Schedule of Short Term Investments
For the Three Months Ended September 30, 2022

Money Market Accounts

Description	Balance 7/28/21	Adjustments/Interest	Transfers	Balance 9/30/22
Hancock Whitney GSPCIC	2,500.50	0.63	0.00	2,501.13
	2,500.50	0.63	0.00	2,501.13

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 Three Months Ended September 30, 2022

Accrued Interest Receivable

Description		Balance 7/1/22	Accrued	Received	Balance 9/30/22
State Treasury	SPIA, 4-20-0-010000-00000	16,334.33	135,438.95	(106,337.31)	45,435.97
	Totals:	16,334.33	135,438.95	(106,337.31)	45,435.97

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 Three Months Ended September 30, 2022

Reinsurance Recoverables

Recovery Agent	7/1/22	Billed	Recovered	Adjustments	9/30/22
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	9/30/2022
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 Three Months Ended September 30, 2022

Statutory Deposits

Description	Balance 7/1/22	Adjustments	Recovered	Balance 9/30/22
South Carolina	132,173.87	(7,220.96)	0.00	124,952.91
Totals:	132,173.87	(7,220.96)	0.00	124,952.91

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 Three Months Ended September 30, 2022

Description	Balance 7/1/22	Advanced	Recovered	Balance 9/30/22
Florida (FIGA)	22,600,000.00	0.00	0.00	22,600,000.00
Alabama	4,000.00	0.00	0.00	4,000.00
South Carolina	780,000.00	0.00	0.00	780,000.00
Texas	32,000.00	0.00	0.00	32,000.00
	23,416,000.00	0.00	0.00	23,416,000.00

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Gulfstream Property & Casualty Insurance Co. in Liquidation
Notes to Financial Statements
Dated September 30, 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, Class 2 and Class 3 claim liabilities are based upon Guaranty Association payments, estimates and company reserves at the time of liquidation.
    - Filed Proof of Claims forms are currently being 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 September 30, 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.