



South Carolina Department of Insurance

NIKKI R. HALEY
Governor

Office of General Counsel
P.O. Box 100105, Columbia, S.C. 29202-3105
Telephone: (803) 737-6219
Facsimile: (803) 737-6229

RAYMOND G. FARMER
Director of Insurance

May 12, 2015

The Honorable Jeanette McBride
Clerk of Court
P.O. Box 2766
Columbia, SC 29202

Re: Farmer v. First Keystone Risk Retention Group, Inc.
C.A. No. 2014-CP-40-5987

Dear Ms. McBride:

Enclosed herewith for filing please find the original and two copies of a Notice of Filing of Financial Statements as of December 31, 2014 in the above-referenced insurance company receivership. Please file the original and return the clocked-in copies to us in the enclosed self-addressed, postage-prepaid envelope.

Thank you very much for your attention to this matter. Of course, if you have any questions regarding this matter, please do not hesitate to let me know.

Sincerely yours,

Geoffrey R. Bonham
Associate General Counsel
One of the Attorneys for the Liquidator

Enclosure

c: Michael J. FitzGibbons, Special Deputy Liquidator

RECEIVED
GENERAL COUNSEL

MAY 21 2015

STATE OF SOUTH CAROLINA
DEPARTMENT OF INSURANCE

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

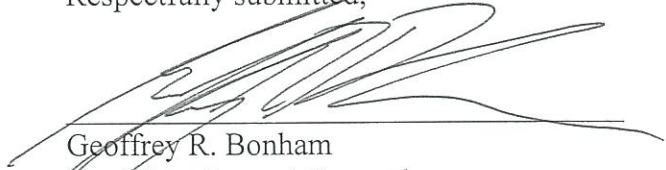
NOTICE OF FILING OF
FINANCIAL STATEMENTS AS OF
DECEMBER 31, 2014

RICHLAND COUNTY
FILED
MAY 15 AM 10:18
JANNETTE W. MCBRIDE
CLERK, S.C.

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, 2014. Said financial statements are attached as Exhibit A to this filing.

Respectfully submitted,

May 12, 2015



Geoffrey R. Bonham
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

First Keystone Risk Retention Group, Inc. in Liquidation
Report of Assets and Liabilities
December 31, 2014

<u>Assets</u>			
Bonds	2,460,756		
Bonds pledged to secure LOCs	212,131		
Common stocks	783,872		
Cash and cash equivalents	1,658,456		
Total cash and investments	<u>5,115,215</u>		
LOC secured by bonds ¹	<u>(200,000)</u>		
Total available cash and investments	4,915,215		
Uncollected premiums	598,057		
Receivable from affiliates	400,000		
Allowance for doubtful accounts	<u>(998,057)</u>		
Net receivables	-		
Investment income accrued	13,433		
Prepaid expenses	59,108		
Furniture and equipment	16,800		
Other	10,880		
Total assets	<u><u>5,015,436</u></u>		
<u>Liabilities</u>			
Loss and loss adjustment expense reserves ¹		8,783,204	
Other expenses		933,088	
Taxes, licenses, and fees		73,941	
Other		3,976	
Total liabilities		<u>9,794,209</u>	
<u>Capital and Surplus (Deficit)</u>			
Common stock and contributed surplus		8,812,987	
Unassigned funds		<u>(13,591,760)</u>	
Surplus as regards policyholders		(4,778,773)	
Total liabilities and surplus		<u><u>5,015,436</u></u>	

1. The LOC secures the outstanding claim exposures for Yellow Cab. \$200,000 has been reclassified from Loss and loss adjustment expenses as an offset to the pledged Bond.

EXHIBIT A

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

	2014 ¹
Beginning cash and cash equivalents	1,957,655
Receipts	
Premiums	17,549
Investment income	4,125
Other	1,060
Checks voided (issued prior to liquidation)	94,207
Total receipts	<u>116,941</u>
Disbursements	
Loss adjustment expenses	107,304
Salary and employee benefits	239,923
Professional fees	10,391
Rent, rent items and utilities	29,864
Offices supplies, postage and printing	18,655
Bank charges	7,543
Other	2,460
Total disbursements	<u>416,140</u>
Net cash flows	<u>(299,199)</u>
Ending cash and cash equivalents	<u>1,658,456</u>

1. Order of Liquidation signed on October 21, 2014. 2014 numbers from October 21st to December 31st only.