

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 AUGUST 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 August 31, 2017*, for the above-referenced receivership estate. The Financial Report and Summary of Statement of Expense covers the period of June 1, 2017 through August 31, 2017.

Respectfully submitted,

Wisener Nunnally Roth, L.L.P.



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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 September, 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 August 31, 2017

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

**For the Period Ending
08/31/17**

Line	8/31/2017
Cash	
1	Cash
	Cash - Unrestricted
	APF Funds (Loan proceeds)
	16,521,973
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
	16,521,973

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 Assets for the Quarter Ending

08/31/17

Line		05/31/17	08/31/17	Change
Cash				
1	Cash			
	Cash - Unrestricted	17,680,044	16,521,973	(1,158,071)
	APF Funds (Loan proceeds)	0	0	0
Investments				
2	Short-Term Investments	0	0	0
3	Bonds	0	0	0
4	Stocks - Preferred & Common	0	0	0
5	Investments in Subsidiaries, Controlled or Affiliated Entities	0	0	0
6	Mortgage Loans	0	0	0
7	Real Estate	0	0	0
8	Policy Loans	0	0	0
9	Other Invested Assets	0	0	0
Restricted Assets				
10	Statutory Deposits	0	0	0
11	Funds held by or deposited with Reinsured Companies	0	0	0
12	Restricted - Other	0	0	0
		0	0	0
Reinsurance Receivable				
13	Reinsurance Recoverables on Paid Losses & LAE (net of allowance)	0	0	0
14	Reinsurance Recoverables on Unpaid Losses & LAE (net of allowance)	0	0	0
15	Reinsurance Recoverables on UEP & Contingent Commissions	0	0	0
Other Receivables				
16	Salvage & Subrogation Recoveries	0	0	0
17	Premiums Due from Agents & Policyholders	0	0	0
18	Receivable from Parents, Subsidiaries & Affiliates	0	0	0
19	Receivable from Guaranty Associations - Early Access Payments	0	0	0
20	Other Receivables	0	0	0
Other Assets				
21	FF&E	0	0	0
22	Other Assets	0	0	0
Total Assets		17,680,044	16,521,973	(1,158,071)

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**Universal HMO of Texas
Statement of Net Liabilities**

**For Period Ending
08/31/17**

Line

8/31/2017

1	Secured Claims	
2	APF Loan	
3	Special Deposit Claims	
Administrative Claims - Class 1		
4	Administrative Claims - State/Receiver	
	Special Deputy Receiver, Subcontractors Fees & Expenses	13,558
	Liquidation Oversight	1,857
	Special Master's Fees	
5	Administrative Claims - Guaranty Assns	
	Administrative Expense Paid	
	Administrative Expense Reserves	
6	LAE - Guaranty Assns	
	LAE Paid	
	LAE Reserves	
Policy Claims - Class 2		
7	Loss Claims - Guaranty Assns	
	Loss Claims Paid	
	Loss Claims Reserves	
8	Loss Claims - Other	
	Other Loss Claims Paid	
	Other Loss Claims Reserves	90,312
9	LAE - Other	62,875
10	Unearned & Advance Premium Claims - GA	
11	Unearned & Advance Premium Claims - Other	
Other Liabilities		
12	Class 3 Claims	
13	Class 4 Claims	
14	Class 5 General Unsecured Creditor Claims	878,178
15	Class 5 Reinsurance Related Unsecured Claims	
16	Class 6 Claims	
17	Class 7 Claims	
18	Class 8 Claims	9,082,267
19	Class 9 Claims	
20	Class 10 Interest	
21	Class 11 Claims	37,205,711
22	Other Liabilities	
	Total Liabilities	47,334,758
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(30,812,785)
	Total Liabilities & Equity	16,521,973

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**Universal HMO of Texas
Statement of Net Liabilities**

**For Period Ending
08/31/17**

NOTES

All amounts recorded based on adjudicated claims unless otherwise specified
Ref. No.

⁸ Represents amounts reserved based on review of company books and records and proof of claims (POC) adjudicated to date. All POC's have not been adjudicated and the reserve amount will be updated as warranted.

⁹ Represents amounts reserved based on review of company books and records and proof of claims (POC) adjudicated to date. All POC's have not been adjudicated and the reserve amount will be updated as warranted.

²¹ Represents claims from minority shareholders in the parent company and claims of the secured creditor of the parent company.

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

08/31/17

Line		05/31/17	08/31/17	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	32,941	13,558	(19,383)
	Liquidation Oversight	4,058	1,857	(2,201)
	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	1,211,701	90,312	(1,121,389)
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	48,477,731	47,334,758	(1,142,973)
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(30,797,687)	(30,812,785)	(15,098)
	Total Liabilities & Equity	17,680,044	16,521,973	(1,158,071)

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

**For Period Ending
08/31/17**

	Qtr Ending Aug-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	0
Sale of Real & Personal Property	0
Investment Sales/Receipts	0
Other Asset Receipts	0
Total Receipts from Assets/Receivables	0
Interest & Dividend Receipts, EA Interest	0
Cash Deposit Interest	39,130
Total Cash Receipts	39,130
Disbursements	
SDR Fees & Expenses	5,542
Subcontractor Legal Fees & Expenses	5,999
Subcontractor Other Fees & Expenses	53,169
Non-Subcontractor Fees & Expenses	0
Other Expenses	1,018
RLO Fees & Expenses	10,084
Total Disbursements for Operations	75,812
Loss Claims & LAE Expense Payments	1,121,389
Early Access Payments - GA	0
Refunds & Other Distributions	0
Total Cash Distributions	1,121,389
Total Cash Disbursements & Distributions	1,197,201
Net Increase(Decrease) in Cash	(1,158,071)
Cash at Beginning of Period	17,680,044
Cash at End of Period	16,521,973

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

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**Universal HMO of Texas
Statement of Expenses**

**For Period Ending
08/31/17**

	Total Jun	Total Jul	Total Aug	Total Quarter
SDR				
SDR				
SDR Expenses	1,140.00	1,762.50	2,730.00	5,632.50
Total SDR Billing	1,140.00	1,762.50	2,730.00	5,632.50
SDR Subcontractors - Legal				
Wisener Nunnally Roth, LLP				
Attorney-Partner	1,032.00	1,524.00	2,796.00	5,352.00
Attorney-Partner	270.00	378.00	36.00	684.00
Attorney-Associate	0.00	117.00	0.00	117.00
Expenses	25.21	14.25	0.90	40.36
Total Billing	1,327.21	2,033.25	2,832.90	6,193.36
Total Legal Subcontractors	1,327.21	2,033.25	2,832.90	6,193.36
SDR Subcontractors - Other				
Administrative Insurance Management (AIMS)				
Specialist	4,430.00	4,410.00	4,340.00	13,180.00
Claims Specialist	8,542.50	5,745.00	2,865.00	17,152.50
Expenses	0.00	0.00	0.00	0.00
Total Billing	12,972.50	10,155.00	7,205.00	30,332.50
Petrosewicz & Company, Inc.				
Accounting Manager/	350.00	192.50	192.50	735.00
Accountant/	1,254.00	579.50	522.50	2,356.00
Expenses	23.16	8.70	13.86	45.72
Total Billing	1,627.16	780.70	728.86	3,136.72
Total Other SDR Subcontractors	14,599.66	10,935.70	7,933.86	33,469.22
Receivership Service Providers				
SafeSite Document Storage	60.82	60.00	60.00	180.82
Operating Account	0.00	0.00	0.00	0.00
Texas Treasury	312.02	294.35	290.71	897.08
Total Other	372.84	354.35	350.71	1,077.90
Sub-Total SDR, Subcontractor & Provider Expenses				
Sub-Total SDR, Subcontractor & Provider Expenses	17,439.71	15,085.80	13,847.47	46,372.98
Liquidation Oversight Allocation				
RLO Allocation	4,078.82	1,817.61	1,858.63	7,755.06

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Universal HMO of Texas
Statement of Expenses

For Period Ending
08/31/17

	Total Jun	Total Jul	Total Aug	Total Quarter
Special Master's Fees	100.00	0.00	0.00	100.00
Total RLO & SM Expense	4,178.82	1,817.61	1,858.63	7,855.06
Total Expenses	21,618.53	16,903.41	15,706.10	54,228.04