

IN THE COURT OF COMMON PLEAS
FRANKLIN COUNTY, OHIO

MARY JO HUDSON,
Superintendent of Insurance
in her Capacity as Liquidator of
The Physicians Assurance Corporation,

Plaintiff,

CASE NO. 09 CVH08 12492

JUDGE LAUREL BEATTY

vs.

The Physicians Assurance Corporation,

Defendant.

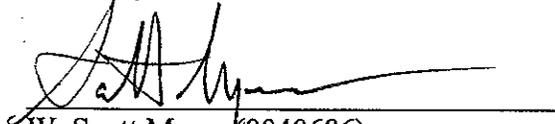
FILED
COMMON PLEAS COURT
FRANKLIN CO. OHIO
2009 DEC 18 AM 11:56
CLERK OF COURTS

**NOTICE OF FILING OF LIST OF ASSETS OF
THE PHYSICIANS ASSURANCE CORPORATION**

Mary Jo Hudson, in her capacity as the Court-appointed Liquidator ("Liquidator") of The Physicians' Assurance Corporation ("TPAC"), hereby files the attached Schedule of Assets of The Physicians' Assurance Corporation, in Liquidation, as of December 18, 2009, in accordance with Ohio Revised Code Section 3903.25(A).

Respectfully Submitted,

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**The Physicians Assurance Corp. in Liquidation ("TPAC")
Schedule of Assets (Note 1)
As of Liquidation Date: August 18, 2009**

<u>Description of Assets</u>	<u>Amounts</u>
Cash (Note 2)	\$ 761,923.97
Certificates of Deposit - HNB (Note 3)	55,962.41
Security Deposits (Note 4)	5,734.00
Premium Receivables (Note 5)	1,432,617.31
Reinsurance Recoverable (Note 6)	299,458.92
Pharmacy Rebates Receivable (Note 7)	82,108.50
Accounts Receivable - Other (Note 8)	1,282.21
Special Deposit (Note 9)	110,886.62
Prepaid Expenses (Note 10)	0.00
Intercompany Receivable (Note 11)	19,633.62
Net Furniture & Fixtures (Note 12)	31,883.15
Net Computer Equipment (Note 13)	<u>55,278.76</u>
Total	<u><u>\$ 2,856,769.47</u></u>

**The Physicians Assurance Corp. in Liquidation ("TPAC")
Schedule of Assets (Note 1)
As of Liquidation Date: August 18, 2009**

Notes:

- (1) The Schedule of Assets is being prepared based on what TPAC claimed as assets on the books and records of TPAC as of the liquidation date. These notes reflect the Liquidator's anticipated adjustments.
- (2) Cash and Short-term Investments are reported at their 8/17/09 value. Interest has been prorated through this date on yield bearing accounts. Cash balances in Huntington National Bank include outstanding checks in the amount of \$798,782.15.
- (3) These Certificates of Deposit are listed at cost \$53,651.77 plus accrued interest of \$2,310.64. The original CDs are held by HNB as collateral for leases, and on that basis, HNB is disputing that they are TPAC assets.
- (4) Represents one month rent deposit for office space at 300 W. Wilson Bridge Road and OH BWC deposit of \$1,000. The rent deposit of \$4,734.00 was applied to TPAC September 2009 rent, so the asset is zero.
- (5) The balance of this account equals the accounts receivable aging report from TPAC representing primarily amounts due for August 1st premiums. Anticipating 50% collectability - $\$1,432,617.31 * 50\% = \$716,308.65$.
- (6) Total claims incurred for several members had exceeded the reinsurance retention level (\$100,000 for 2008, \$110,000 for 2009). All of these claims had been reported to the reinsurance company. August 2009 reinsurance premium due the reinsurance company of \$168,660.79 will offset this recoverable.
- (7) Walgreens contract provided for pharmacy rebates. The rebate per prescription varied based on the line of business. The estimate is based upon the net number of prescriptions filled year-to-date.
- (8) As of the date of liquidation, one employee had an outstanding balance due of \$1,282.21 for a commission advance made by TPAC in January 2009.
- (9) This asset held by the Ohio Department of Insurance as the statutory deposit will be turned over to the Liquidator.
- (10) Realizable value of prepaid expenses is zero. Amount is non-admitted.
- (11) Balance represents organization costs paid on behalf of CareInitiativeVentures, LLC (CIV) a company formed by TPAC's Executive Committee for the purpose of purchasing a surplus note from TPAC.

The Physicians Assurance Corp. in Liquidation ("TPAC")
Schedule of Assets (Note 1)
As of Liquidation Date: August 18, 2009

(12) The majority of the furniture and fixtures are subject to the lease agreement with Huntington National Bank. The net book value of these assets as of liquidation date is \$55,110.20. HNB repossessed the furniture.

(13) Part of the computer equipment is subject to the lease agreement with Huntington National Bank. Also included in this amount are capitalized installation cost, cabling and jacks that have been abandoned when the Office building was turned over to the landlord.