

IN THE DISTRICT COURT OF LANCASTER COUNTY, NEBRASKA

STATE OF NEBRASKA, ex rel. )  
L. TIM WAGNER, )  
DIRECTOR OF INSURANCE OF )  
THE STATE OF NEBRASKA, )  
 )  
Petitioner, )  
 )  
vs. )  
 )  
FAR WEST INSURANCE COMPANY, )  
 )  
Respondent. )

Case No. CI 01 4133

**APPLICATION NO. 34**

**(FILING DECEMBER 31, 2007  
FINANCIAL STATEMENTS AND FOR  
ORDER APPROVING SAME)**

Ann M. Frohman, Liquidator (“Liquidator”) of Far West Insurance Company (“Far West”), files herewith December 31, 2007 financial statements of Far West and applies to the Court for an Order approving the same.

This application is made pursuant to the Nebraska Insurers Supervision, Rehabilitation and Liquidation Act, NEB. REV. STAT. § 44-4801 *et seq.*, specifically NEB. REV. STAT. § 44-4818 (5), and paragraph 7 of the Order of Liquidation, Declaration of Insolvency and Injunction dated November 9, 2001, wherein the Liquidator is required to file certain financial reports and accounting with the Court for the period ending December 31, 2001 and at least annually thereafter.

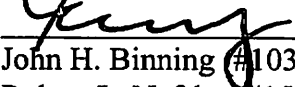
December 31, 2007 financial statements of Far West, including a balance sheet and a statement of receipts and disbursements are attached hereto as Exhibit A and incorporated herein by reference.

The Liquidator prays for an Order approving the financial statements.

DATED: March 17, 2008.

ANN M. FROHMAN, DIRECTOR OF THE  
DEPARTMENT OF INSURANCE, STATE OF  
NEBRASKA, LIQUIDATOR OF FAR WEST  
INSURANCE COMPANY, Petitioner

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# FAR WEST INSURANCE COMPANY, IN LIQUIDATION

Statement of Cash Receipts and Disbursements  
Information through December 31, 2007

	Nov 9, 2001 to Dec 31, 2001	2002	2003	2004	2005	2006	2007	Nov 9, 2001 to Dec 31, 2007
<b>Receipts:</b>								
Fee income		213,884	35,087	2,556	439	0	0	251,966
Net reinsurance transactions		66,761	380,063	0	1,070,221	1,904,817	0	3,421,861
Indemnity recoveries	4,518	647,810	443,643	197,046	87,055	122,814	20,100	1,522,985
Contract fund recoveries	7,342		45,781	232,364	0	0	0	285,487
Collateral recoveries		100,000	44,958	1,392	116,225	0	60,000	322,576
Interest income	149,243	721,560	568,221	515,975	614,699	837,941	784,420	4,192,059
Agents balances	403,284	500,234	1,006,926	267,725	7,824	794	150	2,186,937
Settlements and preferences			8,598	20,000	0	496,517	0	525,115
Sale of fixed assets		221,808					0	221,808
Miscellaneous		479,931	96,043	105,806	(11,149)	7,442	5,613	683,687
<b>Total cash receipts</b>	<b>403,284</b>	<b>2,951,999</b>	<b>2,629,322</b>	<b>1,342,863</b>	<b>1,885,314</b>	<b>3,370,325</b>	<b>870,283</b>	<b>13,614,482</b>
<b>Disbursements:</b>								
Net operating costs	(162,880)	(716,016)	(367,270)	(361,654)	(488,989)	(272,762)	(184,701)	(2,554,272)
Management fees		(616,110)	(1,049,001)	(600,825)	(420,000)	(150,000)	(74,991)	(2,910,927)
Loss and ALAE payments	(2,695)	(337,656)	(244,152)	(78,068)	(255,908)	(2,072)	(29,548)	(950,100)
Early Access Payments							(10,391,233)	(10,391,233)
<b>Total cash disbursements</b>	<b>(165,575)</b>	<b>(1,669,783)</b>	<b>(1,660,423)</b>	<b>(1,040,547)</b>	<b>(1,164,897)</b>	<b>(424,834)</b>	<b>(10,680,474)</b>	<b>(16,806,532)</b>
<b>Net operating cash flows</b>	<b>237,709</b>	<b>1,282,206</b>	<b>968,899</b>	<b>302,316</b>	<b>720,417</b>	<b>2,945,491</b>	<b>(9,810,191)</b>	<b>(3,192,050)</b>
<b>Other cash flows</b>								
Release of encumbered assets		1,415,000	360,000	519,982	754,035	133,215	10,000	3,192,232
Net investment transactions	0	(4,272,532)	1,677,215	(1,076,337)	(3,181,858)	7,775,000	5,690,000	6,611,488
Net cash collateral transactions	(23,135)	(201,222)	(98,527)	(3,740)	0	(42,760)	(82,477)	(451,860)
<b>Total other cash flows</b>	<b>(23,135)</b>	<b>(3,058,754)</b>	<b>1,938,688</b>	<b>(560,095)</b>	<b>(2,427,823)</b>	<b>7,865,455</b>	<b>5,617,523</b>	<b>9,351,860</b>
<b>Net cash flows</b>	<b>214,574</b>	<b>(1,776,548)</b>	<b>2,907,687</b>	<b>(257,779)</b>	<b>(1,707,406)</b>	<b>10,810,945</b>	<b>(4,192,668)</b>	<b>6,159,910</b>