

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Universal Health Care in Liquidation**  
**Statement of Affairs**  
**As of September 30, 2015**

	<u>Estimated Realizable Value</u>
<b>ASSETS</b>	
Cash-Restricted	\$4,287,374.30
Special Purpose Investment Account-Restricted	1,218,434.66
Pooled Cash Due from the Admin Fund	22,510,522.80
Accrued Interest Receivable	24,134.50
Accounts Receivable	21,158,548.72
Allowance - Accounts Receivables	<u>(21,158,548.72)</u>
Total Assets	<u><u>\$28,040,466.26</u></u>

<b>LIABILITIES</b>	
Secured Claims	1,218,434.66
General Creditor Claims (Class 6)	
- Other	23,966,181.48
Late Filed Claims (Class 8)	92,809.12
Claims Not Prioritized	<u>32,683,378.40</u>
Total Liabilities	<u>\$57,960,803.66</u>

<b>EQUITY</b>	
Contributed Equity - State of Florida	116,969.01
Estate Equity	<u>(30,037,306.41)</u>
Excess (Deficiency) of Assets over Liabilities	<u>(\$29,920,337.40)</u>
Total Liabilities and Equity	<u><u>\$28,040,466.26</u></u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Universal Health Care in Liquidation**  
**Statement of Cash Receipts and Disbursements**  
**From the Date of Liquidation through September 30, 2015**

	Fiscal Year to Date	Since Date of Liquidation
<b>CASH RECEIPTS</b>		
Premium Collections	\$0.00	\$1,521,073.16
Reinsurance Recoveries	0.00	57,104.06
Subrogation and Salvage Recoveries	60,980.84	1,317,757.99
Litigation Recoveries	0.00	25,000.00
Tax Recoveries	0.00	3,700.00
Other Collections / Recoveries	11,095.96	5,136,238.62
Sale of Personal Property Inventory	0.00	65,698.91
Sale of Real Property Inventory	0.00	11,230,000.00
Receipts Before Investment Activities	72,076.80	19,356,572.74
Interest and Dividend Receipts	82,506.30	660,533.63
Sale of Short Term Investment	0.00	8,015,091.19
Receipts From Investment Activities	82,506.30	8,675,624.82
<b>Total Cash Receipts</b>	<b>154,583.10</b>	<b>28,032,197.56</b>
<b>CASH DISBURSEMENTS &amp; DISTRIBUTIONS</b>		
Professional Fees and Expenses	28,574.57	2,821,005.24
Salaries and Fringe Benefits	118,687.51	2,252,149.59
Employee Welfare	195.45	3,190.14
Travel Expenses	546.29	65,487.08
Admin Expenses	248.43	3,142,683.89
Equipment and Furniture Expenses	1,937.56	131,844.66
Rent, Building and Equipment	6,509.96	142,449.43
Taxes	0.06	156,524.38
Disbursements	156,699.83	8,715,334.41
Distributions		
Administrative Claims (Class 1)	0.00	5,363.32
Total Distributed	0.00	5,363.32
Disbursements & Distributions Before Investment Activities	156,699.83	8,720,697.73
Financial Expenses	7,176.39	86,048.08
Purchase Short Term Investment	0.00	2.86
Disbursements for Investment Activities	7,176.39	86,050.94
<b>Total Cash Disbursements &amp; Distributions</b>	<b>163,876.22</b>	<b>8,806,748.67</b>
<b>Net Increase (Decrease) in Cash</b>	<b>(9,293.12)</b>	<b>19,225,448.89</b>
<b>Beginning Cash Balance:</b>		
Beginning Cash	28,025,624.88	9,409,150.42
Adjustments to Beginning Cash	0.00	(618,267.55)
<b>Adjusted Beginning Cash Balance</b>	<b>28,025,624.88</b>	<b>8,790,882.87</b>
<b>Ending Cash Balance</b>	<b>28,016,331.76</b>	<b>28,016,331.76</b>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Universal Health Care, Inc. in Liquidation**  
**Schedule of Cash - Restricted**  
**For the Three Months Ended September 30, 2015**

**Cash - Restricted**

<u>Description</u>		<u>Balance</u> <u>7/1/15</u>	<u>Interest</u>	<u>Service Charges</u>	<u>Adjustments</u>	<u>Balance</u> <u>9/30/15</u>
Bank United	Medicaid Savings	4,283,594.25	3,780.05	0.00	0.00	4,287,374.30
Totals:		4,283,594.25	3,780.05	0.00	0.00	4,287,374.30

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Universal Health Care, Inc. in Liquidation**  
**Schedule of Investments - Restricted**  
**For the Three Months Ended September 30, 2015**

**Special Purpose Investment Account - Restricted**

<b>Description</b>	<b>Balance 7/1/15</b>	<b>Deposits Transfers</b>	<b>Interest</b>	<b>Distributions Reissues</b>	<b>Balance 9/30/15</b>
Special Purpose Investment Account    Diversion Savings	1,214,777.52	0.00	3,657.14	0.00	1,218,434.66
Totals:	<u>1,214,777.52</u>	<u>0.00</u>	<u>3,657.14</u>	<u>0.00</u>	<u>1,218,434.66</u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Universal Health Care, Inc. in Liquidation**  
**Schedule of Accrued Interest Receivable**  
**For the Three Months Ended September 30, 2015**

**Accrued Interest Receivable**

<b>Description</b>		<b>Balance 7/1/15</b>	<b>Accrued</b>	<b>Received</b>	<b>Balance 9/30/15</b>
State Treasury	SPIA, 4-20-0-010000-00000	18,826.44	73,424.18	(68,116.12)	24,134.50
Totals:		<u>18,826.44</u>	<u>73,424.18</u>	<u>(68,116.12)</u>	<u>24,134.50</u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Universal Health Care, Inc. in Liquidation**  
**Schedule of Accounts Receivable**  
**For the Three Months Ended September 30, 2015**

**Premium Receivable**

<b>Description</b>	<b>Balance 7/1/15</b>	<b>Adjustments</b>	<b>Balance 9/30/15</b>
Accrued CMS Retro Premium	21,158,548.72	0.00	21,158,548.72
<b>Totals:</b>	<u>21,158,548.72</u>	<u>0.00</u>	<u>21,158,548.72</u>

**Allowance - Premium Receivable**

<b>Description</b>	<b>Balance 7/1/15</b>	<b>Adjustments</b>	<b>Balance 9/30/15</b>
100% Reserve for CMS Retro Premium	(21,158,548.72)	0.00	(21,158,548.72)
<b>Totals:</b>	<u>(21,158,548.72)</u>	<u>0.00</u>	<u>(21,158,548.72)</u>

Net Receivables:

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**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Universal Health Care, Inc. in Liquidation**  
**Schedule of Secured Claims**  
**For the Three Months Ended September 30, 2015**

**Secured Claims Against the Estate**

<u>Description</u>	<u>Balance 7/1/15</u>	<u>Adjustments/ Payments</u>	<u>Interest</u>	<u>Balance 9/30/15</u>
Funds transferred from the Diversion Account at Fifth Third Bank	1,214,777.52	0.00	3,657.14	1,218,434.66
Totals:	<u>1,214,777.52</u>	<u>0.00</u>	<u>3,657.14</u>	<u>1,218,434.66</u>

**Florida Department of Financial Services, Division of Rehabilitation  
and Liquidation  
Universal Health Care Inc. in Liquidation  
Notes to Financial Statements**

**Dated September 30, 2015**

1. **Estate Information.** Universal Health Care Inc. is a health insurer, based in Tampa, FL and was placed in rehabilitation on March 21, 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, 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 - Restricted.** Consists of funds currently held in the company bank accounts at Bank United pursuant to agreements the company had with the Florida Agency for Health Care Administration.
6. **Special Purpose Investment Account – Restricted.** Funds deposited into the Receiver's SPIA account as a restricted asset pending a determination of ownership of the Diversion Account.
7. **Accounts Receivable.** Receivables are shown with allowance provisions for uncollectible amounts unless otherwise indicated. These consist of premium receivable and other collections - recovery receivable.
8. **Allowance – Accounts Receivable.** An estimate of uncollectible or impaired amounts for certain assets.
9. **Secured Claim.** Consists of funds deposited into the Receiver's SPIA account as a restricted asset pending a determination of the ownership of the Diversion Account.
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.
  - Filed Proof of Claim forms are currently being processed and the claim liability numbers are subject to change.
  - 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).
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.