# Florida Department of Financial Services, Division of Rehabilitation and Liquidation
## American Capital Assurance Corp. in Liquidaton
## Statement of Affairs
### 12/31/2021

| | Estimated Realizable Value |
|---|---|
| **ASSETS** | |
| Pooled Cash in SPIA Due from the Admin Fund | $44,856,917.34 |
| Accrued Interest Receivable | 29,274.64 |
| Reinsurance Recoverable | 36,812,659.22 |
| Allowance Reinsurance Recoverable | (15,677,493.10) |
| Accounts Receivable | 2,767,404.50 |
| Allowance - Accounts Receivables | (2,767,404.50) |
| Long Term Investments | 480,917.49 |
| Advance to Guaranty Associations | 300,027.43 |
| Total Assets | $66,802,303.02 |
| **LIABILITIES** | |
| Class 1 Administrative Claims | |
| Class 1 - Guaranty Associations | 11,302,978.02 |
| Class 2 Loss Claims | |
| Class 2 - Guaranty Associations | 333,243,423.54 |
| Class 2 - Other | 22,800.00 |
| Class 3 Unearned Premium Claims under Non-assessable Policies | |
| Class 3 - Guaranty Associations | 31,361,437.06 |
| Class 3 - Other | 4,821,309.23 |
| Class 5 Employee Claims | 31,217.42 |
| Class 6 General Creditor Claims | |
| Class 6 - Other | 71,885,422.49 |
| Class 7 State & Local Government Claims | 37,264.77 |
| Class 9 Surplus Notes/Unearned Premium Claims under Assessable Policies | |
| Class 9 - Other | 11,935,758.39 |
| Total Liabilities | $464,641,610.92 |
| **EQUITY** | |
| Contributed Equity - State of Florida | 125,327.79 |
| Estate Equity | (397,964,635.69) |
| Excess (Deficiency) of Assets over Liabilities | ($397,839,307.90) |
| Total Liabilities and Equity | $66,802,303.02 |

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

# Florida Department of Financial Services, Division of Rehabilitation and Liquidation
## American Capital Assurance Corp. in Liquidaton
## Statement of Cash Receipts and Disbursements
### From the Date of Liquidation through 12/31/2021

| | Fiscal Year to Date | Since Date of Liquidation |
|---|---|---|
| CASH RECEIPTS | | |
| Premium Collections | $236,692.50 | $482,619.07 |
| Reinsurance Recoveries | 5,637,066.93 | 10,922,310.00 |
| Agents' Balances Recoveries | 3,223,418.98 | 3,223,418.98 |
| Subrogation and Salvage Recoveries | 81,948.12 | 138,429.71 |
| Litigation Recoveries | 75.08 | 75.08 |
| Tax Recoveries | 767,144.00 | 767,144.00 |
| Other Collections / Recoveries | 25,141.35 | 2,819,902.55 |
| Receipts Before Investment Activities | 9,971,486.96 | 18,353,899.39 |
| Interest and Dividend Receipts | 201,750.32 | 230,577.35 |
| Sale of Short Term Investment | 94,987.98 | 5,373,475.52 |
| Sale of Long Term Investment | 122,789.02 | 122,789.02 |
| Receipts From Investment Activities | 419,527.32 | 5,726,841.89 |
| Total Cash Receipts | 10,391,014.28 | 24,080,741.28 |
| CASH DISBURSEMENTS & DISTRIBUTIONS | | |
| Professional Fees and Expenses | 244,642.87 | 370,786.91 |
| Salaries and Fringe Benefits | 430,726.21 | 963,214.39 |
| Employee Welfare | 1,446.37 | 3,511.30 |
| Travel Expenses | 0.00 | 8,723.27 |
| Admin Expenses | 1,765.04 | 417,051.32 |
| Equipment and Furniture Expenses | 40,941.55 | 121,579.13 |
| Rent, Building and Equipment | 1,622.31 | 1,928.88 |
| Taxes | 0.00 | 782.39 |
| Disbursements | 721,144.35 | 1,887,577.59 |
| 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 |
| Employee Claims (Class 5) | 0.00 | 0.00 |
| General Creditors Claims (Class 6) | 0.00 | 0.00 |
| Government Claims (Class 7) | 0.00 | 0.00 |
| Surplus Notes/Unearned Premium-Assessable Policies Claims (Class 9) | 0.00 | 0.00 |
| Total Distributed | 0.00 | 0.00 |
| Disbursements & Distributions Before Investment Activities | 721,144.35 | 1,887,577.59 |
| Financial Expenses | 34,290.87 | 43,775.83 |
| Disbursements for Investment Activities | 34,290.87 | 43,775.83 |
| **Total Cash Disbursements & Distributions** | **755,435.22** | **1,931,353.42** |
| **Net Increase (Decrease) in Cash** | **9,635,579.06** | **22,149,387.86** |
| **Beginning Cash Balance:** | | |
| Beginning Cash | 35,163,792.18 | 19,102,043.59 |
| Adjustments to Beginning Cash | 57,546.10 | 3,605,485.89 |
| **Adjusted Beginning Cash Balance** | **35,221,338.28** | **22,707,529.48** |
| **Ending Cash Balance** | **44,856,917.34** | **44,856,917.34** |

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

UNAUDITED

# Florida Department of Financial Services, Division of Rehabilitation and Liquidation
# American Capital Assurance Corp., in Liquidation
## Schedule of Accrued Interest Receivable
### For the Six Months Ended December 31, 2021

### Accrued Interest Receivable

| Description | | Balance 7/1/21 | Accrued | Received | Balance 12/31/21 |
|---|---|---|---|---|---|
| State Treasury | SPIA, 4-20-0-010000-00000 | 29,061.69 | 183,745.88 | (183,532.93) | 29,274.64 |
| | Totals: | 29,061.69 | 183,745.88 | (183,532.93) | 29,274.64 |

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**
**AMCAP IN LIQUIDATION**
**Schedule of Reinsurance Recoverables - Net of Allowance**
**For Six Months Ended December 31, 2021**

## Reinsurance Recoverables

| Recovery Agent | Balance 7/1/21 | Billed | Recovered | Adjustments | 12/31/21 |
|---|---|---|---|---|---|
| Receiver | 40,951,973.58 | 1,484,353.62 | 5,637,066.93) | 13,398.95 | 36,812,659.22 |
| Total | 40,951,973.58 | 1,484,353.62 | 5,637,066.93) | 13,398.95 | 36,812,659.22 |

## Allowance Reinsurance

| Recovery Agent | Balance 7/1/21 | Increases | Decreases | 12/31/2021 |
|---|---|---|---|---|
| Receiver | 15,677,493.10) | 0.00 | 0.00 | 15,677,493.10) |
| Total | 15,677,493.10) | 0.00 | 0.00 | 15,677,493.10) |

| | |
|---|---|
| **Reinsurance Recoverables - Net of Allowance** | **21,135,166.12** |

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

# Florida Department of Financial Services, Division of Rehabilation and Liquidation
# American Capital Assurance Corp., in Liquidation
## Schedule of Accounts Receivable
### For the Six Months Ended December 31, 2021

### Other Collection, Recovery Receivable

| Description | Balance 7/1/21 | Adjustments/ Payments | Balance 12/31/21 |
|---|---|---|---|
| Federal Income Tax Refunds 2016 & 2017 Amended Returns | 0.00 | 2,767,404.50 | 2,767,404.50 |
| | 0.00 | 2,767,404.50 | 2,767,404.50 |

### Allowance - Other Collection, Recovery Receivable

| Description | Balance 7/1/21 | Adjustments/ Payments | Balance 12/31/21 |
|---|---|---|---|
| Federal Income Tax Refunds 2016 & 2017 Amended Returns | 0.00 | (2,767,404.50) | (2,767,404.50) |
| | 0.00 | (2,767,404.50) | (2,767,404.50) |

| | |
|---|---|
| **Total Other Collection, Recovery Receivable - Net of Allowances** | 0.00 |

# Florida Department of Financial Services, Division of Rehabilitation and Liquidation
## American Capital Assurance Corp., in Liquidation
### Schedule of Long Term Investments
**For the Six Months Ended December 31, 2021**

### Bonds

| Description | Balance 7/1/21 | Adjustments Deposits/Transfers | Interest | Distributions/Fees | Balance 12/31/21 |
|---|---|---|---|---|---|
| Raymond James | 333,537.06 | (548.57) | 0.00 | 0.00 | 332,988.49 |
| | 333,537.06 | (548.57) | 0.00 | 0.00 | 332,988.49 |

### Real Estate Investments

| Description | Balance 7/1/21 | Adjustments/ Fees | Interest | Distributions | Balance 12/31/21 |
|---|---|---|---|---|---|
| DCR VII Investments | 327,679.94 | 38,026.06 | 0.00 | (217,777.00) | 147,929.00 |
| | 327,679.94 | 38,026.06 | 0.00 | (217,777.00) | 147,929.00 |

| | |
|---|---|
| **Total Long Term Investments** | **480,917.49** |

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

American Capital Assurance Corp., in Liquidation

**Schedule of Advance to Guaranty Associations**

**For the Six Months Ended December 31, 2021**

## Advance to Guaranty Associations

| Description | Balance 7/1/21 | Advanced | Recovered | Balance 12/31/21 |
|---|---|---|---|---|
| North Carolina - JP Morgan/US Bank (1) | 300,027.43 | 0.00 | 0.00 | 300,027.43 |
| Totals: | 300,027.43 | 0.00 | 0.00 | 300,027.43 |

(1) This statutory deposit was transferred to the North Carolina Insurance Guaranty Association and the Receiver will be pursuing an early access agreement.

# Florida Department of Financial Services, Division of Rehabilitation and Liquidation
# American Capital Assurance Corporation in Liquidation
## Notes to Financial Statements
### Dated December 31, 2021

1. **Estate Information**. American Capital Assurance Corporation was a property and casualty organization domiciled in Florida placed in liquidation on April 14, 2021.
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, 2021 through June 30, 2022. 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. **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) where there is an uncertainty regarding collectability. 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.
6. **Accounts Receivable.** These account receivables consist of an agreement with the Holding Company for amended tax returns for 2016 & 2017 resulting in a potential tax recovery. The financial statements reflect the gross amount of the potential tax recovery less an allowance for where there is an uncertainty regarding collectability.
7. **Long Term Investments.** The investments are state at fair value, which approximates market value. Market values are those provided by the depository trust institution or brokerage institution in possession of the securities at the balance sheet date. These investments consist of non-taxable municipal bonds and real estate investments.
8. **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 of these funds if the Receiver determines that repayment of claims of equal or superior priority is necessary.
9. **Florida Hurricane Catastrophe 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 215, Florida Statutes. 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.
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. Due to the complexities in evaluating commercial property claims, statutory caps on coverage per building, net worth provisions of commercial policyholders and a future claims filing deadline, estimated claim values are expected to fluctuate.

    - Class 1, Class 2 and Class 3 claim liabilities are based upon Guaranty Association estimates & Filed Claims.
    - Additional Filed Proof of Claims forms are currently being processed and all liabilities are subject to change.

- Class 9 claim liabilities are based upon information in the company's records.

11. **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.

12. **Federal Priority.** 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.

13. **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.

14. **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.