

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, 2020**

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, 2020. Said financial statements are attached as Exhibit A to this filing.

August 19, 2020

Respectfully submitted,

s/ Geoffrey R. Bonham
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One of the Attorneys for Petitioner

EXHIBIT A

Oceanus Insurance Company, Inc., a RRG in Liquidation
Balance Sheet
December 31, 2019 and June 30, 2020

	December 31, 2019	June 30, 2020
Assets		
Bonds	32,529,048	35,077,898
Cash and cash equivalents	5,656,154	2,804,190
Total cash and investments	<u>38,185,202</u>	<u>37,882,088</u>
Receivable from agents, insureds and others	234,649	158,147
Miscellaneous receivable	97,805	125,109
Investment income accrued	277,207	269,973
Ceded reinsurance premiums receivable	1,346,335	1,346,335
Amounts recoverable from reinsurers - paid	1,093,566	1,093,566
Ceded loss and LAE reserves	7,050,206	6,991,139
Total assets	<u>48,284,970</u>	<u>47,866,357</u>
Liabilities		
Loss and loss adjustment expense reserves	60,584,609	60,247,618
Other expenses	336,323	369,487
Premium refunds related to unearned premiums	6,277,830	6,277,830
Due under SC Code § 38-27-610	2,658,099	2,692,269
Total liabilities	<u>69,856,861</u>	<u>69,587,204</u>
Capital and Surplus (Deficit)		
Common stock and contributed surplus	8,899,731	8,899,731
Unassigned funds	(30,471,622)	(30,620,578)
Total policyholders surplus (deficit)	<u>(21,571,891)</u>	<u>(21,720,847)</u>
Total liabilities and surplus	<u>48,284,970</u>	<u>47,866,357</u>

Oceanus Insurance Company, Inc., a RRG in Liquidation
Statement of Cash Receipts and Disbursements
September 21, 2017 to June 30, 2020

	9-21 to 12-31				
	2017	2018	2019	2020	ITD
Beginning cash and cash equivalents	5,241,981	6,583,508	1,352,721	5,656,154	5,241,981
Receipts					
Premiums	60,268	14,804	19,586	-	94,658
Commissions and related items	-	251,353	205,487	5,000	461,840
Deductible Recoveries	-	20,000	-	-	20,000
Investment income	125,857	1,012,423	1,098,164	510,612	2,747,055
Federal Tax Refund	6,987	-	7,551	-	14,538
Premium Tax Refunds	-	191,882	135,178	-	327,060
Proceeds from investments, net	1,760,648	(4,311,940)	3,234,875	(2,286,749)	(1,603,165)
Claims Bond proceeds	-	-	1,444,512	-	1,444,512
Preferences recovered	-	-	-	21,196	21,196
Other	-	15,450	600	-	16,050
Total receipts	1,953,760	(2,806,029)	6,145,953	(1,749,941)	3,543,743
Disbursements					
Loss and loss adjustment expenses	47,096	528,077	144,637	107,741	827,550
Salary and employee benefits	159,478	444,709	404,479	233,390	1,242,055
Professional fees	156,666	165,883	275,219	145,536	743,304
Legal fees	33,992	301,808	322,667	243,080	901,547
Special Deputy Liquidator	45,292	676,414	440,489	254,397	1,416,592
Rent, rent items and utilities	41,098	72,847	59,732	31,757	205,434
EDP equipment, software and consulting	34,781	82,876	24,530	7,455	149,642
Offices supplies, postage and printing	16,222	10,039	14,487	5,647	46,394
Insurance	-	1,943	11,110	10,400	23,453
Investment advisory and bank charges	33,603	139,003	144,743	62,621	379,970
Publication costs	42,750	-	-	-	42,750
Other	1,257	1,159	428	-	2,844
Total disbursements	612,234	2,424,758	1,842,520	1,102,023	5,981,535
Net cash flows	1,341,526	(5,230,787)	4,303,433	(2,851,964)	(2,437,792)
Ending cash and cash equivalents	6,583,508	1,352,721	5,656,154	2,804,190	2,804,190

Oceanus Insurance Company, Inc., a RRG in Liquidation
Payments to Consultants and Other Professionals (A)
September 21, 2017 to June 30, 2020

	9-21 to 12-31					Comments
	2017	2018	2019	2020	ITD	
FitzGibbons and Company, Inc.	45,292	676,414	440,489	254,397	1,416,592	Special Deputy Liquidator
USA Risk Group, Inc.	50,000	37,521	-	-	87,521	Captive Manager
The HDH Group Inc.	41,446	15,123	-	-	56,569	MGU
South Carolina Department of Insurance	35,281	-	-	-	35,281	Confidential Supervision
Francine L. Semaya	24,203	202,186	169,876	78,437	474,703	Legal
Actuarial Solutions	13,744	-	-	-	13,744	Actuarial
Haynsworth Sinkler Boyd, P.A.	9,789	99,621	150,291	161,357	421,058	Legal
Financial Risk Analysts, LLC	7,838	-	-	-	7,838	Actuarial
Frederich Bingham	4,154	56,390	-	13,419	73,963	Consulting - Claims
Bauknight Pietras & Storm, PA	3,757	-	-	-	3,757	Tax Preparation
Plante & Moran, PLLC	-	8,000	5,250	5,000	18,250	Tax Preparation
Pension Systems, Inc.	446	1,824	1,142	1,859	5,271	401K Services
William Maldonado	-	20,363	5,450	-	25,813	Consulting
Shahriar Arfa-Zanganeh CPA, CFF	-	26,663	158,186	65,432	250,280	Accounting Services
Martin C. McWilliams, Jr.	-	-	2,500	-	2,500	Legal
DeVito Consulting, Inc.	-	-	34,669	42,475	77,144	Consulting - Claims
Huggins Actuarial Services, Inc.	-	-	70,522	17,351	87,873	Actuarial
Clawson & Staubes, L.L.C.	-	-	-	1,137	1,137	Legal
Guttilla Murphy Anderson, P.C.	-	-	-	2,150	2,150	Legal
Total	235,951	1,144,105	1,038,374	643,013	3,061,443	

(A) - Excludes LAE payments to various vendors.