

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.

First Keystone Risk Retention Group, Inc.,

Respondent.

Civil Action No. 2014-CP-40-5987

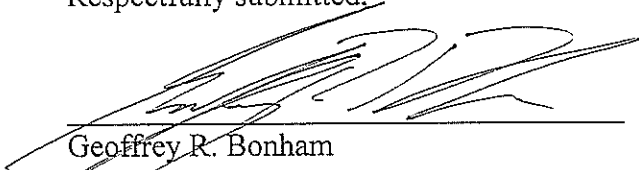
NOTICE OF FILING OF
FINANCIAL STATEMENTS AS OF
DECEMBER 31, 2015

RICHLAND COUNTY
COURT CLERK
2016 MAR 15 PM 4:30
C.C.P. & G.S.

Pursuant to the South Carolina Insurers Rehabilitation and Liquidation Act, S.C. Code Ann. §§ 38-27-10 *et seq.*, the Liquidator of First Keystone Risk Retention Group Inc. in Liquidation (First Keystone) hereby files the financial statements of First Keystone as of December 31, 2015. Said financial statements are attached as Exhibit A to this filing.

Respectfully submitted,

March 15, 2016


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One of the Attorneys for Petitioner

First Keystone Risk Retention Group, Inc. in Liquidation
 Report of Assets and Liabilities
 December 31, 2015

<u>Assets</u>		<u>Liabilities</u>	
Bonds	1,049,036	Loss and loss adjustment expense reserves	8,956,478
Bonds pledged to secure LOOCs	-	Other expenses	569,296
Common stocks	-	Taxes, licenses, and fees	73,941
Cash and cash equivalents	3,232,267	Other	3,976
Total cash and investments	4,281,303	Due to SCDOI	280,538
		Total liabilities	9,884,229
Uncollected premiums	598,057		
Receivable from affiliates	400,000		
Allowance for doubtful accounts	(998,057)		
Net receivables	-	Capital and Surplus (Deficit)	
Investment income accrued	7,592	Common stock and contributed surplus	8,812,987
Prepaid expenses	-	Unassigned funds	(14,388,846)
Furniture and equipment	10,621	Surplus as regards policyholders	(5,575,859)
Other	8,854		
Total assets	4,308,370	Total liabilities and surplus	4,308,370

First Keystone Risk Retention Group, Inc. in Liquidation
Statement of Cash Receipts and Disbursements
October 21, 2014 to December 31, 2015

					Year Ended		ITD
	4th Qtr 2014 (a)	1st Qtr 2015	2nd Qtr 2015	3rd Qtr 2015	4th Qtr 2015	December 31, 2015	
Beginning cash and cash equivalents	1,957,655	1,658,456	1,398,488	2,277,635	3,097,433	1,658,456	1,957,655
Receipts							
Premiums	17,549	-	-	-	-	-	17,549
Investment income	4,125	18,200	6,699	13,518	2,871	41,288	45,413
Other	1,060	3,643	58	-	-	3,701	4,761
Checks voided (issued prior to liquidation)	94,207	-	-	-	-	-	94,207
Proceeds from investments sold and matured	-	250,000	1,073,663	900,000	212,371	2,436,034	2,436,034
Total receipts	116,941	271,843	1,080,420	913,518	215,242	2,481,023	2,597,964
Disbursements							
Loss adjustment expenses	107,304	65,585	14,273	11,514	18,751	110,123	217,427
Salary and employee benefits	239,923	238,667	8,529	(2,717)	11,100	255,579	495,502
Professional fees	10,391	400	30,608	7,344	9,408	47,760	58,151
Special Deputy Liquidator	-	179,910	118,838	68,977	30,717	398,442	398,442
Rent, rent items and utilities	29,864	36,332	12,497	9,104	8,114	66,047	95,911
Offices supplies, postage and printing	18,655	4,696	6,049	663	1,383	12,791	31,446
Insurance	-	-	9,009	(2,516)	-	6,493	6,493
Bank charges	7,543	1,239	659	1,150	935	3,983	11,526
Other	2,460	3,657	731	120	-	4,508	6,968
Cost of investments acquired	-	1,325	80	81	-	1,486	1,486
Total disbursements	416,140	531,811	201,273	93,720	80,408	907,212	1,323,352
Net cash flows	(299,199)	(259,968)	879,147	819,798	134,834	1,573,811	1,274,612
Ending cash and cash equivalents	1,658,456	1,398,488	2,277,635	3,097,433	3,232,267	3,232,267	3,232,267

(a) Order of Liquidation signed on October 21, 2014. 2014 numbers from October 21, 2014 to December 31, 2014 only.