

Cause No. D-1-GV-13-000384

THE STATE OF TEXAS,	§	IN THE DISTRICT COURT OF
Plaintiff	§	
	§	
v.	§	TRAVIS COUNTY, TEXAS
	§	
UNIVERSAL HMO OF TEXAS, INC.,	§	
Defendant	§	345th JUDICIAL DISTRICT

**SPECIAL DEPUTY RECEIVER’S QUARTERLY FINANCIAL REPORT
AND SUMMARY OF STATEMENT OF EXPENSE
FOR THE QUARTER ENDING MAY 31, 2017**

TO THE HONORABLE JUDGE OF THIS COURT:

COMES NOW, Jean Johnson, Special Deputy Receiver of Universal HMO of Texas, Inc., and presents to this Court her *Quarterly Financial Report and Summary of Statement of Expense for the Quarter Ending May 31, 2017*, for the above-referenced receivership estate. The Financial Report and Summary of Statement of Expense covers the period of March 1, 2017 through May 31, 2017.

Respectfully submitted,

Wisener Nunnally Roth, L.L.P.



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Receiver of Universal HMO of Texas, Inc.*

Certificate of Service

I hereby certify that a true and correct copy of the foregoing document has been served on the following interested parties in accordance with Tex. Ins. Code §443.007(d) and the Rehabilitation Order this the 15th day of June, 2017.

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/s/ Michael C. Roth
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FINANCIAL REPORT
Relating to
Universal HMO of Texas, Inc.
For the Quarter Ending May 31, 2017

R-555

**Universal HMO of Texas
Statement of Net Assets**

**For the Period Ending
05/31/17**

Line	5/31/2017
Cash	
1	Cash
	Cash - Unrestricted
	APF Funds (Loan proceeds)
	17,680,044
Investments	
2	Short-Term Investments
3	Bonds
4	Stocks - Preferred & Common
5	Investments in Subsidiaries, Controlled or Affiliated Entities
6	Mortgage Loans
7	Real Estate
8	Policy Loans
9	Other Invested Assets
Restricted Assets	
10	Statutory Deposits
11	Funds held by or deposited with Reinsured Companies
12	Restricted - Other
Reinsurance Receivable	
13	Reinsurance Recoverables on Paid Losses & LAE (net of allowance)
14	Reinsurance Recoverables on Unpaid Losses & LAE (net of allowance)
15	Reinsurance Recoverables on UEP & Contingent Commissions
Other Receivables	
16	Salvage & Subrogation Recoveries
17	Premiums Due from Agents & Policyholders
18	Receivable from Parents, Subsidiaries & Affiliates
19	Receivable from Guaranty Associations - Early Access Payments
20	Other Receivables
Other Assets	
21	FF&E
22	Other Assets
	Total Assets
	17,680,044

NOTES

Ref No.

The following assets have been identified on the Company books and records but due to uncertainty, the amounts have been fully reserved. The SDR will perform additional work to determine the collectible amounts for each item and the amounts and reserve will be adjusted accordingly.

Premium Receivable-Members	\$1,820
Pharmacy Rebates Receivable	214,918
Prepaid Claims to Third Party Administrators	9,642
Deferred Commission Expense	299,495
Deferred Tax Asset	306,687
Reserve for Uncollectible Amounts	(832,562)
Net Amount	<u><u>\$0</u></u>

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Universal HMO of Texas
Changes in Net Liabilities for the Quarter Ending

05/31/17

Line		02/28/17	05/31/17	Change
1	Secured Claims	0	0	0
2	APF Loan	0	0	0
3	Special Deposit Claims	0	0	0
Administrative Claims - Class 1				
4	Administrative Claims - State/Receiver	0	0	0
	Special Deputy Receiver, Subcontractors Fees & Expenses	44,605	32,941	(11,664)
	Liquidation Oversight	4,422	4,058	(364)
	Special Master's Fees	0	0	0
5	Administrative Claims - Guaranty Assns	0	0	0
	Administrative Expense Paid	0	0	0
	Administrative Expense Reserves	0	0	0
6	LAE - Guaranty Assns	0	0	0
	LAE Paid	0	0	0
	LAE Reserves	0	0	0
Policy Claims - Class 2				
7	Loss Claims - Guaranty Assns	0	0	0
	Loss Claims Paid	0	0	0
	Loss Claims Reserves	0	0	0
8	Loss Claims - Other	0	0	0
	Other Loss Claims Paid	0	0	0
	Other Loss Claims Reserves	2,150,060	1,211,701	(938,359)
9	LAE - Other	62,875	62,875	0
10	Unearned & Advance Premium Claims - GA	0	0	0
11	Unearned & Advance Premium Claims - Other	0	0	0
Other Liabilities				
12	Class 3 Claims	0	0	0
13	Class 4 Claims	0	0	0
14	Class 5 General Unsecured Creditor Claims	878,178	878,178	0
15	Class 5 Reinsurance Related Unsecured Claims	0	0	0
16	Class 6 Claims	0	0	0
17	Class 7 Claims	0	0	0
18	Class 8 Claims	9,082,267	9,082,267	0
19	Class 9 Claims	0	0	0
20	Class 10 Interest	0	0	0
21	Class 11 Claims	37,205,711	37,205,711	0
22	Other Liabilities	0	0	0
	Detail Item if any	0	0	0
	Detail Item if any	0	0	0
	Total Liabilities	49,428,118	48,477,731	(950,387)
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(30,688,921)	(30,797,687)	(108,766)
	Total Liabilities & Equity	18,739,197	17,680,044	(1,059,153)

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**Universal HMO of Texas
Sources & Uses of Cash**

**For Period Ending
05/31/17**

	Qtr Ending May-17
Income	
Premium Receipts	0
Agents' Balances Received	0
Reinsurance Recoveries	0
Salvage & Subrogation Recoveries	0
Affiliates Recovery	0
Settlement/Litigation Recovery	0
Other Receipts	435
Sale of Real & Personal Property	0
Investment Sales/Receipts	0
Other Asset Receipts	0
Total Receipts from Assets/Receivables	435
Interest & Dividend Receipts, EA Interest	0
Cash Deposit Interest	29,014
Total Cash Receipts	29,449
Disbursements	
SDR Fees & Expenses	10,005
Subcontractor Legal Fees & Expenses	15,583
Subcontractor Other Fees & Expenses	107,978
Non-Subcontractor Fees & Expenses	0
Other Expenses	1,027
RLO Fees & Expenses	15,650
Total Disbursements for Operations	150,243
Loss Claims & LAE Expense Payments	938,359
Early Access Payments - GA	0
Refunds & Other Distributions	0
Total Cash Distributions	938,359
Total Cash Disbursements & Distributions	1,088,602
Net Increase(Decrease) in Cash	(1,059,153)
Cash at Beginning of Period	18,739,197
Cash at End of Period	17,680,044

SUMMARY OF STATEMENT OF EXPENSE
Relating to
Universal HMO of Texas, Inc.
For the Quarter Ending May 31, 2017

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**Universal HMO of Texas
Statement of Expenses**

**For Period Ending
05/31/17**

		Total March	Total Apr	Total May	Total Quarter
SDR					
SDR					
	SDR Expenses	3,960.00	2,400.00	2,640.00	9,000.00
		0.00	0.00	0.00	0.00
Total SDR Billing		3,960.00	2,400.00	2,640.00	9,000.00
SDR Subcontractors - Legal					
Wisener Nunnally Roth, LLP					
	Attorney-Partner	4,020.00	3,948.00	1,176.00	9,144.00
	Attorney-Partner	1,944.00	144.00	1,422.00	3,510.00
	Expenses	119.24	77.36	40.56	237.16
	Total Billing	6,083.24	4,169.36	2,638.56	12,891.16
Total Legal Subcontractors		6,083.24	4,169.36	2,638.56	12,891.16
SDR Subcontractors - Other					
Administrative Insurance Management (AIMS)					
	Specialist	4,630.00	4,470.00	4,790.00	13,890.00
	Specialist	12,987.00	7,146.00	5,751.00	25,884.00
	Claims Specialist	10,507.50	6,600.00	4,080.00	21,187.50
	Claims Manager	12,187.50	10,267.50	12,112.50	34,567.50
	Expenses	0.00	520.61	17.26	537.87
	Total Billing	40,312.00	29,004.11	26,750.76	96,066.87
Petrosewicz & Company, Inc.					
	Accounting Manager/	910.00	262.50	227.50	1,400.00
	Accountant/	1,016.50	826.50	646.00	2,489.00
	Expenses	7.80	7.90	9.00	24.70
	Total Billing	1,934.30	1,096.90	882.50	3,913.70
Total Other SDR Subcontractors		42,246.30	30,101.01	27,633.26	99,980.57
Receivership Service Providers					
Operating Account					
		20.00	20.00	0.00	40.00
Texas Treasury					
		297.41	327.38	362.86	987.65
Total Other		317.41	347.38	362.86	1,027.65
Sub-Total SDR, Subcontractor & Provider Expenses					
	Sub-Total SDR, Subcontractor & Provider Expenses	52,606.95	37,017.75	33,274.68	122,899.38
Liquidation Oversight Allocation					
RLO Allocation					
		4,795.95	6,432.37	4,087.55	15,315.87
Special Master's Fees					
		0.00	0.00	0.00	0.00

Total RLO & SM Expense	4,795.95	6,432.37	4,087.55	15,315.87
Total Expenses	57,402.90	43,450.12	37,362.23	138,215.25