

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 NOVEMBER 30, 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 November 30, 2016*, for the above-referenced receivership estate. The Financial Report and Summary of Statement of Expense covers the period of September 1, 2016 through November 30, 2016.

Respectfully submitted,

Wisener Nunnally Roth, L.L.P.

Original signed by

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 December, 2016.

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/s/ Michael C. Roth
Michael C. Roth

FINANCIAL REPORT
Relating to
Universal HMO of Texas, Inc.
For the Quarter Ending November 30, 2016

R-555

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

**For the Period Ending
11/30/16**

Line	11/30/2016
Cash	
1 Cash	
Cash - Unrestricted	18,827,771
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	18,827,771

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.

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>\$0</u>

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

11/30/16

Line		08/31/16	11/30/16	Change
Cash				
1	Cash			
	Cash - Unrestricted	18,920,304	18,827,771	(92,533)
	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		18,920,304	18,827,771	(92,533)

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

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

11/30/16

Line		08/31/16	11/30/16	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	35,314	32,326	(2,988)
	Liquidation Oversight	3,239	3,183	(56)
	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	2,150,060	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	878,178	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	49,417,644	49,414,600	(3,044)
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(30,497,340)	(30,586,829)	(89,489)
	Total Liabilities & Equity	18,920,304	18,827,771	(92,533)

R-NNN

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

**For Period Ending
11/30/16**

	Qtr Ending Nov-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	812
Sale of Real & Personal Property	0
Investment Sales/Receipts	0
Other Asset Receipts	0
Total Receipts from Assets/Receivables	812
Interest & Dividend Receipts, EA Interest	0
Cash Deposit Interest	12,787
Total Cash Receipts	13,599
Disbursements	
SDR Fees & Expenses	7,275
Subcontractor Legal Fees & Expenses	4,009
Subcontractor Other Fees & Expenses	84,285
Non-Subcontractor Fees & Expenses	0
Other Expenses	1,021
RLO Fees & Expenses	9,542
Total Disbursements for Operations	106,132
Loss Claims & LAE Expense Payments	0
Early Access Payments - GA	0
Refunds & Other Distributions	0
Total Cash Distributions	0
Total Cash Disbursements & Distributions	106,132
Net Increase(Decrease) in Cash	(92,533)
Cash at Beginning of Period	18,920,304
Cash at End of Period	18,827,771

SUMMARY OF STATEMENT OF EXPENSE
Relating to
Universal HMO of Texas, Inc.
For the Quarter Ending November 30, 2016

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**Universal HMO of Texas
Statement of Expenses**

**For Period Ending
11/30/16**

	Total Sep	Total Oct	Total Nov	Total Quarter
SDR				
SDR				
SDR Expenses	2,220.00	2,340.00	1,560.00	6,120.00
Total SDR Billing	2,220.00	2,340.00	1,560.00	6,120.00
SDR Subcontractors - Legal				
Wisener Nunnally Roth, LLP				
Attorney-Partner	696.00	1,519.20	3,132.00	5,347.20
Attorney-Partner	0.00	0.00	5,496.00	5,496.00
Attorney-Partner	234.00	756.00	540.00	1,530.00
Attorney-Associate	0.00	216.00	0.00	216.00
Expenses	53.73	41.92	19.78	115.43
Total Billing	983.73	2,533.12	9,187.78	12,704.63
Total Legal Subcontractors	983.73	2,533.12	9,187.78	12,704.63
SDR Subcontractors - Other				
Administrative Insurance Management (AIMS)				
Specialist	4,510.00	5,200.00	6,110.00	15,820.00
Specialist	1,080.00	8,703.00	2,133.00	11,916.00
Claims Specialist	4,635.00	3,270.00	2,970.00	10,875.00
Claims Manager	12,157.50	10,755.00	9,705.00	32,617.50
Expenses	0.00	0.00	0.00	0.00
Total Billing	22,382.50	27,928.00	20,918.00	71,228.50
Petrosewicz & Company, Inc.				
Accounting Manager/	385.00	227.50	192.50	805.00
Accountant/	408.50	817.00	446.50	1,672.00
Expenses	23.56	7.50	21.59	52.65
Total Billing	817.06	1,052.00	660.59	2,529.65
Total Other SDR Subcontractors	23,199.56	28,980.00	21,578.59	73,758.15
Receivership Service Providers				
Operating Account	0.00	20.00	20.00	40.00
Texas Treasury	330.16	320.17	330.22	980.55
Total Other	330.16	340.17	350.22	1,020.55
Sub-Total SDR, Subcontractor & Provider Expenses				
Sub-Total SDR, Subcontractor & Provider Expenses	26,733.45	34,193.29	32,676.59	93,603.33
Liquidation Oversight Allocation				
RLO Allocation	3,544.05	2,596.33	3,182.90	9,323.28
Special Master's Fees	163.34	0.00	0.00	163.34
Total RLO & SM Expense	3,707.39	2,596.33	3,182.90	9,486.62
Total Expenses	30,440.84	36,789.62	35,859.49	103,089.95