

**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, 2017**

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 (Oceanus) hereby files the financial statements of Oceanus as of December 31, 2017. Said financial statements are attached as Exhibit A to this filing.

Respectfully submitted,

March 12, 2018

s/Geoffrey R. Bonham

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EXHIBIT A

Oceanus Insurance Company, Inc., a RRG in Liquidation
Balance Sheet
December 31, 2016 and 2017

	December 31,	
	2016	2017
Assets		
Bonds	36,087,566	31,435,949
Cash and cash equivalents	6,574,492	6,583,508
Total cash and investments	42,662,058	38,019,457
Uncollected premiums	632,768	-
Receivable from agents, brokers and others	-	668,501
Premium tax refund receivable	-	215,520
Miscellaneous receivable	2,142,896	125,305
Investment income accrued	347,440	284,904
Ceded reinsurance premiums receivable	979,450	375,712
Amounts recoverable from reinsurers - paid	2,367,324	1,093,566
Ceded loss and LAE reserves	15,981,241	8,851,770
Unearned ceded premiums	4,410,536	-
Net deferred tax asset	3,896,957	-
Deferred policy acquisition costs	2,793,445	-
Furniture and equipment	27,529	20,106
Other	32,530	12,607
Total assets	76,274,174	49,667,448
Liabilities		
Loss and loss adjustment expense reserves	55,634,196	62,234,096
Commissions payable	76,577	-
Other expenses	2,954,024	184,618
Taxes, licenses, and fees	38,712	-
Unearned premiums	9,352,508	5,768,360
Advance premium	378,263	-
Due under SC Code § 38-27-610	-	2,585,204
Total liabilities	68,434,280	70,772,278
	-	
Capital and Surplus (Deficit)		
Common stock and contributed surplus	8,659,745	8,899,731
Unassigned funds	(819,851)	(30,004,561)
Total policyholders surplus (deficit)	7,839,894	(21,104,830)
Total liabilities and surplus	76,274,174	49,667,448

Oceanus Insurance Company, a Risk Retention Group
Statement of Cash Receipts and Disbursements
September 21, 2017 to December 31, 2017

	2017				
	9-21 to 9-30	October	November	December	Total
Beginning cash and cash equivalents	5,241,981	5,241,638	6,734,706	6,635,406	5,241,981
Receipts					
Premiums	2,050	54,517	-	3,701	60,268
Investment income	4,944	30,349	48,605	41,959	125,857
Federal Tax Refund	-	-	-	6,987	6,987
Proceeds from investments, net	20,573	1,632,000	108,075	-	1,760,648
Total receipts	<u>27,568</u>	<u>1,716,865</u>	<u>156,679</u>	<u>52,647</u>	<u>1,953,760</u>
Disbursements					
Loss and loss adjustment expenses	-	29,489	18,222	(616)	47,096
Salary and employee benefits	27,727	54,837	47,787	29,127	159,478
Professional fees	-	89,724	48,782	18,160	156,666
Legal fees	-	-	-	33,992	33,992
Special Deputy Liquidator	-	-	45,292	-	45,292
Rent, rent items and utilities	-	-	26,703	14,395	41,098
EDP equipment, software and consulting	-	9,057	21,574	4,150	34,781
Offices supplies, postage and printing	64	11,620	3,339	1,199	16,222
Insurance	-	-	-	-	-
Bank charges	-	25,923	3,800	3,881	33,603
Publication costs	-	3,000	39,750	-	42,750
Other	120	148	731	258	1,257
Total disbursements	<u>27,911</u>	<u>223,797</u>	<u>255,980</u>	<u>104,545</u>	<u>612,234</u>
Net cash flows	<u>(344)</u>	<u>1,493,068</u>	<u>(99,301)</u>	<u>(51,898)</u>	<u>1,341,526</u>
Ending cash and cash equivalents	<u><u>5,241,638</u></u>	<u><u>6,734,706</u></u>	<u><u>6,635,406</u></u>	<u><u>6,583,508</u></u>	<u><u>6,583,508</u></u>

Cash Rec. & Disb.

Oceanus Insurance Company, a Risk Retention Group
Payments to Consultants and Other Professionals
September 21, 2017 to December 31, 2017

	2017					Comments
	9-21 to 9-30	October	November	December	YTD	
FitzGibbons and Company, Inc.	-	-	45,292	-	45,292	Special Deputy Liquidator
USA Risk Group, Inc.	-	50,000	-	-	50,000	Captive Manager
The HDH Group Inc.	-	2,669	24,771	14,007	41,446	MGU
South Carolina Department of Insurance	-	19,109	16,173	-	35,281	Fees
Francine L. Semaya	-	-	-	24,203	24,203	Legal
Actuarial Solutions	-	13,744	-	-	13,744	Actuarial
Haynsworth Sinkler Boyd, P.A.	-	-	-	9,789	9,789	Legal
Financial Risk Analysts, LLC	-	-	7,838	-	7,838	Actuarial
Frederich Bingham	-	-	-	4,154	4,154	Consulting - Claims
Bauknight Pietras & Storm, PA	-	3,757	-	-	3,757	Tax Preparation
Pension Systems, Inc.	-	446	-	-	446	401K Services
Total	-	89,724	94,074	52,153	235,951	