

Avatar Property & Casualty Insurance Company in Liquidation
Statement of Affairs as of 9/30/23

Assets	Estimated Realizable Value
Cash	\$ 8,392,029
Accrued Interest Receivable	107,355
Short-Term Investments	7,775,846
Long-Term Investments	18,379,920
Advance to Guaranty Association	20,000,000
Returned Agent Commissions Receivable	200,953
Reinsurance Recoverable	5,230,630
Premium Tax Receivable	231,246
Other Assets	9,971
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Total Assets	\$ 60,327,949
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Liabilities	
Accounts Payable	\$ 228,835
Class 1 Administrative Claims	
Class 1 - Guaranty Association	5,684,226
Class 2 Loss Claims	
Class 2 - Guaranty Association	59,805,142
Class 3 Unearned Premium Claims	
Class 3 - Guaranty Association	31,454,738
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Total Liabilities	\$ 97,172,941
Equity	
Excess (Deficiency) of Assets over Liabilities	\$ (36,844,991)
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Total Liabilities and Equity	\$ 60,327,949
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The accompanying notes and schedules are an integral part of these financial statements

UNAUDITED

Avatar Property & Casualty Insurance Company in Liquidation
Statement of Cash Receipts and Disbursements
From the Date of Liquidation through 9/30/23

	Fiscal Year to Date	Since Date of Liquidation
Cash Receipts		
Premium Collections	\$ -	\$ 1,867,926
Returned Agent Commissions	286,002	1,738,565
Transfer from Investments	-	5,939,199
Other Collections/Recoveries	1,326,908	4,923,199
Receipts Before Investment Activities	<u>\$ 1,612,910</u>	<u>\$ 14,468,889</u>
Interest and Dividend Receipts	<u>\$ -</u>	<u>\$ -</u>
Receipts from Investment Activities	<u>\$ -</u>	<u>\$ -</u>
Total Cash Receipts	<u><u>\$ 1,612,910</u></u>	<u><u>\$ 14,468,889</u></u>
 Cash Disbursements & Distributions		
Professional Fees and Expenses	8,912	894,778
Office Expenses		220
Admin Expenses	309,222	1,277,480
Equipment and Furniture Expenses		4,078
Rent, Building and Equipment		2,451
Taxes	1,419	1,419
Reinsurance Expenses	221,494	388,934
Disbursements	<u>\$ 541,047</u>	<u>\$ 2,569,360</u>
 Distributions		
Administrative Claims (Class 1)	-	66,908
Loss Claims (Class 2)	-	-
Unearned Premium-Non-Assessable Policies Claims (Class 3)	-	-
Unearned Premium-Assessable Policies Claims (Class 9)	-	-
Distribution to Guaranty Association	-	20,000,000
Total Distributed	<u>\$ -</u>	<u>\$ 20,066,908</u>
 Disbursements & Distributions Before Investment Activities	<u>\$ 541,047</u>	<u>\$ 22,636,268</u>
Financial Expenses	1,994	30,701
Disbursements for Investment Activities	<u>1,994</u>	<u>30,701</u>
Total Cash Disbursements & Distributions	<u><u>\$ 543,040</u></u>	<u><u>\$ 22,666,969</u></u>
 Net Increase (Decrease) in Cash	<u><u>\$ 1,069,870</u></u>	<u><u>\$ (8,198,080)</u></u>
 Beginning Cash Balance:		
Beginning Cash	7,322,159	17,463,464
Adjustments to Beginning Cash		(873,355)
Adjusted Beginning Cash Balance	<u>7,322,159</u>	<u>16,590,109</u>
Ending Cash Balance	<u><u>\$ 8,392,029</u></u>	<u><u>\$ 8,392,029</u></u>

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Avatar Property & Casualty Insurance Company in Liquidation
Schedule of Cash
From the Date of Liquidation through 9/30/2023

Description	Balance 3/14/22	Adjustments/Interest	Transfers In/(Out)	Balance 9/30/23
Bank United CD	522,226	478	-	522,704
Bank United Checking	4,166,228	1,822,517	(5,988,745)	-
Bank of America Checking	4,312,951	(1,480,179)	(2,832,772)	-
Bank of America Depository	305,069	580,487	(885,556)	-
Centennial Bank	1,061,941	-	(1,061,941)	-
Central Bank	2,427,726	-	(2,427,726)	-
Deutsche Bank Money Market	2,005,591	288	(2,005,879)	-
Iberia Bank	781,870	51	(781,921)	-
Woodforest Bank	406,508	41	(406,549)	-
Truist	-	2,678,703	4,590,622	7,269,325
STAT Deposit	600,000			600,000
	<u>16,590,110</u>	<u>3,602,388</u>	<u>(11,800,468)</u>	<u>8,392,029</u>

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Avatar Property & Casualty Insurance Company in Liquidation
Schedule of Short-Term Investments
From the Date of Liquidation through 9/30/2023

BONDS & MONEY MARKET

Description	Balance 3/14/22	Adjustments/Deposits/	Distribution/		Balance 9/30/23
		Transfers	Interest	Fees	
US Bank Bond	281,434	(274,790)	(6,644)	-	-
BNY Mellon Bond	204,675	(137,444)	(6,772)	(60,459)	-
Morgan Stanley Bond	-	7,709,442			7,709,442
US Bank Money Market	920,413	(920,413)	-	-	-
BNY Mellon Money Market	3,195,195	(3,195,195)	-	-	-
Morgan Stanley Money Market	-	66,404	-	-	66,404
Total Short-Term Investments	4,601,717	3,248,004	(13,416)	(60,459)	7,775,846

Avatar Property & Casualty Insurance Company in Liquidation
Schedule of Long-Term Investments
From the Date of Liquidation through 9/30/2023

BONDS

Description	Balance 3/14/22	Adjustments/Deposits /Transfers	Interest	Distribution/ Fees	Balance 9/30/23
US Bank Bonds	4,013,867	(2,660,735)	(78,022)	(1,275,110)	-
BNY Mellon Bonds	24,588,465	(19,912,117)	(664,687)	(4,011,661)	-
Morgan Stanley Bonds	-	45,243,103	(212,302)	(26,650,881)	18,379,920
Total Long-Term Investments	28,602,332	22,670,251	(955,011)	(31,937,652)	18,379,920

Avatar Property & Casualty Insurance Company in Liquidation
Schedule of Accrued Interest Receivable
From the Date of Liquidation through 9/30/2023

Description	Balance 3/14/22	Accrued	Received	Transferred Out	Balance 9/30/23
BNY Mellon Accrued Interest	64,651	734,090	(729,836)	(68,905)	-
US Bank Accrued Interest	12,948	85,261	(84,667)	(13,542)	-
Morgan Stanley Accrued Interest	-	318,371	(211,016)		107,355
Total	77,599	1,137,722	(1,025,519)	(82,447)	107,355

Avatar Property & Casualty Insurance Company in Liquidation
Schedule of Advance to Guaranty Association
From the Date of Liquidation through 9/30/23

Description	Balance 3/14/22	Advanced	Recovered	Balance 9/30/23
Florida (FIGA)	-	20,000,000	-	20,000,000
Totals	-	20,000,000	-	20,000,000

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Avatar Property & Casualty Insurance Company in Liquidation
Schedule of Reinsurance Recoverable
From the Date of Liquidation through 9/30/2023

REINSURANCE RECOVERABLE					
Recovery Agent	Balance 3/14/22	Billed	Recovered	Adjustments	Balance 9/30/23
Receiver	-	12,018,629	(3,756,190)	(3,031,810)	5,230,629
Total	-	12,018,629	(3,756,190)	(3,031,810)	5,230,629

**Florida Department of Financial Services, Division of Rehabilitation
and Liquidation
Avatar Property & Casualty Insurance Company in Liquidation
Notes to Financial Statements
Dated September 30, 2023**

1. **Estate Information.** Avatar Property & Casualty Insurance Company was a property and casualty organization domiciled in Florida that was placed in liquidation on March 14, 2022.
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, 2023 through June 30, 2024. 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. The statements do **not** provide accruals for 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. **Short Term Investments.** Short term investments are comprised of fixed income securities with maturities of one year or less and money market accounts.
5. **Long Term Investments.** Long term investments are comprised of government and corporate fixed income securities. Long term investments are stated at market values provided by the depository trust institutions in possession of the securities as of the balance sheet date.
6. **Florida Hurricane Catastrophe Fund (FHCF) Advance to Guarantee Association (FIGA).** Represents funds advanced directly from FHCF to FIGA for the payment of covered claims and expenses pursuant to Chapter 215, Florida Statutes. The Guarantee Association is obligated to promptly return any or all of these funds if the Receiver determines that repayment of claims of equal or superior priority is necessary.
7. **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 proceeding 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.
8. **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.
9. **Statement of Cash Receipts and Cash Disbursements.** For reporting periods through September 30, 2022, expenditures allocated to the Company by Florida Department of Financial Services (DFS) were reported as applied to Avatar's Statutory Deposit held at DFS. These expenditures were reported on

the Statement of Cash Receipts and Disbursements and as a reduction of Cash on the Statement of Affairs in the period incurred. After September 30, 2022, it was determined that the expenditures would be paid from the Avatar operating account rather than from the Statutory Deposit. The previously recorded expenditures were removed from the December 31, 2022, Statement of Cash Receipts and Disbursements and added back to the Cash balance as they were not paid until January 2023. The amount due to DFS for the above mentioned expenditures is recorded as Accounts Payable on the Statement of Affairs at December 31, 2022.