

STATE OF SOUTH CAROLINA
COUNTY OF RICHLAND

IN THE COURT OF COMMON PLEAS
FOR THE FIFTH JUDICIAL CIRCUIT

Michael Wise, as Acting 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, 2022**

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, 2022. Said financial statements are attached as Exhibit A to this filing.

April 4, 2023

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 the Liquidator

EXHIBIT A

Oceanus Insurance Company, Inc., a RRG in Liquidation
Balance Sheet
December 31, 2021 and 2022

	December 31,	
	2021	2022
	<u> </u>	<u> </u>
Assets		
Bonds	33,167,142	30,378,873
Cash and cash equivalents	2,320,067	2,889,490
Total cash and investments	<u>35,487,209</u>	<u>33,268,363</u>
Receivable from agents, insureds and others	13,703	-
Miscellaneous receivable	102,197	82,715
Investment income accrued	208,317	189,697
Ceded reinsurance premiums receivable	3,281,390	2,758,987
Amounts recoverable from reinsurers - paid	1,093,566	1,093,566
Ceded loss and LAE reserves	5,634,563	6,206,809
Total assets	<u>45,820,945</u>	<u>43,600,137</u>
Liabilities		
Loss and loss adjustment expense reserves	61,251,674	61,698,473
Other expenses	322,090	284,593
Premium refunds related to unearned premiums	6,277,830	6,277,830
Due under SC Code § 38-27-610	2,732,981	2,728,379
Total liabilities	<u>70,584,575</u>	<u>70,989,275</u>
Capital and Surplus (Deficit)		
Common stock and contributed surplus	14,196,685	14,196,685
Unassigned funds	(38,960,315)	(41,585,823)
Total policyholders surplus (deficit)	<u>(24,763,630)</u>	<u>(27,389,138)</u>
Total liabilities and surplus	<u>45,820,945</u>	<u>43,600,137</u>

Oceanus Insurance Company, Inc., a RRG in Liquidation
Statement of Cash Receipts and Disbursements
September 21, 2017 to December 31, 2022

	9-21 to 12-31						ITD
	2017	2018	2019	2020	2021	2022	
Beginning cash and cash equivalents	5,241,981	6,583,508	1,352,721	5,656,154	2,401,653	2,320,067	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	-	-	499,518
Deductible recoveries	-	20,000	-	-	-	-	20,000
Investment income	125,857	1,012,423	1,098,164	994,190	907,952	801,047	4,939,632
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	1,005,088
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	1,953,760	(2,806,029)	6,145,953	(1,097,203)	1,722,791	2,698,181	8,617,452
Disbursements							
Loss and loss adjustment expenses	47,096	528,077	144,637	140,374	37,798	26,613	924,595
Salary and employee benefits	159,478	444,709	404,479	447,970	435,533	445,031	2,337,199
Professional fees	156,666	165,883	275,219	363,674	395,057	671,385	2,027,884
Legal fees	33,992	301,808	322,667	491,056	267,000	303,156	1,719,679
Special Deputy Liquidator	45,292	676,414	440,489	489,011	442,109	443,705	2,537,010
Rent, rent items and utilities	41,098	72,847	59,732	61,080	58,281	54,964	348,001
EDP equipment, software and consulting	34,781	82,876	24,530	15,988	19,332	22,425	199,932
Offices supplies, postage and printing	16,222	10,039	14,487	12,586	14,740	19,152	87,226
Insurance	-	1,943	11,110	9,934	11,234	15,769	49,986
Investment advisory and bank charges	33,603	139,003	144,743	125,526	122,497	115,810	681,182
Publication costs	42,750	-	-	-	-	-	42,750
Other	1,257	1,159	428	99	797	10,748	14,488
Total disbursements	612,234	2,424,758	1,842,520	2,157,298	1,804,376	2,128,758	10,969,949
Net cash flows	1,341,526	(5,230,787)	4,303,433	(3,254,501)	(81,585)	569,423	(2,352,497)
Ending cash and cash equivalents	6,583,508	1,352,721	5,656,154	2,401,653	2,320,067	2,889,490	2,889,490

Oceanus Insurance Company, Inc., a RRG in Liquidation
 Payments to Consultants and Other Professionals (A)
 September 21, 2017 to December 31, 2022

	9-21 to 12-31						ITD	Comments
	2017	2018	2019	2020	2021	2022		
FitzGibbons and Company, Inc.	45,292	676,414	440,489	489,011	442,109	443,705	2,537,019	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	294,452	1,131,105	Legal
Financial Risk Analysts, LLC	7,838	-	-	-	-	-	7,838	Actuarial
Frederich Bingham	4,154	56,390	-	79,702	150,135	280,280	570,661	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	10,489	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	461,885	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	7,553	Legal
Total	235,951	1,144,105	1,038,374	1,343,740	1,104,165	1,418,246	6,284,582	

(A) - Excludes LAE payments to various vendors.