

THE TEXAS DEPARTMENT OF	§	IN THE DISTRICT COURT OF
INSURANCE,	§	
<i>Plaintiff,</i>	§	
	§	
v.	§	TRAVIS COUNTY, TEXAS
	§	
BRIGHT HEALTHCARE INSURANCE	§	
COMPANY OF TEXAS	§	
<i>Defendant.</i>	§	455th JUDICIAL DISTRICT

**SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND  
SUMMARY STATEMENT OF EXPENSES  
(NOVEMBER 29, 2023 THROUGH FEBRUARY 29, 2024)**

TO THE HONORABLE DISTRICT COURT:

CANTILO & BENNETT, L.L.P., solely in its capacity as Special Deputy Receiver of Bright Healthcare Insurance Company of Texas (the “SDR” and “Bright” respectively), files this Financial Report and Summary Statement of Expenses of the receivership estate for the period of November 29, 2023 to February 29, 2024. The attached report is filed pursuant to TEX. INS. CODE ANN., §§ 443.015(g) and 443.016(a) and the Court’s Order Granting the SDR’s Application for Approval of Fees and Expenses, entered on January 12, 2024.

The Special Deputy Receiver has served this Quarterly Financial Report to all known parties at interest, as shown in the certificate of service.

Respectfully submitted,

/s/ Greg Pierce  
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**Attorneys for CANTILO & BENNETT, LLP,  
Special Deputy Receiver of  
Bright Healthcare Insurance Company of Texas**

## CERTIFICATE OF SERVICE

I certify that on March 15, 2024, a true and correct copy of this SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND SUMMARY STATEMENT OF EXPENSES (NOVEMBER 29, 2023 TO FEBRUARY 29, 2024) was served pursuant to the Order of Reference, Texas Rules of Civil Procedure, TEX. INS. CODE ANN. SEC. 443.007(d) and the Court's order on electronic service on the following by email, except as specifically otherwise noted.

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*/s/ Greg Pierce*

Gregory A. Pierce

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**Bright Healthcare Insurance Company of Texas  
Statement of Expenses**

**For Period Ending  
02/29/24**

	<b>Total Feb</b>	<b>Total Quarter</b>
<b>SDR</b>		
Cantilo & Bennett, LLP		
Primary Responsible	31,564.00	109,798.00
Primary Responsible - Travel	0.00	3,120.00
SDR Administration Partner/Attorney	3,432.00	32,032.00
SDR Administration Partner/Attorney - Travel	0.00	780.00
SDR Administration Partner/Attorney	130.00	3,328.00
SDR Administration	540.00	3,340.00
SDR Administration	11,420.00	18,960.00
Receivership Specialist	170.50	170.50
Information Technology	200.00	700.00
Expenses	266.08	3,424.12
<b>Total SDR Billing</b>	<b>47,722.58</b>	<b>175,652.62</b>
<b>SDR Subcontractors - Legal</b>		
Fuller Law Group		
Attorney	23,265.00	85,415.00
Attorney - Travel	0.00	2,750.00
Expenses	167.00	4,214.04
<b>Total Billing</b>	<b>23,432.00</b>	<b>92,379.04</b>
Greg Pierce-Attorney at Law		
Attorney	15,125.00	64,900.00
Expenses	4.24	100.80
<b>Total Billing</b>	<b>15,129.24</b>	<b>65,000.80</b>
Inquest Resources		
Partner & Paralegal I	25.50	1,555.50
Partner & Paralegal/Receivership Specialist I	952.00	4,343.50
Partner & Paralegal/Receivership Specialist I - T	0.00	1,049.75
Receivership Specialist II	60.50	385.00
Expenses	101.30	4,833.94
<b>Total Billing</b>	<b>1,139.30</b>	<b>12,167.69</b>
<b>Total Legal Subcontractors</b>	<b>39,700.54</b>	<b>169,547.53</b>
<b>SDR Subcontractors - Other</b>		
Tharp & Associates		
Accountant-Principal/Reinsurance	17,500.00	77,187.50
Accountant-Principal/Reinsurance-Travel	0.00	1,500.00
Corporate Controller/Accountant	2,486.25	8,628.75
Accountant	4,218.75	11,406.25
Expenses	59.37	1,319.12
<b>Total Billing</b>	<b>24,264.37</b>	<b>100,041.62</b>

Petrosewicz & Co., Inc.		
Accountant-Principal	180.00	1,120.00
Accountant	12.50	12.50
Expenses	0.00	0.00
<b>Total Billing</b>	<b>192.50</b>	<b>1,132.50</b>
EMKAY Associates, Inc		
Claims Manager & Consultant	0.00	42.00
Claims Management & IT Consulting	13,114.50	35,437.50
Claims Management & IT Consulting	0.00	68.00
Expenses	0.00	0.00
<b>Total Billing</b>	<b>13,114.50</b>	<b>35,547.50</b>
Milford Consulting, L.L.C.		
Receivership Specialist I, Claims Consultant	8,482.50	13,318.50
Receivership Specialist III	104.00	1,001.00
Expenses	0.00	0.00
<b>Total Billing</b>	<b>8,586.50</b>	<b>14,319.50</b>
Jennan Enterprises, LLC		
IT Consultant	3,600.00	12,150.00
Expenses	0.00	0.00
<b>Total Billing</b>	<b>3,600.00</b>	<b>12,150.00</b>
<b>Total Other SDR Subcontractors</b>	<b>49,757.87</b>	<b>163,191.12</b>
<b>Receivership Service Providers</b>		
Magic Couriers, Inc.	0.00	2,555.00
Network 1 Consulting-Secure Cloud Storage	712.00	2,962.00
<b>Total Other</b>	<b>712.00</b>	<b>5,517.00</b>
<b>Sub-Total SDR, Subcontractor &amp; Provider Expenses</b>		
<b>Sub-Total SDR, Subcontractor &amp; Provider Ex</b>	<b>137,892.99</b>	<b>513,908.27</b>
<b>Liquidation Oversight Allocation</b>		
RLO Allocation	14,034.78	31,060.20
Special Master's Fees	148.33	228.33
<b>Total RLO &amp; SM Expense</b>	<b>14,183.11</b>	<b>31,288.53</b>
<b>Total Expenses</b>	<b>152,076.10</b>	<b>545,196.80</b>

**Bright Healthcare Insurance Company of Texas**  
**Statement of Net Assets**

For the Period Ending  
02/29/24

Line		02/29/24
<b>Cash</b>		
1	Cash	
	Cash - Unrestricted	62,324,145
	APF Funds (Loan proceeds)	
<b>Investments</b>		
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	
<b>Restricted Assets</b>		
10	Statutory Deposits	
11	Funds held by or deposited with Reinsured Companies	
12	Restricted - Other	
<b>Reinsurance Receivable</b>		
13	Reinsurance Recoverables on Paid Losses & LAE (net of allowance)	0
14	Reinsurance Recoverables on Unpaid Losses & LAE (net of allowance)	
15	Reinsurance Recoverables on UEP & Contingent Commissions	
<b>Other Receivables</b>		
16	Salvage & Subrogation Recoveries	
17	Premiums Due from Agents & Policyholders	
18	Receivable from Parents, Subsidiaries & Affiliates	0
19	Receivable from Guaranty Associations - Early Access Payments	
20	Other Receivables	
	RX Rebates Receivable	0
	Other Receivables	0
<b>Other Assets</b>		
21	FF&E	
22	Other Assets	
	Deferred Tax Asset	0
	<b>Total Assets</b>	<b>62,324,145</b>

**Bright Healthcare Insurance Company of Texas**  
**Changes in Net Assets For the Quarter Ending**

2/29/2024

Line		11/30/23	02/29/24	Change
<b>Cash</b>				
1	Cash			
	Cash - Unrestricted	60,573,979	62,324,145	1,750,166
	APF Funds (Loan proceeds)			0
<b>Investments</b>				
2	Short-Term Investments			0
3	Bonds			0
4	Stocks - Preferred & Common			0
5	Investments in Subsidiaries, Controlled or Affiliated Entities			0
6	Mortgage Loans			0
7	Real Estate			0
8	Policy Loans			0
9	Other Invested Assets			0
				0
				0
<b>Restricted Assets</b>				
10	Statutory Deposits			0
11	Funds held by or deposited with Reinsured Companies			0
12	Restricted - Other			0
				0
				0
<b>Reinsurance Receivable</b>				
13	Reinsurance Recoverables on Paid Losses & LAE (net of allowance)			0
14	Reinsurance Recoverables on Unpaid Losses & LAE (net of allowance)			0
15	Reinsurance Recoverables on UEP & Contingent Commissions			0
<b>Other Receivables</b>				
16	Salvage & Subrogation Recoveries			0
17	Premiums Due from Agents & Policyholders			0
18	Receivable from Parents, Subsidiaries & Affiliates			0
19	Receivable from Guaranty Associations - Early Access Payments			0
20	Other Receivables			0
	RX Rebates Receivable	0	0	0
	Other Receivables	0	0	0
<b>Other Assets</b>				
21	FF&E			0
22	Other Assets			0
	Deferred Tax Asset	0	0	0
	Valuation Allowance Deferred Tax Asset	0	0	0
	<b>Total Assets</b>	<b>60,573,979</b>	<b>62,324,145</b>	<b>1,750,166</b>



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**Bright Healthcare Insurance Company of Texas  
Statement of Net Liabilities**

**For Period Ending  
02/29/24**

Line

02/29/24

1	Secured Claims	
2	APF Loan	
3	Special Deposit Claims	
<b>Administrative Claims - Class 1</b>		
4	Administrative Claims - State/Receiver	
	Special Deputy Receiver, Subcontractors Fees & Expenses	137,893
	Liquidation Oversight	14,035
	Special Master's Fees	148
5	Administrative Claims - Guaranty Assns	
	Administrative Expense Paid	
	Administrative Expense Reserves	
6	LAE - Guaranty Assns	
	LAE Paid	
	LAE Reserves	
<b>Policy Claims - Class 2</b>		
7	Loss Claims - Guaranty Assns	
	Loss Claims Paid	
	Loss Claims Reserves	
8	Loss Claims - Other	
	Other Loss Claims Paid	
	Other Loss Claims Reserves	4,494,281
9	LAE - Other	
10	Unearned & Advance Premium Claims - GA	
11	Unearned & Advance Premium Claims - Other	840,591
<b>Other Liabilities</b>		
12	Class 3 Claims	91,203,223
13	Class 4 Claims	
14	Class 5 General Unsecured Creditor Claims	300,021
15	Class 5 Reinsurance Related Unsecured Claims	
16	Class 6 Claims	
17	Class 7 Claims	
18	Class 8 Claims	
19	Class 9 Claims	
20	Class 10 Interest	
21	Class 11 Claims	
22	Other Liabilities	
	<i>Detail Item if any</i>	
	<i>Detail Item if any</i>	
	<b>Total Liabilities</b>	96,990,192
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(34,666,047)
	<b>Total Liabilities &amp; Equity</b>	62,324,145

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**Bright Healthcare Insurance Company of Texas**  
**Changes in Net Liabilities**

For the Quarter Ending  
2/29/2024

Line		11/30/23	02/29/24	Change
1	Secured Claims			0
2	APF Loan			0
3	Special Deposit Claims			0
<b>Administrative Claims - Class 1</b>				
4	Administrative Claims - State/Receiver			0
	Special Deputy Receiver, Subcontractors Fees & Expenses	35,930	137,893	101,963
	Liquidation Oversight	-	14,035	14,035
	Special Master's Fees			0
5	Administrative Claims - Guaranty Assns			0
	Administrative Expense Paid			0
	Administrative Expense Reserves			0
6	LAE - Guaranty Assns			0
	LAE Paid			0
	LAE Reserves			0
<b>Policy Claims - Class 2</b>				
7	Loss Claims - Guaranty Assns			0
	Loss Claims Paid			0
	Loss Claims Reserves			0
8	Loss Claims - Other			0
	Other Loss Claims Paid			0
	Other Loss Claims Reserves	3,283,174	4,494,281	1,211,107
9	LAE - Other			0
10	Unearned & Advance Premium Claims - GA			0
11	Unearned & Advance Premium Claims - Other	990,625	840,591	(150,034)
<b>Other Liabilities</b>				
12	Class 3 Claims	91,203,223	91,203,223	0
13	Class 4 Claims			0
14	Class 5 General Unsecured Creditor Claims	298,785	300,021	1,236
15	Class 5 Reinsurance Related Unsecured Claims			0
16	Class 6 Claims			0
17	Class 7 Claims			0
18	Class 8 Claims			0
19	Class 9 Claims			0
20	Class 10 Interest			0
21	Class 11 Claims			0
22	Other Liabilities			0
	Detail Item if any			0
	Detail Item if any			0
	<b>Total Liabilities</b>	<b>95,811,737</b>	<b>96,990,044</b>	<b>1,178,307</b>
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(35,237,200)	(34,666,047)	571,152
	<b>Total Liabilities &amp; Equity</b>	<b>60,574,537</b>	<b>62,323,996</b>	<b>1,749,459</b>

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**Bright Healthcare Insurance Company of Texas**  
**Sources & Uses of Cash**

**For Period Ending**  
**02/29/24**

	<b>Qtr Ending</b> <b>Feb-2024</b>
<b>Income</b>	
Premium Receipts	486
Agents' Balances Received	-
Reinsurance Recoveries	-
Salvage & Subrogation Recoveries	-
Affiliates Recovery	-
Settlement/Litigation Recovery	-
Other Receipts	1,215,384
Sale of Real & Personal Property	-
Investment Sales/Receipts	-
Other Asset Receipts	10,900
<b>Total Receipts from Assets/Receivables</b>	<b>1,226,770</b>
Interest & Dividend Receipts, EA Interest	-
Cash Deposit Interest	954,302
<b>Total Cash Receipts</b>	<b>2,181,072</b>
<b>Disbursements</b>	
SDR Fees & Expenses	146,141
Subcontractor Legal Fees & Expenses	142,403
Subcontractor Other Fees & Expenses	117,700
Non-Subcontractor Fees & Expenses	4,805
Other Expenses	2,753
RLO Fees & Expenses	17,105
<b>Total Disbursements for Operations</b>	<b>430,907</b>
Loss Claims & LAE Expense Payments	-
Early Access Payments - GA	-
Refunds & Other Distributions	-
<b>Total Cash Distributions</b>	<b>-</b>
<b>Total Cash Disbursements &amp; Distributions</b>	<b>430,907</b>
<b>Net Increase(Decrease) in Cash</b>	<b>1,750,165</b>
<b>Cash at Beginning of Period</b>	<b>60,573,979</b>
<b>Cash at End of Period</b>	<b>62,324,144</b>