

IN THE CIRCUIT COURT OF THE
SECOND JUDICIAL CIRCUIT
IN AND FOR LEON COUNTY, FLORIDA

In Re: The Receivership of
Windhaven Insurance Company,
a Florida corporation.

CASE NO.: 2019 CA 002861

**THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES, DIVISION OF
REHABILITATION AND LIQUIDATION, RECEIVER FOR WINDHAVEN
INSURANCE COMPANY'S FOURTH QUARTER 2023 STATUS REPORT**

The Florida Department of Financial Services, Division of Rehabilitation and Liquidation, (hereinafter "The Department" or "Receiver") as Receiver of Windhaven Insurance Company (hereinafter "WIC"), files this Fourth Quarter 2023 Status Report in accordance with Chapter 631, Part I, Florida Statutes, and states:

1. On December 30, 2019, this Court entered a *Consent Order Appointing the Florida Department of Financial Services as Receiver of Windhaven Insurance Company for Purposes of Liquidation, Injunction, and Notice of Automatic Stay, Effective January 6, 2020*.
2. On March 5, 2020, an affiliated insurance company domiciled in Texas, Windhaven National Insurance Company which also sold insurance policies in Florida, was adjudged insolvent, liquidated, and had a Special Deputy Receiver appointed by the Texas receivership court.

3. Additionally, after the entry of the Liquidation Order for WIC, certain affiliated companies¹ of WIC filed for bankruptcy in the United States Bankruptcy Court for the District of Delaware. The Department has hired Delaware bankruptcy counsel to represent its interests in this matter.
4. A true and correct copy of the WIC's unaudited Statement of Affairs dated December 31, 2023 is attached as **Exhibit A**.
5. As of December 31, 2023, the Department has made four early access distributions to the Florida Insurance Guaranty Association in the amount of Twenty-Seven Million Five Hundred Thirty-Six Thousand Four Hundred Thirty-Seven Dollars (\$27,536,437.00). No other distribution has been made to any other class of creditors as outlined in s. 631.271, Florida Statutes in this Estate.
6. Information regarding the status of claims processing activities in this estate are available in the "Notes to Financial Statements" section of the Statement of Affairs attached to this status report.
7. The Department continues its efforts to collect assets of WIC, such efforts include the collection of monies due to WIC.
8. The Department will continue to file quarterly reports with the court as the unaudited financial statements are published for this estate.

¹ Those companies are: Windhaven Top Insurance Holdings, LLC, Case No. 20-10524 (CSS); Windhaven Insurance Services, LLC, Case No. 20-10525 (CSS); Windhaven Underwriters, LLC, Case No. 20-10526 (CSS); Windhaven Select, LLC, Case No. 20-10527 (CSS); Whited and Sons, LLC, Case No. 20-10652 (CSS); Clutch Analytics, LLC, Case No. 20-10653 (CSS); Clutch Wholesale Insurance Agency, LLC, Case No. 20-10654 (CSS); Windhaven Claims Management, LLC, Case No. 20-10655 (CSS); Windhaven National Holding Company, Case No. 20-10656 (CSS); The Hearth Insurance Group, LLC, Case No. 20-10657 (CSS); and Windhaven Insurance Holdings Corporation, Case No. 20-10754 (CSS)

/S/ _____

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Counsel for Department of Financial Services,
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on March 26th, 2024, a complete and accurate copy of the foregoing document was filed with the Clerk of Courts using the Florida Courts e-filing portal and was served on all email addresses listed in the portal for service in this matter.

By:

/S/ _____

EXHIBIT A

Florida Department of Financial Services, Division of Rehabilitation and
Liquidation
Windhaven Insurance Company in Liquidation
Statement of Affairs
12/31/2023

	<u>Estimated Realizable Value</u>
ASSETS	
Pooled Cash in SPIA Due from the Admin Fund	\$10,570,115.78
Short Term Investments-Restricted	26,596,315.45
Allowance - Short Term Investments	(26,596,315.45)
Accrued Interest Receivable	30,229.42
Advance to Guaranty Associations	27,536,437.00
Total Assets	<u>\$38,136,782.20</u>
LIABILITIES	
Class 1 Administrative Claims	
Class 1 - Guaranty Associations	14,710,950.24
Class 2 Loss Claims	
Class 2 - Guaranty Associations	38,842,529.07
Class 2 - Other	9,585,390.70
Class 3 Unearned Premium Claims under Non-assessable Policies	
Class 3 - Guaranty Associations	727,201.98
Class 3 - Other	1,408,377.25
Class 5 Employee Claims	39,256.74
Class 6 General Creditor Claims	
Class 6 - Other	64,437,076.50
Class 7 State & Local Government Claims	661.14
Class 8 Late Filed Claims	2,091,809.72
Class 9 Surplus Notes/Unearned Premium Claims under Assessable Policies	
Class 9 - Other	7,900,000.00
Class 11 Shareholder Claims	10.00
Total Liabilities	<u>\$139,743,263.34</u>
EQUITY	
Contributed Equity - State of Florida	275,700.87
Estate Equity	(101,882,182.01)
Excess (Deficiency) of Assets over Liabilities	<u>(\$101,606,481.14)</u>
Total Liabilities and Equity	<u>\$38,136,782.20</u>

**Florida Department of Financial Services, Division of Rehabilitation and
Liquidation**

**Windhaven Insurance Company in Liquidation
Statement of Cash Receipts and Disbursements
From the Date of Liquidation through 12/31/2023**

	Fiscal Year to Date	Since Date of Liquidation
CASH RECEIPTS		
Premium Collections	\$0.00	\$2,341,997.91
Reinsurance Recoveries	0.00	11,724,316.79
Subrogation and Salvage Recoveries	212,110.04	3,394,933.14
Litigation Recoveries	0.00	1,480,920.00
Tax Recoveries	0.00	2,434,345.88
Other Collections / Recoveries	(1,107.92)	845,246.58
Sale of Personal Property Inventory	0.00	102.50
Sale of Real Property Inventory	0.00	11,950,000.00
Receipts Before Investment Activities	211,002.12	34,171,862.80
Interest and Dividend Receipts	135,994.00	1,182,605.87
Sale of Short Term Investment	0.00	106,148.80
Receipts From Investment Activities	135,994.00	1,288,754.67
Total Cash Receipts	346,996.12	35,460,617.47
CASH DISBURSEMENTS & DISTRIBUTIONS		
Professional Fees and Expenses	138,811.82	2,329,215.39
Salaries and Fringe Benefits	85,590.28	3,713,924.60
Employee Welfare	95.62	7,605.15
Travel Expenses	357.87	47,884.85
Admin Expenses	548.35	2,859,921.12
Equipment and Furniture Expenses	34,233.83	224,908.32
Rent, Building and Equipment	831.95	6,067.86
Taxes	0.00	95,939.13
Disbursements	260,469.72	9,285,466.42
Distributions		
Administrative Claims (Class 1)	0.00	0.00
Loss Claims (Class 2)	0.00	0.00
Unearned Premium-Non-Assessable Policies Claims (Class 3)	0.00	0.00
Employee Claims (Class 5)	0.00	0.00
General Creditors Claims (Class 6)	0.00	0.00
Government Claims (Class 7)	0.00	0.00
Late Filed Claims (Class 8)	0.00	0.00
Surplus Notes/Unearned Premium-Assessable Policies Claims (Class 9)	0.00	0.00
Shareholder Claims	0.00	0.00
Early Access-Guaranty Associations	0.00	27,536,437.00
Total Distributed	0.00	27,536,437.00
Disbursements & Distributions Before Investment Activities	260,469.72	36,821,903.42
Financial Expenses	6,037.92	102,182.98
Disbursements for Investment Activities	6,037.92	102,182.98
Total Cash Disbursements & Distributions	266,507.64	36,924,086.40
Net Increase (Decrease) in Cash	80,488.48	(1,463,468.93)
Beginning Cash Balance:		
Beginning Cash	10,489,627.30	(13,640,524.78)
Adjustments to Beginning Cash	0.00	25,674,109.49
Adjusted Beginning Cash Balance	10,489,627.30	12,033,584.71
Ending Cash Balance	10,570,115.78	10,570,115.78

The accompanying notes & schedules are an integral part of these financial statements
UNAUDITED

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Windhaven Insurance Company
Schedule of Short Term Investments - Restricted
For the Six Months Ended December 31, 2023

Short Term Investments - Restricted

Description	Balance 7/1/23	Adjustments	Balance 12/31/23
GL Trust #0200	18,840,888.33	956,117.45	19,797,005.78
GL Trust #0400	6,470,929.77	328,379.90	6,799,309.67
	<u>25,311,818.10</u>	<u>1,284,497.35</u>	<u>26,596,315.45</u>

Allowance - Short Term Investments - Restricted

Description	Balance 7/1/23	Adjustments	Balance 12/31/23
GL Trust #0200	(18,840,888.33)	(956,117.45)	(19,797,005.78)
GL Trust #0400	(6,470,929.77)	(328,379.90)	(6,799,309.67)
	<u>(25,311,818.10)</u>	<u>(1,284,497.35)</u>	<u>(26,596,315.45)</u>

Total Short Term Investments - Net of Allowances	<u><u>0.00</u></u>
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Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Windhaven Insurance Company
Schedule of Accrued Interest Receivable
For the Six Months Ended December 31, 2023

Accrued Interest Receivable

Description		Balance 7/1/23	Accrued	Received	Balance 12/31/23
State Treasury	SPIA, 4-20-0-010000-00000	17,480.58	142,355.55	(129,606.71)	30,229.42
Totals:		<u>17,480.58</u>	<u>142,355.55</u>	<u>(129,606.71)</u>	<u>30,229.42</u>

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
Windhaven Insurance Company
Schedule of Advance to Guaranty Association
For the Six Months Ended December 31, 2023

Advance to Guaranty Associations

Description	Balance 7/1/23	Advanced	Recovered	Balance 12/31/23
Florida Insurance Guaranty Association	27,536,437.00	0.00	0.00	27,536,437.00
Totals:	27,536,437.00	0.00	0.00	27,536,437.00

**Florida Department of Financial Services, Division of Rehabilitation
and Liquidation**
Windhaven Insurance Company in Liquidation
Notes to Financial Statements
Dated December 31, 2023

1. **Estate Information.** Windhaven Insurance Company was a property and casualty organization domiciled in Florida placed in liquidation on January 6, 2020.
2. **Basis of Presentation.** The accompanying financial statements have been prepared on a modified cash basis of accounting using a fiscal year of July 1, 2023 through June 30, 2024. The assets are stated at their estimated realizable values, while the liabilities are stated at their gross filed amounts and are periodically adjusted as evaluated, adjudicated and/or paid. Interest is accrued and reinsurance receivables are only posted when billed to reinsurers. In addition, the statements do not provide accruals for all future administrative expenses to liquidate the estate or costs to pursue or litigate claims against others.
3. **Unaudited.** The accompanying financial statements have not been audited by an independent certified public accountant and no opinion is expressed on their compliance with generally accepted accounting principles.
4. **Pooled Investments.** The majority of the invested assets of the estates are combined into two main pooled accounts: The Receiver's operating account held at Wells Fargo and the Special Purpose Investment Account held at the State of Florida Treasury. Each estate's share of the pooled investments is presented on the accompanying financial statements as "Pooled Cash Due from the Admin Fund".
5. **Short Term Investments – Restricted.** Trust funds relate to Greenlight Re & Greenlight Re-Ireland; In the event of default, Receiver may draw upon the trust funds. Greenlight Re and Greenlight Re-Ireland have funded claims as presented in the normal course of business and any remaining balances after all agreements terminate will revert back to Greenlight Re and/or Greenlight Re-Ireland.
6. **Advance to Guaranty Association(s).** Represents funds advanced to guaranty associations for the payment of covered claims and expenses. The guaranty association is obligated to promptly return any or all of these funds if the Receiver determines that repayment of claims of equal or superior priority is necessary.
7. **Claims.** Unless otherwise noted, the Statement of Affairs contains claim liabilities by priority class pursuant to 631.271, Florida Statutes. Unless otherwise stated, the claim liabilities reported are gross filed, un-adjudicated, and have not been reduced by any early access payments from the Florida Receiver. Claim liability numbers are based upon the most current available information and documentation provided to the Receiver from both internal and external sources.
 - Class 1, Class 2 & Class 3 claim liabilities are based on Guaranty Association payments, estimates and Filed Claims.
 - All other classes are based on Filed Claims.
 - Filed Proof of Claims forms continue to be processed and all liabilities are subject to change.
8. **Interest Distributions.** For companies placed into receivership on or after July 1, 2012, Section 631.271, Florida Statutes authorizes the payment of interest on claims in Classes 1-9 prior to making any payment on shareholder claims. At this time, the Receiver does not anticipate having sufficient assets in this estate to pay all claims for Classes 1-9. Accordingly, this statement does not reflect an interest reserve for Classes 1-9 allowed claims.
9. **Federal Priority.** The federal government has taken the position that pursuant to 31 U.S.C.A. 3713 a federal government claim must be paid first, when a debtor to the United States is insolvent. The federal government has also taken the position that it is not subject to state insurance liquidation claim's proceedings deadlines. To establish finality, shield itself from potential liability, and ultimately discharge the estate, the Receiver will request a federal release from the U.S. Department of Justice.
10. **Contributed Equity – State of Florida.** The Receiver will, from time to time, expend public funds to carry out certain duties during the course of liquidating an insurance company. The Division accounts for these expenditures as a contribution of equity by the State.

**Florida Department of Financial Services, Division of Rehabilitation
and Liquidation
Windhaven Insurance Company in Liquidation
Notes to Financial Statements
Dated December 31, 2023**

11. **Excess (Deficiency) of Assets over Liabilities.** The excess or (deficiency) represents the estimated realizable value of assets after deducting the current estimate of liabilities. This excess or (deficiency) does not take into consideration any estimates for future administrative costs to liquidate the estate or costs to pursue or litigate claims against others.