

**Florida Department of Financial Services, Division of Rehabilitation and
Liquidation
United Property & Casualty Ins Co in Liquidation
Statement of Affairs
12/31/2023**

	<u>Estimated Realizable Value</u>
ASSETS	
Cash-Company Operating	\$57,999,648.41
SPIA-Restricted	207,224.05
Pooled Cash in SPIA Due from the Admin Fund	132,955,982.44
Short Term Investments	66,175.10
Short Term Investments-Restricted	3,028,004.60
Accrued Interest Receivable	369,043.58
Reinsurance Recoverable	32,120,768.60
Accounts Receivable	34,973,325.71
Allowance - Accounts Receivables	(34,973,325.71)
Long Term Investments	23,621.94
Other Assets	14,772,086.58
Total Assets	<u><u>\$241,542,555.30</u></u>

LIABILITIES	
Secured Claims	207,224.05
Class 1 Administrative Claims	
Class 1 - Guaranty Associations	58,016,865.67
Class 2 Loss Claims	
Class 2 - Guaranty Associations	425,344,179.62
Class 2 - Other	47,689.72
Class 3 Unearned Premium Claims under Non-assessable Policies	
Class 3 - Guaranty Associations	60,259,038.34
Class 3 - Other	8,110,145.77
Class 6 General Creditor Claims	
Class 6 - Other	202,595.52
Total Liabilities	<u>\$552,187,738.69</u>

EQUITY	
Contributed Equity - State of Florida	132,139.75
Estate Equity	(310,777,323.14)
Excess (Deficiency) of Assets over Liabilities	<u>(\$310,645,183.39)</u>
Total Liabilities and Equity	<u><u>\$241,542,555.30</u></u>

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

**United Property & Casualty Ins Co in Liquidation
Statement of Cash Receipts and Disbursements
From the Date of Liquidation through 12/31/2023**

	Fiscal Year to Date	Since Date of Liquidation
CASH RECEIPTS		
Premium Collections	\$2,626,612.37	\$2,626,612.37
Reinsurance Recoveries	57,401,512.51	72,807,895.57
Subrogation and Salvage Recoveries	545,423.16	927,635.99
Litigation Recoveries	0.00	448.00
Tax Recoveries	10,305,057.42	17,604,345.69
Other Collections / Recoveries	11,092,300.42	11,245,365.54
Mortgage Interest Income	39,379.00	39,379.00
Receipts Before Investment Activities	82,010,284.88	105,251,682.16
Interest and Dividend Receipts	6,874,386.96	6,978,639.07
Sale of Short Term Investment	1,014,843.59	37,159,991.14
Sale of Long Term Investment	0.00	1,000,000.00
Receipts From Investment Activities	7,889,230.55	45,138,630.21
Total Cash Receipts	89,899,515.43	150,390,312.37
CASH DISBURSEMENTS & DISTRIBUTIONS		
Professional Fees and Expenses	1,864,060.20	2,591,666.66
Salaries and Fringe Benefits	1,133,220.03	2,030,289.59
Employee Welfare	517.82	643.50
Travel Expenses	1,818.29	34,143.87
Admin Expenses	1,103,835.81	2,461,582.10
Equipment and Furniture Expenses	21,254.11	26,508.25
Rent, Building and Equipment	2,426.73	2,779.52
Disbursements	4,127,132.99	7,147,613.49
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
Claims-Other	0.00	0.00
Total Distributed	0.00	0.00
Disbursements & Distributions Before Investment Activities	4,127,132.99	7,147,613.49
Financial Expenses	170,766.22	182,866.70
Purchase Short Term Investment	448,304.95	448,304.95
Disbursements for Investment Activities	619,071.17	631,171.65
Total Cash Disbursements & Distributions	4,746,204.16	7,778,785.14
Net Increase (Decrease) in Cash	85,153,311.27	142,611,527.23
Beginning Cash Balance:		
Beginning Cash	108,816,396.43	51,358,180.47
Adjustments to Beginning Cash	(2,806,852.80)	(2,806,852.80)
Adjusted Beginning Cash Balance	106,009,543.63	48,551,327.67
Ending Cash Balance	191,162,854.90	191,162,854.90

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
United Property & Casualty Insurance Company
Schedule of Cash - Company
For the Six Months Ended December 31, 2023

Cash - Company

Description	Balance						Voids/Stop Pays/Adjustments	Balance 12/31/23
	7/1/23	Interest	Deposits	Checks/Fees	Transfers/ZBAs			
Various	Onsite Company accounts	51,358,180.47	0.00	0.00	0.00	0.00	(51,358,180.47)	0.00
Wells Fargo	UPC Operating	0.00	32,914.60	12,457,894.23	(112,989.12)	(86,859,582.73)	190,974,840.21	116,493,077.19
Wells Fargo	UPC Prem Deposit	0.00	0.00	0.00	0.00	0.00	(11,627.00)	(11,627.00)
Wells Fargo	UPC Prem Refunds	0.00	0.00	0.00	0.00	34,812.23	(2,809,964.07)	(2,775,151.84)
Wells Fargo	UPC Claims-IC	0.00	0.00	0.00	0.00	27,706.83	(1,120,461.87)	(1,092,755.04)
Wells Fargo	UPC Prem Dep Acct-DXC	0.00	0.00	325,592.49	(366.68)	(325,225.81)	11,627.00	11,627.00
Wells Fargo	UPC Accts Payable	0.00	0.00	0.00	0.00	9,289.49	(33,887.45)	(24,597.96)
Wells Fargo	UPC Man Claim Pmts Acct-EAS	0.00	0.00	0.00	0.00	14,878.89	(17,822.54)	(2,943.65)
Wells Fargo	UPC Claims DC-Katana	0.00	0.00	225.00		49,999,786.65	(79,394,234.81)	(29,394,223.16)
Wells Fargo	UPC Prem Dep DC	0.00	0.00	1,210,897.06	(1,308.57)	(1,209,588.49)	0.00	0.00
Wells Fargo	UPC Prem Refunds DC	0.00	0.00	0.00	0.00	961,650.85	(2,326,984.35)	(1,365,333.50)
Wells Fargo	FSIC Inc Operating Acct	0.00	0.00	0.00	0.00	(24,528.94)	2,021,232.95	1,996,704.01
Wells Fargo	FSIC Inc - IC Claims	0.00	0.00	0.00	0.00	0.00	(316,307.09)	(316,307.09)
Wells Fargo	FSIC Ret Prem Acct-Code Obj	0.00	0.00	0.00	0.00	0.00	(24,577.72)	(24,577.72)
Wells Fargo	FSIC Prem Dep Acct - DXC	0.00	0.00	(45,358.32)	(1,801.28)	47,159.92	(0.32)	(0.00)
Republic Bank	FSIC & UPCIC	(1,603,491.50)	0.00	0.00	0.00	0.00	1,603,491.50	0.00
Wells Fargo	FSIC Accts Payable Acct	0.00	0.00	21,835.62	0.00	(21,835.62)	(601.00)	(601.00)
Wells Fargo	FSIC Claims Acct-Katana	0.00	0.00	0.00	0.00	37,542,692.12	(59,218,015.55)	(21,675,323.43)
Wells Fargo	FSIC Prem Dep DC	0.00	0.00	1,148,100.69	(276.83)	(1,147,823.86)	0.00	(0.00)
Wells Fargo	FSIC Premium Refunds DC	0.00	0.00	0.00	0.00	515,450.27	(1,067,416.93)	(551,966.66)
Bank of America	UPC Operating Acct	0.00	8,622.56	303,602.00	0.00	(499,139.09)	1,703,677.25	1,516,762.72
Bank of America	UPC Premium Refunds-CSC	0.00	0.00	424,464.48	0.00	499,130.00	(4,904,490.90)	(3,980,896.42)
Bank of America	FSIC Inc - Operating Acct	0.00	0.00	0.00	0.00	(55,264.81)	655,542.83	600,278.02
Bank of America	Return Prem CSC FL Business	0.00	0.00	0.00	0.00	555,244.81	(1,959,480.36)	(1,404,235.55)
Wells Fargo	UPC Mechant Reserve	(4,328,208.52)	16,393.93	0.00	(1,428.98)	0.00	4,314,982.76	1,739.19
		45,426,480.45	57,931.09	15,847,253.25	(118,171.46)	64,812.71	48,079,522.54	57,999,648.11

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
United Property & Casualty Insurance Company
Schedule of SPIA - Restricted
For the Six Months Ended December 31, 2023

SPIA - Other Reinsurance

Description	Account	Balance 7/1/23	Adjustments/Deposits	Interest	Tranfers/Distributions	Balance 12/31/23
ACIC & IIC	SPIA 42001100	204,927.11	0.00	2,296.94	0.00	207,224.05
Total:		204,927.11	0.00	2,296.94	0.00	207,224.05

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
United Property & Casualty Insurance Company
Schedule of Short Term Investments
For the Six Months Ended December 31, 2023

Money Market Accounts

Description	Balance 7/1/23	Adjustments/ Fees	Interest or Dividends	Transfers	Balance 12/31/23
Money Market-Invt Custodian Clearwater Analytics	840,270.45	(985,008.80)	210,913.45	0.00	66,175.10
	<u>840,270.45</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>66,175.10</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
United Property & Casualty Insurance Company
Schedule of Short Term Investments Restricted
For the Six Months Ended December 31, 2023

Short Term Investments Restricted

Description	Balance 7/1/23	Adjustments/ Fees	Interest or Dividends	Transfers	Balance 12/31/23
Field Pro Trusts	0.00	3,028,004.60	0.00	0.00	3,028,004.60
	0.00	0.00	0.00	0.00	3,028,004.60

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

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
United Property & Casualty Insurance Company
Schedule of Accrued Interest Receivable
For the Six Months Ended December 31, 2023

Accrued Interest Receivable

Description		Balance 7/1/23	Accrued	Received	Balance 12/31/23
State Treasury	SPIA, 4-20-0-010000-00000	101,984.26	1,270,416.94	(1,003,357.62)	369,043.58
Totals:		<u>101,984.26</u>	<u>1,270,416.94</u>	<u>(1,003,357.62)</u>	<u>369,043.58</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
United Property & Casualty Ins Co in Liquidation
Schedule of Reinsurance Recoverables - Net of Allowance
For Six Months Ended December 31, 2023

Reinsurance Recoverables

Recovery Agent	Balance 7/1/23	Billed	Recovered	Adjustments	Balance 12/31/23
Receiver	39,165,647.85	50,356,633.26	(50,356,633.26)	(7,044,879.25)	32,120,768.60
Total	<u>39,165,647.85</u>	<u>50,356,633.26</u>	<u>(50,356,633.26)</u>	<u>(7,044,879.25)</u>	<u>32,120,768.60</u>

Allowance Reinsurance

Recovery Agent	Balance 7/1/23	Increases	Decreases	Balance 12/31/2023
Receiver	0.00	0.00	0.00	0.00
Total	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

Reinsurance Recoverables - Net of Allowance

32,120,768.60

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

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
United Property & Casualty Insurance Company
Schedule of Accounts Receivable
For the Six Months Ended December 31, 2023

Other Collections - Recovery/Receivable

Description	Balance 7/1/23	Adjustments	Payments Received	Balance 12/31/23
SLIDE Premium Recon Receivable	9,821,177.19	(2,442,408.65)	(7,378,768.54)	0.00
Premium tax	3,955,557.43	0.00	0.00	3,955,557.43
Other Securities - Clearwater Analytics	18,971.90	0.00	0.00	18,971.90
Federal Income Tax Receivable	48,269,088.57	(1,300,392.50)	(15,969,899.69)	30,998,796.38
Totals:	62,064,795.09	(3,742,801.15)	(23,348,668.23)	34,973,325.71

Allowance - Other Receivables

Description	Balance 7/1/23	Adjustments	Payments Received	Balance 12/31/23
FITRR Allowance	(48,269,088.57)	1,300,392.50	15,969,899.69	(30,998,796.38)
Premium Tax Allowance	(3,955,557.43)	0.00	0.00	(3,955,557.43)
Other Securities Allowance	(18,971.90)	0.00	0.00	(18,971.90)
Totals:	(52,243,617.90)	1,300,392.50	15,969,899.69	(34,973,325.71)

Total Accounts Receivable - Net of Allowances

0.00

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
United Property & Casualty Insurance Company
Schedule of Long Term Investments
For the Six Months Ended December 31, 2023

Long Term Investments

Description		Balance 45,108.00	Adjustments	Recovered	Balance 45,291.00
South Carolina Regions Bank (Stat Deposit)	1560	969,840.00	(969,840.00)	0.00	0.00
Viriginia Regions Bank (Stat Deposit)	1560	289,089.00	(289,089.00)	0.00	0.00
Massaschuetts Avenu Insights (Stat Deposit)	1560	100,000.00	(100,000.00)	0.00	0.00
Other LT Investments	1560	23,621.94	0.00	0.00	23,621.94
Totals:		1,382,550.94	(1,358,929.00)	0.00	23,621.94

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
United Property & Casualty Insurance Company
Schedule of Other Assets
For the Six Months Ended December 31, 2023

Statutory Deposits

Description	Balance 7/1/23	Adjustments	Recovered	Balance 12/31/23
Louisiana: Regions Bank	100,000.00	0.00	0.00	100,000.00
South Carolina: Regions Bank	0.00	969,840.00	0.00	969,840.00
New York: US Bank	620,006.22	0.00	0.00	620,006.22
North Carolina: US Bank	300,002.58	0.00	0.00	300,002.58
Georgia: US Bank	25,000.00	0.00	0.00	25,000.00
Virginia: Principal	0.00	289,089.00	0.00	289,089.00
Massachusetts	0.00	100,000.00	0.00	100,000.00
Florida: Avenue Insights	623,752.59	0.00	(323,752.59)	300,000.00
Totals:	1,668,761.39	1,358,929.00	(323,752.59)	2,703,937.80

Other Investments

Description	Balance 7/1/23	Adjustments	Recovered	Balance 12/31/23
Kayne Senior Credit Fund II LP	190,316.00	(17,389.00)	(30,502.00)	142,425.00
Kayne Senior Credit Fund III LP	1,156,427.00	26,698.00	(80,751.00)	1,102,374.00
Blackstone Alternatives Solution 2015 Trust (Held at ML)	372,271.88	(1,290.32)	0.00	370,981.56
DCR Mortgage Partners, VII LP	151,532.00	(43,925.00)	0.00	107,607.00
DCR Mortgage Partners X LP	2,974,366.00	168,917.81	(319,119.81)	2,824,164.00
GSO Rescue Finance Fund (Held at ML)	560,808.83	(11,133.04)	0.00	549,675.79
Wellington Trust	4,808,911.04	162,010.39	0.00	4,970,921.43
FHLB Atlanta	1,010,861.00	0.00	(1,010,861.00)	0.00
DCR Mortgage Partners X- Non collateral Loan	2,000,000.00	0.00	0.00	2,000,000.00
Totals:	13,225,493.75	283,888.84	(1,441,233.81)	12,068,148.78

Total Other Assets: 14,772,086.58

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
United Property & Casualty Insurance Company
Schedule of Secured Claims
For the Six Months Ended December 31, 2023

Secured Claims - Other

Description	Balance 7/1/23	Adjustments/Deposits	Interest	Transfers/Distributions	Balance 12/31/23
ACIC & IIC SPIA	204,927.11	0.00	2,296.94	0.00	207,224.05
Total:	204,927.11	0.00	2,296.94	0.00	207,224.05

Total Secured Claims: 207,224.05

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

Dated December 31, 2023

1. **Estate Information.** United Property & Casualty Insurance Company (UPCIC) was a property and casualty organization domiciled in Florida placed in liquidation on February 27, 2023.
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, 2023 through June 30, 2024. 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. **Special Purpose Investment Account (SPIA) – Restricted.** Represents funds wired to the Receiver by Gallagher Re pending reconciliation.
6. **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.
7. **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.
8. **Accounts Receivable.** These account receivables consist of Premium Tax Receivable, Federal Income Tax Receivable and Other Securities (due to investment activity in transit) receivable.
9. **Allowance – Accounts Receivable.** An estimate of uncollectible amounts for certain assets.
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 June 30, 2023 or latest available, those that have been collected by the Receiver and those where the state has taken its deposit. These also consists of several investments held by UPCIC at the time of liquidation currently under review for liquidity.
11. **Secured Claims.** This secured claim represents funds wired to the Receiver by a Reinsurer being held in a segregated account pending reconciliation.
12. **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 & Class 3 claim liabilities are based upon Guaranty Association payments, estimates and Filed Claims.
 - All other classes are based on Filed Claims.
 - Filed Proof of Claims forms are currently being processed and all liabilities are subject to change.

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

Dated December 31, 2023

13. **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.
14. **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.
15. **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.
16. **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.