

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Weston Property & Casualty Insurance Company in Liquidation
Statement of Affairs
12/31/2022

ASSETS

Cash Company Operating	11,698,139.10
SPIA Restricted	31,141,879.35
Bonds	654,184.16
Short-Term Investments	1,329,137.92
Allowance Short Term Investments	-
Common Stocks	443.64
Investment Income Due & Accrued	7,050.74
Uncollected premiums and agents' balances in the course of collection	4,402,220.95
Reinsurance Recoverable	31,748,745.68
Allowance for Reinsurance Recoverable	(27,660,458.10)
Net Deferred Tax Asset	46,244,380.44
Allowance for Net Deferred Tax Asset	(46,244,380.44)
Receivables from parent, subsidiaries and affiliates	2,268,398.06
Allowance for Receivables from parent, subsidiaries and affiliates	(2,268,398.06)
Miscellaneous Receivables	51,384.95
Allowance for Miscellaneous Receivable	(51,384.95)
Total Assets	53,321,343.44

LIABILITIES

Accrued Expenses	534,768.08
Class 1 Administrative Claims	
Class 1 - Guaranty Associations	4,513,579.19
Class 2 Loss Claims	
Class 2 - Guaranty Associations	56,257,949.72
Class 2 - Other	-
Class 3 Unearned Premium Claims under Non-assessable Policies	
Class 3 - Guaranty Associations	77,506,467.18
Class 3 - Other	-
Class 6 General Creditor Claims	
Class 6 - Other	1,347,249.10
Class 8 Late Filed Claims	
Class 9 Surplus Notes/Unearned Premium Claims under Assessable Policies	
Class 9 - Other	-
Total Liabilities	140,160,013.27

EQUITY

Contributed Equity - State of Florida	-
Estate Equity	(86,838,669.83)
Excess (Deficiency) of Assets over Liabilities	(86,838,669.83)
Total Liabilities & Equity	53,321,343.44

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

UNAUDITED

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Statement of Cash Receipts and Disbursements
From the Date of Liquidation through 12/31/2022

	<u>Fiscal Year to Date</u>	<u>Since Date of Liquidation</u>
CASH RECEIPTS		
Premium Collections	\$ (578.00)	\$ (578.00)
Reinsurance Recoveries	\$ 4,095,952.43	\$ 4,095,952.43
Subrogation and Salvage Recoveries	\$ 837.00	\$ 837.00
Receipts Before Investment Activities	<u>\$ 4,096,211.43</u>	<u>\$ 4,096,211.43</u>
Interest and Dividends Receipts	\$ 75,901.38	\$ 75,901.38
Receipts from Investment Activities	<u>\$ 75,901.38</u>	<u>\$ 75,901.38</u>
Total Cash Receipts	<u><u>\$ 4,172,112.81</u></u>	<u><u>\$ 4,172,112.81</u></u>
CASH DISBURSEMENTS & DISTRIBUTIONS		
Admin Expenses	\$ 575,557.82	\$ 575,557.82
Bank Fees	\$ 37,301.24	\$ 37,301.24
Consulting Fees	\$ 30,727.13	\$ 30,727.13
Dues, Fees and Subscriptions	\$ 318,026.10	\$ 318,026.10
Postage and Delivery	\$ 32,715.38	\$ 32,715.38
Premium Overpayment Refunds	\$ 282,525.12	\$ 282,525.12
Professional Fees and Expenses	\$ 996,045.85	\$ 996,045.85
Salaries Contractor Fees	\$ 844,396.47	\$ 844,396.47
Telephones and Computer Services	<u>\$ 261,555.06</u>	<u>\$ 261,555.06</u>
Disbursements	\$ 3,378,850.17	\$ 3,378,850.17
Distributions	\$ -	\$ -
Total Distributed	<u>\$ -</u>	<u>\$ -</u>
Disbursements & Distributions Before Investment Activates	\$ 3,378,850.17	\$ 3,378,850.17
Total Cash Disbursements & Distributions	<u><u>\$ 3,378,850.17</u></u>	<u><u>\$ 3,378,850.17</u></u>
Net Increase (Decrease) in Cash	<u><u>\$ 793,262.64</u></u>	<u><u>\$ 793,262.64</u></u>
Beginning Cash Balance:		
Beginning Cash	\$ 44,676,070.47	\$ 44,676,070.47
Adjustments to Beginning Cash	<u>\$ (645,992.58)</u>	<u>\$ (645,992.58)</u>
Adjusted Beginning Cash Balance	<u><u>\$ 44,030,077.89</u></u>	<u><u>\$ 44,030,077.89</u></u>
Ending Cash Balance	<u><u>\$ 44,823,340.53</u></u>	<u><u>\$ 44,823,340.53</u></u>

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

Florida Department of Financial Services, Division of Rehabilitation and Liquidation

Weston Property and Casualty Insurance Company

Notes to the Financial Statements

Dated December 31, 2022

1. **Receivership Estate Information.** Weston Property and Casualty Insurance Company (the “Company”) was a property and casualty organization domiciled in Florida and placed in Liquidation on August 8, 2022.
2. **Basis of Presentation.** The accompanying financial statements have been prepared on a modified cash basis of accounting using a calendar year basis. The statements do not provide any material accruals for administrative expenses associated with the liquidation of the receivership estate as may be accrued in the future.
3. **Unaudited Financials.** The accompanying financial statements have not been audited by an independent certified public accountant and no opinion is expressed on their compliance with statutory insurance accounting principles.
4. **Uncollected Premiums and Agents’ Balances in the Course of Collection.** The amounts are included on the financial statements based on the Company’s data prior to liquidation with immaterial adjustments after liquidation occurred.
5. **Reinsurance Recoverable and Allowance for Reinsurance Recoverable.** The Company’s pre-receivership reinsurance recoverable is included, which was based on pre-receivership data compiled by the Company. A material portion of the pre-receivership reinsurance was thereafter disallowed. After the disallowance of reinsurance amounts, the resulting net reinsurance recoverable on the financial statements is approximately \$4.1 million. The net reinsurance recoverable reflects that portion of the reinsurance applicable to additional losses which have not yet been reported under applicable reinsurance coverage. Further, the Special Deputy Receiver terminated the year 2022 reinsurance coverage, resulting in a claimed reinsurance recovery of approximately \$13,809,916 for pre-receivership reinsurance premium payments, of which \$2,228,775 has been recovered as of December 31, 2022. The year 2022 reinsurance terminations also terminated the payment of any future reinsurance premium amounts, which were estimated to be approximately \$23,138,484. No accrual of reinsurance due or from has been included in these financial statements for year 2022 reinsurance terminations.
6. **Deferred Tax Assets (“DTAs”).** All DTAs have been disallowed as an asset on the financial statements based on the uncertainty of whether the Company will ever accrue taxable income or gains to recapture the benefit of such DTAs.

7. **Receivables from Parent, Subsidiaries, and Affiliates.** All amounts due from parent or affiliates were disallowed due to the uncertainty of collection. The total shown on the Statement of Affairs is based on the available records of the Company and may be subject to revision. The Company's books have not yet been reconciled with those of its affiliated entities, and the Receiver continues to evaluate these matters.
8. **Unearned Premium Reserve – Ceded.** Ceded Premium Balances have been non-admitted due to the aging of the balances.
9. **Claim and Other Liabilities.** Unless otherwise noted, the Statement of Affairs contains estimated claim liabilities by priority class pursuant to section 631.271, Florida Statutes. Unless otherwise stated, the claim liabilities reported are gross filed and have only partially been reduced to final claim amounts. There have not been any early access payments made by the Florida Receiver to any state insurance guaranty associations. Claim liability numbers are based upon the most current available information and documentation provided to the Receiver from both internal and external sources, and these claim amounts are subject to further adjustment as claims are finalized during the receivership process, which may include the submission of further claims against the receivership estate. Unverified reinsurance balances of the Company, including unverified funds held for reinsurance, were not accrued on this financial. These reinsurance balances and fund amounts are subject to further review by the Special Deputy Receiver.

At year-end, the Company received financial claims data from the Texas Property and Casualty Insurance Guaranty Association ("TPCIGA") and the Florida Insurance Guaranty Association ("FIGA"). TPCIGA and FIGA, along with other insurance guaranty associations, are in the beginning stages of reviewing and paying the Company's claims and establishing reserves. The Company has established the higher of the claim reserves established by the Company before receivership or by the guaranty associations, recognizing that the guaranty associations have just received claims information and have not completed all of their claim evaluations. The Company has also maintained the incurred but not reported claim reserve in place at inception of the receivership, which should be modified in the future based on further claim determinations and claim payments.

10. **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 material estimates for future administrative costs to liquidate the estate or costs to pursue or litigate claims, and the estimated deficiency is subject to further adjustment in the future as the liquidation of the Company continues.

The accompanying notes above are an integral part of these financial statements and unaudited.