

**STATE OF SOUTH CAROLINA
RICHLAND COUNTY**

**IN THE COURT OF COMMON PLEAS
FOR THE 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, 2020**

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

March 26, 2021

Respectfully submitted,

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

One of the Attorneys for Petitioner

EXHIBIT A

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

	December 31,	
	2019	2020
Assets		
Bonds	32,529,048	34,819,377
Cash and cash equivalents	5,656,154	2,401,653
Total cash and investments	<u>38,185,202</u>	<u>37,221,030</u>
Receivable from agents, insureds and others	234,649	13,703
Miscellaneous receivable	97,805	117,022
Investment income accrued	277,207	263,624
Ceded reinsurance premiums receivable	1,346,335	1,347,465
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>47,047,549</u>
Liabilities		
Loss and loss adjustment expense reserves	60,584,609	60,048,206
Other expenses	336,323	226,734
Premium refunds related to unearned premiums	6,277,830	6,277,830
Due under SC Code § 38-27-610	2,658,099	2,704,093
Total liabilities	<u>69,856,861</u>	<u>69,256,863</u>
Capital and Surplus (Deficit)		
Common stock and contributed surplus	8,899,731	8,899,731
Unassigned funds	(30,471,622)	(31,109,045)
Total policyholders surplus (deficit)	<u>(21,571,891)</u>	<u>(22,209,314)</u>
Total liabilities and surplus	<u>48,284,970</u>	<u>47,047,549</u>

Oceanus Insurance Company, Inc., a RRG in Liquidation
Statement of Cash Receipts and Disbursements
September 21, 2017 to December 31, 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	95,765	190,423
Commissions and related items	-	251,353	205,487	42,678	499,517
Deductible Recoveries	-	20,000	-	-	20,000
Investment income	125,857	1,012,423	1,098,164	994,190	3,230,634
Federal Tax Refund	6,987	-	7,551	7,551	22,089
Premium Tax Refunds	-	191,882	135,178	4,581	331,641
Proceeds from investments, net	1,760,648	(4,311,940)	3,234,875	(2,371,251)	(1,687,667)
Claims Bond proceeds	-	-	1,444,512	-	1,444,512
Preferences recovered	-	-	-	129,283	129,283
Other	-	15,450	600	-	16,050
Total receipts	<u>1,953,760</u>	<u>(2,806,029)</u>	<u>6,145,953</u>	<u>(1,097,203)</u>	<u>4,196,481</u>
Disbursements					
Loss and loss adjustment expenses	47,096	528,077	144,637	140,374	860,183
Salary and employee benefits	159,478	444,709	404,479	447,970	1,456,635
Professional fees	156,666	165,883	275,219	363,674	961,442
Legal fees	33,992	301,808	322,667	491,056	1,149,523
Special Deputy Liquidator	45,292	676,414	440,489	489,011	1,651,206
Rent, rent items and utilities	41,098	72,847	59,732	61,080	234,757
EDP equipment, software and consulting	34,781	82,876	24,530	15,988	158,175
Offices supplies, postage and printing	16,222	10,039	14,487	12,586	53,334
Insurance	-	1,943	11,110	9,934	22,987
Investment advisory and bank charges	33,603	139,003	144,743	125,526	442,875
Publication costs	42,750	-	-	-	42,750
Other	1,257	1,159	428	99	2,943
Total disbursements	<u>612,234</u>	<u>2,424,758</u>	<u>1,842,520</u>	<u>2,157,298</u>	<u>7,036,810</u>
Net cash flows	<u>1,341,526</u>	<u>(5,230,787)</u>	<u>4,303,433</u>	<u>(3,254,501)</u>	<u>(2,840,329)</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>2,401,653</u></u>	<u><u>2,401,653</u></u>

Oceanus Insurance Company, Inc., a RRG in Liquidation
Payments to Consultants and Other Professionals (A)
September 21, 2017 to December 31, 2020

	9-21 to 12-31					Comments
	2017	2018	2019	2020	ITD	
FitzGibbons and Company, Inc.	45,292	676,414	440,489	489,011	1,651,206	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	149,759	546,025	Legal
Actuarial Solutions	13,744	-	-	-	13,744	Actuarial
Haynsworth Sinkler Boyd, P.A.	9,789	99,621	150,291	323,169	582,870	Legal
Financial Risk Analysts, LLC	7,838	-	-	-	7,838	Actuarial
Frederich Bingham	4,154	56,390	-	79,702	140,246	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	3,197	6,609	401K Services
William Maldonado	-	20,363	5,450	-	25,813	Consulting
Shahriar Arfa-Zanganeh CPA, CFF	-	26,663	158,186	89,972	274,820	Consulting
Martin C. McWilliams, Jr.	-	-	2,500	-	2,500	Legal
DeVito Consulting, Inc.	-	-	34,669	86,306	120,975	Consulting - Claims
Huggins Actuarial Services, Inc.	-	-	70,522	99,497	170,019	Consulting - Actuarial
Clawson & Staubes, L.L.C.	-	-	-	1,137	1,137	Legal
Guttilla Murphy Anderson, P.C.	-	-	-	2,750	2,750	Legal
Devlin & Parkinson P.A.	-	-	-	13,640	13,640	Legal
Humphrey, Berger & Assoc., LLP	-	-	-	600	600	Legal
Total	235,951	1,144,105	1,038,374	1,343,740	3,762,171	

(A) - Excludes LAE payments to various vendors.