

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Universal Health Care Inc in Liquidation
Statement of Affairs
As of September 30, 2016

	<u>Estimated Realizable Value</u>
ASSETS	
SPIA-Restricted	\$5,519,425.26
Pooled Cash in SPIA Due from the Admin Fund	37,341,420.54
Accrued Interest Receivable	48,531.89
Accounts Receivable	6,431,063.37
Allowance - Accounts Receivables	<u>(6,431,063.37)</u>
Total Assets	<u><u>\$42,909,377.69</u></u>

LIABILITIES	
Secured Claims	5,507,299.83
Loss Claims (Class 2)	
- Other	6,204.79
Employee Claims (Class 5)	841,000.00
General Creditor Claims (Class 6)	
- Other	29,568,017.33
State & Local Government Claims (Class 7)	154,423.23
Late Filed Claims (Class 8)	1,645,381.99
Surplus Notes/Unearned Premium Claims under Assessable Policies (Class 9)	
- Other	5,548,100.00
Shareholder Claims	1,284,634.25
Total Liabilities	<u>\$44,555,061.42</u>

EQUITY	
Contributed Equity - State of Florida	127,978.35
Estate Equity	<u>(1,773,662.08)</u>
Excess (Deficiency) of Assets over Liabilities	<u>(\$1,645,683.73)</u>
Total Liabilities and Equity	<u><u>\$42,909,377.69</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 Inc in Liquidation
Statement of Cash Receipts and Disbursements
From the Date of Liquidation through September 30, 2016

	Fiscal Year to Date	Since Date of Liquidation
CASH RECEIPTS		
Premium Collections	\$464,343.55	\$16,251,728.97
Reinsurance Recoveries	0.00	57,104.06
Subrogation and Salvage Recoveries	59,273.50	1,514,020.52
Litigation Recoveries	190,347.39	215,347.39
Tax Recoveries	0.00	3,700.00
Other Collections / Recoveries	4,254,578.54	9,406,510.37
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	4,968,542.98	38,744,110.22
Interest and Dividend Receipts	210,360.05	1,274,683.44
Sale of Short Term Investment	0.00	8,015,091.19
Receipts From Investment Activities	210,360.05	9,289,774.63
Total Cash Receipts	5,178,903.03	48,033,884.85
CASH DISBURSEMENTS & DISTRIBUTIONS		
Professional Fees and Expenses	41,123.67	2,999,618.30
Salaries and Fringe Benefits	172,373.03	2,861,653.75
Employee Welfare	535.44	4,852.02
Travel Expenses	99.37	66,225.20
Admin Expenses	24,852.94	3,171,616.71
Equipment and Furniture Expenses	1,087.42	137,514.60
Rent, Building and Equipment	9,231.94	177,002.88
Taxes	0.00	156,524.38
Disbursements	249,303.81	9,575,007.84
Distributions		
Administrative Claims (Class 1)	0.00	5,363.32
Total Distributed	0.00	5,363.32
Disbursements & Distributions Before Investment Activities	249,303.81	9,580,371.16
Financial Expenses	11,907.82	129,565.40
Purchase Short Term Investment	0.00	2.86
Disbursements for Investment Activities	11,907.82	129,568.26
Total Cash Disbursements & Distributions	261,211.63	9,709,939.42
Net Increase (Decrease) in Cash	4,917,691.40	38,323,945.43
Beginning Cash Balance:		
Beginning Cash	42,197,136.90	9,409,150.42
Adjustments to Beginning Cash	(4,253,982.50)	(4,872,250.05)
Adjusted Beginning Cash Balance	37,943,154.40	4,536,900.37
Ending Cash Balance	42,860,845.80	42,860,845.80

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, 2016

Special Purpose Investment Account - Restricted

Description		Balance 7/1/16	Deposits Transfers	Interest	Distributions Reissues	Balance 9/30/16
Funds transferred from the Florida Dept. of Elder Affairs restricted insolvency protection account at Fifth Third Bank.	SPIA 42001200	1,231,311.99	0.00	4,061.56	0.00	1,235,373.55
Funds transferred from the Florida Agency for Health Care Administration restricted insolvency protection account at Bank United	SPIA 42001300	0.00	4,275,319.83	8,731.88	0.00	4,284,051.71
Totals:		1,231,311.99	4,275,319.83	12,793.44	0.00	5,519,425.26

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, 2016

Accrued Interest Receivable

Description		Balance 7/1/16	Accrued	Received	Balance 9/30/16
State Treasury	SPIA, 4-20-0-010000-00000	51,492.46	185,907.44	(188,868.01)	48,531.89
Totals:		51,492.46	185,907.44	(188,868.01)	48,531.89

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, 2016

Premium Receivable

Description	Balance 7/1/16	Recoveries	Balance 9/30/16
Accrued CMS Retro Premium	6,892,236.46	(461,173.09)	6,431,063.37
Totals:	<u>6,892,236.46</u>	<u>(461,173.09)</u>	<u>6,431,063.37</u>

Allowance - Premium Receivable

Description	Balance 7/1/16	Recoveries	Balance 9/30/16
100% Reserve for CMS Retro Premium	(6,892,236.46)	461,173.09	(6,431,063.37)
Totals:	<u>(6,892,236.46)</u>	<u>461,173.09</u>	<u>(6,431,063.37)</u>

Net Receivables: 0.00

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, 2016

Secured Claims Against the Estate

<u>Description</u>	<u>Balance 7/1/16</u>	<u>Adjustments/ Payments</u>	<u>Interest</u>	<u>Balance 9/30/16</u>
Funds transferred from the Florida Dept. of Elder Affairs restricted insolvency protection account at Fifth Third Bank.	1,231,311.99	0.00	4,061.56	1,235,373.55
Pinellas County Tax Collector	9,211.90	0.00	0.00	9,211.90
Funds transferred from the Florida Agency for Health Care Administration restricted insolvency protection account at Bank United	0.00	4,253,982.50	8,731.88	4,262,714.38
Totals:	<u>1,240,523.89</u>	<u>4,253,982.50</u>	<u>12,793.44</u>	<u>5,507,299.83</u>

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

Dated September 30, 2016

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, 2016 through June 30, 2017. 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. **Special Purpose Investment Account – Restricted.** Funds transferred to the Receiver from restricted insolvency protection bank accounts as the result of agreements with the Florida Department of Elder Affairs and the Florida Agency for Health Care Administration. The funds were deposited into separate restricted SPIA accounts and will be treated as Special Deposits per the terms of the agreement at the time of distribution.
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. **Secured Claim.** Consists of funds transferred to the Receiver from restricted insolvency protection bank accounts as the result of agreements with the Florida Department of Elder Affairs and the Florida Agency for Health Care Administration. The funds were deposited into separate restricted SPIA accounts and will be treated as Special Deposits per the terms of the agreement at the time of distribution. Also included is a secured claim from the Pinellas County Tax Collector.
9. **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 June 20, 2016. The deadline to file an objection was August 15, 2016. One hundred eighty-five objections were filed and have an estimated claimed value of \$31,458,110.86.
10. **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 requested a federal release from the U.S. Department of Justice (DOJ) on September 12, 2016.
11. **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.
12. **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.