

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 FEBRUARY 28, 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 February 28, 2017*, for the above-referenced receivership estate. The Financial Report and Summary of Statement of Expense covers the period of December 1, 2016 through February 28, 2017.

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 March, 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 February 28, 2017

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

**For the Period Ending
02/28/17**

Line	2/28/2017
Cash	
1 Cash	
Cash - Unrestricted	18,739,197
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	18,739,197

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

02/28/17

Line		11/30/16	02/28/17	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	32,326	44,605	12,279
	Liquidation Oversight	3,183	4,422	1,239
	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	49,414,600	49,428,118	13,518
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(30,586,829)	(30,688,921)	(102,092)
	Total Liabilities & Equity	18,827,771	18,739,197	(88,574)

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

**For Period Ending
02/28/17**

	Qtr Ending Feb-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	18,335
Total Cash Receipts	18,335
Disbursements	
SDR Fees & Expenses	7,275
Subcontractor Legal Fees & Expenses	10,353
Subcontractor Other Fees & Expenses	77,674
Non-Subcontractor Fees & Expenses	0
Other Expenses	1,884
RLO Fees & Expenses	9,723
Total Disbursements for Operations	106,909
Loss Claims & LAE Expense Payments	0
Early Access Payments - GA	0
Refunds & Other Distributions	0
Total Cash Distributions	0
Total Cash Disbursements & Distributions	106,909
Net Increase(Decrease) in Cash	(88,574)
Cash at Beginning of Period	18,827,771
Cash at End of Period	18,739,197

SUMMARY OF STATEMENT OF EXPENSE
Relating to
Universal HMO of Texas, Inc.
For the Quarter Ending February 28, 2017

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**Universal HMO of Texas
Statement of Expenses**

For Period Ending
02/28/17

		Total Dec	Total Jan	Total Feb	Total Quarter
SDR					
SDR					
SDR		1,635.00	4,080.00	3,645.00	9,360.00
Expenses		0.00	0.00	0.00	0.00
Total SDR Billing		1,635.00	4,080.00	3,645.00	9,360.00
SDR Subcontractors - Legal					
Wisener Nunnally Roth, LLP					
Attorney-Partner		264.00	480.00	3,168.00	3,912.00
Attorney-Partner		162.00	198.00	2,088.00	2,448.00
Expenses		60.54	0.00	75.20	135.74
Total Billing		486.54	678.00	5,331.20	6,495.74
Total Legal Subcontractors		486.54	678.00	5,331.20	6,495.74
SDR Subcontractors - Other					
Administrative Insurance Management (AIMS)					
Specialist		4,160.00	3,790.00	4,840.00	12,790.00
Specialist		171.00	4,941.00	8,892.00	14,004.00
Claims Specialist		8,685.00	7,785.00	8,835.00	25,305.00
Claims Manager		11,962.50	12,570.00	11,377.50	35,910.00
Expenses		0.00	0.00	225.33	225.33
Total Billing		24,978.50	29,086.00	34,169.83	88,234.33
Petrosewicz & Company, Inc.					
Accounting Manager/		192.50	805.00	367.50	1,365.00
Accountant/		342.00	646.00	1,064.00	2,052.00
Expenses		22.09	23.71	28.07	73.87
Total Billing		556.59	1,474.71	1,459.57	3,490.87
Total Other SDR Subcontractors		25,535.09	30,560.71	35,629.40	91,725.20
Receivership Service Providers					
SafeShred Document Shredding		0.00	847.50	0.00	847.50
Operating Account		20.00	20.00	20.00	60.00
Texas Treasury		319.10	329.01	328.65	976.76
Total Other		339.10	1,196.51	348.65	1,884.26
Sub-Total SDR, Subcontractor & Provider Expenses					
Sub-Total SDR, Subcontractor & Provider Expenses		27,995.73	36,515.22	44,954.25	109,465.20
Liquidation Oversight Allocation					
RLO Allocation		3,460.57	3,004.43	4,067.01	10,532.01

Special Master's Fees	75.79	0.00	354.74	430.53
Total RLO & SM Expense	3,536.36	3,004.43	4,421.75	10,962.54
Total Expenses	31,532.09	39,519.65	49,376.00	120,427.74