

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

In Re: Receivership of
United Property & Casualty Insurance Company

Case No.: 2023 CA 000320

**THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES, DIVISION OF
REHABILITATION AND LIQUIDATION AS RECEIVER OF UNITED PROPERTY &
CASUALTY INSURANCE COMPANY'S APPLICATION FOR ORDER
AUTHORIZING A SUPPLEMENTAL EARLY ACCESS DISBURSEMENT TO THE
TEXAS PROPERTY AND CASUALTY INSURANCE GUARANTY ASSOCIATION**

COMES NOW, the Florida Department of Financial Services, Division of Rehabilitation and Liquidation as Receiver of United Property & Casualty Insurance Company ("Department"), by and through the undersigned counsel, and files this Application for an Order Authorizing the Department to make a supplemental disbursement of early access funds in the total amount of THIRTY THOUSAND DOLLARS AND NO CENTS (\$30,000.00) to the Texas Property and Casualty Insurance Guaranty Association ("TPCIGA"). In support of this application, the Department states:

1. United Property & Casualty Insurance Company ("UPCIC") is a Florida corporation that was authorized under the Florida Insurance Code to transact property and casualty insurance in the state of Florida.

2. On February 27, 2023, this Court entered an *Order appointing the Florida Department of Financial Services as the Receiver of United Property & Casualty Insurance Company for Purposes of Liquidation, Injunction, and Notice of Automatic Stay*.

3. Pursuant to section 631.021(1), Florida Statutes, this Court has jurisdiction over the Receivership and is authorized to enter all necessary and proper orders to carry out the purpose of Florida's Insurers Rehabilitation and Liquidation Act, which constitutes Part I of

Chapter 631, F.S. (“the Act”).

4. Section 631.397(1), F.S., provides in substance that the Department may apply for Court approval to disburse assets out of UPCIC’s marshaled assets, as such assets become available, to each guaranty association (“GA”) entitled to receive such funds, contingent upon each GA agreeing to return to the Department as receiver 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. See s. 631.397(2)(d).

5. In compliance with s. 631.397(2)(d), the Department and the eligible GAs entered into Agreements 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 the Act. A copy of the Department’s executed Early Access Agreement with TPCIGA is attached hereto and incorporated herein by reference as **Exhibit A** (signature pages executed by other GAs are omitted from Exhibit A).

6. Following a hearing on the Department’s Application For Order Authorizing Early Access Disbursements To Eligible Guaranty Associations, the Court, on July 1, 2024, issued an Order Authorizing Early Access Disbursements to Eligible Guaranty Associations, which authorized and directed the Department to issue an early access payment of \$4,646,174.00 to TPCIGA and issue specific early access payments to other GAs.

7. In conjunction with the Department’s calculations and analysis of the appropriate early access payment due each eligible GA, the Department determined that TPCIGA is presently entitled to a supplemental disbursement of \$30,000.00 (“Supplemental Disbursement”) as part of the initial round of early access agreement disbursements. If the Court authorizes and directs the Department to issue the Supplemental Disbursement to

TPCIGA, the Department's total initial early access disbursement to TPCIGA will increase from \$4,646,174.00 to \$4,676,174.00.

8. The Department represents that in accord with s. 631.397(2)(a), there are sufficient assets in the UPCIC estate to permit the proposed Supplemental Disbursement to TPCIGA, and to reserve amounts for the payment of (a) expenses of administration, (b) claims of secured creditors to the extent of the value of the security held, and (c) claims falling within certain classes of priorities established by the Act. A copy of the Department's unaudited Statement of Affairs for UPCIC as of 12/31/23 is attached hereto as **Exhibit B**.

9. The Department further represents that the proposed Supplemental Disbursement to TPCIGA is consistent with the statutory objective that the Department make an equitable allocation of disbursements to each GA entitled thereto in conformity with s. 631.397(2)(c) in this initial round of early access agreement disbursements.

10. In accordance with s. 631.397(2)(b), the Department will seek additional authority to make subsequent disbursements of other assets should such become available in the UPCIC estate in an amount sufficient to allow further early access disbursements.

11. TPCIGA will not be entitled to share in additional funds ultimately distributed from the UPCIC receivership estate until such allocated distributions to which TPCIGA is otherwise entitled exceed the previous disbursements ordered by this Court and the amount of the supplemental early access disbursement sought in this application.

WHEREFORE, the Department respectfully requests this Court enter an Order that authorizes and directs the Department to issue payment of a supplemental disbursement of early access funds to the Texas Property and Casualty Insurance Guaranty Association in the amount of THIRTY THOUSAND DOLLARS AND NO CENTS (\$30,000.00).

Respectfully submitted on this 9th day of September 2024.

/s/Timothy G. Schoenwalder

Timothy G. Schoenwalder

Deputy Chief Attorney

Florida Bar No. 0755930

Timothy.Schoenwalder@myfloridacfo.com

Florida Department of Financial Services

Division of Rehabilitation and Liquidation

325 John Knox Road, Suite 101

The Atrium

Tallahassee, FL 32303

850.413.4479 (tel.)

CERTIFICATE OF SERVICE

The undersigned hereby certifies that he on September 9, 2024 served a copy of this Application on all parties who have entered an appearance on the ECF system.

/s/Timothy G. Schoenwalder

Timothy G. Schoenwalder

Florida Bar No. 0755930

Timothy.Schoenwalder@myfloridacfo.com

United Property and Casualty Insurance Company, In Liquidation

Early Access Agreement

This Early Access Agreement is entered into on this the 23rd day of Oct., 2023, between the **Florida Department of Financial Services, as Receiver of United Property and Casualty Insurance Company ("Department")**, and the undersigned **Insurance Guaranty Association(s)** ("**Guaranty Association**").

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

WHEREAS, on February 27, 2023, 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, in its sole discretion, whether the **UPCIC** 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 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 June 30, 2023, and on at least a quarterly basis thereafter until the conclusion of the receivership proceedings 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 **UPCIC**.

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 **UPCIC** Receivership and that it will not share in any final distribution of assets from the **UPCIC** 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 **UPCIC**, 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 **UPCIC**. 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 **UPCIC** 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 **UPCIC**.

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: Lorrie Arterburn
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 indicated below:

[THIS SECTION INTENTIONALLY LEFT BLANK]

[SIGNATURES OF THE PARTIES ARE ON THE FOLLOWING
PAGES]

United Property and Casualty Insurance Company, in Liquidation
By and through Lorrie Arterburn, Division Director
Florida Department of Financial Services,
Division of Rehabilitation and Liquidation

By: Lorrie Arterburn

Printed Name: Lorrie Arterburn

Date: Oct. 23, 2023

Texas Property and Casualty
Guaranty Association

[Insert Name of Guaranty Association]

“Guaranty Association”

DocuSigned by:
By: Annette Evans
SEC00BADEFCC435

Printed Name: Annette Evans

Title: Claims Director

Date: 10/9/2023

Address: 9120 Burnet Rd.

Austin, TX

75078

**Florida Department of Financial Services, Division of Rehabilitation and
Liquidation
United Property & Casualty Ins Co in Liquidation
Statement of Affairs
12/31/2023**

	Estimated Realizable Value
ASSETS	
Cash-Company Operating	\$57,999,648.41
SPIA-Restricted	207,224.05
Pooled Cash in SPIA Due from the Admin Fund	132,955,982.44
Short Term Investments	66,175.10
Short Term Investments-Restricted	3,028,004.60
Accrued Interest Receivable	369,043.58
Reinsurance Recoverable	32,120,768.60
Accounts Receivable	34,973,325.71
Allowance - Accounts Receivables	(34,973,325.71)
Long Term Investments	23,621.94
Other Assets	14,772,086.58
Total Assets	\$241,542,555.30
LIABILITIES	
Secured Claims	207,224.05
Class 1 Administrative Claims	
Class 1 - Guaranty Associations	58,016,865.67
Class 2 Loss Claims	
Class 2 - Guaranty Associations	425,344,179.62
Class 2 - Other	47,689.72
Class 3 Unearned Premium Claims under Non-assessable Policies	
Class 3 - Guaranty Associations	60,259,038.34
Class 3 - Other	8,110,145.77
Class 6 General Creditor Claims	
Class 6 - Other	202,595.52
Total Liabilities	\$552,187,738.69
EQUITY	
Contributed Equity - State of Florida	132,139.75
Estate Equity	(310,777,323.14)
Excess (Deficiency) of Assets over Liabilities	(\$310,645,183.39)
Total Liabilities and Equity	\$241,542,555.30

Exhibit B

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

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

**United Property & Casualty Ins Co in Liquidation
Statement of Cash Receipts and Disbursements
From the Date of Liquidation through 12/31/2023**

	<u>Fiscal Year to Date</u>	<u>Since Date of Liquidation</u>
CASH RECEIPTS		
Premium Collections	\$2,626,612.37	\$2,626,612.37
Reinsurance Recoveries	57,401,512.51	72,807,895.57
Subrogation and Salvage Recoveries	545,423.16	927,635.99
Litigation Recoveries	0.00	448.00
Tax Recoveries	10,305,057.42	17,604,345.69
Other Collections / Recoveries	11,092,300.42	11,245,365.54
Mortgage Interest Income	39,379.00	39,379.00
Receipts Before Investment Activities	<u>82,010,284.88</u>	<u>105,251,682.16</u>
Interest and Dividend Receipts	6,874,386.96	6,978,639.07
Sale of Short Term Investment	1,014,843.59	37,159,991.14
Sale of Long Term Investment	0.00	1,000,000.00
Receipts From Investment Activities	<u>7,889,230.55</u>	<u>45,138,630.21</u>
Total Cash Receipts	<u><u>89,899,515.43</u></u>	<u><u>150,390,312.37</u></u>
CASH DISBURSEMENTS & DISTRIBUTIONS		
Professional Fees and Expenses	1,864,060.20	2,591,666.66
Salaries and Fringe Benefits	1,133,220.03	2,030,289.59
Employee Welfare	517.82	643.50
Travel Expenses	1,818.29	34,143.87
Admin Expenses	1,103,835.81	2,461,582.10
Equipment and Furniture Expenses	21,254.11	26,508.25
Rent, Building and Equipment	2,426.73	2,779.52
Disbursements	<u>4,127,132.99</u>	<u>7,147,613.49</u>
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
Claims-Other	0.00	0.00
Total Distributed	<u>0.00</u>	<u>0.00</u>
Disbursements & Distributions Before Investment Activities	<u>4,127,132.99</u>	<u>7,147,613.49</u>
Financial Expenses	170,766.22	182,866.70
Purchase Short Term Investment	448,304.95	448,304.95
Disbursements for Investment Activities	<u>619,071.17</u>	<u>631,171.65</u>
Total Cash Disbursements & Distributions	<u><u>4,746,204.16</u></u>	<u><u>7,778,785.14</u></u>
Net Increase (Decrease) in Cash	<u><u>85,153,311.27</u></u>	<u><u>142,611,527.23</u></u>
Beginning Cash Balance:		
Beginning Cash	108,816,396.43	51,358,180.47
Adjustments to Beginning Cash	<u>(2,806,852.80)</u>	<u>(2,806,852.80)</u>
Adjusted Beginning Cash Balance	<u><u>106,009,543.63</u></u>	<u><u>48,551,327.67</u></u>
Ending Cash Balance	<u><u>191,162,854.90</u></u>	<u><u>191,162,854.90</u></u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
United Property & Casualty Insurance Company
Schedule of Cash - Company
For the Six Months Ended December 31, 2023

Cash - Company

		Balance						Voids/Stop	Balance
Description		7/1/23	Interest	Deposits	Checks/Fees	Transfers/ZBAs	Pays/Adjustments		12/31/23
Various	Onsite Company accounts	51,358,180.47	0.00	0.00	0.00	0.00	(51,358,180.47)		0.00
Wells Fargo	UPC Operating	0.00	32,914.60	12,457,894.23	(112,989.12)	(86,859,582.73)	190,974,840.21		116,493,077.19
Wells Fargo	UPC Prem Deposit	0.00	0.00	0.00	0.00	0.00	(11,627.00)		(11,627.00)
Wells Fargo	UPC Prem Refunds	0.00	0.00	0.00	0.00	34,812.23	(2,809,964.07)		(2,775,151.84)
Wells Fargo	UPC Claims-IC	0.00	0.00	0.00	0.00	27,706.83	(1,120,461.87)		(1,092,755.04)
Wells Fargo	UPC Prem Dep Acct-DXC	0.00	0.00	325,592.49	(366.68)	(325,225.81)	11,627.00		11,627.00
Wells Fargo	UPC Accts Payable	0.00	0.00	0.00	0.00	9,289.49	(33,887.45)		(24,597.96)
Wells Fargo	UPC Man Claim Pmts Acct-EAS	0.00	0.00	0.00	0.00	14,878.89	(17,822.54)		(2,943.65)
Wells Fargo	UPC Claims DC-Katana	0.00	0.00	225.00		49,999,786.65	(79,394,234.81)		(29,394,223.16)
Wells Fargo	UPC Prem Dep DC	0.00	0.00	1,210,897.06	(1,308.57)	(1,209,588.49)	0.00		0.00
Wells Fargo	UPC Prem Refunds DC	0.00	0.00	0.00	0.00	961,650.85	(2,326,984.35)		(1,365,333.50)
Wells Fargo	FSIC Inc Operating Acct	0.00	0.00	0.00	0.00	(24,528.94)	2,021,232.95		1,996,704.01
Wells Fargo	FSIC Inc - IC Claims	0.00	0.00	0.00	0.00	0.00	(316,307.09)		(316,307.09)
Wells Fargo	FSIC Ret Prem Acct-Code Obj	0.00	0.00	0.00	0.00	0.00	(24,577.72)		(24,577.72)
Wells Fargo	FSIC Prem Dep Acct - DXC	0.00	0.00	(45,358.32)	(1,801.28)	47,159.92	(0.32)		(0.00)
Republic Bank	FSIC & UPCIC	(1,603,491.50)	0.00	0.00	0.00	0.00	1,603,491.50		0.00
Wells Fargo	FSIC Accts Payable Acct	0.00	0.00	21,835.62	0.00	(21,835.62)	(601.00)		(601.00)
Wells Fargo	FSIC Claims Acct-Katana	0.00	0.00	0.00	0.00	37,542,692.12	(59,218,015.55)		(21,675,323.43)
Wells Fargo	FSIC Prem Dep DC	0.00	0.00	1,148,100.69	(276.83)	(1,147,823.86)	0.00		(0.00)
Wells Fargo	FSIC Premium Refunds DC	0.00	0.00	0.00	0.00	515,450.27	(1,067,416.93)		(551,966.66)
Bank of America	UPC Operating Acct	0.00	8,622.56	303,602.00	0.00	(499,139.09)	1,703,677.25		1,516,762.72
Bank of America	UPC Premium Refunds-CSC	0.00	0.00	424,464.48	0.00	499,130.00	(4,904,490.90)		(3,980,896.42)
Bank of America	FSIC Inc - Operating Acct	0.00	0.00	0.00	0.00	(55,264.81)	655,542.83		600,278.02
Bank of America	Return Prem CSC FL Business	0.00	0.00	0.00	0.00	555,244.81	(1,959,480.36)		(1,404,235.55)
Wells Fargo	UPC Mechant Reserve	(4,328,208.52)	16,393.93	0.00	(1,428.98)	0.00	4,314,982.76		1,739.19
		45,426,480.45	57,931.09	15,847,253.25	(118,171.46)	64,812.71	48,079,522.54		57,999,648.11

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
United Property & Casualty Insurance Company
Schedule of SPIA - Restricted
For the Six Months Ended December 31, 2023

SPIA - Other Reinsurance

Description	Account	Balance 7/1/23	Adjustments/Deposits	Interest	Transfers/Distributions	Balance 12/31/23
ACIC & IIC	SPIA 42001100	204,927.11	0.00	2,296.94	0.00	207,224.05
Total:		204,927.11	0.00	2,296.94	0.00	207,224.05

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
United Property & Casualty Insurance Company
Schedule of Short Term Investments
For the Six Months Ended December 31, 2023

Money Market Accounts

Description	Balance 7/1/23	Adjustments/ Fees	Interest or Dividends	Transfers	Balance 12/31/23
Money Market-Invt Custodian Clearwater Analytics	840,270.45	(985,008.80)	210,913.45	0.00	66,175.10
	840,270.45	0.00	0.00	0.00	66,175.10

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
United Property & Casualty Insurance Company
Schedule of Short Term Investments Restricted
For the Six Months Ended December 31, 2023

Short Term Investments Restricted

Description	Balance 7/1/23	Adjustments/ Fees	Interest or Dividends	Transfers	Balance 12/31/23
Field Pro Trusts	0.00	3,028,004.60	0.00	0.00	3,028,004.60
	0.00	0.00	0.00	0.00	3,028,004.60

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
United Property & Casualty Insurance Company
Schedule of Accrued Interest Receivable
For the Six Months Ended December 31, 2023

Accrued Interest Receivable

Description		Balance 7/1/23	Accrued	Received	Balance 12/31/23
State Treasury	SPIA, 4-20-0-010000-00000	101,984.26	1,270,416.94	(1,003,357.62)	369,043.58
Totals:		101,984.26	1,270,416.94	(1,003,357.62)	369,043.58

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
United Property & Casualty Ins Co in Liquidation
Schedule of Reinsurance Recoverables - Net of Allowance
For Six Months Ended December 31, 2023

Reinsurance Recoverables

Recovery Agent	Balance 7/1/23	Billed	Recovered	Adjustments	Balance 12/31/23
Receiver	39,165,647.85	50,356,633.26	(50,356,633.26)	(7,044,879.25)	32,120,768.60
Total	39,165,647.85	50,356,633.26	(50,356,633.26)	(7,044,879.25)	32,120,768.60

Allowance Reinsurance

Recovery Agent	Balance 7/1/23	Increases	Decreases	Balance 12/31/2023
Receiver	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00

Reinsurance Recoverables - Net of Allowance

32,120,768.60

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
United Property & Casualty Insurance Company
Schedule of Accounts Receivable
For the Six Months Ended December 31, 2023

Other Collections - Recovery/Receivable

Description	Balance 7/1/23	Adjustments	Payments Received	Balance 12/31/23
SLIDE Premium Recon Receivable	9,821,177.19	(2,442,408.65)	(7,378,768.54)	0.00
Premium tax	3,955,557.43	0.00	0.00	3,955,557.43
Other Securities - Clearwater Analytics	18,971.90	0.00	0.00	18,971.90
Federal Income Tax Receivable	48,269,088.57	(1,300,392.50)	(15,969,899.69)	30,998,796.38
Totals:	62,064,795.09	(3,742,801.15)	(23,348,668.23)	34,973,325.71

Allowance - Other Receivables

Description	Balance 7/1/23	Adjustments	Payments Received	Balance 12/31/23
FITRR Allowance	(48,269,088.57)	1,300,392.50	15,969,899.69	(30,998,796.38)
Premium Tax Allowance	(3,955,557.43)	0.00	0.00	(3,955,557.43)
Other Securities Allowance	(18,971.90)	0.00	0.00	(18,971.90)
Totals:	(52,243,617.90)	1,300,392.50	15,969,899.69	(34,973,325.71)

Total Accounts Receivable - Net of Allowances

0.00

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
United Property & Casualty Insurance Company
Schedule of Long Term Investments
For the Six Months Ended December 31, 2023

Long Term Investments

Description		Balance 45,108.00	Adjustments	Recovered	Balance 45,291.00
South Carolina Regions Bank (Stat Deposit)	1560	969,840.00	(969,840.00)	0.00	0.00
Virginia Regions Bank (Stat Deposit)	1560	289,089.00	(289,089.00)	0.00	0.00
Massachusetts Avenue Insights (Stat Deposit)	1560	100,000.00	(100,000.00)	0.00	0.00
Other LT Investments	1560	23,621.94	0.00	0.00	23,621.94
Totals:		<u>1,382,550.94</u>	<u>(1,358,929.00)</u>	<u>0.00</u>	<u>23,621.94</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
United Property & Casualty Insurance Company
Schedule of Other Assets
For the Six Months Ended December 31, 2023

Statutory Deposits

Description	Balance 7/1/23	Adjustments	Recovered	Balance 12/31/23
Louisiana: Regions Bank	100,000.00	0.00	0.00	100,000.00
South Carolina: Regions Bank	0.00	969,840.00	0.00	969,840.00
New York: US Bank	620,006.22	0.00	0.00	620,006.22
North Carolina: US Bank	300,002.58	0.00	0.00	300,002.58
Georgia: US Bank	25,000.00	0.00	0.00	25,000.00
Virginia: Principal	0.00	289,089.00	0.00	289,089.00
Massachusetts	0.00	100,000.00	0.00	100,000.00
Florida: Avenue Insights	623,752.59	0.00	(323,752.59)	300,000.00
Totals:	1,668,761.39	1,358,929.00	(323,752.59)	2,703,937.80

Other Investments

Description	Balance 7/1/23	Adjustments	Recovered	Balance 12/31/23
Kayne Senior Credit Fund II LP	190,316.00	(17,389.00)	(30,502.00)	142,425.00
Kayne Senior Credit Fund III LP	1,156,427.00	26,698.00	(80,751.00)	1,102,374.00
Blackstone Alternatives Solution 2015 Trust (Held at ML)	372,271.88	(1,290.32)	0.00	370,981.56
DCR Mortgage Partners, VII LP	151,532.00	(43,925.00)	0.00	107,607.00
DCR Mortgage Partners X LP	2,974,366.00	168,917.81	(319,119.81)	2,824,164.00
GSO Rescue Finance Fund (Held at ML)	560,808.83	(11,133.04)	0.00	549,675.79
Wellington Trust	4,808,911.04	162,010.39	0.00	4,970,921.43
FHLB Atlanta	1,010,861.00	0.00	(1,010,861.00)	0.00
DCR Mortgage Partners X- Non collateral Loan	2,000,000.00	0.00	0.00	2,000,000.00
Totals:	13,225,493.75	283,888.84	(1,441,233.81)	12,068,148.78

Total Other Assets: 14,772,086.58

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
United Property & Casualty Insurance Company
Schedule of Secured Claims
For the Six Months Ended December 31, 2023

Secured Claims - Other

Description	Balance 7/1/23	Adjustments/Deposits	Interest	Transfers/Distributions	Balance 12/31/23
ACIC & IIC SPIA	204,927.11	0.00	2,296.94	0.00	207,224.05
Total:	204,927.11	0.00	2,296.94	0.00	207,224.05

Total Secured Claims: 207,224.05

**Florida Department of Financial Services, Division of Rehabilitation
and Liquidation**
United Property & Casualty Insurance in Liquidation
Notes to Financial Statements
Dated December 31, 2023

1. **Estate Information.** United Property & Casualty Insurance Company (UPCIC) was a property and casualty organization domiciled in Florida placed in liquidation on February 27, 2023.
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. 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. **Special Purpose Investment Account (SPIA) – Restricted.** Represents funds wired to the Receiver by Gallagher Re pending reconciliation.
6. **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.
7. **Reinsurance.** Reinsurance receivables have resulted from losses that have been paid and billed to the reinsurer(s). The financial statements reflect the estimated 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.
8. **Accounts Receivable.** These account receivables consist of Premium Tax Receivable, Federal Income Tax Receivable and Other Securities (due to investment activity in transit) receivable.
9. **Allowance – Accounts Receivable.** An estimate of uncollectible amounts for certain assets.
10. **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 June 30, 2023 or latest available, those that have been collected by the Receiver and those where the state has taken its deposit. These also consists of several investments held by UPCIC at the time of liquidation currently under review for liquidity.
11. **Secured Claims.** This secured claim represents funds wired to the Receiver by a Reinsurer being held in a segregated account pending reconciliation.
12. **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 & Class 3 claim liabilities are based upon Guaranty Association payments, estimates and Filed Claims.
 - All other classes are based on Filed Claims.
 - Filed Proof of Claims forms are currently being processed and all liabilities are subject to change.

**Florida Department of Financial Services, Division of Rehabilitation
and Liquidation
United Property & Casualty Insurance in Liquidation
Notes to Financial Statements**

Dated December 31, 2023

13. **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.
14. **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.
15. **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.
16. **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.