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**IN THE CIRCUIT COURT OF THE SECOND JUDICIAL CIRCUIT,
IN AND FOR LEON COUNTY, FLORIDA**

In Re: Receivership of
Southern Fidelity Insurance Company Case No.: 2022 CA 001008
_____/

**FLORIDA DEPARTMENT OF FINANCIAL SERVICES'
FIFTH APPLICATION FOR ORDER AUTHORIZING EARLY ACCESS
DISBURSEMENTSTO ELIGIBLE GUARANTYASSOCIATIONS**

The Florida Department of Financial Services, Division of Rehabilitation and Liquidation ("Department") as Receiver of Southern Fidelity Insurance Company ("SFIC"), by and through the undersigned counsel, hereby files its *Fifth Application for Order Authorizing Early Access Disbursements to Eligible Guaranty Associations*, and requests this Court authorize the Department to disburse funds in the aggregate amount of **Twenty-Five Million, Four Hundred Forty-Four Thousand, One Hundred Seventeen Dollars and 00/100 ($25,444,117)** to eligible Guaranty Associations—(hereinafter "Eligible GAs"). These funds are hereinafter referred to as early access funds. In support of its application, the Department states as follows:

1. SFIC was a corporation authorized pursuant to the Florida Insurance Code to transact business in the State of Florida.

2. On June 15, 2022, this Court entered an *Order Appointing the Florida Department of Financial Services as the Receiver of SFIC for purposes of Liquidation, Injunction, and Notice of Automatic Stay* ("Liquidation Order").

3. Pursuant to section 631.021(1), Florida Statutes, this Court has jurisdiction over the Receivership and is authorized to enter all necessary and/or proper orders to carry out the purpose of the Florida Insurers Rehabilitation and Liquidation Act, sections 631.001 et seq., Florida Statutes ("the Act").

4. Section 631.397, Florida Statutes, provides, in substance, that the Department may

disburse assets out of SFIC's marshaled assets to each GA entitled to receive such funds, as such assets become available. In compliance with section 631.397(2)(d), the Department has entered into agreements which require each Eligible GA to return any early access funds previously disbursed as may be required to pay secured creditor claims and claims falling higher within the priority scheme established by the Act. The agreements also provide that no Eligible GA may share in the funds ultimately distributed from the SFIC receivership estate until the allocated distribution to which each GA is otherwise entitled exceeds both (a) the previous disbursements ordered by this Court and (b) the amount of early access disbursement requested in this application. A copy of the executed Early Access Agreements are attached hereto and incorporated herein by reference as **Exhibit A**.

5. In accordance with section 631.397 and as ordered by the Court, the Department previously disbursed One Hundred Ninety-Seven Million, Four Hundred Twenty-Eight Thousand, Three Hundred Seventy-Seven Dollars and 00/100 ($197,428,377) to the Eligible GAs as early access funds.

6. The Department has analyzed the financial condition of the SFIC estate and represents that in accord with section 631.397(2)(a), Florida Statutes, there are sufficient assets in the estate of SFIC to permit the proposed early access disbursements to the GAs, while reserving amounts for (a) the payment of expenses of administration, (b) the payment of claims of secured creditors to the extent of the value of the security held, and (c) the payment of claims falling within the priorities established by the Act. A copy of SFIC's Financial Statement of Affairs as of June 30, 2025, is attached hereto as **Exhibit B**.

7. The Department also represents that the proposed early access disbursements ensure equitable allocation among the Eligible GAs, in accordance with section 631.397(2)(c), Florida Statutes. The allocation is based on the SFIC-related financial and claims data reported to the Department by each GA. A chart of the Eligible GAs and the amount each is entitled to receive is

attached hereto as **Exhibit C.**

8. In accord with section 631.397(2)(b), Florida Statutes, if additional assets become available in an amount sufficient to allow further early access disbursements, the Department will seek additional authority to disburse same.

WHEREFORE, the Department respectfully requests this Court enter an Order authorizing the disbursement of early access funds in the amount of **Twenty-Five Million, Four Hundred Forty-Four Thousand, One Hundred Seventeen Dollars and 00/100 ($25,444,117)** to the Eligible Guaranty Associations.

Respectfully Submitted on this the 17th day of November 2025.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on November 17, 2025, a complete and accurate copy of the foregoing document was filed with the Clerk of Courts using the Florida Courts e-filing portal and was served on all email addresses listed in the portal for service.

/s/ Jamila G. Gooden
JAMILA G. GOODEN
Senior Attorney
Florida Bar No. 46740
Jamila.Gooden@myfloridacfo.com
Florida Department of Financial Services
Division of Rehabilitation and Liquidation
The Atrium
325 John Knox Road, Suite 101
Tallahassee, Florida 32303
Telephone: (850) 413-4414

Exhibit A

Southern Fidelity Insurance Company, In Liquidation

Early Access Agreement

This Early Access Agreement is entered into on this the 20th day of **October** 2022, between the **Florida Department of Financial Services, as Receiver of Southern Fidelity Insurance Company ("Department")**, and the undersigned **Insurance Guaranty Association(s) ("Guaranty Association")**.

WHEREAS, Southern Fidelity Insurance Company ("SFIC"), was a Florida domiciled corporation previously authorized to transact insurance business in the State of Florida and other states; and

WHEREAS, on June 15, 2022, the Second Judicial Circuit Court in and for Leon County, Florida, (the "Court") entered its **Consent Order of Liquidation, Injunction, and Notice of Automatic Stay** ("Liquidation Order"); and

WHEREAS, section 631.397(1), Florida Statutes, provides, in relevant part, that the Department may apply to this Court for authorization to "disburse assets out of such insurer's marshaled assets, as such assets become available, to each Guaranty Association entitled thereto" ("Early Access disbursement"); and

WHEREAS, the Department will from time to time determine, in its sole discretion, whether the SFIC receivership estate has sufficient liquid assets available to make an Early Access disbursement to the Guaranty Association; and

WHEREAS, if the Department determines that the receivership estate has sufficient liquid funds available to make an Early Access disbursement, the Department may apply to the Court for an order permitting the Department to make an Early Access disbursement to the Guaranty Association pursuant to section 631.397, Florida Statutes, for the partial

payment of claims and/or administrative expenses; and

WHEREAS, the Guaranty Association may only receive such a disbursement if the total amount of the contemplated disbursement plus the total amount of all Early Access disbursements already received by the Guaranty Association is less than the Guaranty Association's incurred claims and administrative expenses; and

WHEREAS, the Department and the Guaranty Association acknowledge and agree that neither the Department's review of the Guaranty Association's documentation for purposes of Early Access disbursement(s) nor this Early Access Agreement constitute an evaluation of or recommendation on any claim which the Guaranty Association may be entitled to under section 631.27l, Florida Statutes;

NOW THEREFORE, the Department and the Guaranty Association agree as follows:

1. The Guaranty Association will respond in good faith to requests from the Department for information, files, and documents. The Department will be permitted full access to the books, records, and files of the Guaranty Association pertaining to the handling and payment of covered claims and administrative expenses incurred by the Guaranty Association in fulfilling its obligations under its enabling statute.

2. Beginning with the quarter ending December 31, 2022, and on at least a quarterly basis thereafter until the conclusion of the receivership proceedings, the Department shall produce a reasonably detailed and current statement of the Estate’s financial condition. The statement will be in substantially the format published on the Department’s website. The Department shall provide this information as soon as it is available following the close of each quarter.

3. The Guaranty Association will make reports to the Department no less

frequently than quarterly, through the Secure Uniform Data Standard ("UDS") or in another form acceptable to the Department disclosing the status of the following items received, held or processed during the reporting period: current open claims count, open claims reserves, claim payments, salvage or subrogation recoveries, if any, and such other items as may be reasonably required by the Department. The reports shall be sent to the Department electronically via the UDS server housed by the National Conference of Insurance Guaranty Funds ("NCIGF") or mailed to the Department at to the address listed in Paragraph 11 below, or such other location designated by the Department

4. The Guaranty Association will utilize any payment received pursuant to this Agreement solely for the payment of covered claims, as defined by section 631.271, and Part II, Chapter 631, Florida Statutes, or the pertinent part of the relevant state statute applicable to the Guaranty Association, and for the payment of claims handling or administrative expenses, as defined by section 631.271(1)(a)(2), Florida Statutes, relating to the Receivership of SFIC.

5. The Guaranty Association will not be penalized, by offset or otherwise, by the amount of any special deposit or any other statutory deposit or asset of the insolvent insurer held in that state unless the Guaranty Association has actually received such deposit or asset.

6. The Guaranty Association agrees to return to the Department within 60 days all or any portion of any Early Access disbursements acquired by the Guaranty Association pursuant to this Agreement, with any income earned thereon, if the Department determines, at any time, that such repayment is necessary to pay claims or expenses which the

Department determines to be of equal or superior priority. Should it be necessary for the Guaranty Association to make an assessment in order to return the relevant portion of the disbursement to the Department, the Guaranty Association shall have 90 days within which to return the disbursement. In the event the Guaranty Association is required to repay to the Department any Early Access disbursements, the Guaranty Association will pay the Department in cash or other liquid assets as may be acceptable to the Department.

7. Pursuant to section 631.271, Florida Statutes, the Guaranty Association understands and agrees that any disbursement made pursuant to this Agreement constitutes partial payment on any claim which the Guaranty Association may have in the SFIC Receivership and that it will not share in any final distribution of assets from the SFIC Receivership until claimants of an equal priority receive an equal pro rata distribution on their claims. Any and all interest that the Guaranty Association earns on funds so disbursed shall also be considered Early Access disbursements for purposes of this Agreement.

8. Prior to the final distribution of the assets of SFIC, the Department will be given reasonable access to the financial accounts, records and procedures of the Guaranty Association with respect to the receipt of assets or the payment of covered claims. The Guaranty Association will, within 30 days after receipt of a written request from the Department, return to the Department any Early Access disbursements made pursuant to this Agreement which are more than the amount ultimately determined by the Department to be due the Guaranty Association as a final distribution of the assets of SFIC. The Department and the Guaranty Association shall cooperate in planning the destruction or other final disposition of the information, files, and documents received by the Guaranty

Association from SFIC or the Department.

9. The Guaranty Association's execution of this Agreement and acceptance of any amount distributed thereunder, shall be without prejudice to the Guaranty Association's rights with respect to final or other distributions from the estate of SFIC.

10. This Early Access Agreement shall be construed in accordance with Florida law. Any legal action by either party to enforce or interpret this Agreement or the parties' obligations under this Agreement shall be commenced, litigated, and adjudicated in and by the Second Judicial Circuit Court, in and for Leon County, Florida. The Guaranty Association's submission to the aforementioned jurisdiction is strictly for the purposes of enforcement of this Agreement and not for any other purpose.

11. Any notice required to be given to the parties shall be given by regular United States mail, postage prepaid, addressed as follows:

Department: Lorrie Arterburn
Division Director
Florida Department of Financial Services,
Division of Rehabilitation and Liquidation
325 John Knox Rd,
Atrium Building, Suite 101
Tallahassee, Florida 32303

Guaranty Assoc.: See address identified in signature block below.

12. This Agreement merges all prior offers and agreements of every kind as related to Early Access and expresses the full and final intent of the parties and shall be effective only upon Court approval. This Agreement shall not be modified, except by an instrument in writing, executed by the authorized representatives of the parties, and subject to Court approval.

13. This Agreement supersedes all earlier Early Access agreements and will

apply to all future Early Access disbursements to the Guaranty Association. It will be attached to all future Early Access motions filed by the Department.

14. This Agreement may be executed in any number of counterparts, any or all of which may contain the signature of only one of the Parties, and all of which together shall be considered a single original document.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date indicated below:

[THIS SECTION INTENTIONALLY LEFT BLANK]

[SIGNATURES OF THE PARTIES ARE ON THE FOLLOWING PAGES]

Florida Department of Financial Services,
Division of Rehabilitation and Liquidation
As **Receiver for Southern Fidelity Insurance Company**
By and through **Lorrie Arterburn, Division Director**

By: Lorrie Arterburn

Date: 10/20/2022

Florida Insurance Guaranty Association

"Guaranty Association"

By: Corey Neal

Printed Name: Corey Neal

Title: Executive Director

Date: 9/26/22

Address:

P.O. Box 14249

Tallahassee, FL 32317

Mississippi Insurance Guaranty Association

"Guaranty Association"

By: Arthur Russell

Printed Name: Arthur Russell

Title: Executive Director

Date: 9/26/22

Address:

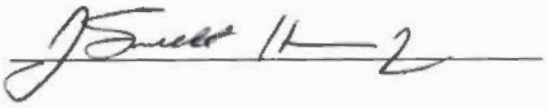
713 South Pear Orchard Rd.

Suite 200

Ridgeland, MS 39157

South Carolina Property & Casualty Insurance Guaranty Association

"Guaranty Association"

By: 

Printed Name: J. Smith Harrison, Jr.

Title: Executive Director

Date: 10/10/2022

Address:

240 Stoneridge Drive

Suite 101

Columbia, SC 29210

Louisiana Insurance Guaranty Association

"Guaranty Association"

By: _____

Printed Name: John C. Wells

Title: Executive Director

Date: 10/20/2022

Address:

2142 Quail Run Dr

Baton Rouge, LA 70808

Exhibit B

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Southern Fidelity Insurance Co in Liquidation
Statement of Affairs
6/30/2025

	Estimated Realizable Value
ASSETS	
SPIA-Restricted	$18,084,619.73
Pooled Cash in SPIA Due from the Admin Fund	83,186,059.23
Accrued Interest Receivable	309,335.94
Reinsurance Recoverable	35,811,984.67
Accounts Receivable	16,446,421.65
Allowance - Accounts Receivables	(16,446,421.65)
Marshaled Inventory	39,024.00
Other Assets	2,000,666.37
Advance to Guaranty Associations	197,428,376.00
Total Assets	$336,860,065.94
LIABILITIES	
Secured Claims	18,084,619.73
Class 1 Administrative Claims	
Class 1 - Guaranty Associations	78,598,166.72
Class 2 Loss Claims	
Class 2 - Guaranty Associations	256,288,857.35
Class 2 - Other	170,986.07
Class 3 Unearned Premium Claims under Non-assessable Policies	
Class 3 - Guaranty Associations	142,468,660.67
Class 3 - Other	2,475,996.47
Class 6 General Creditor Claims	
Class 6 - Other	9,338,452.27
Class 7 State & Local Government Claims	737,266.86
Class 8 Late Filed Claims	714,018.87
Class 11 Shareholder Claims	1.00
Total Liabilities	$508,877,026.01
EQUITY	
Contributed Equity - State of Florida	423,673.58
Estate Equity	(172,440,633.65)
Excess (Deficiency) of Assets over Liabilities	($172,016,960.07)
Total Liabilities and Equity	$336,860,065.94

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

UNAUDITED

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Southern Fidelity Insurance Co in Liquidation
Statement of Cash Receipts and Disbursements
From the Date of Liquidation through 6/30/2025

	Fiscal Year to Date	Since Date of Liquidation
CASH RECEIPTS		
Premium Collections	$0.00	($243,047.02)
Assessment Recoveries	0.00	285.20
Reinsurance Recoveries	28,086,841.74	78,587,969.17
Agents' Balances Recoveries	1,992,029.62	9,185,797.50
Subrogation and Salvage Recoveries	88,289.57	1,012,974.27
Tax Recoveries	6,490.98	6,590.98
Other Collections / Recoveries	119,758.68	30,334,407.18
Sale of Personal Property Inventory	20.00	1,332.47
Sale of Real Property Inventory	0.00	13,560,245.00
Receipts Before Investment Activities	30,293,430.59	132,446,554.75
Interest and Dividend Receipts	4,789,566.42	11,172,199.98
Sale of Short Term Investment	0.00	38,470,537.62
Receipts From Investment Activities	4,789,566.42	49,642,737.60
Total Cash Receipts	35,082,997.01	182,089,292.35
CASH DISBURSEMENTS & DISTRIBUTIONS		
Professional Fees and Expenses	1,282,310.95	3,203,558.74
Salaries and Fringe Benefits	821,327.77	3,154,301.80
Employee Welfare	2,030.96	6,954.59
Travel Expenses	4,872.83	48,084.02
Admin Expenses	42,290.99	2,392,224.00
Equipment and Furniture Expenses	213,295.76	934,044.61
Rent, Building and Equipment	13,902.23	25,512.46
Taxes	533.90	82,225.11
Purchase Other Assets	0.00	12,500.00
Disbursements	2,380,565.39	9,859,405.33
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
Shareholder Claims	0.00	0.00
Early Access-Guaranty Associations	45,111,728.00	197,428,376.00
Total Distributed	45,111,728.00	197,428,376.00
Disbursements & Distributions Before Investment Activities	47,492,293.39	207,287,781.33
Financial Expenses	144,141.25	548,608.38
Disbursements for Investment Activities	144,141.25	548,608.38
Total Cash Disbursements & Distributions	**47,636,434.64**	**207,836,389.71**
Net Increase (Decrease) in Cash	**(12,553,437.63)**	**(25,747,097.36)**
Beginning Cash Balance:		
Beginning Cash	113,722,179.59	102,992,557.53
Adjustments to Beginning Cash	101,937.00	24,025,218.79
Adjusted Beginning Cash Balance	**113,824,116.59**	**127,017,776.32**
Ending Cash Balance	**101,270,678.96**	**101,270,678.96**

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

UNAUDITED

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Southern Fidelity Insurance Company in Liquidation
Schedule of SPIA - Restricted
For the Twelve Months Ended June 30, 2025

SPIA - Reinsurance LOCs

Description	LOC No.	Balance 7/1/24	Adjustments/Deposits	Interest	Trransfers/Distributions	Balance 6/30/25
Argo Reinsurance Ltd	30907231	953,980.44	0.00	0.00	0.00	953,980.44
Ariel Re Bda/Argo Re Ltd	30907280	1,590,467.17	0.00	0.00	0.00	1,590,467.17
Chubb Tempest Reinsurance Ltd	30906302	706,946.48	0.00	0.00	0.00	706,946.48
Chubb Tempest Reinsurance Ltd	30905674	295,405.30	0.00	0.00	0.00	295,405.30
Fidelis Insurance Bermuda Ltd	30905759	3,382,291.73	0.00	0.00	0.00	3,382,291.73
Fidelis Insurance Bermuda Ltd	30905604	5,304,242.47	0.00	0.00	0.00	5,304,242.47
Fidelis Insurance Bermuda Ltd	30905609	4,389,288.23	0.00	0.00	0.00	4,389,288.23
Fidelis Underwriting Ltd	LBCMNY2019021	183,592.74	0.00	0.00	0.00	183,592.74
Interest		607,362.84	0.00	671,042.33	0.00	1,278,405.17
	Total:	17,413,577.40	0.00	671,042.33	0.00	18,084,619.73

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Southern Fidelity Insurance Company in Liquidation
Schedule of Accrued Interest Receivable
For the Twelve Months Ended June 30, 2025

Accrued Interest Receivable

Description		Balance 7/1/24	Accrued	Received	Balance 6/30/25
State Treasury	SPIA, 4-20-0-010000-00000	242,749.23	4,031,228.97	(3,964,642.26)	309,335.94
	Totals:	242,749.23	4,031,228.97	(3,964,642.26)	309,335.94

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Southern Fidelity Ins Co in Liquidation
Schedule of Reinsurance Recoverables - Net of Allowance
For Twelve Months Ended June 30, 2025

Reinsurance Recoverables

Recovery Agent	Balance 7/1/24	Billed	Recovered	Adjustments	Balance 6/30/25
Receiver	1,250.00	25,174,949.23	(24,711,795.59)	35,347,581.03	35,811,984.67
Total	1,250.00	25,174,949.23	(24,711,795.59)	35,347,581.03	35,811,984.67

Allowance Reinsurance

Recovery Agent	Balance 7/1/24	Increases	Decreases	Balance 6/30/2025
Receiver	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00

Reinsurance Recoverables - Net of Allowance	**35,811,984.67**

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

UNAUDITED

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Southern Fidelity Insurance Company in Liquidation
Schedule of Accounts Receivable
For the Twelve Months Ended June 30, 2025

Other Collections - Recovery/Receivable

Description	Balance 7/1/24	Adjustments	Payments Received	Balance 6/30/25
Federal Income Tax Refund Receivable	13,546,421.65	0.00	0.00	13,546,421.65
Deferred Tax Asset Guaranty	2,900,000.00	0.00	0.00	2,900,000.00
Totals:	16,446,421.65	0.00	0.00	16,446,421.65

Allowance - Other Receivables

Description	Balance 7/1/24	Adjustments	Payments Received	Balance 6/30/25
Federal Income Tax Refund Receivable	(13,546,421.65)	0.00	0.00	(13,546,421.65)
Deferred Tax Asset Guaranty	(2,900,000.00)	0.00	0.00	(2,900,000.00)
Totals:	(16,446,421.65)	0.00	0.00	(16,446,421.65)

Total Accounts Receivable - Net of Allowances

0.00

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Southern Fidelity Insurance Company in Liquidation
Schedule of Marshaled Inventory
For the Twelve Months Ended June 30, 2025

Inventory - Personal Property

Description	Balance 7/1/24	Adjustments	Sales Proceeds	Balance 6/30/25
Home Office Equipment IT	39,024.00	0.00	0.00	39,024.00
Totals:	39,024.00	0.00	0.00	39,024.00

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Southern Fidelity Insurance Company in Liquidation
Schedule of Other Assets
For the Twelve Months Ended June 30, 2025

Statutory Deposits

Description	Balance 7/1/24	Adjustments	Recovered	Balance 6/30/25
Georgia - US Bank	100,006.00	(6.00)	(100,000.00)	0.00
Louisiana (1)	101,937.00	(101,937.00)	0.00	0.00
South Carolina - Regions	132,447.00	219.37	0.00	132,666.37
South Carolina - US Bank	1,613,000.00	0.00	0.00	1,613,000.00
South Carolina - US Bank	255,000.00	0.00	0.00	255,000.00
Totals:	2,202,390.00	(101,723.63)	(100,000.00)	2,000,666.37

(1) Per letter from LA DOI, this was released to the Company 10/20/2021.

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Southern Fidelity Insurance Company in Liquidation
Schedule of Advance to Guaranty Associations
For the Twelve Months Ended June 30, 2025

Advance to Guaranty Associations

Description	Balance 7/1/24	Advanced	Recovered	Balance 6/30/25
Florida (FIGA)	56,049,601.00	16,866,160.00	0.00	72,915,761.00
Louisiana	87,740,706.00	28,245,568.00	0.00	115,986,274.00
South Carolina	8,150,929.00	0.00	0.00	8,150,929.00
Mississippi	375,412.00	0.00	0.00	375,412.00
Total:	152,316,648.00	45,111,728.00	0.00	197,428,376.00

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Southern Fidelity Insurance Company in Liquidation
Schedule of Secured Claims
For the Twelve Months Ended June 30, 2025

Secured Claims - Reinsurance LOCs

Description	LOC No.	Balance 7/1/24	Adjustments/Deposits	Interest	Trransfers/Distributions	Balance 6/30/25
Argo Reinsurance Ltd	30907231	953,980.44	0.00	0.00	0.00	953,980.44
Ariel Re Bda/Argo Re Ltd	30907280	1,590,467.17	0.00	0.00	0.00	1,590,467.17
Chubb Tempest Reinsurance Ltd	30906302	706,946.48	0.00	0.00	0.00	706,946.48
Chubb Tempest Reinsurance Ltd	30905674	295,405.30	0.00	0.00	0.00	295,405.30
Fidelis Insurance Bermuda Ltd	30905759	3,382,291.73	0.00	0.00	0.00	3,382,291.73
Fidelis Insurance Bermuda Ltd	30905604	5,304,242.47	0.00	0.00	0.00	5,304,242.47
Fidelis Insurance Bermuda Ltd	30905609	4,389,288.23	0.00	0.00	0.00	4,389,288.23
Fidelis Underwriting Ltd	LBCMNY2019021	183,592.74	0.00	0.00	0.00	183,592.74
Interest		607,362.84	0.00	671,042.33	0.00	1,278,405.17
	Total:	17,413,577.40	0.00	671,042.33	0.00	18,084,619.73

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Southern Fidelity Insurance Co in Liquidation
Notes to Financial Statements
Dated June 30, 2025

1. **Estate Information**. Southern Fidelity Insurance Company was a property and casualty organization domiciled in Florida placed in liquidation on June 15, 2022.
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, 2024 through June 30, 2025. 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".
5. **Special Purpose Investment Account (SPIA)** – **Restricted**. Represents funds wired to the Receiver by issuers of Letters of Credit for the purpose of collateralizing Reinsurance Receivables.
6. **Reinsurance**. Reinsurance receivables have resulted from losses that have been paid and billed to the reinsurer(s). The financial statements reflect the estimated 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. **Accounts Receivable.** These account receivables consist of a Federal Income Tax Refund and a Deferred Tax Asset Guaranty.
8. **Allowance – Accounts Receivable.** An estimate of uncollectible amounts for certain assets.
9. **Marshaled Inventory – Real Property/Personal Property.** Assets of a durable nature such as buildings, furniture, computer equipment, and machinery. The property in this estate consists of the home office IT equipment.
10. **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, 2025 or latest available, those that have been collected by the Receiver and those where the state has taken its deposit.
11. **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.
12. **Secured Claims.** Secured claims represent liabilities for such items as collateral for Reinsurance Receivables. This secured claim represents funds wired to the Receiver by issuers of Letters of Credit on behalf of several companies that were deposited to a segregated account until disposition of the funds can be resolved for amounts related to Reinsurance Receivables.
13. **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 claims liabilities are based on Guaranty Association payments, estimates, and Filed Proof of Claims forms.

- Classes 4 - 11 are based on Filed Proof of Claims forms.

  Filed Proof of Claims forms are currently being processed and all liabilities are subject to change.

14. **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.

15. **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.

16. **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.

17. **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.

Exhibit C

Southern Fidelity Insurance Company
Fifth Early Access Disbursements

Guaranty Association	Previously Authorized	Current Application
Florida (FIGA)	$72,915,761	$8,013,964
Louisiana (LAIGA)	$115,986,274	$17,164,855
Mississippi (MIGA)	$375,413	$0
South Carolina (SCPCIGA)	$8,150,929	$265,298
Total	**$197,428,377**	**$25,444,117**