

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

In Re: Receivership of

UNITED SOUTHERN ASSURANCE COMPANY Case No.: 1997-CA-5297
_____ /

**DEPARTMENT'S MOTION FOR ORDER APPROVING FINAL CLAIMS REPORT,
CLAIMS DISTRIBUTION REPORT, DISTRIBUTION ACCOUNTING STATEMENT,
AND AUTHORIZING DISTRIBUTION**

COMES NOW, the Florida Department of Financial Services, as Receiver of United Southern Assurance Company (hereinafter "Department"), by and through undersigned counsel, and hereby files this Motion for Order Approving Final Claims Report, Claims Distribution Report, Distribution Accounting Statement, and Authorizing Distribution and as good grounds therefor states the following:

1. United Southern Assurance Company ("USAC") was a domestic property and casualty insurance corporation authorized pursuant to the Florida Insurance Code to transact business in the State of Florida.

2. On September 18, 1997, this Court entered an *Order Appointing the Florida Department of Financial Services, as the Receiver of USAC for purposes of Liquidation, Injunction, and Notice of Automatic Stay* ("Liquidation Order").

3. Pursuant to section 631.021(1), Florida Statutes, this Court has jurisdiction over the USAC 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, part I, chapter 631, Florida Statutes.

4. On March 6, 2012, this Court entered an *Order Approving the Department's First Interim Claims Report and Recommendation on Claims*.

5. On January 17, 2013, this Court entered an *Order Approving the Department's Second Interim Claims Report and Recommendation on Claims*.

6. On June 27, 2017, this Court entered an *Order Approving the Department's Third Interim Claims Report and Recommendation on Claims*.

7. The Department has compiled a Final Claims Report dated August 30, 2017, which reflects the classification of all filed claims by priority in accordance with section 631.271, Florida Statutes, and the claims filing deadline. This report also incorporates the resolution of all timely filed objections and claimant information updates. A summary of the Final Claims Report is attached hereto and incorporated herein by reference as **Exhibit A**.

8. The Final Claims Report is broken down into two sections. **Part A** of the Report consists of all claims by non-guaranty association claimants and reflects that 2,208 non-guaranty association claims were filed with an aggregate claim amount of \$114,891,132.51, of which the total amount recommended by the Department to be paid is \$405,203.42. **Part B** of the Report consists of all claims filed by guaranty association claimants and reflects that 105 guaranty association claims were filed with an aggregate claim amount of \$21,966,767.57, of which the total amount recommended by the Department to be paid is \$20,328,895.74.

9. With the approval of the Department's Final Claims Report, the Department is now in the position to make a final distribution of receivership assets. Said assets will be distributed to claimants in Classes 1 and 2 in accordance with the Claims Distribution Report dated September 6, 2017. The Claims Distribution Report is attached hereto and incorporated herein by reference as **Exhibit B**.

10. The Department has compiled a Distribution Accounting Statement—*Projected for a September 2017 Distribution*, (the "*Distribution Accounting*"). As shown in the

Distribution Accounting, the Department is prepared to make a final distribution of \$16,100,321.04 to all claimants in Classes 1 and 2. This distribution constitutes 100% of the amount recommended in Class 1 and 98.1% of the amount recommended in Class 2. The calculated distribution percentage takes into account the funds previously disbursed as early access funds. The final pro-rata calculation and the amount distributed may have a slight variance due to rounding at the time of check processing. The *Distribution Accounting* is attached hereto and incorporated herein by reference as **Exhibit C**.

11. The Department recommends that the Final Claims Report, Claims Distribution Report, and Distribution Accounting be approved.

12. Upon the filing of this Motion for Order Authorizing Distribution, no further assignment of claim shall be accepted by the Department.

13. In an ongoing effort to maintain accuracy and efficiency, the Department proactively works to update its records to reflect change of address information for interested parties (e.g. agents, claimants, creditors, policyholders, subscribers) before mailing notifications and distribution checks. The Department has access to databases and other publicly available information that provides updated address information. The Department requests the authority to search for change of address information when applicable and to use the change of address information for future mailings without further direction of this Court.

14. Despite its best efforts, the Department is not always able to distribute funds to every claimant when funds are ready for distribution due to either bad addresses or W-9 issues. The Department recommends that the unclaimed funds be transferred to the unclaimed property unit(s) of the state(s) reflected in the claimants' last address of record in the Department's files.

WHEREFORE, the Department moves this Honorable Court for entry of an Order:

- A. Approving and adopting the Department's Final Claims Report, Claims Distribution Report, and Distribution Accounting Statement;
- B. Directing the Department to make the above-referenced distribution to the claimants as indicated in the Distribution Accounting;
- C. Directing the Department not to recognize or accept further assignment of claims;
- D. Authorizing the Department to update its records to incorporate change of address information for an interested individual/entity (e.g. agent, claimant, creditor, policyholder, subscriber) if the Department determines that there has been a change of address for an interested individual/entity and authorizing the Department to use the change of address information for future mailings; and
- E. Authorizing the Department to transfer unclaimed funds to the unclaimed property unit(s) of the state(s) reflected in the claimants' last address of record in the Department's files.

RESPECTFULLY SUBMITTED on this the 19th day of September 2017.

/s/ Jamila G. Gooden _____
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FLORIDA DEPARTMENT OF FINANCIAL SERVICES - DIVISION OF REHABILITATION AND LIQUIDATION
 UNITED SOUTHERN ASSURANCE COMPANY
 FINAL CLAIMS REPORT
 PART A - FOR NON GUARANTY ASSOCIATION CLAIMANTS

SUMMARY TOTALS

TOTAL AMOUNT CLAIMED BY NON GUARANTY ASSOCIATION CLAIMANTS	\$114,891,132.51
TOTAL AMOUNT RECOMMENDED TO NON GUARANTY ASSOCIATION CLAIMANTS	\$405,203.42
TOTAL NUMBER	2,208

Secured Claims

COUNT OF SECURED CLAIMS :	0
AMOUNT CLAIMED FOR SECURED CLAIMS BY NON GUARANTY ASSOCIATION	\$0.00
AMOUNT RECMD FOR SECURED CLAIMS TO NON GUARANTY ASSOCIATION	

UnSecured Claims

COUNT OF CLASS 1 CLAIMS :	0	COUNT OF CLASS 6 CLAIMS :	881
AMOUNT CLAIMED FOR CLASS 1 CLAIMS BY NON GUARANTY ASSOCIATION	\$0.00	AMOUNT CLAIMED FOR CLASS 6 CLAIMS BY NON GUARANTY ASSOCIATION	\$7,289,340.13
AMOUNT RECMD FOR CLASS 1 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS :		AMOUNT RECMD FOR CLASS 6 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS :	
COUNT OF CLASS 2 CLAIMS :	1,025	COUNT OF CLASS 7 CLAIMS :	18
AMOUNT CLAIMED FOR CLASS 2 CLAIMS BY NON GUARANTY ASSOCIATION	\$94,494,870.56	AMOUNT CLAIMED FOR CLASS 7 CLAIMS BY NON GUARANTY ASSOCIATION	\$24,905.21
AMOUNT RECMD FOR CLASS 2 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS:	\$385,039.51	AMOUNT RECMD FOR CLASS 7 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS:	
COUNT OF CLASS 3 CLAIMS :	152	COUNT OF CLASS 8 CLAIMS :	112
AMOUNT CLAIMED FOR CLASS 3 CLAIMS BY NON GUARANTY ASSOCIATION	\$237,472.27	AMOUNT CLAIMED FOR CLASS 8 CLAIMS BY NON GUARANTY ASSOCIATION	\$12,814,880.12
AMOUNT RECMD FOR CLASS 3 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS:	\$11.78	AMOUNT RECMD FOR CLASS 8 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS:	
COUNT OF CLASS 4 CLAIMS :	0	COUNT OF CLASS 9 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 4 CLAIMS BY NON GUARANTY ASSOCIATION	\$0.00	AMOUNT CLAIMED FOR CLASS 9 CLAIMS BY NON GUARANTY ASSOCIATION	\$0.00
AMOUNT RECMD FOR CLASS 4 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS:		AMOUNT RECMD FOR CLASS 9 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS:	
COUNT OF CLASS 5 CLAIMS :	20	COUNT OF CLASS 10 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 5 CLAIMS BY NON GUARANTY ASSOCIATION	\$29,664.22	AMOUNT CLAIMED FOR CLASS 10 CLAIMS BY NON GUARANTY ASSOCIATION	\$0.00
AMOUNT RECMD FOR CLASS 5 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS:	\$20,152.13	AMOUNT RECMD FOR CLASS 10 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS :	

Note: If status is unevaluated, then dollar amounts have been suppressed

EXHIBIT A

FLORIDA DEPARTMENT OF FINANCIAL SERVICES - DIVISION OF REHABILITATION AND LIQUIDATION
 UNITED SOUTHERN ASSURANCE COMPANY
 FINAL CLAIMS REPORT
 PART B - FOR GUARANTY ASSOCIATION

SUMMARY TOTALS

TOTAL AMOUNT CLAIMED BY GUARANTY ASSOCIATION	\$21,966,767.57
TOTAL AMOUNT RECOMMENDED TO GUARANTY ASSOCIATION	\$20,328,895.74
TOTAL NUMBER	105

COUNT OF CLASS 1 CLAIMS :	63	COUNT OF CLASS 6 CLAIMS :	17
AMOUNT CLAIMED FOR CLASS 1 CLAIMS BY GUARANTY ASSOCIATION :	\$6,751,476.20	AMOUNT CLAIMED FOR CLASS 6 CLAIMS BY GUARANTY ASSOCIATION :	\$1,625,003.16
AMOUNT RECMD FOR CLASS 1 CLAIMS TO GUARANTY ASSOCIATION :	\$6,746,350.71	AMOUNT RECMD FOR CLASS 6 CLAIMS TO GUARANTY ASSOCIATION :	
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COUNT OF CLASS 2 CLAIMS :	22	COUNT OF CLASS 7 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 2 CLAIMS BY GUARANTY ASSOCIATION :	\$13,357,393.40	AMOUNT CLAIMED FOR CLASS 7 CLAIMS BY GUARANTY ASSOCIATION :	\$0.00
AMOUNT RECMD FOR CLASS 2 CLAIMS TO GUARANTY ASSOCIATION :	\$13,349,650.22	AMOUNT RECMD FOR CLASS 7 CLAIMS TO GUARANTY ASSOCIATION :	
<hr/>			
COUNT OF CLASS 3 CLAIMS :	3	COUNT OF CLASS 8 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 3 CLAIMS BY GUARANTY ASSOCIATION :	\$232,894.81	AMOUNT CLAIMED FOR CLASS 8 CLAIMS BY GUARANTY ASSOCIATION :	\$0.00
AMOUNT RECMD FOR CLASS 3 CLAIMS TO GUARANTY ASSOCIATION :	\$232,894.81	AMOUNT RECMD FOR CLASS 8 CLAIMS TO GUARANTY ASSOCIATION :	
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COUNT OF CLASS 4 CLAIMS :	0	COUNT OF CLASS 9 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 4 CLAIMS BY GUARANTY ASSOCIATION :	\$0.00	AMOUNT CLAIMED FOR CLASS 9 CLAIMS BY GUARANTY ASSOCIATION :	\$0.00
AMOUNT RECMD FOR CLASS 4 CLAIMS TO GUARANTY ASSOCIATION :		AMOUNT RECMD FOR CLASS 9 CLAIMS TO GUARANTY ASSOCIATION :	
<hr/>			
COUNT OF CLASS 5 CLAIMS :	0	COUNT OF CLASS 10 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 5 CLAIMS BY GUARANTY ASSOCIATION :	\$0.00	AMOUNT CLAIMED FOR CLASS 10 CLAIMS BY GUARANTY ASSOCIATION :	\$0.00
AMOUNT RECMD FOR CLASS 5 CLAIMS TO GUARANTY ASSOCIATION :		AMOUNT RECMD FOR CLASS 10 CLAIMS TO GUARANTY ASSOCIATION :	

Note: If status is unevaluated, then dollar amounts have been suppressed

FLORIDA DEPARTMENT OF FINANCIAL SERVICES-DIVISION OF REHABILITATION AND LIQUIDATION
 UNITED SOUTHERN ASSURANCE COMPANY
 CLAIMS DISTRIBUTION REPORT

SUMMARY TOTALS

TOTAL AMOUNT CLAIMED	\$29,903,438.07
TOTAL AMOUNT RECOMMENDED	\$20,481,040.44
TOTAL NUMBER	242

Secured Claims

COUNT OF SECURED CLAIMS :	0
AMOUNT CLAIMED FOR SECURED CLAIMS :	
AMOUNT RECOMMENDED FOR SECURED CLAIMS :	

Unsecured Claims

COUNT OF CLASS 1 CLAIMS :	57	COUNT OF CLASS 6 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 1 CLAIMS :	\$6,751,470.20	AMOUNT CLAIMED FOR CLASS 6 CLAIMS :	
AMOUNT RECOMMENDED FOR CLASS 1 CLAIMS :	\$6,746,350.71	AMOUNT RECOMMENDED FOR CLASS 6 CLAIMS :	
COUNT OF CLASS 2 CLAIMS :	185	COUNT OF CLASS 7 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 2 CLAIMS :	\$23,151,967.87	AMOUNT CLAIMED FOR CLASS 7 CLAIMS :	
AMOUNT RECOMMENDED FOR CLASS 2 CLAIMS :	\$13,734,689.73	AMOUNT RECOMMENDED FOR CLASS 7 CLAIMS :	
COUNT OF CLASS 3 CLAIMS :	0	COUNT OF CLASS 8 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 3 CLAIMS :		AMOUNT CLAIMED FOR CLASS 8 CLAIMS :	
AMOUNT RECOMMENDED FOR CLASS 3 CLAIMS :		AMOUNT RECOMMENDED FOR CLASS 8 CLAIMS :	
COUNT OF CLASS 4 CLAIMS :	0	COUNT OF CLASS 9 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 4 CLAIMS :		AMOUNT CLAIMED FOR CLASS 9 CLAIMS :	
AMOUNT RECOMMENDED FOR CLASS 4 CLAIMS :		AMOUNT RECOMMENDED FOR CLASS 9 CLAIMS :	
COUNT OF CLASS 5 CLAIMS :	0	COUNT OF CLASS 10 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 5 CLAIMS :		AMOUNT CLAIMED FOR CLASS 10 CLAIMS :	
AMOUNT RECOMMENDED FOR CLASS 5 CLAIMS :		AMOUNT RECOMMENDED FOR CLASS 10 CLAIMS :	

Note: if status is unevaluated, then dollar amounts have been suppressed

EXHIBIT B

United Southern Assurance Co.
Distribution Accounting
Projected for September 2017 Distribution

ESTIMATED ASSETS AT AUGUST 31, 2017

	<u>Value</u>	<u>Reference</u>
Cash	\$ 16,180,731.04	Schedule A
Advance Payments to Guaranty Associations	4,117,387.33	
Total Assets	\$ 20,298,118.37	

ESTIMATED FUNDS RETAINAGE

	<u>Value</u>	<u>Reference</u>
Class I - Administrative Claims Retainage for Receiver Expenses Estimate (September 2017 - February 2018)	67,810.00	Schedule B
Discharge Expenses Retainage for records storage, records destruction, tax return prep. & labor	12,600.00	Schedule E
Total Proposed Retainage	80,410.00	

TOTAL AVAILABLE TO DISTRIBUTE **\$ 20,217,708.37**

DISTRIBUTION RECOMMENDATION

	Claims Value	Less Previous Claims Distributions	Value of Claims Outstanding	Apply Adv. Pmts. to Guaranty Assoc.	Recommended Distribution	% Value of Claims Outstanding	% Value of Gross Filed Claims	Total % of Claims Value Distributed
Class I - Administrative Claims-Guaranty Funds	\$ 6,746,350.71	\$ -	\$ 6,746,350.71	\$ 3,135,691.30	\$ 3,610,659.41	100.0000%	100.0000%	100.0000%
Class II - Loss Claims-Guaranty Funds	13,349,650.22	-	13,349,650.22	981,696.03	12,111,899.15	98.1%	98.1%	98.1%
Class II - Loss Claims-Other	385,039.51	-	385,039.51	385,039.51	377,762.48	98.1%	98.1%	98.1%
Class III - Return Premium Claims-Guaranty Funds	232,894.81	-	232,894.81	232,894.81	-	0.0000%	0.0000%	0.0000%
Class III - Return Premium Claims-Other	11.78	-	11.78	11.78	-	0.0000%	0.0000%	0.0000%
Class IV - Federal Government Claims	-	-	-	-	-	0.0000%	0.0000%	0.0000%
Class V - Employee Claims	20,152.13	-	20,152.13	20,152.13	-	0.0000%	0.0000%	0.0000%
Class VI - General Creditors Claims GA	1,625,003.16	-	1,625,003.16	1,625,003.16	-	0.0000%	0.0000%	0.0000%
Class VI - General Creditors Claims Other	2,743,003.07	-	2,743,003.07	2,743,003.07	-	0.0000%	0.0000%	0.0000%
Class VII - State & Local Government Claims	24,905.21	-	24,905.21	24,905.21	-	0.0000%	0.0000%	0.0000%
Class VIII - Late Filed Claims	11,680,201.41	-	11,680,201.41	11,680,201.41	-	0.0000%	0.0000%	0.0000%
Class IX - Surplus/Other-GA	-	-	-	-	-	0.0000%	0.0000%	0.0000%
Class iX - Surplus/Other Claims	-	-	-	-	-	0.0000%	0.0000%	0.0000%
Totals	\$ 36,807,212.01	\$ -	\$ 36,807,212.01	\$ 4,117,387.33	\$ 16,100,321.04			

Index to Attached Schedules:

- Schedule A - Available Cash Projection
- Schedule B - Estimated Funds to be Retained by the Receiver for Discharge of the Estate
- Schedule C - Allocated State Funds Expensed
- Schedule D - Interest Earnings Projection - Pooled Cash
- Schedule E - Receiver Discharge Expenses
- Schedule F - Contributed Equity

EXHIBIT C

United Southern Assurance Co.
Available Cash Projection
Projected for September 2017 Distribution

	Cash Balance as of 7/31/2017	Aug-17
Beginning Pooled Cash Balance		\$ 16,114,717.19
Sale of Treasury Note including interest		74,722.00
Direct Receiver Expenses (Actual or Estimated)		
Rent-Records, Bank Fees, Postage		350.00
Sub-total		350.00
Allocated Receiver Expenses (Estimated)		
Labor & Benefits		21,960.00
Indirect Expenses		7,800.00
Sub-total		29,760.00
Cash Balance Before Interest Earnings		16,159,329.19
Interest Earnings		
Pooled Cash:		
Actual SPIA Earnings for July to be credited on 8/01/2017.		21,401.85
Estimate based on assumed SPIA APR on the previous month's average Pooled Cash balance (See Schedule D)		
Ending Pooled Cash Balance	\$ 16,114,717.19	\$ 16,180,731.04

Assumptions for Allocated Receiver Expenses:

¹ Labor & Benefits: This estimate is based on a four month actual average. Doubled for increased activity leading up to distribu

April Actual	\$ 16,819.54
May Actual	12,966.25
June Actual	4,839.48
July Actual	9,294.16
Sub-total	43,919.43
4 mth. actual average (rounded)	10,980.00
Doubled for increased activity level	\$ 21,960.00

² Indirect Expenses: This estimate is USAC's estimated pro rata share of the Receiver's estimated total indirect expenses. The pro rata share calculation is based on USAC's estimated total assets divided by the Receiver's estimated total assets for all receiverships.

Estimated Total Asset %	3.00%
Estimated Total for the Receiver	\$ 130,000.00
Estimated Expense (rounded)	\$ 7,800.00

United Southern Assurance Co.
Estimated Funds to be Retained by the Receiver for Discharge of the Estate
Estimated from September 2017 through the Projected Discharge Date of February 2018

	31-Aug-17	September	October	November	December	January 2018	February 2018	Retainage Calculation
Beginning Cash Balance		\$ 16,180,731.04	\$ 70,480.00	\$ 58,200.00	\$ 46,820.00	\$ 35,430.00	\$ 24,020.00	
Direct Receiver Expenses								
Records Storage, Bank Fees, Postage		350.00	350.00	350.00	350.00	350.00	350.00	
Sub-total		350.00	350.00	350.00	350.00	350.00	350.00	\$ 2,100.00
Allocated Receiver Expenses								
Labor & Benefits		21,960.00	21,960.00	10,980.00	10,980.00	10,980.00	10,980.00	¹
Indirect Expenses		7,800.00	130.00	130.00	130.00	130.00	130.00	²
Sub-total		29,760.00	22,090.00	11,110.00	11,110.00	11,110.00	11,110.00	\$ 96,290.00
Claims Distribution (Approx.)		16,100,321.04						
Cash Balance Before Interest Earnings		50,300.00	48,040.00	46,740.00	35,360.00	23,970.00	12,560.00	
Interest Earnings								
Estimate based on assumed SPIA APR on the previous month's average Pooled Cash balance (See Schedule D).		20,180.00	10,160.00	80.00	70.00	50.00	40.00	\$ 30,580.00
Projected Ending Cash Balance	\$ 16,180,731.04	\$ 70,480.00	\$ 58,200.00	\$ 46,820.00	\$ 35,430.00	\$ 24,020.00	\$ 12,600.00	
Retainage for Receiver's Expenses								\$ 67,810.00

Assumptions for Allocated Receiver Expenses:

¹ Labor & Benefits: This estimate is based on a four month actual average. Doubled for increased activity through the distribution and check expiration month. Monthly average used after October.

April Actual	\$ 16,819.54
May Actual	12,966.25
June Actual	4,839.48
July Actual	9,294.16
Sub-total	43,919.43
4 mth. actual average (rounded)	\$ 10,980.00
Doubled for increased activity level	\$ 21,960.00

² Indirect Expenses: This estimate is USAC's estimated pro rata share of the Receiver's estimated total indirect expenses. The pro rata share calculation is based on USAC's estimated total assets divided by the Receiver's estimated total assets for all receiverships. The percentage is reduced after the distribution month due to a significant drop in total assets.

	Before Distribution	After Distribution
Estimated Total Asset %	3.00%	0.10%
Estimated Total for the Receiver	\$ 130,000.00	\$ 130,000.00
Estimated Expense (rounded)	\$ 7,800.00	\$ 130.00

United Southern Assurance Co.
Allocated State Funds Expensed
Estimated from August 2017 through the Projected Discharge Date of February 2018
THIS STATEMENT INCLUDED FOR INFORMATION PURPOSES ONLY - AMOUNTS NOT PART OF DISTRIBUTION CALCULATION

	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-17	Feb-18	Totals
Accrued Allocated State of Florida Expenses (Estimated)								
Labor & Benefits	\$ 480.00	\$ 480.00	\$ 480.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 2,400.00 ¹
Indirect Expenses	1,200.00	1,200.00	40.00	40.00	40.00	40.00	40.00	\$ 2,600.00 ²
Total	\$ 1,680.00	\$ 1,680.00	\$ 520.00	\$ 280.00	\$ 280.00	\$ 280.00	\$ 280.00	\$ 5,000.00 ³

Assumptions for Allocated State of Florida Expenses:

¹ Labor & Benefits: This estimate is based on a four month actual average. Doubled for increased activity through the distribution and check expiration month. Monthly average used after February.

April Actual	332.19
May Actual	325.78
June Actual	105.84
July Actual	202.76
Sub-total	966.57
4 mth. actual average (rounded)	\$ 240.00
Doubled for increased distribution activity	\$ 480.00

² Indirect Expenses: This estimate is USAC's estimated pro rata share of the Receiver's estimated total indirect expenses. The pro rata share calculation is based on USAC's estimated total assets divided by the Receiver's estimated total assets for all receiverships. The percentage is reduced after the distribution month due to a significant drop in total assets.

	Before Distribution	After Distribution
Estimated Total Asset %	3.00%	0.10%
Estimated Total for the State	\$ 40,000.00	\$ 40,000.00
Estimated Expense (rounded)	\$ 1,200.00	\$ 40.00

³ Per current Receiver policies and procedures, these accumulated amounts are recorded directly against estate equity as opposed to a liability account.

United Southern Assurance Co.
Interest Earnings Projection - Pooled Cash
Projected for September 2017 Distribution

Interest accrued for August 2017

Beginning cash balance	16,114,717.19
Ending cash balance	16,180,731.04
Average cash balance	16,147,724.12
Assumed SPIA interest rate (Annualized)	1.50%
Subtotal (Annualized)	242,215.86

Accrual for August **\$ 20,180.00**

Interest accrued for September 2017

Beginning cash balance	16,180,731.04
Ending cash balance	70,480.00
Average cash balance	8,125,605.52
Assumed SPIA interest rate (Annualized)	1.50%
Subtotal (Annualized)	121,884.08

Accrual for September **\$ 10,160.00**

Interest accrued for October 2017

Beginning cash balance	70,480.00
Ending cash balance	58,200.00
Average cash balance	64,340.00
Assumed SPIA interest rate (Annualized)	1.50%
Subtotal (Annualized)	965.10

Accrual for October **\$ 80.00**

Interest accrued for November 2017

Beginning cash balance	58,200.00
Ending cash balance	46,820.00
Average cash balance	52,510.00
Assumed SPIA interest rate (Annualized)	1.50%
Subtotal (Annualized)	787.65

Accrual for November **\$ 70.00**

Interest accrued for December 2017

Beginning cash balance	46,820.00
Ending cash balance	35,430.00
Average cash balance	41,125.00
Assumed SPIA interest rate (Annualized)	1.50%
Subtotal (Annualized)	616.88

Accrual for December **\$ 50.00**

Interest accrued for January 2018

Beginning cash balance	35,430.00
Ending cash balance	24,020.00
Average cash balance	29,725.00
Assumed SPIA interest rate (Annualized)	1.50%
Subtotal (Annualized)	445.88

Accrual for January **\$ 40.00**

Interest accrued for February 2018

Beginning cash balance	24,020.00
Ending cash balance	12,600.00
Average cash balance	18,310.00
Assumed SPIA interest rate (Annualized)	1.50%
Subtotal (Annualized)	274.65

Accrual for February **\$ 20.00**

United Southern Assurance Co.
Receiver Discharge Expenses
Projected for September 2017 Distribution

Discharge Expenses (Projected for Post 2/28/2018)

Records Storage, Labor, Scanning Permanent Records,
Unclaimed Property Scanning and Holders Rpts
2017-18 Tax Return Preparation

12,600.00

Total

\$ 12,600.00

United Southern Assurance Co.
Statement of Contributed Equity from Regulatory Trust Fund Estimated Balances
Projected for Discharge by 2/28/2018

Contributed Equity Balance as of 7/31/2017		\$ 528,149.04
Accrual for August 2017 - February 2018 (Estimate from Schedule C)	<u>\$ 5,000.00</u>	
Total		<u>\$ 5,000.00</u>
Projected Contributed Equity Balance as of 2/28/2018		<u><u>\$ 533,149.04</u></u>

United Southern Assurance Co.
Distribution Accounting
Narrative of Early Access Application and Distribution Amounts
Projected for September 2017 Distribution

A. Class 1 Guaranty Associations - Application of Early Access and Calculation of Amount to Distribute to Equalize Distribution %

- I. There have been no previous distributions in this estate.
- II. Total early access payments to Guaranty Associations (GA's) were \$4,617,387.33 as of 7/31/17.
- III. In February 2000 Nevada entered into an early access agreement with the Receiver releasing their statutory deposit valued at \$500,000 and reclassifying their claims to Class 6. This distribution will only be through Class 2 so Nevada's early access is not included in the distribution calculation and only \$4,117,387.33 of Early Access is applied.
- IV. Early Access payments of \$3,135,691.30 will be applied to cover 61.03% of the Class 1 - Guaranty Association claims. (See Schedule H, Row 19, Column AC)
- V. A number of states (AR, DC, GA, IL, LA, NE, OR) filed Class 1 claims but received no early access payments from USAC. A 100% distribution will be made to each of these states.
- VI. The following amount will be distributed to bring all Class 1 GA states' claims to 100%.

Total Class 1 GA Claims	\$ 6,746,350.71	(See Schedule H, Row 7, Column AC)
Early Access Applied to Class 1 GA Claims	<u>\$ (3,135,691.30)</u>	(See Schedule H, Row 19, Column AC)
Amount to Distribute for Class 1 GA Claims to bring to 100%	<u>\$ 3,610,659.41</u>	(See Schedule H, Row 23, Column AC)

B. Class 2 Guaranty Associations - Application of Early Access and Calculation of Amount to Distribute to Equalize Distribution %

- VII. Remaining amount of early access payments available to apply to Class 2 - GA after applying to Class 1 is calculated as follows:

Total Early Access Reduced by Nevada Amount	\$ 4,117,387.33	(See Schedule H, Row 17, Column AC)
Less Total Early Access Applied to Class 1	<u>\$ (3,135,691.30)</u>	(See Schedule H, Row 19, Column AC)
Remaining Early Access to Apply to Class 2 - GA	<u>\$ 981,696.03</u>	(See Schedule H, Row 25, Column AC)

- VIII. After application of the remaining early access to Class 2 - GA claims Arizona has the highest paid percentage (%) at 83.32%. (See Schedule H, Row 27, Column D.)

- IX. The total amount necessary to bring all states Class 2 - GA claims equal to Arizona's 83.32% is \$10,137,475.40. (See Schedule H, Line 30 for the amounts to be distributed to each state to bring their percentage equal to 83.32%.)

- X. The remaining Class 2 GA Claim after application of early access and distribution amount to equalize to 83.32% is as follows:

Total Class 2 GA Claim	\$ 13,349,650.22	(See Schedule H, Row 9, Column AC)
Early Access Applied to Class 2 GA	\$ (981,696.03)	(See Schedule H, Row 25, Column AC)
Distribution amount to Equalize Class 2 GA	#####	(See Schedule H, Row 30)
Remaining Class 2 GA Claim	<u>\$ 2,230,478.79</u>	

C. Calculation of Amount to Distribute to Equalize Distribution % to Class 2 - Other

- XI. The total amount necessary to bring the Class 2 - Other claims % equal to the Class 2 GA % is calculated, as follows:

Total Class 2 Other Claim	\$385,039.41	(See Statement, Row 36, Column G)
Class 2 GA Distribution %	83.32%	
Amount to Distribute to Class 2 Other	<u>\$ 320,814.84</u>	

D. Calculation of the Remaining Amount Available to Distribute

- XII. The amount available to distribute after early access applied and distribution amounts to equalize Class 2 GA and Class 2 Other are applied:

Total Available to Distribute (Total Assets less Retainage)	\$ 20,217,708.37	(See Statement, Row 28, Column F)
Less Early Access Applied to Classes 1 & 2 GA's	\$ (4,117,387.33)	(See Schedule H, Row 17, Column AC)
Less Cash Necessary to equalize Distribution % for all Class 1 GA States	\$ (3,610,659.41)	(See Schedule H, Row 23, Column AC)
Less Cash Necessary to equalize Distribution % for all Class 2 GA States	\$ (10,137,475.36)	(See Schedule H, Row 30)
Less Cash Necessary to equalize Distribution % for all Class 2 Other Claims	<u>\$ (320,814.84)</u>	(See Schedule G, Section C)
Remaining Cash Available to Distribute	<u>\$ 2,031,371.43</u>	

E. Distribution of Remaining Available Cash so that Class 2 GA and Class 2 Other Claims receive equal distribution %'s.

- XIII. Distribution amount is determined based on each classes proportionate % of the total liabilities for Class 2, as follows:

A. Class 2 GA Claim Liability Amount	\$ 13,349,650.22	(See Schedule H, Row 9, Column AC)
Class 2 Other Claim Liability Amount	<u>\$ 385,039.51</u>	(See Statement, Row 36, Column G)
Total Amount of Class 2 Liabilities	<u>\$ 13,734,689.73</u>	
B. Class 2 GA Claim % of Total Liabilities	97.20%	
Class 2 Other Claim % of Total Liabilities	2.80%	
C. Class 2 GA Claim Distribution Amount of Remaining Available Cash	\$ 1,974,423.79	
Class 2 Other Claim Distribution Amount of Remaining Available Cash	<u>\$ 56,947.65</u>	
Total Distribution Amount for Remaining Available Cash	<u>\$ 2,031,371.43</u>	

F. Total Early Access Application Amount, Distribution Amount and Distribution % for Class 1, Class 2 GA and Class 2 Other

	Amount	Distribution %
XIV. A. Class 1		
Early Access Applied to Classes 1 GA	<u>\$ 3,135,691.30</u>	
Cash Necessary to equalize Distribution % for all Class 1 GA States	<u>\$ 3,610,659.41</u>	
	<u>\$ 6,746,350.71</u>	100%
B. Class 2		
Early Access Applied to Classes 2 GA	\$ 981,696.03	
Cash Necessary to equalize Distribution % for all Class 2 GA States	\$ 10,137,475.36	
Class 2 GA Claim Distribution Amount of Remaining Available Cash	<u>\$ 1,974,423.79</u>	
Total Early Access and Cash	<u>\$ 13,093,595.18</u>	98.1%
C. Amount to Distribute to Class 2 Other to Equalize to 83.32%	\$ 320,814.84	
Class 2 Other Claim Distribution Amount of Remaining Available Cash	<u>\$ 56,947.65</u>	
Total Cash	<u>\$ 377,762.48</u>	98.1%
D. Total Distribution (Early Access + Cash)	<u>\$ 20,217,708.37</u>	

United Southern Assurance Co.
 Projected for September 2017 Distribution
 Application of Early Access to Guaranty Associations' Claims

	FL	AL	AZ	AR	CA	CO	DC	GA	ID	IL	IN	IA	KY	LA	MS	MD	MT	NE	NJ	OH	OK	OR	PA	TX	UT	WA	WV	TOTALS
CLASS 1 CLAIMS	1,033,358.49	35,685.20	509,032.69	84,529.21	1,032,379.26	74,712.49	12,989.96	59,744.64	30,880.50	26,399.80	166,873.74	6,641.38	638.46	603,529.86	72,593.04	21,391.50	835.00	37,908.91	1,575.95	177,242.23	209,271.28	322,377.64	32,479.84	2,033,868.05	4,659.81	129,781.18	24,980.60	6,746,350.71
CLASS 2 CLAIMS	2,616,268.08	140,000.00	1,069,362.73	484,780.72	2,421,838.72	0.00	0.00	53,306.31	25,000.00	4,124.14	113,828.35	27,677.45	0.00	1,338,815.94	168,704.93	51,626.08	0.00	2,767.09	0.00	75,639.21	320,256.48	550,948.57	82,375.36	3,329,355.58	1,155.64	250,818.84	220,000.00	13,349,650.22
CLASS 3 CLAIMS	752.06	0.00	219,777.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,365.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	232,894.81
TOTAL CLASSES 1 - 3	3,650,378.63	175,685.20	1,798,173.17	569,309.93	3,454,217.98	74,712.49	12,989.96	113,050.95	55,880.50	30,523.94	280,702.09	34,318.83	638.46	1,943,345.80	241,297.97	73,017.58	835.00	40,676.00	13,940.95	252,881.44	529,527.76	873,326.21	114,855.20	5,363,213.63	5,815.45	380,600.02	244,980.60	20,328,895.74
TOTAL EARLY ACCESS AMOUNTS TO DATE BY STATE	514,593.89	17,842.60	1,400,000.00	0.00	506,002.47	37,356.25	0.00	0.00	15,440.25	0.00	70,873.72	3,084.99	319.23	0.00	36,425.40	10,695.75	417.50	0.00	765.50	88,735.12	300,000.00	0.00	16,240.50	1,018,497.02	197.75	64,890.59	15,008.80	4,117,387.33
EARLY ACCESS APPLIED TO CLASS 1 GA	514,593.89	17,842.60	509,032.69	0.00	506,002.47	37,356.25	0.00	0.00	15,440.25	0.00	70,873.72	3,084.99	319.23	0.00	36,425.40	10,695.75	417.50	0.00	765.50	88,735.12	209,271.28	0.00	16,240.50	1,018,497.02	197.75	64,890.59	15,008.80	3,135,691.30
CLASS 1 GA - % PAID AFTER EARLY ACCESS APPLIED	49.80%	50.00%	100.00%	0%	49.01%	50.00%	0%	0%	50.00%	0%	42.47%	46.45%	50.00%	0%	50.18%	50.00%	50.00%	0%	48.57%	50.06%	100.00%	0%	50.00%	50.08%	4.24%	50.00%	60.08%	61.03%
% NECESSARY TO BRING ALL STATES EQUAL IN CLASS 1 GA	50.20%	50.00%	0%	100%	50.99%	50.00%	100%	100%	50.00%	100%	57.53%	53.55%	50.00%	100%	49.82%	50.00%	50.00%	100%	51.43%	49.94%	0%	100%	50.00%	49.92%	95.76%	50.00%	39.92%	38.97%
AMOUNT NECESSARY TO DISTRIBUTE TO BRING ALL STATES EQUAL IN CLASS 1 GA	518,764.60	17,842.60	0.00	84,529.21	526,378.79	37,356.24	12,989.96	59,744.64	15,440.25	26,399.80	96,000.02	3,556.39	319.23	603,529.86	36,167.64	10,695.75	417.50	37,908.91	810.45	86,507.11	0.00	322,377.64	16,239.34	1,015,361.03	4,462.06	64,890.59	9,971.80	3,610,659.41
REMAINING EARLY ACCESS AFTER APPLICATION TO CLASS 1 GA	0.00	0.00	890,967.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	90,728.72	0.00	0.00	0.00	0.00	0.00	0.00	981,696.03
CLASS 2 GA - % PAID AFTER REMAINING EARLY ACCESS APPLIED	0.00%	0.00%	83.32%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	28.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
% NECESSARY TO BRING ALL STATES EQUAL IN CLASS 2 GA	83.32%	83.32%	0.00%	83.32%	83.32%	83.32%	83.32%	83.32%	83.32%	83.32%	83.32%	83.32%	83.32%	83.32%	83.32%	83.32%	83.32%	83.32%	83.32%	83.32%	54.99%	83.32%	83.32%	83.32%	83.32%	83.32%	83.32%	83.32%
AMOUNT NECESSARY TO DISTRIBUTE TO BRING ALL STATES EQUAL IN CLASS 2 GA	2,179,811.65	116,644.63	0.00	403,907.64	2,017,817.78	0.00	0.00	44,413.54	20,829.40	0.00	94,839.04	23,060.19	0.00	1,116,302.42	140,560.89	43,013.61	0.00	2,305.47	0.00	63,020.77	176,101.28	459,037.10	66,633.17	2,773,939.00	962.85	208,976.23	183,298.71	10,137,475.36
TOTAL TO DISTRIBUTE TO EQUALIZE % PAID TO CLASSES 1 & 2 GA	2,698,576.25	134,487.23	0.00	488,436.85	2,544,194.57	37,356.24	12,989.96	104,158.18	36,269.65	26,399.80	190,839.06	26,616.58	319.23	1,719,832.28	176,728.53	53,709.36	417.50	40,214.38	810.45	151,527.88	176,101.28	781,414.74	84,872.51	3,789,300.03	5,424.91	273,866.82	193,270.51	13,748,134.77