

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Quality Health Plan in Liquidation
Statement of Affairs
As of December 31, 2015

	<u>Estimated Realizable Value</u>
ASSETS	
Cash-Company Operating	\$4,064.81
Pooled Cash Due from the Admin Fund	5,247,433.68
Accrued Interest Receivable	<u>4,978.75</u>
Total Assets	<u><u>\$5,256,477.24</u></u>
LIABILITIES	
Loss Claims (Class 2)	
- Other	25,534.96
Federal Government Claims (Class 4)	7,278.56
Employee Claims (Class 5)	17,407.43
General Creditor Claims (Class 6)	
- Other	43,459,395.01
State & Local Government Claims (Class 7)	980.62
Late Filed Claims (Class 8)	656,540.67
Surplus Notes/Unearned Premium Claims under Assessable Policies (Class 9)	
- Other	4,384,532.00
Shareholder Claims	<u>2.00</u>
Total Liabilities	<u>\$48,551,671.25</u>
EQUITY	
Contributed Equity - State of Florida	41,419.14
Estate Equity	<u>(43,336,613.15)</u>
Excess (Deficiency) of Assets over Liabilities	<u>(\$43,295,194.01)</u>
Total Liabilities and Equity	<u><u>\$5,256,477.24</u></u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Quality Health Plans in Liquidation**

**Statement of Cash Receipts and Disbursements
From the Date of Liquidation through December 31, 2015**

	<u>Fiscal Year to Date</u>	<u>Since Date of Liquidation</u>
CASH RECEIPTS		
Premium Collections	\$0.00	\$3,215,969.19
Subrogation and Salvage Recoveries	0.00	73,753.22
Other Collections / Recoveries	737.61	2,748,328.49
Sale of Personal Property Inventory	0.00	2,500.00
Sale of Other Assets	0.00	1,463.50
Receipts Before Investment Activities	737.61	6,042,014.40
Interest and Dividend Receipts	38,067.28	316,760.40
Receipts From Investment Activities	38,067.28	316,760.40
Total Cash Receipts	<u>38,804.89</u>	<u>6,358,774.80</u>
CASH DISBURSEMENTS & DISTRIBUTIONS		
Professional Fees and Expenses	290,612.26	1,080,541.21
Salaries and Fringe Benefits	213,893.86	1,267,227.36
Employee Welfare	80.32	753.40
Travel Expenses	1,427.60	24,166.72
Admin Expenses	875.26	102,116.92
Equipment and Furniture Expenses	802.35	5,236.64
Rent, Building and Equipment	4,572.62	68,605.90
Taxes	0.01	4,318.14
Disbursements	512,264.28	2,552,966.29
Disbursements & Distributions Before Investment Activities	512,264.28	2,552,966.29
Financial Expenses	3,553.53	27,409.24
Disbursements for Investment Activities	3,553.53	27,409.24
Total Cash Disbursements & Distributions	<u>515,817.81</u>	<u>2,580,375.53</u>
Net Increase (Decrease) in Cash	<u>(477,012.92)</u>	<u>3,778,399.27</u>
Beginning Cash Balance:		
Beginning Cash	5,728,511.41	1,660,779.87
Adjustments to Beginning Cash	0.00	(187,680.65)
Adjusted Beginning Cash Balance	<u>5,728,511.41</u>	<u>1,473,099.22</u>
Ending Cash Balance	<u>5,251,498.49</u>	<u>5,251,498.49</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Quality Health Plans
Schedule of Cash - Company Operating
For the Six Months Ended December 31, 2015

Cash - Company Operating

<u>Description</u>	<u>Balance</u> <u>7/1/15</u>	<u>Bank Charges</u>	<u>Balance</u> <u>12/31/15</u>
Bank United (formerly Herald Bank) DDA Account	4,167.50	(102.69)	4,064.81
Totals:	<u>4,167.50</u>	<u>(102.69)</u>	<u>4,064.81</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Quality Health Plans
Schedule of Accrued Interest Receivable
For the Six Months Ended December 31, 2015

Accrued Interest Receivable

Description		Balance 7/1/15	Accrued	Received	Balance 12/31/15
State Treasury	SPIA, 4-20-0-010000-00000	4,796.01	34,892.81	(34,710.07)	4,978.75
Totals:		<u>4,796.01</u>	<u>34,892.81</u>	<u>(34,710.07)</u>	<u>4,978.75</u>

**Florida Department of Financial Services, Division of Rehabilitation
and Liquidation
Quality Health Plan in Liquidation
Notes to Financial Statements**

Dated December 31, 2015

1. **Estate Information.** Quality Health Plan was a provider-sponsored health maintenance organization domiciled in Florida and placed in liquidation on December 1, 2011.
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, 2015 through June 30, 2016. 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 the Bank of America 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. **Cash - Company Operating.** Consists of funds currently held in the Company's bank accounts that were used prior to liquidation and have not yet been closed.
6. **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.
 - The First Interim Claims Report was approved on December 9, 2015. Class 2 through Class 6 claims were evaluated and reported. All other claims are being reported at their estimated value. The objection deadline is January 29, 2016.
7. **Federal Priority.** 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 taken the position that it is not subject to state insurance liquidation proceeding's claims filing deadlines. To establish finality, shield itself from potential liability, and ultimately discharge the estate, the Receiver will file a federal release request with the U.S. Department of Justice (DOJ).
8. **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.
9. **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.