

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**Physicians United Plan Inc in Liquidation**  
**Statement of Affairs**  
**As of December 31, 2017**

	<u>Estimated Realizable Value</u>
<b>ASSETS</b>	
SPIA-Restricted	\$550,287.23
Pooled Cash in SPIA Due from the Admin Fund	19,995,843.17
Accrued Interest Receivable	29,261.93
Accounts Receivable	66,951,811.71
Allowance - Accounts Receivables	(66,951,811.71)
Fixed Assets	<u>3,625.00</u>
Total Assets	<u><u>\$20,579,017.33</u></u>
<b>LIABILITIES</b>	
Secured Claims	550,287.23
Loss Claims (Class 2)	
- Other	61,332,389.18
Unearned Premium Claims	
under Non-assessable Policies (Class 3)	
- Other	4,761.30
Federal Government Claims (Class 4)	10,082,367.68
Employee Claims (Class 5)	98,545.88
General Creditor Claims (Class 6)	
- Other	15,183,837.19
Late Filed Claims (Class 8)	459,943.95
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>\$119,468,197.89</u>
<b>EQUITY</b>	
Contributed Equity - State of Florida	75,256.92
Estate Equity	<u>(98,964,437.48)</u>
Excess (Deficiency) of Assets over Liabilities	<u>(\$98,889,180.56)</u>
Total Liabilities and Equity	<u><u>\$20,579,017.33</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, 2017**

	Fiscal Year to Date	Since Date of Liquidation
<b>CASH RECEIPTS</b>		
Premium Collections	\$0.00	\$854.48
Reinsurance Recoveries	0.00	27,532.84
Subrogation and Salvage Recoveries	44,819.55	641,428.44
Litigation Recoveries	0.00	25,000.00
Tax Recoveries	0.00	237,201.49
Other Collections / Recoveries	22,325.83	3,524,666.83
Sale of Personal Property Inventory	0.00	126,042.73
Sale of Other Assets	0.00	1,693.50
Receipts Before Investment Activities	67,145.38	4,584,420.31
Interest and Dividend Receipts	188,903.50	1,206,396.15
Receipts From Investment Activities	188,903.50	1,206,396.15
<b>Total Cash Receipts</b>	<b>256,048.88</b>	<b>5,790,816.46</b>
<b>CASH DISBURSEMENTS &amp; DISTRIBUTIONS</b>		
Professional Fees and Expenses	602,085.88	3,217,720.11
Salaries and Fringe Benefits	318,940.62	2,799,411.31
Employee Welfare	800.56	3,508.00
Travel Expenses	1,509.77	41,049.20
Admin Expenses	650.33	66,727.31
Equipment and Furniture Expenses	1,069.23	16,226.07
Rent, Building and Equipment	24,138.38	209,346.88
Taxes	96.85	3,765.00
Disbursements	949,291.62	6,357,753.88
Disbursements & Distributions Before Investment Activities	949,291.62	6,357,753.88
Financial Expenses	12,530.70	94,345.96
Disbursements for Investment Activities	12,530.70	94,345.96
<b>Total Cash Disbursements &amp; Distributions</b>	<b>961,822.32</b>	<b>6,452,099.84</b>
<b>Net Increase (Decrease) in Cash</b>	<b>(705,773.44)</b>	<b>(661,283.38)</b>
<b>Beginning Cash Balance:</b>		
Beginning Cash	21,251,903.84	13,348,577.61
Adjustments to Beginning Cash	0.00	7,858,836.17
<b>Adjusted Beginning Cash Balance</b>	<b>21,251,903.84</b>	<b>21,207,413.78</b>
<b>Ending Cash Balance</b>	<b>20,546,130.40</b>	<b>20,546,130.40</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, 2017

**Cash - Restricted**

<u>Description</u>	<u>Balance</u> <u>7/1/17</u>	<u>Adjustments</u>	<u>Interest</u>	<u>Balance</u> <u>12/31/17</u>
Physicians Partners Risk Sharing Agreement State Treasury - SPIA Account	519,641.29	0.00	6,591.88	526,233.17
Medproviders Network, LLC Risk Sharing Agre State Treasury - SPIA Account	26,021.45	0.00	329.86	26,351.31
Funds from LOC's deposited in separate Special Purpose Investment Accounts pursuant to risk sharing agreements that are subject to final reconciliation.				
Totals:	<u>545,662.74</u>	<u>0.00</u>	<u>4,624.49</u>	<u>550,287.23</u>

**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, 2017**

**Accrued Interest Receivable**

<u>Description</u>		<u>Balance 7/1/17</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance 12/31/17</u>
State Treasury	SPIA, 4-20-0-010000-00000	23,912.12	177,316.16	(171,966.35)	29,261.93
Totals:		<u>23,912.12</u>	<u>177,316.16</u>	<u>(171,966.35)</u>	<u>29,261.93</u>

**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, 2017

**Other Collections - Recovery Receivable**

<b>Description</b>	<b>Balance 7/1/17</b>	<b>Adjustments/ Payments</b>	<b>Balance 12/31/17</b>
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
Totals	<u>66,951,811.71</u>	<u>0.00</u>	<u>66,951,811.71</u>

Total Receivables 66,951,811.71

**Allowance - Other Collections Recovery Receivable**

<b>Description</b>	<b>Balance 7/1/17</b>	<b>Adjustments/ Payments</b>	<b>Balance 12/31/17</b>
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)
Totals	<u>(66,951,811.71)</u>	<u>0.00</u>	<u>(66,951,811.71)</u>

Total Allowance for Impaired Assets (66,951,811.71)

**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, 2017

**Computer Equipment**

<u>Description</u>	<u>Balance</u> <u>7/1/17</u>	<u>Adjustments/Payments</u>	<u>Balance</u> <u>12/31/17</u>
Various electronic equipment	3,625.00	0.00	3,625.00
	<u>3,625.00</u>	<u>0.00</u>	<u>3,625.00</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, 2017

Secured Claims Against Estate

Description	Balance 7/1/17	Adjustments	Interest	Balance 12/31/17
Physicians Partners Risk Sharing Agreement	519,641.29	0.00	4,404.11	524,045.40
Medprovides Network, LLC Risk Sharing Agreement	26,021.45	0.00	220.38	26,241.83
Funds from LOC's deposited in separate Special Purpose Investment Accounts pursuant to risk sharing agreements that are subject to final reconciliation.	545,662.74	0.00	4,624.49	550,287.23
<b>Totals:</b>	<b>545,662.74</b>	<b>0.00</b>	<b>4,624.49</b>	<b>550,287.23</b>

**Florida Department of Financial Services, Division of Rehabilitation  
and Liquidation**  
**Physicians United Plan Inc. in Liquidation**  
**Notes to Financial Statements**  
**Dated December 31, 2017**

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, 2017 through June 30, 2018. 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 Wells Fargo 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 (SPIA) – Restricted.** Represents funds that are tied to risk sharing agreements with medical providers and are subject to final reconciliation.
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 reconciliation. 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. **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 reconciliation.
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 September 22, 2017. The deadline to file an objection was December 18, 2017. Twenty-Six objections have been filed to date and remain pending with an estimated net claimed value of \$105,456,822.63.
10. **Interest Distributions.** For companies placed into receivership on or after July 1, 2012, Section 631.271, Florida Statutes authorizes the payment of interest on claims in Classes 1-9 prior to making any payment on shareholder claims.
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  
Physicians United Plan Inc. in Liquidation  
Notes to Financial Statements  
Dated December 31, 2017**

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.