

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Physicians United Plan Inc in Liquidation**  
**Statement of Affairs**  
**As of December 31, 2016**

|   | <u>Estimated<br/>Realizable<br/>Value</u> |
|---|---|
| <b>ASSETS</b>                                       |   |
| SPIA-Restricted                                     | \$542,354.79                              |
| Pooled Cash in SPIA Due from the Admin Fund         | 21,276,158.06                             |
| Pooled Cash in SPIA Reserved for Unclaimed Property | 364.75                                    |
| Accrued Interest Receivable                         | 15,362.32                                 |
| Accounts Receivable                                 | 68,116,770.95                             |
| Allowance - Accounts Receivables                    | (68,116,770.95)                           |
| Fixed Assets  | <u>5,625.00</u>                           |
| Total Assets  | <u><u>\$21,839,864.92</u></u>             |

|   |                        |
|---|------------------------|
| <b>LIABILITIES</b>                      |                        |
| Unclaimed Property                      | 364.75                 |
| Secured Claims                          | 542,354.79             |
| Loss Claims (Class 2)                   |                        |
| - Other                                 | 32,736,045.22          |
| Unearned Premium Claims                 |                        |
| under Non-assessable Policies (Class 3) |                        |
| - Other                                 | 4,761.30               |
| Federal Government Claims (Class 4)     | 16,532,686.98          |
| Employee Claims (Class 5)               | 87,195.06              |
| General Creditor Claims (Class 6)       |                        |
| - Other                                 | 15,567,170.13          |
| Late Filed Claims (Class 8)             | 92,386.97              |
| Surplus Notes/Unearned Premium Claims   |                        |
| under Assessable Policies (Class 9)     |                        |
| - Other                                 | 27,452,843.00          |
| Shareholder Claims                      | <u>4,303,222.48</u>    |
| Total Liabilities                       | <u>\$97,319,030.68</u> |

|  |                               |
|--|-------------------------------|
| <b>EQUITY</b>                                  |                               |
| Contributed Equity - State of Florida          | 53,559.74                     |
| Estate Equity                                  | <u>(75,532,725.50)</u>        |
| Excess (Deficiency) of Assets over Liabilities | <u>(\$75,479,165.76)</u>      |
| Total Liabilities and Equity                   | <u><u>\$21,839,864.92</u></u> |

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Physicians United Plan, Inc in Liquidation**  
**Statement of Cash Receipts and Disbursements**  
**From the Date of Liquidation through December 31, 2016**

|  | <u>Fiscal Year<br/>to Date</u> | <u>Since Date<br/>of<br/>Liquidation</u> |
|--|--------------------------------|--|
| <b>CASH RECEIPTS</b>                                       |                                |  |
| Premium Collections  | \$0.00                         | \$854.48                                 |
| Reinsurance Recoveries                                     | 0.00                           | 27,532.84                                |
| Subrogation and Salvage Recoveries                         | 63,704.63                      | 521,646.77                               |
| Litigation Recoveries                                      | 0.00                           | 25,000.00                                |
| Tax Recoveries   | 0.00                           | 237,201.49                               |
| Other Collections / Recoveries                             | 7,144.18                       | 3,499,084.30                             |
| Sale of Personal Property Inventory                        | 500.00                         | 123,983.88                               |
| Sale of Other Assets                                       | 0.00                           | 1,693.50                                 |
| Receipts Before Investment Activities                      | 71,348.81                      | 4,436,997.26                             |
| Interest and Dividend Receipts                             | 205,768.72                     | 871,905.41                               |
| Receipts From Investment Activities                        | 205,768.72                     | 871,905.41                               |
| <b>Total Cash Receipts</b>                                 | <b><u>277,117.53</u></b>       | <b><u>5,308,902.67</u></b>               |
| <b>CASH DISBURSEMENTS &amp; DISTRIBUTIONS</b>              |                                |  |
| Professional Fees and Expenses                             | 870,885.34                     | 2,199,049.93                             |
| Salaries and Fringe Benefits                               | 320,710.74                     | 2,131,586.05                             |
| Employee Welfare   | 430.80                         | 2,161.33                                 |
| Travel Expenses  | 586.75                         | 38,852.26                                |
| Admin Expenses   | 5,184.23                       | 65,173.13                                |
| Equipment and Furniture Expenses                           | 845.80                         | 14,697.80                                |
| Rent, Building and Equipment                               | 10,093.70                      | 173,730.36                               |
| Taxes  | 22.55                          | 3,626.72                                 |
| Disbursements  | 1,208,759.91                   | 4,628,877.58                             |
| Disbursements & Distributions Before Investment Activities | 1,208,759.91                   | 4,628,877.58                             |
| Financial Expenses   | 13,681.33                      | 68,561.27                                |
| Disbursements for Investment Activities                    | 13,681.33                      | 68,561.27                                |
| <b>Total Cash Disbursements &amp; Distributions</b>        | <b><u>1,222,441.24</u></b>     | <b><u>4,697,438.85</u></b>               |
| <b>Net Increase (Decrease) in Cash</b>                     | <b><u>(945,323.71)</u></b>     | <b><u>611,463.82</u></b>                 |
| <b>Beginning Cash Balance:</b>                             |                                |  |
| Beginning Cash   | 22,764,201.31                  | 13,348,577.61                            |
| Adjustments to Beginning Cash                              | 0.00                           | 7,858,836.17                             |
| <b>Adjusted Beginning Cash Balance</b>                     | <b><u>22,764,201.31</u></b>    | <b><u>21,207,413.78</u></b>              |
| <b>Ending Cash Balance</b>                                 | <b><u>21,818,877.60</u></b>    | <b><u>21,818,877.60</u></b>              |

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Physicians United Plan Inc. in Liquidation**  
**Schedule of Cash - Restricted**  
For the Six Months Ended December 31, 2016

**Cash - Restricted**

| <b>Description</b>  | <b>Balance<br/>7/1/16</b> | <b>Adjustments</b> | <b>Interest</b> | <b>Balance<br/>12/31/16</b> |
|---|---------------------------|--------------------|-----------------|-----------------------------|
| Physicians Partners Risk Sharing Agreement State Treasury - SPIA Account  | 512,147.65                | 0.00               | 4,343.32        | 516,490.97                  |
| Medproviders Network, LLC Risk Sharing Agret State Treasury - SPIA Account  | 25,646.48                 | 0.00               | 217.34          | 25,863.82                   |
| Funds from LOC's deposited in separate<br>Special Purpose Investment Accounts<br>pursuant to risk sharing agreements that<br>are subject to final reconciliation. |                           |                    |                 |                             |
| <b>Totals:</b>  | <b>0.00</b>               | <b>0.00</b>        | <b>4,560.66</b> | <b>542,354.79</b>           |

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Physicians United Plan Inc. in Liquidation**  
**Schedule of Accrued Interest Receivable**  
**For the Six Months Ended December 31, 2016**

**Accrued Interest Receivable**

| <b>Description</b> |                           | <b>Balance<br/>7/1/16</b> | <b>Accrued</b> | <b>Received</b> | <b>Balance<br/>12/31/16</b> |
|--------------------|---------------------------|---------------------------|----------------|-----------------|-----------------------------|
| State Treasury     | SPIA, 4-20-0-010000-00000 | 31,244.21                 | 174,440.18     | (190,322.07)    | 15,362.32                   |
| Totals:            |                           | 31,244.21                 | 174,440.18     | (190,322.07)    | 15,362.32                   |

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Physicians United Plan Inc. in Liquidation**  
**Schedule of Accounts Receivable**  
**For the Six Months Ended December 31, 2016**

**Other Collections - Recovery Receivable**

| <u>Description</u>   | <u>Balance<br/>7/1/16</u> | <u>Adjustments/<br/>Payments</u> | <u>Balance<br/>12/31/16</u> |
|--|---------------------------|----------------------------------|-----------------------------|
| Claims Payment Advances to Medical Providers                 | 5,325,039.76              | 0.00                             | 5,325,039.76                |
| Management Services Organization Risk Sharing Receivable     | 61,626,771.95             | 0.00                             | 61,626,771.95               |
| Net Receivable from Centers for Medicare & Medicaid Services | 1,164,959.24              | 0.00                             | 1,164,959.24                |
| Totals   | <u>68,116,770.95</u>      | <u>0.00</u>                      | <u>68,116,770.95</u>        |

Total Receivables 68,116,770.95

**Allowance - Other Collections Recovery Receivable**

| <u>Description</u>   | <u>Balance<br/>7/1/16</u> | <u>Adjustments/<br/>Payments</u> | <u>Balance<br/>12/31/16</u> |
|--|---------------------------|----------------------------------|-----------------------------|
| Claims Payment Advances to Medical Providers                 | (5,325,039.76)            | 0.00                             | (5,325,039.76)              |
| Management Services Organization Risk Sharing Receivable     | (61,626,771.95)           | 0.00                             | (61,626,771.95)             |
| Net Receivable from Centers for Medicare & Medicaid Services | (1,164,959.24)            | 0.00                             | (1,164,959.24)              |
| Totals   | <u>(68,116,770.95)</u>    | <u>0.00</u>                      | <u>(68,116,770.95)</u>      |

Total Allowance for Impaired Assets (68,116,770.95)

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Physicians United Plan Inc. in Liquidation**  
**Schedule of Fixed Assets**  
 For the Six Months Ended December 31, 2016

**Computer Equipment**

| <b>Description</b>           | <b>Balance<br/>7/1/16</b> | <b>Adjustments</b> | <b>Balance<br/>12/31/16</b> |
|------------------------------|---------------------------|--------------------|-----------------------------|
| Various electronic equipment | 10,000.00                 | (4,375.00)         | 5,625.00                    |
|                              | <u>10,000.00</u>          | <u>(4,375.00)</u>  | <u>5,625.00</u>             |

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Physicians United Plan Inc. in Liquidation**  
**Schedule of Unclaimed Property**  
**For the Six Months Ended December 31, 2016**

Unclaimed Property

| <b>Description</b>  | <b>Balance<br/>7/1/16</b> | <b>Adjustment</b> | <b>Balance<br/>12/31/16</b> |
|---|---------------------------|-------------------|-----------------------------|
| Voided medical loss rebate checks to be sent to the various states' unclaimed property sections | 364.75                    | 0.00              | 364.75                      |
| Totals:   | <u>364.75</u>             | <u>0.00</u>       | <u>364.75</u>               |

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Physicians United Plan Inc. in Liquidation**  
**Schedule of Secured Claims Against Estate**  
For the Six Months Ended December 31, 2016

Secured Claims Against Estate

| Description                                | Balance<br>7/1/16 | Adjustment | Balance<br>12/31/16 |
|--|-------------------|------------|---------------------|
| Physicians Partners Risk Sharing Agreement | 500,000.00        | 0.00       | 500,000.00          |
| Physicians Partners Risk Sharing Agreement | 25,000.00         | 0.00       | 25,000.00           |
| SPIA - Restricted Cash Interest            | 12,794.13         | 4,560.66   | 17,354.79           |
| Totals:                                    | 537,794.13        | 4,560.66   | 542,354.79          |



**Florida Department of Financial Services, Division of Rehabilitation  
and Liquidation**  
**Physicians United Plan Inc. in Liquidation**  
**Notes to Financial Statements**  
**Dated December 31, 2016**

1. **Estate Information.** Physicians United Plan Inc. was a health maintenance organization domiciled in Florida and placed in liquidation on July 1, 2014.
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".

"Pooled Cash Reserved for Unclaimed Property" is a segregated amount of Pooled Cash that represents the remaining amount of Pooled Cash reserved for voided checks after a distribution account is closed and reconciled for outstanding checks. These amounts will be sent to the Bureau of Unclaimed Property upon court authorization.
5. **Special Purpose Investment Account – Restricted.** Represents funds that are tied to risk sharing agreements with medical providers and are subject to final reconciliations that may take up to a year to complete.
6. **Accounts Receivable.** These account receivables represent claims payment advances (deposit) to medical providers, Management Services Organization (MSO) risk sharing receivables, and net premium receivable from the Center for Medicare and Medicaid Services (CMS). These are subject to final reconciliations that may take up to two years. These receivables are offset by a 100% allowance as the timing and the certainty of their collectability are currently indeterminate.
7. **Fixed Assets.** Assets of a durable nature such as buildings, furniture, computer equipment, and machinery. The property in this estate consists of electronic equipment such as computers, servers, phones, etc. and its' estimated value is based on prices of similar equipment from the State of Florida's Public Auction site.
8. **Unclaimed Property.** Represents voided medical loss rebate checks to be sent to the various states' unclaimed property sections.
9. **Secured Claims.** Secured claims represent liabilities for such items as collateral for bonds or LOC's, amounts for which the ownership is in dispute with other entities, amounts subject to court ordered distribution and other such items. These secured claims represent funds that are tied to risk sharing agreements with medical providers and are subject to final reconciliations that may take up to a year to complete.
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 liability numbers are subject to change.

**Florida Department of Financial Services, Division of Rehabilitation  
and Liquidation  
Physicians United Plan Inc. in Liquidation  
Notes to Financial Statements  
Dated December 31, 2016**

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.