

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Universal Health Care Ins Company in Liquidation
Statement of Affairs
As of June 30, 2014

	<u>Estimated Realizable Value</u>
ASSETS	
Pooled Cash Due from the Admin Fund	\$32,470,917.44
Pooled Cash Reserved for Distributions	8,742.80
Accrued Interest Receivable	39,068.10
Accounts Receivable	66,036,299.02
Allowance - Accounts Receivables	(66,036,299.02)
Other Assets	<u>2,741,068.88</u>
Total Assets	<u><u>\$35,259,797.22</u></u>
LIABILITIES	
Distribution Liability	8,742.80
Claims Not Prioritized	<u>54,560,175.00</u>
Total Liabilities	\$54,568,917.80
EQUITY	
Contributed Equity - State of Florida	104,064.31
Estate Equity	<u>(19,413,184.89)</u>
Excess (Deficiency) of Assets over Liabilities	<u>(\$19,309,120.58)</u>
Total Liabilities and Equity	<u><u>\$35,259,797.22</u></u>

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

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Universal Health Care Ins Company in Liquidation
Statement of Cash Receipts and Disbursements
From the Date of Liquidation through June 30, 2014

	Fiscal Year to Date	Since Date of Liquidation
CASH RECEIPTS		
Premium Collections	\$1,714.41	\$82,477.75
Subrogation and Salvage Recoveries	752,034.77	752,085.89
Litigation Recoveries	25,000.00	25,000.00
Tax Recoveries	1,928.00	50,552.89
Other Collections / Recoveries	1,483,034.35	4,333,222.43
Receipts Before Investment Activities	2,263,711.53	5,243,338.96
Interest and Dividend Receipts	482,498.54	505,610.79
Sale of Short Term Investment	511,752.22	1,243,185.00
Sale of Long Term Investment	1,234,979.55	26,836,690.42
Receipts From Investment Activities	2,229,230.31	28,585,486.21
Total Cash Receipts	4,492,941.84	33,828,825.17
CASH DISBURSEMENTS & DISTRIBUTIONS		
Professional Fees and Expenses	635,336.88	668,536.41
Salaries and Fringe Benefits	1,177,800.17	1,661,746.45
Employee Welfare	1,437.90	2,014.43
Travel Expenses	19,079.45	51,356.20
Admin Expenses	35,020.73	1,156,504.67
Equipment and Furniture Expenses	20,577.71	25,740.60
Rent, Building and Equipment	61,455.52	74,047.55
Taxes	299.78	299.84
Disbursements	1,951,008.14	3,640,246.15
Distributions		
Administrative Claims (Class 1)	135,722.62	135,722.62
Total Distributed	135,722.62	135,722.62
Disbursements & Distributions Before Investment Activities	2,086,730.76	3,775,968.77
Financial Expenses	45,575.62	81,579.04
Purchase Short Term Investment	139,174.22	141,080.47
Purchase Long Term Investment	196,729.59	196,729.59
Disbursements for Investment Activities	381,479.43	419,389.10
Total Cash Disbursements & Distributions	2,468,210.19	4,195,357.87
Net Increase (Decrease) in Cash	2,024,731.65	29,633,467.30
Beginning Cash Balance:		
Beginning Cash	29,606,295.20	1,955,083.62
Adjustments to Beginning Cash	848,633.39	891,109.32
Adjusted Beginning Cash Balance	30,454,928.59	2,846,192.94
Ending Cash Balance	32,479,660.24	32,479,660.24

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Universal Health Care Insurance Company in Liquidation
Schedule of Accrued Interest Receivable
For the Twelve Months Ended June 30, 2014

Accrued Interest Receivable

Description		Balance 7/1/13	Accrued	Received	Balance 6/30/14
State Treasury	SPIA, 4-20-0-010000-00000	19,495.63	310,563.02	(290,990.55)	39,068.10
Totals:		<u>19,495.63</u>	<u>310,563.02</u>	<u>(290,990.55)</u>	<u>39,068.10</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Universal Health Care Insurance Company in Liquidation
Schedule of Accounts Receivable
For the Twelve Months Ended June 30, 2014

Premium Receivable

Description	Balance 7/1/13	Adjustments	Balance 6/30/14
Accrued CMS Retro Premium	44,219,289.58	0.00	44,219,289.58
Totals:	<u>44,219,289.58</u>	<u>0.00</u>	<u>44,219,289.58</u>

Other Collections - Recovery Receivable

Description	Balance 7/1/13	Adjustments	Balance 6/30/14
Due from AMC	11,981,417.30	0.00	11,981,417.30
Due from UHC	462,884.55	0.00	462,884.55
Due from UHC HMO Texas	9,828.14	0.00	9,828.14
Due from UNCNV	28.06	0.00	28.06
Due from UHCG-TAX	9,362,851.39	0.00	9,362,851.39
Totals:	<u>21,817,009.44</u>	<u>0.00</u>	<u>21,817,009.44</u>

Total Receivables: 66,036,299.02

Allowance - Premium Receivable

Description	Balance 7/1/13	Adjustments	Balance 6/30/14
100% Reserve for CMS Retro Premium	(44,219,289.58)	0.00	(44,219,289.58)
Totals:	<u>(44,219,289.58)</u>	<u>-</u>	<u>(44,219,289.58)</u>

Allowance - Other Collections - Recovery Receivable

Description	Balance 7/1/13	Adjustments	Balance 6/30/14
100% Reserve for Parents, Affiliates	(21,817,009.44)	0.00	(21,817,009.44)
Totals:	<u>(21,817,009.44)</u>	<u>0.00</u>	<u>(21,817,009.44)</u>

Total Allowances: (66,036,299.02)

Net Receivables: -

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Universal Health Care Insurance Company in Liquidation
Schedule of Other Assets
For the Twelve Months Ended June 30, 2014

Statutory Deposits

Description	Balance 7/1/13	Interest	Market Value Adjustments	Recovered	Balance 6/30/14
Florida	215,150.50	0.00	(40.85)	(215,109.65)	0.00
Georgia	35,066.66	0.00	0.00	(35,066.66)	0.00
South Carolina	126,079.18	0.00	(0.43)	0.00	126,078.75
Texas	1,004,507.65	0.00	183,874.38	0.00	1,188,382.03
Nevada	239,841.38	0.00	0.00	(239,841.38)	0.00
North Carolina (1)	1,010,671.78	0.00	0.00	0.00	1,010,671.78
Virginia	310,136.20	0.00	586.86	0.00	310,723.06
Alabama	515,504.70	0.00	0.00	(515,504.70)	0.00
New Mexico	105,319.92	0.00	(106.66)	0.00	105,213.26
Totals:	3,562,277.97	0.00	(41.28)	(1,005,522.39)	2,741,068.88

(1) This deposit was held at US Bank for the North Carolina Department of Insurance (NCDOI). The bank was notified of the UHCIC Florida receivership on 3/26/13. US Bank was instructed to change ownership of the account to the Florida Receiver. Subsequently, the US Bank per instructions from the NCDOI released the deposit to the North Carolina Life & Health Insurance Guaranty Association. The Receiver is currently negotiating an early access agreement with NCLHIGA.

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Universal Health Care Insurance Company in Liquidation
Schedule of Distribution Liability
For the Twelve Months Ended June 30, 2014

Distribution Liability

Description	Balance 7/1/13	Adjustments/ Payments	Balance 6/30/14
Unreleased/unissued distribution amounts	0.00	8,742.80	8,742.80
Totals:	0.00	8,742.80	8,742.80

**Florida Department of Financial Services, Division of Rehabilitation
and Liquidation**
Universal Health Care Insurance Company, Inc in Liquidation
Notes to Financial Statements
Dated June 30, 2014

1. **Estate Information.** Universal Health Care Insurance Company, Inc. is a health insurer, based in Tampa, FL and was placed in rehabilitation on March 22, 2013. It was subsequently placed in liquidation on April 1, 2013.
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, 2013 through June 30, 2014. 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. **Statement Format Changes.** On July 1, 2001, the Receiver converted accounting systems, which resulted in the historical accounting data being presented differently in this set of financial statements than the previously prepared statements for this estate. Because the new system uses a more detailed chart-of-accounts and summarizes data into categories different than previously used, the 'Since Date of Liquidation' column of historical data on the 'Statement of Cash Receipts and Disbursements' may not correspond directly to previous statement presentations. Users of this "Liquidation to-date" information should solicit additional information from the Receiver before making assumptions about the data.
5. **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".

"Pooled Cash Reserved for Distributions" is a segregated amount of Pooled Cash that represents the remaining amount of Pooled Cash reserved for a court authorized distribution(s) that has not been released or reissued.
6. **Accounts Receivable.** Receivables are shown with allowance provisions for uncollectible amounts unless otherwise indicated. These consist of premium Receivable and other collections – recovery receivable.
7. **Allowance – Accounts Receivable.** An estimate of uncollectible or impaired amounts for certain assets.
8. **Other Assets.** Represents assets such as statutory deposits, and are based on the realizable value plus any accrued interest. Where practicable, the existence and amount of such deposits is disclosed in footnotes to specific estate's schedules.
9. **Distribution Liability.** Represents the remaining liability for a court authorized distribution(s) that has not been released because the Receiver does not have a good mailing address for the claimant or does not have a completed W9 from the claimant.
10. **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.
 - Proof of Claim forms have been mailed and are being processed as received.
 - Claim liabilities are based upon company estimates as of month ending February 28, 2013.
11. **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).

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

**Universal Health Care Insurance Company, Inc in Liquidation
Notes to Financial Statements**

Dated June 30, 2014

12. **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.
13. **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.