

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, 2016**

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, 2016*, for the above-referenced receivership estate. The Financial Report and Summary of Statement of Expense covers the period of March 1, 2016 through May 31, 2016.

Respectfully submitted,

Wisener Nunnally Roth, L.L.P.

Original signed by

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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, 2016.

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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, 2016

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

**For the Period Ending
05/31/16**

Line		5/31/2016
Cash		
1	Cash	
	Cash - Unrestricted	18,356,480
	APF Funds (Loan proceeds)	
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	18,356,480

NOTES

Ref No.

**Universal HMO of Texas
Statement of Net Assets****For the Period Ending
05/31/16**

The following assets have been identified on the Company books and records but due to uncertainty, the amounts have been fully reserved.
20 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

05/01/16

Line		02/29/16	05/31/16	Change
Cash				
1	Cash			
	Cash - Unrestricted	18,469,661	18,356,480	(113,181)
	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
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		18,469,661	18,356,480	(113,181)

1 Receipt of funds from CMS Reconciliation: \$ 6,016,274

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

**For Period Ending
05/31/16**

Line

5/31/2016

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	48,860
	Liquidation Oversight	3,217
	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	13,762,046
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	61,043,154
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(42,686,674)
	Total Liabilities & Equity	18,356,480

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

**For Period Ending
05/31/16**

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. To date, all proof of claims (POC) have not been formally adjudicated and the reserve amount will be updated as warranted throughout the POC process.

⁹ Represents amounts reserved based on review of company books and records. To date, all proof of claims (POC) have not been formally adjudicated and the reserve amount will be updated as warranted throughout the POC process.

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

05/31/16

Line		02/29/16	05/31/16	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	37,042	48,860	11,818
	Liquidation Oversight	2,715	3,217	502
	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	13,762,046	13,762,046	0
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	878,627	878,178	(449)
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	61,031,283	61,043,154	11,871
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(42,561,622)	(42,686,674)	(125,052)
	Total Liabilities & Equity	18,469,661	18,356,480	(113,181)

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

**For Period Ending
05/31/16**

	Qtr Ending May-16
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	10,705
Total Cash Receipts	10,705
Disbursements	
SDR Fees & Expenses	13,207
Subcontractor Legal Fees & Expenses	4,861
Subcontractor Other Fees & Expenses	93,144
Non-Subcontractor Fees & Expenses	0
Other Expenses	978
RLO Fees & Expenses	11,247
Total Disbursements for Operations	123,437
Loss Claims & LAE Expense Payments	0
Early Access Payments - GA	0
Refunds & Other Distributions	449
Total Cash Distributions	449
Total Cash Disbursements & Distributions	123,886
Net Increase(Decrease) in Cash	(113,181)
Cash at Beginning of Period	18,469,661
Cash at End of Period	18,356,480

SUMMARY OF STATEMENT OF EXPENSE
Relating to
Universal HMO of Texas, Inc.
For the Quarter Ending May 31, 2016

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**Universal HMO of Texas
Statement of Expenses**

**For Period Ending
05/31/16**

		Total March	Total Apr	Total May	Total Quarter
SDR					
SDR					
SDR		4,215.00	4,350.00	3,075.00	11,640.00
SDR Travel		0.00	0.00	412.50	412.50
Expenses		0.00	0.00	597.63	597.63
Total SDR Billing		4,215.00	4,350.00	4,085.13	12,650.13
SDR Subcontractors - Legal					
Wisener Nunnally Roth, LLP					
Attorney-Partner		780.00	528.00	1,500.00	2,808.00
Attorney-Partner Travel		0.00	0.00	240.00	240.00
Attorney-Partner Expenses		270.00	1,260.00	414.00	1,944.00
		3.34	249.96	69.40	322.70
Total Billing		1,053.34	2,037.96	2,223.40	5,314.70
Total Legal Subcontractors		1,053.34	2,037.96	2,223.40	5,314.70
SDR Subcontractors - Other					
Administrative Insurance Management (AIMS)					
Specialist		6,290.00	5,640.00	5,790.00	17,720.00
Specialist-Travel		0.00	0.00	275.00	275.00
Specialist		4,914.00	9,423.00	11,736.00	26,073.00
Claims Specialist		2,115.00	7,875.00	10,357.50	20,347.50
Claims Manager		12,817.50	11,947.50	11,970.00	36,735.00
Expenses		0.00	0.00	1,680.82	1,680.82
Total Billing		26,136.50	34,885.50	41,809.32	102,831.32
Petrosewicz & Company, Inc.					
Accounting Manager/		227.50	245.00	227.50	700.00
Accountant/		456.00	541.50	494.00	1,491.50
Expenses		14.34	7.10	20.75	42.19
Total Billing		697.84	793.60	742.25	2,233.69
Total Other SDR Subcontractors		26,834.34	35,679.10	42,551.57	105,065.01
Receivership Service Providers					
Chase Operating Account Charges		0.00	0.00	0.00	0.00
Operating Account		20.00	20.00	0.00	40.00
Texas Treasury		303.15	322.88	311.65	937.68
Total Other		323.15	342.88	311.65	977.68

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Universal HMO of Texas
Statement of Expenses

For Period Ending
05/31/16

	Total March	Total Apr	Total May	Total Quarter
Sub-Total SDR, Subcontractor & Provider Expenses				
Sub-Total SDR, Subcontractor & Provider Expenses	32,425.83	42,409.94	49,171.75	124,007.52
Liquidation Oversight Allocation				
RLO Allocation	2,954.92	3,189.57	3,217.26	9,361.75
RLO Allocation December Revision	1,489.41	0.00	0.00	1,489.41
Special Master's Fees	0.00	898.88	0.00	898.88
Total RLO & SM Expense	4,444.33	4,088.45	3,217.26	11,750.04
Total Expenses	36,870.16	46,498.39	52,389.01	135,757.56