

**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,

Petitioner,

vs.

Oceanus Insurance Company, a Risk
Retention Group,

Respondent.

Civil Action No. 2017-CP-40-05195

**NOTICE OF FILING OF
FINANCIAL STATEMENTS AS OF
DECEMBER 31, 2019**

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 December 31, 2019. Said financial statements are attached as Exhibit A to this filing.

Respectfully submitted,

March 27, 2020

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EXHIBIT A

Oceanus Insurance Company, Inc., a RRG in Liquidation
Balance Sheet
December 31, 2018 and 2019

	December 31,	
	2018	2019
Assets		
Bonds	35,212,321	32,529,048
Cash and cash equivalents	1,352,721	5,656,154
Total cash and investments	<u>36,565,042</u>	<u>38,185,202</u>
Receivable from agents, insureds and others	757,180	234,649
Premium tax refund receivable	35,425	-
Miscellaneous receivable	110,468	97,805
Investment income accrued	301,744	277,207
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	7,050,206
Supersedeas bond receivable	1,430,067	-
Other	12,607	-
Total assets	<u>48,702,640</u>	<u>48,284,970</u>
Liabilities		
Loss and loss adjustment expense reserves	61,063,149	60,584,609
Other expenses	145,124	336,323
Premium refunds related to unearned premiums	6,277,830	6,277,830
Due under SC Code § 38-27-610	2,587,490	2,658,099
Total liabilities	<u>70,073,593</u>	<u>69,856,861</u>
Capital and Surplus (Deficit)		
Common stock and contributed surplus	8,899,731	8,899,731
Unassigned funds	(30,270,684)	(30,471,622)
Total policyholders surplus (deficit)	<u>(21,370,953)</u>	<u>(21,571,891)</u>
Total liabilities and surplus	<u>48,702,640</u>	<u>48,284,970</u>

Oceanus Insurance Company, Inc., a RRG in Liquidation
Statement of Cash Receipts and Disbursements
September 21, 2017 to December 31, 2019

	9-21 to 12-31			
	2017	2018	2019	ITD
Beginning cash and cash equivalents	5,241,981	6,583,508	1,352,721	5,241,981
Receipts				
Premiums	60,268	14,804	19,586	94,658
Commissions and related items	-	251,353	205,487	456,840
Deductible Recoveries	-	20,000	-	20,000
Investment income	125,857	1,012,423	1,098,164	2,236,444
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	683,584
Claims Bond proceeds	-	-	1,444,512	1,444,512
Other	-	15,450	600	16,050
Total receipts	<u>1,953,760</u>	<u>(2,806,029)</u>	<u>6,145,953</u>	<u>5,293,685</u>
Disbursements				
Loss and loss adjustment expenses	47,096	528,077	144,637	719,809
Salary and employee benefits	159,478	444,709	404,479	1,008,665
Professional fees	156,666	165,883	275,219	597,768
Legal fees	33,992	301,808	322,667	658,467
Special Deputy Liquidator	45,292	676,414	440,489	1,162,195
Rent, rent items and utilities	41,098	72,847	59,732	173,676
EDP equipment, software and consulting	34,781	82,876	24,530	142,187
Offices supplies, postage and printing	16,222	10,039	14,487	40,747
Insurance	-	1,943	11,110	13,053
Investment advisory and bank charges	33,603	139,003	144,743	317,349
Publication costs	42,750	-	-	42,750
Other	1,257	1,159	428	2,844
Total disbursements	<u>612,234</u>	<u>2,424,758</u>	<u>1,842,520</u>	<u>4,879,512</u>
Net cash flows	<u>1,341,526</u>	<u>(5,230,787)</u>	<u>4,303,433</u>	<u>414,173</u>
Ending cash and cash equivalents	<u><u>6,583,508</u></u>	<u><u>1,352,721</u></u>	<u><u>5,656,154</u></u>	<u><u>5,656,154</u></u>

Cash Rec. & Disb.

Oceanus Insurance Company, Inc., a RRG in Liquidation
Payments to Consultants and Other Professionals (A)
September 21, 2017 to December 31, 2019

	9-21 to 12-31				Comments
	2017	2018	2019	ITD	
FitzGibbons and Company, Inc.	45,292	676,414	440,489	1,162,195	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	396,266	Legal
Actuarial Solutions	13,744	-	-	13,744	Actuarial
Haynsworth Sinkler Boyd, P.A.	9,789	99,621	150,291	259,701	Legal
Financial Risk Analysts, LLC	7,838	-	-	7,838	Actuarial
Frederich Bingham	4,154	56,390	-	60,544	Consulting - Claims
Bauknight Pietras & Storm, PA	3,757	-	-	3,757	Tax Preparation
Plante & Moran, PLLC	-	8,000	5,250	13,250	Tax Preparation
Pension Systems, Inc.	446	1,824	1,142	3,412	401K Services
William Maldonado	-	20,363	5,450	25,813	Consulting
Shahriar Arfa-Zanganeh CPA, CFF	-	26,663	158,186	184,848	Accounting Services
Martin C. McWilliams, Jr.	-	-	2,500	2,500	Legal
DeVito Consulting, Inc.	-	-	34,669	34,669	Consulting - Claims
Huggins Actuarial Services, Inc.	-	-	70,522	70,522	Actuarial
Total	235,951	1,144,105	1,038,374	2,418,431	

(A) - Excludes LAE payments to various vendors.