

**Florida Department of Financial Services, Division of Rehabilitation and
Liquidation
Gulfstream Property and Casualty Ins Co in Liquidation
Statement of Affairs
3/31/2023**

| | <u>Estimated Realizable Value</u> |
|--|---|
| ASSETS | |
| Pooled Cash in SPIA Due from the Admin Fund | \$38,079,453.38 |
| Short Term Investments | 2,501.77 |
| Accrued Interest Receivable | 58,078.57 |
| Reinsurance Recoverable | 21,438.26 |
| Other Assets | 124,756.01 |
| Advance to Guaranty Associations | 39,436,308.00 |
| Total Assets | <u><u>\$77,722,535.99</u></u> |
| LIABILITIES | |
| Class 1 Administrative Claims | |
| Class 1 - Guaranty Associations | 7,490,105.61 |
| Class 2 Loss Claims | |
| Class 2 - Guaranty Associations | 44,743,434.17 |
| Class 2 - Other | 212,351.73 |
| Class 3 Unearned Premium Claims under Non-assessable Policies | |
| Class 3 - Guaranty Associations | 44,410,333.49 |
| Class 3 - Other | 523,791.51 |
| Class 6 General Creditor Claims | |
| Class 6 - Other | 242,495.09 |
| Class 7 State & Local Government Claims | 40,962.58 |
| Class 8 Late Filed Claims | 11,984.06 |
| Total Liabilities | <u><u>\$97,675,458.24</u></u> |
| EQUITY | |
| Contributed Equity - State of Florida | 147,613.06 |
| Estate Equity | (20,100,535.31) |
| Excess (Deficiency) of Assets over Liabilities | <u><u>(\$19,952,922.25)</u></u> |
| Total Liabilities and Equity | <u><u>\$77,722,535.99</u></u> |

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

Gulfstream Property and Casualty Ins Co in Liquidation

Statement of Cash Receipts and Disbursements

From the Date of Liquidation through 3/31/2023

| | <u>Fiscal Year to Date</u> | <u>Since Date of Liquidation</u> |
|--|--------------------------------|--|
| CASH RECEIPTS | | |
| Premium Collections | \$0.00 | \$188,702.17 |
| Reinsurance Recoveries | 13,395,323.54 | 48,642,874.41 |
| Agents' Balances Recoveries | 1,887,023.88 | 4,781,608.01 |
| Subrogation and Salvage Recoveries | 332,562.22 | 825,823.79 |
| Tax Recoveries | 0.00 | 27.00 |
| Other Collections / Recoveries | 2,220.22 | 862,050.73 |
| Sale of Real Property Inventory | 0.00 | 2,300,000.00 |
| Receipts Before Investment Activities | <u>15,617,129.86</u> | <u>57,601,086.11</u> |
| Interest and Dividend Receipts | 445,285.41 | 771,937.58 |
| Sale of Short Term Investment | 0.00 | 21,403,651.19 |
| Receipts From Investment Activities | <u>445,285.41</u> | <u>22,175,588.77</u> |
| Total Cash Receipts | <u><u>16,062,415.27</u></u> | <u><u>79,776,674.88</u></u> |
| CASH DISBURSEMENTS & DISTRIBUTIONS | | |
| Professional Fees and Expenses | 266,636.78 | 605,835.08 |
| Salaries and Fringe Benefits | 203,037.79 | 1,453,363.91 |
| Employee Welfare | 1,451.20 | 2,783.80 |
| Travel Expenses | 1,599.27 | 15,141.84 |
| Admin Expenses | 2,101.82 | 635,019.58 |
| Equipment and Furniture Expenses | 17,694.38 | 24,174.95 |
| Rent, Building and Equipment | 7,129.45 | 10,294.95 |
| Taxes | (119.62) | 15,189.70 |
| Disbursements | <u>499,531.07</u> | <u>2,761,803.81</u> |
| 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 |
| Government Claims (Class 7) | 0.00 | 0.00 |
| Late Filed Claims (Class 8) | 0.00 | 0.00 |
| Early Access-Guaranty Associations | 16,020,308.00 | 39,436,308.00 |
| Total Distributed | <u>16,020,308.00</u> | <u>39,436,308.00</u> |
| Disbursements & Distributions Before Investment Activities | 16,519,839.07 | 42,198,111.81 |
| Financial Expenses | 87,020.41 | 180,422.85 |
| Purchase Short Term Investment | 0.00 | 534,760.49 |
| Disbursements for Investment Activities | <u>87,020.41</u> | <u>715,183.34</u> |
| Total Cash Disbursements & Distributions | <u>16,606,859.48</u> | <u>42,913,295.15</u> |
| Net Increase (Decrease) in Cash | <u>(544,444.21)</u> | <u>36,863,379.73</u> |
| Beginning Cash Balance: | | |
| Beginning Cash | 38,623,897.59 | (1,630,962.63) |
| Adjustments to Beginning Cash | 0.00 | 2,847,036.28 |
| Adjusted Beginning Cash Balance | <u>38,623,897.59</u> | <u>1,216,073.65</u> |
| Ending Cash Balance | <u>38,079,453.38</u> | <u>38,079,453.38</u> |

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Gulfstream Property and Casualty Insurance Co., in Liquidation
Schedule of Short Term Investments
For the Nine Months Ended March 31, 2023

Money Market Accounts

| Description | Balance 7/28/21 | Adjustments/Interest | Transfers | Balance 3/31/23 |
|------------------------|----------------------------|-----------------------------|------------------|----------------------------|
| Hancock Whitney GSPCIC | 2,500.50 | 1.27 | 0.00 | 2,501.77 |
| | <u>2,500.50</u> | <u>1.27</u> | <u>0.00</u> | <u>2,501.77</u> |

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Gulfstream Property and Casualty Insurance Co., in Liquidation
Schedule of Accrued Interest Receivable
For the Nine Months Ended March 31, 2023

Accrued Interest Receivable

| Description | | Balance | | | Balance |
|--------------------|---------------------------|------------------|-------------------|---------------------|------------------|
| | | 7/1/22 | Accrued | Received | 3/31/23 |
| State Treasury | SPIA, 4-20-0-010000-00000 | 16,334.33 | 441,606.43 | (399,862.19) | 58,078.57 |
| Totals: | | <u>16,334.33</u> | <u>441,606.43</u> | <u>(399,862.19)</u> | <u>58,078.57</u> |

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation
 Gulfstream Property and Casualty Ins Co in Liquidation
 Schedule of Reinsurance Recoverables - Net of Allowance
 For Nine Months Ended March 31, 2023**

Reinsurance Recoverables

| Recovery Agent | 7/1/22 | Billed | Recovered | Adjustments | 3/31/23 |
|-----------------------|------------------|----------------------|------------------------|--------------------|------------------|
| Receiver | 21,438.26 | 13,400,031.88 | (13,400,031.88) | | 21,438.26 |
| Total | 21,438.26 | 13,400,031.88 | (13,400,031.88) | 0.00 | 21,438.26 |

Allowance Reinsurance

| Recovery Agent | 7/1/22 | Increases | Decreases | 3/31/2023 |
|-----------------------|---------------|------------------|------------------|------------------|
| Receiver | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 0.00 | 0.00 | 0.00 | 0.00 |

Reinsurance Recoverables - Net of Allowance

21,438.26

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Gulfstream Property and Casualty Insurance Co., in Liquidation
Schedule of Other Assets
For the Nine Months Ended March 31, 2023

Statutory Deposits

| Description | Balance 7/1/22 | Adjustments | Recovered | Balance 3/31/23 |
|--------------------|---------------------------|--------------------|------------------|----------------------------|
| South Carolina | 132,173.87 | (7,417.86) | 0.00 | 124,756.01 |
| Totals: | 132,173.87 | (7,417.86) | 0.00 | 124,756.01 |

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

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Gulfstream Property and Casualty Insurance Co., in Liquidation
Schedule of Advance to Guaranty Associations
For the Nine Months Ended March 31, 2023

| Description | Balance 7/1/22 | Advanced | Recovered | Balance 3/31/23 |
|--------------------|---------------------------|----------------------|------------------|----------------------------|
| Florida (FIGA) | 22,600,000.00 | 10,930,777.00 | 0.00 | 33,530,777.00 |
| Alabama | 4,000.00 | 281,711.00 | 0.00 | 285,711.00 |
| Louisiana | 0.00 | 3,735,823.00 | 0.00 | 3,735,823.00 |
| Mississippi | 0.00 | 122,650.00 | 0.00 | 122,650.00 |
| South Carolina | 780,000.00 | 631,808.00 | 0.00 | 1,411,808.00 |
| Texas | 32,000.00 | 317,539.00 | 0.00 | 349,539.00 |
| | <u>23,416,000.00</u> | <u>16,020,308.00</u> | <u>0.00</u> | <u>39,436,308.00</u> |

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

**Florida Department of Financial Services, Division of Rehabilitation
and Liquidation**
Gulfstream Property & Casualty Insurance Co. in Liquidation
Notes to Financial Statements
Dated March 31, 2023

1. **Estate Information.** Gulfstream P & C Insurance Company was a property and casualty organization domiciled in Florida placed in liquidation on July 28, 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, 2022 through June 30, 2023. 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. **Short-Term Investments.** The investments are stated 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 various accounts at Hancock Whitney Bank.
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) 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.
7. **Other Assets.** These assets consist of states' statutory deposits held at various financial institutions. The Schedule of Other Assets reflects the value of these deposits at March 31, 2023 or latest available, those that have been collected by the Receiver and those where the state has taken its deposit.
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. **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 and Class 3 claim liabilities are based upon Guaranty Association payments and estimates.
 - Class 2 claims liabilities are based on Guaranty Association payments, estimates, and Filed Proof of Claims forms.
 - Classes 4 - 11 claims liabilities are based on Filed Proof of Claim forms.
 - Filed Proof of Claims forms continue to be processed and all liabilities are subject to change.
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. 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.

**Florida Department of Financial Services, Division of Rehabilitation
and Liquidation
Gulfstream Property & Casualty Insurance Co. in Liquidation
Notes to Financial Statements**

Dated March 31, 2023

11. **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.
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.