

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
DECEMBER 31, 2021**

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 December 31, 2021. Said financial statements are attached as Exhibit A to this filing.

April 15, 2021

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, 2020 and 2021

	December 31,	
	2020	2021
	<u> </u>	<u> </u>
Assets		
Bonds	34,819,377	33,167,142
Cash and cash equivalents	2,401,653	2,320,067
Total cash and investments	<u>37,221,030</u>	<u>35,487,209</u>
Receivable from agents, insureds and others	13,703	13,703
Miscellaneous receivable	117,022	102,197
Investment income accrued	263,624	208,317
Ceded reinsurance premiums receivable	1,347,465	3,281,390
Amounts recoverable from reinsurers - paid	1,093,566	1,093,566
Ceded loss and LAE reserves	6,991,139	5,634,563
Total assets	<u>47,047,549</u>	<u>45,820,945</u>
Liabilities		
Loss and loss adjustment expense reserves	60,048,206	61,251,674
Other expenses	226,734	322,090
Premium refunds related to unearned premiums	6,277,830	6,277,830
Due under SC Code § 38-27-610	2,704,093	2,732,981
Total liabilities	<u>69,256,863</u>	<u>70,584,575</u>
Capital and Surplus (Deficit)		
Common stock and contributed surplus	8,899,731	8,899,731
Unassigned funds	(31,109,045)	(33,663,361)
Total policyholders surplus (deficit)	<u>(22,209,314)</u>	<u>(24,763,630)</u>
Total liabilities and surplus	<u>47,047,549</u>	<u>45,820,945</u>

Oceanus Insurance Company, Inc., a RRG in Liquidation
Statement of Cash Receipts and Disbursements
September 21, 2017 to December 31, 2021

	9-21 to 12-31					
	2017	2018	2019	2020	2021	ITD
Beginning cash and cash equivalents	5,241,981	6,583,508	1,352,721	5,656,154	2,401,653	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	907,952	4,138,585
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)	800,013	(887,654)
Claims bond proceeds	-	-	1,444,512	-	-	1,444,512
Preferences recovered	-	-	-	129,283	14,826	144,109
Other	-	15,450	600	-	-	16,050
Total receipts	1,953,760	(2,806,029)	6,145,953	(1,097,203)	1,722,791	5,919,272
Disbursements						
Loss and loss adjustment expenses	47,096	528,077	144,637	140,374	37,798	897,981
Salary and employee benefits	159,478	444,709	404,479	447,970	435,533	1,892,168
Professional fees	156,666	165,883	275,219	363,674	395,057	1,356,499
Legal fees	33,992	301,808	322,667	491,056	267,000	1,416,523
Special Deputy Liquidator	45,292	676,414	440,489	489,011	442,109	2,093,315
Rent, rent items and utilities	41,098	72,847	59,732	61,080	58,281	293,038
EDP equipment, software and consulting	34,781	82,876	24,530	15,988	19,332	177,508
Offices supplies, postage and printing	16,222	10,039	14,487	12,586	14,740	68,073
Insurance	-	1,943	11,110	9,934	11,234	34,221
Investment advisory and bank charges	33,603	139,003	144,743	125,526	122,497	565,373
Publication costs	42,750	-	-	-	-	42,750
Other	1,257	1,159	428	99	797	3,739
Total disbursements	612,234	2,424,758	1,842,520	2,157,298	1,804,376	8,841,186
Net cash flows	1,341,526	(5,230,787)	4,303,433	(3,254,501)	(81,585)	(2,921,914)
Ending cash and cash equivalents	6,583,508	1,352,721	5,656,154	2,401,653	2,320,067	2,320,067

Oceanus Insurance Company, Inc., a RRG in Liquidation
 Payments to Consultants and Other Professionals (A)
 September 21, 2017 to December 31, 2021

	9-21 to 12-31					ITD	Comments
	2017	2018	2019	2020	2021		
FitzGibbons and Company, Inc.	45,292	676,414	440,489	489,011	442,109	2,093,315	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	5,228	551,253	Legal
Actuarial Solutions	13,744	-	-	-	-	13,744	Actuarial
Haynsworth Sinkler Boyd, P.A.	9,789	99,621	150,291	323,169	253,783	836,653	Legal
Financial Risk Analysts, LLC	7,838	-	-	-	-	7,838	Actuarial
Frederich Bingham	4,154	56,390	-	79,702	150,135	290,381	Consulting - Claims
Bauknight Pietras & Storm, PA	3,757	-	-	-	-	3,757	Tax Preparation
Plante & Moran, PLLC	-	8,000	5,250	5,000	5,150	23,400	Tax Preparation
Pension Systems, Inc.	446	1,824	1,142	3,197	1,859	8,468	401K Services
William Maldonado	-	20,363	5,450	-	-	25,813	Consulting
Shahriar Arfa-Zanganeh CPA, CFF	-	26,663	158,186	89,972	6,413	281,232	Consulting
Martin C. McWilliams, Jr.	-	-	2,500	-	-	2,500	Legal
DeVito Consulting, Inc.	-	-	34,669	86,306	103,526	224,501	Consulting
Huggins Actuarial Services, Inc.	-	-	70,522	99,497	127,974	297,993	Consulting
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	7,990	8,590	Legal
Total	235,951	1,144,105	1,038,374	1,343,740	1,104,165	4,866,336	

(A) - Excludes LAE payments to various vendors.