

STATE OF SOUTH CAROLINA
COUNTY OF RICHLAND

IN THE COURT OF COMMON PLEAS
FOR THE FIFTH JUDICIAL CIRCUIT

Michael Wise, 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
JUNE 30, 2023**

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, 2023. Said financial statements are attached as Exhibit A to this filing.

August 31, 2023

Respectfully submitted,

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

EXHIBIT A

Oceanus Insurance Company, Inc., a RRG in Liquidation
Balance Sheet
December 31, 2022 and June 30, 2023

	December 31, 2022	June 30, 2023
Assets		
Bonds	30,378,873	30,110,712
Cash and cash equivalents	2,889,490	13,459,798
Total cash and investments	<u>33,268,363</u>	<u>43,570,510</u>
Receivable from agents, insureds and others	-	-
Miscellaneous receivable	82,715	82,715
Investment income accrued	189,697	93,907
Ceded reinsurance premiums receivable	2,758,987	3,450,328
Amounts recoverable from reinsurers - paid	1,093,566	1,093,566
Ceded loss and LAE reserves	6,206,809	5,483,849
Total assets	<u>43,600,137</u>	<u>53,774,875</u>
Liabilities		
Loss and loss adjustment expense reserves	61,698,473	61,916,747
Other expenses	284,593	205,440
Premium refunds related to unearned premiums	6,277,830	6,277,830
Due under SC Code § 38-27-610	2,728,379	3,274,396
Total liabilities	<u>70,989,275</u>	<u>71,674,413</u>
Capital and Surplus (Deficit)		
Common stock and contributed surplus	14,196,685	14,196,685
Unassigned funds	(41,585,823)	(32,096,223)
Total policyholders surplus (deficit)	<u>(27,389,138)</u>	<u>(17,899,538)</u>
Total liabilities and surplus	<u>43,600,137</u>	<u>53,774,875</u>

Oceanus Insurance Company, Inc., a RRG in Liquidation
 Statement of Cash Receipts and Disbursements
 September 21, 2017 to June 30, 2023

	9-21 to 12-31							ITD
	2017	2018	2019	2020	2021	2022	2023	
Beginning cash and cash equivalents	5,241,981	6,583,508	1,352,721	5,656,154	2,401,653	2,320,067	2,889,490	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	801,047	503,199	5,442,831
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 and other, net	1,760,648	(4,311,940)	3,234,875	(2,371,251)	800,013	1,892,743	10,812,704	11,817,693
Claims bond proceeds	-	-	1,444,512	-	-	-	-	1,444,512
Preferences recovered	-	-	-	129,283	14,826	4,391	-	148,500
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>1,722,791</u>	<u>2,698,181</u>	<u>11,315,902</u>	<u>19,933,065</u>
Disbursements								
Loss and loss adjustment expenses	47,096	528,077	144,637	140,374	37,798	26,613	13,939	938,533
Salary and employee benefits	159,478	444,709	404,479	447,970	435,533	445,031	149,036	2,486,135
Professional fees	156,666	165,883	275,219	363,674	395,057	671,385	136,555	2,164,339
Legal fees	33,992	301,808	322,667	491,056	267,000	303,156	174,895	1,894,574
Special Deputy Liquidator	45,292	676,414	440,489	489,011	442,109	443,705	167,560	2,704,579
Rent, rent items and utilities	41,098	72,847	59,732	61,080	58,281	54,964	16,485	364,486
EDP equipment, software and consulting	34,781	82,876	24,530	15,988	19,332	22,425	7,109	207,041
Offices supplies, postage and printing	16,222	10,039	14,487	12,586	14,740	19,152	9,483	96,608
Insurance	-	1,943	11,110	9,934	11,234	15,769	11,238	61,288
Investment advisory and bank charges	33,603	139,003	144,743	125,526	122,497	115,810	56,369	737,522
Publication costs	42,750	-	-	-	-	-	-	42,750
Other	1,257	1,159	428	99	797	10,748	2,926	17,433
Total disbursements	<u>612,234</u>	<u>2,424,758</u>	<u>1,842,520</u>	<u>2,157,298</u>	<u>1,804,376</u>	<u>2,128,758</u>	<u>745,595</u>	<u>11,715,539</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>(81,585)</u>	<u>569,423</u>	<u>10,570,308</u>	<u>8,217,526</u>
Ending cash and cash equivalents	<u>6,583,508</u>	<u>1,352,721</u>	<u>5,656,154</u>	<u>2,401,653</u>	<u>2,320,067</u>	<u>2,889,490</u>	<u>13,459,798</u>	<u>13,459,798</u>

Oceanus Insurance Company, Inc., a RRG in Liquidation
 Payments to Consultants and Other Professionals (A)
 September 21, 2017 to June 30, 2023

	9-21 to 12-31		2019	2020	2021	2022	2023	ITD	Comments
	2017	2018							
FitzGibbons and Company, Inc.	45,292	676,414	440,489	489,011	442,109	443,705	167,560	2,704,579	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
Haysworth Sinkler Boyd, P.A.	9,789	99,621	150,291	323,169	253,783	294,452	169,724	1,300,829	Legal
Financial Risk Analysts, LLC	7,838	-	-	-	-	-	-	7,838	Actuarial
Frederich Bingham	4,154	56,390	-	79,702	150,135	280,280	78,163	648,824	Consulting - Claims
Bauknight Pietras & Storm, PA	3,757	-	-	-	-	-	-	3,757	Tax Preparation
Plante & Moran, PLLC	-	8,000	5,250	5,000	5,150	5,785	-	29,185	Tax Preparation
Pension Systems, Inc.	446	1,824	1,142	3,197	1,859	2,021	1,004	11,493	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	237,384	57,388	519,273	Consulting
Huggins Actuarial Services, Inc.	-	-	70,522	99,497	127,974	145,915	-	443,908	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	1,151	-	9,741	Legal
Holland & Knight	-	-	-	-	-	7,553	2,009	9,562	Legal
Folkens Law Firm, P.A.	-	-	-	-	-	-	3,162	3,162	Legal
Total	235,951	1,144,105	1,038,374	1,343,740	1,104,165	1,418,246	479,010	6,763,592	

(A) - Excludes LAE payments to various vendors.