Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Southern Fidelity Insurance Co in Liquidation
Statement of Affairs
9/30/2025

	Estimated Realizable Value
ASSETS	
SPIA-Restricted	$18,272,180.82
Pooled Cash in SPIA Due from the Admin Fund	90,651,700.46
Accrued Interest Receivable	314,302.33
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	2,000,682.96
Advance to Guaranty Associations	197,428,376.00
Total Assets	$344,518,251.24
LIABILITIES	
Secured Claims	18,272,180.82
Class 1 Administrative Claims	
Class 1 - Guaranty Associations	81,190,916.46
Class 2 Loss Claims	
Class 2 - Guaranty Associations	257,179,223.81
Class 2 - Other	81,800.00
Class 3 Unearned Premium Claims under Non-assessable Policies	
Class 3 - Guaranty Associations	142,471,919.67
Class 3 - Other	2,474,586.67
Class 6 General Creditor Claims	
Class 6 - Other	9,458,684.96
Class 7 State & Local Government Claims	737,266.86
Class 8 Late Filed Claims	716,262.62
Class 11 Shareholder Claims	1.00
Total Liabilities	$512,582,842.87
EQUITY	
Contributed Equity - State of Florida	473,333.24
Estate Equity	(168,537,924.87)
Excess (Deficiency) of Assets over Liabilities	($168,064,591.63)
Total Liabilities and Equity	$344,518,251.24

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 9/30/2025

	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	6,614,378.20	85,202,347.37
Agents' Balances Recoveries	383,753.82	9,569,551.32
Subrogation and Salvage Recoveries	175.00	1,013,149.27
Tax Recoveries	0.00	6,590.98
Other Collections / Recoveries	0.00	30,334,407.18
Sale of Personal Property Inventory	0.00	1,332.47
Sale of Real Property Inventory	0.00	13,560,245.00
Receipts Before Investment Activities	6,998,307.02	139,444,861.77
Interest and Dividend Receipts	1,132,615.38	12,304,815.36
Sale of Short Term Investment	0.00	38,470,537.62
Receipts From Investment Activities	1,132,615.38	50,775,352.98
Total Cash Receipts	8,130,922.40	190,220,214.75
CASH DISBURSEMENTS & DISTRIBUTIONS		
Professional Fees and Expenses	139,057.02	3,342,615.76
Salaries and Fringe Benefits	181,319.62	3,335,621.42
Employee Welfare	571.19	7,525.78
Travel Expenses	1,420.05	49,504.07
Admin Expenses	3,381.40	2,395,605.40
Equipment and Furniture Expenses	120,367.64	1,054,412.25
Rent, Building and Equipment	6,061.68	31,574.14
Taxes	198.44	82,423.55
Purchase Other Assets	0.00	12,500.00
Disbursements	452,377.04	10,311,782.37
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	0.00	197,428,376.00
Total Distributed	0.00	197,428,376.00
Disbursements & Distributions Before Investment Activities	452,377.04	207,740,158.37
Financial Expenses	25,343.04	573,951.42
Disbursements for Investment Activities	25,343.04	573,951.42
Total Cash Disbursements & Distributions	**477,720.08**	**208,314,109.79**
Net Increase (Decrease) in Cash	**7,653,202.32**	**(18,093,895.04)**
Beginning Cash Balance:		
Beginning Cash	101,270,678.96	102,992,557.53
Adjustments to Beginning Cash	0.00	24,025,218.79
Adjusted Beginning Cash Balance	**101,270,678.96**	**127,017,776.32**
Ending Cash Balance	**108,923,881.28**	**108,923,881.28**

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 Three Months Ended September 30, 2025

SPIA - Reinsurance LOCs

Description	LOC No.	Balance 7/1/25	Adjustments/Deposits	Interest	Trransfers/Distributions	Balance 9/30/25
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		1,278,405.17	0.00	187,561.09	0.00	1,465,966.26
	Total:	18,084,619.73	0.00	187,561.09	0.00	18,272,180.82

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

Accrued Interest Receivable

Description		Balance 7/1/25	Accrued	Received	Balance 9/30/25
State Treasury	SPIA, 4-20-0-010000-00000	309,335.94	920,481.64	(915,515.25)	314,302.33
	Totals:	309,335.94	920,481.64	(915,515.25)	314,302.33

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

Reinsurance Recoverables

Recovery Agent	Balance 7/1/25	Billed	Recovered	Adjustments	Balance 9/30/25
Receiver	35,811,984.67	6,614,378.20	(6,614,378.20)	0.00	35,811,984.67
Total	35,811,984.67	6,614,378.20	(6,614,378.20)	0.00	35,811,984.67

Allowance Reinsurance

Recovery Agent	Balance 7/1/25	Increases	Decreases	Balance 9/30/2025
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**

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

Other Collections - Recovery/Receivable

Description	Balance 7/1/25	Adjustments	Payments Received	Balance 9/30/25
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 7/1/25	Adjustments	Payments Received	Balance 9/30/25
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 Three Months Ended September 30, 2025

Inventory - Personal Property

Description	Balance 7/1/25	Adjustments	Sales Proceeds	Balance 9/30/25
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 Three Months Ended September 30, 2025

Statutory Deposits

Description	Balance 7/1/25	Adjustments	Recovered	Balance 9/30/25
Georgia - US Bank	0.00	0.00	0.00	0.00
Louisiana (1)	0.00	0.00	0.00	0.00
South Carolina - Regions	132,666.37	16.59	0.00	132,682.96
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:	2,000,666.37	16.59	0.00	2,000,682.96

(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 Three Months Ended September 30, 2025

Advance to Guaranty Associations

Description	Balance 7/1/25	Advanced	Recovered	Balance 9/30/25
Florida (FIGA)	72,915,761.00	0.00	0.00	72,915,761.00
Louisiana	115,986,274.00	0.00	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:	197,428,376.00	0.00	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 Three Months Ended September 30, 2025

Secured Claims - Reinsurance LOCs

Description	LOC No.	Balance 7/1/25	Adjustments/Deposits	Interest	Trransfers/Distributions	Balance 9/30/25
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		1,278,405.17	0.00	187,561.09	0.00	1,465,966.26
	Total:	18,084,619.73	0.00	187,561.09	0.00	18,272,180.82

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Southern Fidelity Insurance Co in Liquidation
Notes to Financial Statements
Dated September 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, 2025 through June 30, 2026. 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 September 30, 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.

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

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.