

**STATE OF SOUTH CAROLINA  
RICHLAND COUNTY**

**IN THE COURT OF COMMON PLEAS  
FIFTH JUDICIAL CIRCUIT**

Raymond G. Farmer, as Director of the South  
Carolina Department of Insurance,

Civil Action No. 2017-CP-40-05195

Petitioner,

**NOTICE OF FILING OF  
FINANCIAL STATEMENTS AS OF  
JUNE 30, 2018**

vs.

Oceanus Insurance Company, a Risk  
Retention Group,

Respondent.

---

Pursuant to the South Carolina Insurers Rehabilitation and Liquidation Act, S.C. Code Ann. §§ 38-27-10 *et seq.*, the Liquidator of Oceanus Insurance Company, a Risk Retention Group in Liquidation (Oceanus) hereby files the financial statements of Oceanus as of June 30, 2018. Said financial statements are attached as Exhibit A to this filing.

Respectfully submitted,

September 26, 2018

s/ Geoffrey R. Bonham  
S.C. Bar No. 13058  
Associate General Counsel  
S.C. Department of Insurance  
P.O. Box 100105  
Columbia SC 29202-3105

Capitol Center  
1201 Main Street, Suite 1000  
Columbia SC 29201

Telephone: 803-737-6200  
Fax: 803-737-6229  
Email: [gbonham@doi.sc.gov](mailto:gbonham@doi.sc.gov)

One of the Attorneys for Petitioner

**EXHIBIT A**

**Oceanus Insurance Company, Inc., a RRG in Liquidation  
Balance Sheet  
December 31, 2017 and June 30, 2018**

	<b>December 31, 2017</b>	<b>June 30, 2018</b>
	<hr/>	<hr/>
<b>Assets</b>		
Bonds	31,435,949	33,822,837
Cash and cash equivalents	6,583,508	2,752,065
<b>Total cash and investments</b>	<hr/> <b>38,019,457</b>	<hr/> <b>36,574,902</b>
Receivable from agents, insureds and others	668,501	1,090,606
Premium tax refund receivable	215,520	54,098
Miscellaneous receivable	125,305	143,832
Investment income accrued	284,904	297,578
Ceded reinsurance premiums receivable	375,712	1,221,136
Amounts recoverable from reinsurers - paid	1,093,566	1,093,566
Ceded loss and LAE reserves	8,851,770	7,681,820
Furniture and equipment	20,106	-
Other	12,607	12,607
<b>Total assets</b>	<hr/> <b>49,667,448</b> <hr/>	<hr/> <b>48,170,145</b> <hr/>
<b>Liabilities</b>		
Loss and loss adjustment expense reserves	62,234,096	60,651,999
Other expenses	184,618	174,650
Premium refunds related to unearned premiums	5,768,360	6,278,917
Due under SC Code § 38-27-610	2,585,204	2,585,728
<b>Total liabilities</b>	<hr/> <b>70,772,278</b> <hr/>	<hr/> <b>69,691,294</b> <hr/>
<b>Capital and Surplus (Deficit)</b>		
Common stock and contributed surplus	8,899,731	8,899,731
Unassigned funds	(30,004,561)	(30,420,880)
<b>Total policyholders surplus (deficit)</b>	<hr/> <b>(21,104,830)</b> <hr/>	<hr/> <b>(21,521,149)</b> <hr/>
<b>Total liabilities and surplus</b>	<hr/> <b>49,667,448</b> <hr/>	<hr/> <b>48,170,145</b> <hr/>

ELECTRONICALLY FILED - 2018 Sep 26 9:09 AM - RICHLAND - COMMON PLEAS - CASE#2017CP4005195

**Oceanus Insurance Company, Inc., a RRG in Liquidation**  
**Income Statement**  
**Year Ended December 31, 2017 and Six Months Ended June 30, 2018**

	Year Ended December 31 2017	Six Months Ended June 30 2018
<b>Income</b>		
Premiums earned	8,564,436	723,433
Net investment income	707,310	294,812
Gain (loss) on sale of investments	54,967	(7,935)
Other income	21,585	9,450
<b>Total Income</b>	<b>9,348,298</b>	<b>1,019,760</b>
<b>Expenses</b>		
Loss and LAE incurred	25,989,846	-
Underwriting expenses incurred	5,925,644	1,004,513
SC Code § 38-27-610 expense	2,585,204	524
<b>Total Expenses</b>	<b>34,500,694</b>	<b>1,005,037</b>
<b>Income (Loss) Before Taxes</b>	<b>(25,152,396)</b>	<b>14,723</b>
Income Taxes Expense (Benefit)	3,936,727	-
<b>Net Income (Loss)</b>	<b>(29,089,123)</b>	<b>14,723</b>
<b>Beginning Net Worth</b>	<b>7,839,894</b>	<b>(21,104,830)</b>
Net Income (Loss)	(29,089,123)	14,723
Paid in Surplus	191,155	(4,954)
Change in net unrealized capital gains (losses)	(46,756)	(426,089)
<b>Ending Net Worth</b>	<b>(21,104,830)</b>	<b>(21,521,149)</b>

Oceanus Insurance Company, a Risk Retention Group  
Statement of Cash Receipts and Disbursements  
September 21, 2017 to June 30, 2018

	2017	2018							ITD
	9-21 to 12-31	January	February	March	April	May	June	Total	
<b>Beginning cash and cash equivalents</b>	5,241,981	6,583,508	6,463,876	7,763,483	4,279,628	2,780,374	2,624,295	6,583,508	5,241,981
<b>Receipts</b>									
Premiums	60,268	-	-	-	-	-	-	-	60,268
Investment income	125,857	120,567	90,292	81,607	65,491	75,146	48,009	481,112	606,969
Federal Tax Refund	6,987	-	-	-	-	-	-	-	6,987
Premium Tax Refunds	-	-	-	-	-	1,679	134,548	136,227	136,227
Proceeds from investments, net	1,760,648	200,058	1,353,040	(3,262,796)	(1,366,013)	51,452	71,533	(2,952,725)	(1,192,076)
Other	-	2,850	-	-	800	4,100	1,500	9,250	9,250
<b>Total receipts</b>	1,953,760	323,475	1,443,332	(3,181,189)	(1,299,721)	132,377	255,590	(2,326,136)	(372,376)
<b>Disbursements</b>									
Loss and loss adjustment expenses	47,096	39,789	4,488	67,838	59,018	98,832	31,135	301,100	348,196
Salary and employee benefits	159,478	41,718	81,367	48,936	32,565	34,403	29,711	268,700	428,178
Professional fees	156,666	49,591	15,000	35,926	9,262	11,450	4,188	125,417	282,083
Legal fees	33,992	3,868	-	49,812	-	53,955	11,900	119,535	153,527
Special Deputy Liquidator	45,292	257,525	-	87,323	65,262	62,668	43,348	516,126	561,419
Rent, rent items and utilities	41,098	20,503	14,705	4,282	3,845	3,744	1,571	48,651	89,748
EDP equipment, software and consulting	34,781	2,870	23,231	3,513	1,009	18,020	316	48,960	83,741
Offices supplies, postage and printing	16,222	2,044	1,061	890	839	1,028	706	6,568	22,789
Insurance	-	-	-	-	1,943	-	-	1,943	1,943
Investment advisory and bank charges	33,603	25,097	3,762	3,853	25,300	4,554	4,745	67,310	100,913
Publication costs	42,750	-	-	-	-	-	-	-	42,750
Other	1,257	103	111	292	491	(200)	200	997	2,253
<b>Total disbursements</b>	612,234	443,107	143,726	302,666	199,533	288,456	127,820	1,505,307	2,117,540
<b>Net cash flows</b>	1,341,526	(119,632)	1,299,607	(3,483,855)	(1,499,254)	(156,078)	127,770	(3,831,442)	(2,489,916)
<b>Ending cash and cash equivalents</b>	6,583,508	6,463,876	7,763,483	4,279,628	2,780,374	2,624,295	2,752,065	2,752,065	2,752,065

Cash Rec. &amp; Disb.

**Oceanus Insurance Company, a Risk Retention Group  
Payments to Consultants and Other Professionals (A)  
September 21, 2017 to June 30, 2018**

	2017	2018						ITD	Comments	
	9-21 to 12-31	January	February	March	April	May	June			YTD
FitzGibbons and Company, Inc.	45,292	257,525	-	87,323	65,262	62,668	43,348	516,126	561,419	Special Deputy Liquidator
USA Risk Group, Inc.	50,000	15,000	15,000	-	2,125	1,050	2,188	35,362	85,362	Captive Manager
The HDH Group Inc.	41,446	13,612	-	1,510	-	-	-	15,123	56,569	MGU
South Carolina Department of Insurance	35,281	-	-	-	-	-	-	-	35,281	Fees
Francine L. Semaya	24,203	3,868	-	36,248	-	32,470	-	72,585	96,789	Legal
Actuarial Solutions	13,744	-	-	-	-	-	-	-	13,744	Actuarial
Haynsworth Sinkler Boyd, P.A.	9,789	-	-	13,564	-	21,485	11,900	46,949	56,738	Legal
Financial Risk Analysts, LLC	7,838	-	-	-	-	-	-	-	7,838	Actuarial
Glynloen Consulting/Rick Bingham	4,154	20,533	-	31,216	4,642	-	-	56,390	60,544	Consulting - Claims
Bauknight Pietras & Storm, PA	3,757	-	-	-	-	-	-	-	3,757	Tax Preparation
Plante & Moran, PLLC	-	-	-	-	-	8,000	-	8,000	8,000	Tax Preparation
Pension Systems, Inc.	446	446	-	-	446	-	-	892	1,338	401K Services
William Maldonado	-	-	-	3,200	2,050	2,400	2,000	9,650	9,650	Consulting
<b>Total</b>	<b>235,951</b>	<b>310,984</b>	<b>15,000</b>	<b>173,062</b>	<b>74,524</b>	<b>128,074</b>	<b>59,435</b>	<b>761,078</b>	<b>997,029</b>	

(A) - Excludes LAE payments to various vendors.

# Certificate of Electronic Notification

## Recipients

**Charles Whetstone** - Notification transmitted on 09-26-2018 09:09:59 AM.

**Geoffrey Bonham** - Notification transmitted on 09-26-2018 09:09:59 AM.

**John Seibels** - Notification transmitted on 09-26-2018 09:09:59 AM.

**Stanley McGuffin** - Notification transmitted on 09-26-2018 09:09:58 AM.

**John Bruton** - Notification transmitted on 09-26-2018 09:09:58 AM.

\*\*\*\*\* IMPORTANT NOTICE - READ THIS INFORMATION \*\*\*\*\*

NOTICE OF ELECTRONIC FILING [NEF]

-

**A filing has been submitted to the court RE:** 2017CP4005195

**Official File Stamp:** 09-26-2018 09:09:31 AM

**Court:** CIRCUIT COURT

Common Pleas

Richland

**Case Caption:** Raymond G Farmer , plaintiff, et al vs Oceanus Insurance Company

**Document(s) Submitted:** Notice/Other

- Exhibit/Filing of Exhibits

**Filed by or on behalf of:** Geoffrey Ross Bonham

This notice was automatically generated by the Court's auto-notification system.

-

**The following people were served electronically:**

Charles W. Whetstone, Jr. for Raymond G Farmer et al

Stanley H. McGuffin for Raymond G Farmer et al

John C. Bruton, Jr. for Raymond G Farmer et al

John Page Seibels, Jr. for Oceanus Insurance Company

Geoffrey Ross Bonham for Raymond G Farmer

**The following people have not been served electronically by the Court. Therefore, they must be served by traditional means:**