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

## lorida pecialty Insurance Company in iquidation

## Statement of Affairs

**9/30/2025**

| | Estimated ealizable Value |
|---|---|
| **ASSETS** | |
| Pooled Cash in SPIA Due from the Admin Fund | $8,659,739.53 |
| Pooled Cash in SPIA Reserved for Unclaimed Property | ,247,525.65 |
| Short-Term Investments | 87,947.34 |
| Accrued Interest Receivable | 5,627.44 |
| Reinsurance Recoverable | ,419,013.93 |
| Advance to Guaranty Associations | 61,852,376.00 |
| FI Hurricane Cat Fund Payments to Guaranty Assoc. | 5,891,563.75 |
| Total Assets | $81,393,793.64 |
| **LIABILITIES** | |
| Unclaimed Property | ,247,525.65 |
| Class Administrative Claims | |
| Class 1 - Guaranty Associations | ,100,524.66 |
| Class 2 Loss Claims | |
| Class 2 - Guaranty Associations | 43,366,311.19 |
| Class 2 - Other | 67,864.23 |
| Class 3 Unearned Premium Claims under Non-assessable Policies | |
| Class 3 - Guaranty Associations | ,452,397.66 |
| Class 3 - Other | 7,812,304.55 |
| Class 6 General Creditor Claims | |
| Class 6 - Other | 5,811,390.80 |
| Class 8 Late Filed Claims | 59,305.57 |
| Class 11 Shareholder Claims | 8,527,575.50 |
| Total Liabilities | $131,645,199.81 |
| **EQUITY** | |
| Contributed Equity - State of Florida | 492,424.94 |
| Estate Equity | (50,743,831.11) |
| Excess (Deficiency) of Assets over Liabilities | ($50,251,406.17) |
| Total Liabilities and Equity | $81,393,793.64 |

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

**UNAUDITED**

# Florida Department of Financial Services, Division of Rehabilitation nd Liquidation
## Florida Specialty Insurance Company in Liquidation
## Statement of Cash Receipts and Disbursements
### From the Date of Liquidation through 9/30/2025

| | Fiscal Year to Date | Since Date of Liquidation |
|---|---|---|
| CASH RECEIPTS | | |
| Premium Collections | $0.00 | $1,072,080.67 |
| Assessment Recoveries | 0.00 | 132.93 |
| Reinsurance Recoveries | 0.00 | 49,604,994.36 |
| Agents' Balances Recoveries | 0.00 | 3,938,278.01 |
| Subrogation and Salvage Recoveries | 0.00 | 8,603.18 |
| Tax Recoveries | 0.00 | 288,263.44 |
| Other Collections / Recoveries | 0.00 | 353,156.35 |
| Receipts Before Investment Activities | 0.00 | 55,265,508.94 |
| Interest and Dividend Receipts | 104,323.96 | 1,914,729.80 |
| Sale of Short Term Investment | 0.00 | 3,790,206.29 |
| Receipts From Investment Activities | 104,323.96 | 5,704,936.09 |
| Total Cash Receipts | 104,323.96 | 60,970,445.03 |
| CASH DISBURSEMENTS & DISTRIBUTIONS | | |
| Professional Fees and Expenses | 11,322.88 | 1,769,347.53 |
| Salaries and Fringe Benefits | 58,050.94 | 2,684,554.84 |
| Employee Welfare | 141.71 | 17,377.50 |
| Travel Expenses | 353.30 | 43,564.36 |
| Admin Expenses | 393.78 | 265,726.59 |
| Equipment and Furniture Expenses | 20,610.77 | 141,450.33 |
| Rent, Building and Equipment | 1,512.67 | 23,609.20 |
| Taxes | 49.83 | (76.71) |
| Disbursements | 92,435.88 | 4,945,553.64 |
| Distributions | | |
| Administrative Claims (Class 1) | 0.00 | 0.00 |
| Loss Claims (Class 2) | 0.00 | 0.00 |
| Unearned Premium-Non-Assessable Policies Claims (Class 3) | 0.00 | 0.00 |
| General Creditors Claims (Class 6) | 0.00 | 0.00 |
| Late Filed Claims (Class 8) | 0.00 | 0.00 |
| Shareholder Claims | 0.00 | 0.00 |
| Claims-Other | 0.00 | 0.00 |
| Early Access-Guaranty Associations | 0.00 | 61,852,376.00 |
| Total Distributed | 0.00 | 61,852,376.00 |
| Disbursements & Distributions Before Investment Activities | 92,435.88 | 66,797,929.64 |
| Financial Expenses | 2,946.22 | 218,827.30 |
| Disbursements for Investment Activities | 2,946.22 | 218,827.30 |
| **Total Cash Disbursements & Distributions** | **95,382.10** | **,016,756.94** |
| **Net Increase (Decrease) in Cash** | **8,941.86** | **(6,046,311.91)** |
| **Beginning Cash Balance:** | | |
| Beginning Cash | 9,898,323.32 | 10,369,243.04 |
| Adjustments to Beginning Cash | 0.00 | 5,584,334.05 |
| **Adjusted Beginning Cash Balance** | **9,898,323.32** | **15,953,577.09** |
| **Ending Cash Balance** | **9,907,265.18** | **9,907,265.18** |

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

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# Florida Department of Financial Services, Division of Rehabilitation and Liquidation
## Florida Specialty Insurance Company in Liquidation
### Schedule of Short Term Investments
**For the Three Months Ended September 30, 2025**

### Money Market Accounts

| Description | Balance 7/1/25 | Adjustments/ Fees | Interest | Distributions | Balance 9/30/25 |
|---|---|---|---|---|---|
| Truist Bank (formerly SunTrust) - Oakwood Insurance Company | 285,014.14 | 2,933.20 | .00 | .00 | 287,947.34 |
| | 285,014.14 | 2,933.20 | .00 | .00 | 287,947.34 |

**Total Short Term Investments** **87,947.34**

# Florida Department of Financial Services, Division of Rehabilitation and Liquidation
# Florida Specialty Insurance Company in Liquidation
## Schedule of Accrued Interest Receivable
### For the Three Months Ended September 30, 5

### Accrued Interest Receivable

| escription | | lance 7/1/25 | ccrued | eceived | lance 9/30/25 |
|---|---|---|---|---|---|
| State Treasury | SPIA, 4-20-0-010000-00000 | 28,921.65 | 6,572.53 | (99,866.74) | 35,627.44 |
| | Totals: | 28,921.65 | 6,572.53 | (99,866.74) | 35,627.44 |

# Florida Department of Financial Services, Division of ehabilit tion and Liquidation
## Florida Specialty Insurance Company in Liquidation
## Schedule of einsurance Recoverables - Net of Allowance
### For Three Months Ended September 30, 2025

### einsurance ecoverables

| Recovery Agent | Balance /1/25 | Billed | Recovered | djustments | /30/25 |
|---|---|---|---|---|---|
| Receiver | 3,419,013.93 | 0.00 | 0.00 | 0.00 | 3,419,013.93 |
| Total | 3,419,013.93 | 0.00 | 0.00 | 0.00 | 3,419,013.93 |

### Allowance einsurance

| Recovery Agent | Balance /1/25 | Increases | Decreases | /30/2025 |
|---|---|---|---|---|
| Receiver | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 0.00 | 0.00 | 0.00 | 0.00 |

| | |
|---|---|
| **Reinsurance Recoverables - Net of llowance** | **3,419,013.93** |

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

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# Florida Department of Financial Services, Division of Rehabilitation and Liquidation
# Florida Specialty Insurance Company in Liquidation
## Schedule o Advance to Guaranty Association
### For the Three Months Ended September 30, 2025

### Advance to Guaranty Associations

| escription | alance 7/1/25 | dvanced | Recovered | alance /30/25 |
|---|---|---|---|---|
| Florida Insurance Guaranty Association | 1,852,376.00 | 0.00 | 0.00 | 1,852,376.00 |
| | 1,852,376.00 | 0.00 | 0.00 | 1,852,376.00 |

### Florida Hurricane Catastrophe Fund Payments to Guaranty Associations

| escription | alance 7/1/25 | dvanced | Recovered | alance /30/25 |
|---|---|---|---|---|
| Florida Hurricane Catastrophe Fund | ,891,563.75 | 0.00 | 0.00 | ,891,563.75 |
| Totals: | ,891,563.75 | 0.00 | 0.00 | ,891,563.75 |

# Florida Department of Financial Services, Division of Rehabilit tion and Liquidation
# Florida Specialty Insurance Company in Liquidation
## Schedule of Unclaimed Property
### For the Three Months Ended September 30, 2025

## Unclaimed Property

| escription | alance 7/1/25 | djustments | alance /30/25 |
|---|---|---|---|
| uspended and/or voided return premium checks | 1,247,525.65 | 0.00 | 1,247,525.65 |
| otals: | 1,247,525.65 | 0.00 | 1,247,525.65 |

# Florida Department of Financial Services, Division of Rehabilitation and Liquidation
# Florida Specialty Insurance Company in Liquidation
## Notes Financial Statements
### Dated September 30, 2025

. **state Information**. Florida Specialty Insurance Company was a property and casualty organization domiciled in Florida placed in liquidation on October , 9.

. **Basis of Presentation**. The accompanying financial statements have been prepared on a modified cash basis of accounting using a fiscal year of July , 2025 through June 30, 6. 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. Future developments in accounting, business, contract, legal, tax and other matters may result in subsequent updates to one or more categories of this insolvent insurer's assets and/or liabilities that differs from the calculations presented in these unaudited financial statements.

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".

   "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. **Short Term Investments - Restricted**. The investments are stated at fair value, which approximates market value. Market values are those provided by the depository trust institution at the balance sheet date. These investments consist of various accounts at Truist Bank (formerly SunTrust Bank) that are restricted pursuant to reinsurance trust agreements that will be resolved as the receivership proceeds.

6. **Reinsurance**. Reinsurance receivables have resulted from losses that have been paid and billed to the reinsurer(s). The financial statements reflect the gross amount of the billed losses less an allowance for any receivable(s) currently considered to be uncollectible. The receivable amount may include paid losses that are ceded to one or more reinsurance contracts being collected on behalf of the Receiver by an intermediary or the Receiver's staff.

7. **Advance to Guaranty Association(s).** Represents funds advanced to guaranty associations for the payment of covered claims and expenses. The guaranty association is obligated to promptly return any or all of these funds if the Receiver determines that repayment of claims of equal or superior priority is necessary.

8. **Florida Hurricane atastrophe Fund (FHCF) Advance to Guaranty Association (FIGA).** Represents funds advanced directly from FHCF to FIGA for the payment of covered claims and expenses pursuant to Chapter 5, Florida Statutes. The guaranty association is obligated to promptly return any or all of these funds, if it is determined that an overpayment has been made.

9. **Unclaimed Property**. Consists of funds that are considered unclaimed pursuant to Chapter 717, Florida Statutes. and are due to the Unclaimed Property section of the State of Florida. For this estate this amount represents the final reconciled amount of voided return premium checks after the account is closed.

# Florida Department of Financial Services, Division of Rehabilitation and Liquidation
# Florida Specialty Insurance Company in Liquidation
## Notes Financial Statements
### Dated September 30, 2025

. **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.

- Class 1, Class 2, and Class 3 claim liabilities are based upon Guaranty Association payments, estimates, and Filed Claims.
- All other classes are based on Filed Claims.
- The First Interim Claims Report was approved on November 29, 2021. The deadline to file an objection was February 11, 2022. Twenty-seven objections were filed and 2 remain pending with a net claimed value of $156,273.13.
- A Claims Bar Date was established for July 1, 2022.
- The Second Interim Claims Report was approved on November 5, 2024. The deadline to file an objection was February 20, 2025. Ten objections have been filed to date and all ten objections have been resolved.
- The Third Interim Claims Report was filed with the court on August 26, 2025, pending approval.

. **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. At this time, the Receiver does not anticipate having sufficient assets in this estate to pay all claims for Classes 1-9. Accordingly, this statement does not reflect an interest reserve for Classes 1-9 allowed claims.

2. **ederal riority.** The federal government has taken the position that 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 also taken the position that it is not subject to state insurance liquidation claim's proceedings deadlines. To establish finality, shield itself from potential liability, and ultimately discharge the estate, the Receiver will request a federal release from the U.S. Department of Justice.

3. **Contributed Equity – State of lorida**. 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.

4. **Excess (Deficiency) of Assets over iabilities**. 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.