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,

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, 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 June 30, 2022. Said financial statements are attached as Exhibit A to this filing.

Respectfully submitted,

August 19, 2022

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, 2021 and June 30, 2022

	December 31, 2021	June 30, 2022
Assets		
Bonds	33,167,142	30,559,195
Cash and cash equivalents	2,320,067	3,459,491
Total cash and investments	35,487,209	34,018,686
Receivable from agents, insureds and others	13,703	-
Miscellaneous receivable	102,197	82,715
Investment income accrued	208,317	165,664
Ceded reinsurance premiums receivable	3,281,390	3,281,390
Amounts recoverable from reinsurers - paid	1,093,566	1,093,566
Ceded loss and LAE reserves	5,634,563	5,634,563
Total assets	45,820,945	44,276,584
Liabilities		
Loss and loss adjustment expense reserves	61,251,674	61,354,047
Other expenses	322,090	322,347
Premium refunds related to unearned premiums	6,277,830	6,277,830
Due under SC Code § 38-27-610	2,732,981	2,715,540
Total liabilities	70,584,575	70,669,764
Capital and Surplus (Deficit)		
Common stock and contributed surplus	14,196,685	14,196,685
Unassigned funds	(38,960,315)	(40,589,865)
Total policyholders surplus (deficit)	(24,763,630)	(26,393,180)
Total liabilities and surplus	45,820,945	44,276,584

Oceanus Insurance Company, Inc., a RRG in Liquidation Statement of Cash Receipts and Disbursements September 21, 2017 to June 30, 2022

	9-21 to 12-31 2017	2018	2019	2020	2021	2022	пр 🖽
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							22 <i>f</i>
Premiums	60,268	14,804	19,586	95,765	-	-	190,423
Commissions and related items	-	251,353	205,487	42,678	-	-	499,57
Deductible recoveries	-	20,000	-	-	_	-	20,000
Investment income	125,857	1,012,423	1,098,164	994,190	907,952	451,215	4,589, <mark>80</mark> 1
Federal tax refund	6,987	-	7,551	7,551	-	-	22,089
Premium tax refunds	-	191,882	135,178	4,581	-	-	331, 🚾 1
Proceeds from investments, net	1,760,648	(4,311,940)	3,234,875	(2,371,251)	800,013	1,890,931	1,003,278
Claims bond proceeds	-	-	1,444,512	-	-	-	1,444,512
Preferences recovered	-	-	-	129,283	14,826	4,391	148, 👯 0
Other	-	15,450	600	-	-	-	16,050
Total receipts	1,953,760	(2,806,029)	6,145,953	(1,097,203)	1,722,791	2,346,538	8,265,810 OMMO
Disbursements							MC
Loss and loss adjustment expenses	47,096	528,077	144,637	140,374	37,798	16,031	914,042
Salary and employee benefits	159,478	444,709	404,479	447,970	435,533	224,677	2,116,845
Professional fees	156,666	165,883	275,219	363,674	395,057	352,983	1,709,482
Legal fees	33,992	301,808	322,667	491,056	267,000	197,408	1,613, <mark>93</mark> 1
Special Deputy Liquidator	45,292	676,414	440,489	489,011	442,109	284,946	2,378, <mark>26</mark> 1
Rent, rent items and utilities	41,098	72,847	59,732	61,080	58,281	28,304	321,341
EDP equipment, software and consulting	34,781	82,876	24,530	15,988	19,332	10,196	187,704
Offices supplies, postage and printing	16,222	10,039	14,487	12,586	14,740	10,276	78, <mark>33</mark> 0
Insurance	-	1,943	11,110	9,934	11,234	14,669	48,890
Investment advisory and bank charges	33,603	139,003	144,743	125,526	122,497	58,771	624, <mark>14</mark> 4
Publication costs	42,750	-	-	-	-	-	42,🐴0
Other	1,257	1,159	428	99	797	8,852	12,
Total disbursements	612,234	2,424,758	1,842,520	2,157,298	1,804,376	1,207,114	10,048,300
Net cash flows	1,341,526	(5,230,787)	4,303,433	(3,254,501)	(81,585)	1,139,424	(1,782,490)
Ending cash and cash equivalents	6,583,508	1,352,721	5,656,154	2,401,653	2,320,067	3,459,491	3,459,491

Oceanus Insurance Company, Inc., a RRG in Liquidation Payments to Consultants and Other Professionals (A) September 21, 2017 to June 30, 2022

	9-21 to 12-31							Í
	2017	2018	2019	2020	2021	2022	ITD	Comments
57.071	45.202	676 444	440 400	400.044	442.400	204.046	2 272 264	
FitzGibbons and Company, Inc.	45,292	676,414	440,489	489,011	442,109	284,946	2,378,261	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	196,656	1,033,309	Legal
Financial Risk Analysts, LLC	7,838	-	-	-	-	-	7,838	Actuarial
Frederich Bingham	4,154	56,390	-	79,702	150,135	130,332	420,713	Consulting - Claims
Bauknight Pietras & Storm, PA	3,757	-	-	-	-	-	3,757	Tax Preparation
Plante & Moran, PLLC	-	8,000	5,250	5,000	5,150	3,000	26,400	Tax Preparation
Pension Systems, Inc.	446	1,824	1,142	3,197	1,859	942	9,410	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	125,265	349,766	Consulting
Huggins Actuarial Services, Inc.	-	-	70,522	99,497	127,974	93,444	391,437	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	751	9,341	Legal
Tot	al 235,951	1,144,105	1,038,374	1,343,740	1,104,165	835,337	5,701,674	

⁽A) - Excludes LAE payments to various vendors.