

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

**SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND
SUMMARY STATEMENT OF EXPENSES
(DECEMBER 1, 2025 THROUGH FEBRUARY 28, 2026)**

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 December 1, 2025 through February 28, 2026. 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 Second Supplement to Application for Approval of Fees and Expenses, entered on September 18, 2025.

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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**Attorney for CANTILO & BENNETT, LLP,
Special Deputy Receiver of
Bright Healthcare Insurance Company of Texas**

CERTIFICATE OF SERVICE

I certify that on March 16, 2026, a true and correct copy of this SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND SUMMARY STATEMENT OF EXPENSES (DECEMBER 1, 2025 THROUGH FEBRUARY 28, 2026) 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
02/28/26**

	Total Dec	Total Jan	Total Feb	Total Quarter
SDR				
Cantilo & Bennett, LLP				
Primary Responsible	24,232.00	27,144.00	22,490.00	73,866.00
Primary Responsible - Travel	0.00	0.00	156.00	156.00
SDR Administration Partner/Attorney	0.00	676.00	572.00	1,248.00
SDR Administration Partner/Attorney - Travel	0.00	0.00	0.00	0.00
SDR Administration Partner/Attorney	78.00	260.00	130.00	468.00
SDR Administration	9,560.00	6,160.00	5,180.00	20,900.00
SDR Administration	23,120.00	23,860.00	25,140.00	72,120.00
Receivership Specialist	155.00	3,061.25	581.25	3,797.50
Receivership Specialist	0.00	0.00	0.00	0.00
Information Technology	0.00	0.00	50.00	50.00
Administrative/ Clerical	0.00	0.00	0.00	0.00
Expenses	329.47	797.68	8.14	1,135.29
Total SDR Billing	57,474.47	61,958.93	54,307.39	173,740.79
SDR Subcontractors - Legal				
Greg Pierce-Attorney at Law				
Attorney	19,772.50	21,642.50	11,082.50	52,497.50
Expenses	4.24	4.24	0.00	8.48
Total Billing	19,776.74	21,646.74	11,082.50	52,505.98
Scott Douglas & McMonnico				
Attorney	28,140.00	0.00	1,400.00	29,540.00
Appellate Attorney Partner	0.00	0.00	0.00	0.00
Appellate Attorney Associate	24.00	0.00	0.00	24.00
Paralegal Services	0.00	0.00	0.00	0.00
Expenses	10.64	0.00	0.00	10.64
Total Billing	28,174.64	0.00	1,400.00	29,574.64
Inquest Resources				
Partner & Paralegal I	221.00	1,105.00	59.50	1,385.50
Partner & Paralegal/Receivership Specialist I	1,946.50	1,462.00	178.50	3,587.00
Partner & Paralegal/Receivership Specialist I - Travel	0.00	0.00	0.00	0.00
Receivership Specialist II	225.50	231.00	5.50	462.00
Receivership Specialist II- Travel	0.00	0.00	0.00	0.00
Expenses	29.37	9,183.05	1.83	9,214.25
Total Billing	2,422.37	11,981.05	245.33	14,648.75
Total Legal Subcontractors	50,373.75	33,627.79	12,727.83	96,729.37
SDR Subcontractors - Other				
Culmiation Consultin Group, L.L.C.				
Accountant-Principal/Reinsurance	4,375.00	5,100.00	3,325.00	12,800.00
Corporate Controller/Accountant	741.00	1,014.00	702.00	2,457.00
IT/Data Base Admin	0.00	39.00	0.00	39.00
Accountant	3,387.50	1,950.00	2,662.50	8,000.00
Expenses	17.54	14.13	30.79	62.46
Total Billing	8,521.04	8,117.13	6,720.29	23,358.46

Brandon Murray- IT Consulting				
Claims Management & IT Consulting	8,988.00	5,659.50	10,153.50	24,801.00
Total Billing	8,988.00	5,659.50	10,153.50	24,801.00
EMKAY Associates, Inc				
Claims Management & IT Consulting	1,045.50	0.00	0.00	1,045.50
Expenses	0.00	0.00	0.00	0.00
Total Billing	1,045.50	0.00	0.00	1,045.50
Milford Consulting, L.L.C.				
Receivership Specialist I, Claims Consultant	8,404.50	9,145.50	9,867.00	27,417.00
Receivership Specialist III	7,982.00	6,526.00	6,812.00	21,320.00
Receivership Specialist III	2,808.00	5,447.00	12,194.00	20,449.00
Expenses	0.00	0.00	0.00	0.00
Total Billing	19,194.50	21,118.50	28,873.00	69,186.00
Total Other SDR Subcontractors	37,749.04	34,895.13	45,746.79	118,390.96
Receivership Service Providers				
Network 1 Consulting-Secure Cloud Storage	3,474.60	3,583.35	3,633.60	10,691.55
Answer National	95.00	95.00	95.00	285.00
CS Disco, Inc.	1,976.93	1,094.58	1,094.58	4,166.09
Magic Couriers, Inc.	2,150.00	0.00	0.00	2,150.00
Operating Account Bank Fees-Frost	15.15	15.15	15.15	45.45
Texas Treasury	1,016.07	1,050.94	1,051.61	3,118.62
Total Other	8,727.75	5,839.02	5,889.94	20,456.71
Sub-Total SDR, Subcontractor & Provider Expenses				
Sub-Total SDR, Subcontractor & Provider Expenses	154,325.01	136,320.87	118,671.95	409,317.83
Liquidation Oversight Allocation				
RLO Allocation	11,724.07	15,417.83	15,809.97	42,951.87
Special Master's Fees	240.00	0.00	60.00	300.00
Total RLO & SM Expense	11,964.07	15,417.83	15,869.97	43,251.87
Total Expenses	166,289.08	151,738.70	134,541.92	452,569.70

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

**For the Period Ending
02/28/26**

Line		02/28/26
Cash		
1	Cash	
	Cash - Unrestricted	61,384,760
	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	8,659,686
20	Other Receivables	
	RX Rebates Receivable	
	Other Receivables	
Other Assets		
21	FF&E	
22	Other Assets	
	Deferred Tax Asset	
	Valuation Allowance Deferred Tax Asset	
	Total Assets	70,044,446

NOTES

Ref No.

1 Unrestricted Cash

Texas Treasury - Operating
Frost SDR Operating

61,336,004

48,756

61,384,760
13 Reinsurance Recoverable on Paid Losses

Amounts obtained from Bright Healthcare general ledger as of receivership date.

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

**For the Period Ending
02/28/26**

Due from Swiss Re Life & Health America-Excess Risk Reinsurance Agreement (Losses)	0
Due from Swiss Re Life & Health America-Excess Risk Reinsurance Agreement (Transplant)	80,000
Less: Allowance for Uncollectible	<u>(80,000)</u>
Total Recoverable on Paid Losses	<u><u>0</u></u>
16 <u>Salvage & Subrogation Recoveries</u>	
Amounts reflected are the result of reporting by OptumInsight, contracted by the claims administrators' (Evolent) to pursue subrogation recoveries. The receivable amount is based upon OptumInsight's reporting of open matters to the Company, less amounts subsequently received from OptumInsight plus direct subrogation recoveries by the Company.	
Subrogation Recoveries	491,440
Less: Allowance for Uncollectible	<u>(491,440)</u>
Net Receivable	<u><u>0</u></u>
18 <u>Affiliate Receivables--due to/from:</u>	
Amounts reflected are from Company general ledger as of receivership date and subsequent post receivership activity	
Due from Bright Health Management & Affiliates	805,099,703
Due to Bright Health Management & Affiliates	<u>(803,979,064)</u>
Due from Neuehealth RBE - Provider Risk Share	123,980,505
Total due to/from Affiliates	<u>125,101,144</u>
Less: Allowance for Uncollectible	<u>(125,101,144)</u>
Net Receivable	<u><u>0</u></u>
18 <u>Other Receivables</u>	
Amounts reflected are from Company general ledger as of receivership date	
Prepays and Other Receivables	36,959
Receivable from Providers for Overpayments	10,695,895
Premium Tax Receivable	46,205
Less: Allowance for Uncollectible	<u>(10,779,059)</u>
Net Receivable	<u><u>0</u></u>
20 <u>Pharmacy Rebates Receivable</u>	
Gross amount due from Pharmacy providers per Company general ledger as of receivership date	
	1,130,380
Less: Allowance for Uncollectible	<u>(1,130,380)</u>
Net Receivable	<u><u>0</u></u>
22 <u>Deferred Tax Asset</u>	
Amounts reflected are from Company general ledger as of receivership date	
	18,889,790
Less: Allowance for Uncollectible	<u>(18,889,790)</u>
Net Receivable	<u><u>0</u></u>

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

**For the Quarter Ending
2/28/2026**

Line		11/30/25	02/28/26	Change
Cash				
1	Cash			
	Cash - Unrestricted	61,265,444	61,384,760	119,316
	APF Funds (Loan proceeds)			0
Investments				
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
	<i>Detail Item if any</i>			0
	<i>Detail Item if any</i>			0
Restricted Assets				
10	Statutory Deposits			0
11	Funds held by or deposited with Reinsured Companies			0
12	Restricted - Other			0
Reinsurance Receivable				
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
Other Receivables				
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	8,659,686	8,659,686	0
20	Other Receivables			0
	RX Rebates Receivable			0
	Other Receivables			0
Other Assets				
21	FF&E			0
22	Other Assets			0
	Deferred Tax Asset			0
	Valuation Allowance Deferred Tax Asset			0
	Total Assets	69,925,130	70,044,446	119,316

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

**For Period Ending
02/28/26**

Line		02/28/26
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	117,605
	Liquidation Oversight	
	Special Master's Fees	
5	Administrative Claims - Guaranty Assns	
	Administrative Expense Paid	6,087,608
	Administrative Expense Reserves	
6	LAE - Guaranty Assns	
	LAE Paid	
	LAE Reserves	
Policy Claims - Class 2		
7	Loss Claims - Guaranty Assns	
	Loss Claims Paid	4,656,244
	Loss Claims Reserves	
8	Loss Claims - Other	
	Other Loss Claims Paid	
	Other Loss Claims Reserves	
9	LAE - Other	
10	Unearned & Advance Premium Claims - GA	
11	Unearned & Advance Premium Claims - Other	840,593
Other Liabilities		
12	Class 3 Claims	92,543,995
13	Class 4 Claims	
14	Class 5 General Unsecured Creditor Claims	371,812
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	
	Total Liabilities	104,617,858
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(34,573,412)
	Total Liabilities & Equity	70,044,446

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

**For Period Ending
02/28/26**

NOTES

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

5	Reflects amounts reported to the SDR by the Texas Life Health Insurance Guaranty Association (TLHIGA) as of February 28, 2026. The appropriateness and reasonableness of the amounts will be reviewed by the SDR in future months through the adjudication of the TLHIGA's POC..	
7	Reflects amounts reported and reconciled to the SDR by the Texas Life Health Insurance Guaranty Association (TLHIGA). A total of 11,424 claims have been reported as paid as of February 28, 2026. The appropriateness and reasonableness of the amounts will be reviewed by the SDR in future months through the adjudication of the TLHIGA's POC.	
11	Reflects amount obtained from Company general ledger as of receivership date and ultimately reconciled post receivership. Any associated POCs have not yet been adjudicated.	
12	Represents amounts reported by the Company relative to Centers for Medicare & Medicaid Services (CMS) pursuant to a Repayment Plan Approval and Letter of Agreement. This amount has not been reviewed or adjudicated but will most likely be classified as a Class 3 claim in the future.	
	CMS Risk Adjustment Payable	89,637,573
	CMS Risk Adjustment Payable - Interest	429,513
	CMS APTC Payable	2,476,909
		92,543,995
14	Represents amounts obtained from the Company's general ledger of pre-receivership outstanding vendor invoices. These amounts have not been reviewed or adjudicated and would most likely be classified as a Class 5 claim once the POC process has been completed. This excludes receipts deposited post receivership which will be reconciled and reported in future months under the appropriate line item.	
	General Accruals	169,025
	Broker Commision Payable	11,788
	Suspense Account - Cash Clearing	190,999
		371,812

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Bright Healthcare Insurance Company of Texas
Changes in Net Liabilities

For the Quarter Ending
2/28/2026

Line		11/30/25	02/28/26	Change
1	Secured Claims			0
2	APF Loan			0
3	Special Deposit Claims			0
Administrative Claims - Class 1				
4	Administrative Claims - State/Receiver			0
	Special Deputy Receiver, Subcontractors Fees & Expenses	112,623	117,605	4,983
	Liquidation Oversight	0	0	0
	Special Master's Fees	0	0	0
5	Administrative Claims - Guaranty Assns			0
	Administrative Expense Paid	5,949,199	6,087,608	138,409
	Administrative Expense Reserves			0
6	LAE - Guaranty Assns			0
	LAE Paid			0
	LAE Reserves			0
Policy Claims - Class 2				
7	Loss Claims - Guaranty Assns			0
	Loss Claims Paid	4,656,244	4,656,244	0
	Loss Claims Reserves			0
8	Loss Claims - Other			0
	Other Loss Claims Paid			0
	Other Loss Claims Reserves			0
9	LAE - Other			0
10	Unearned & Advance Premium Claims - GA			0
11	Unearned & Advance Premium Claims - Other	840,592	840,593	1
Other Liabilities				
12	Class 3 Claims	92,543,995	92,543,995	0
13	Class 4 Claims			0
14	Class 5 General Unsecured Creditor Claims	371,812	371,812	0
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
	Total Liabilities	104,474,465	104,617,858	143,393
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(34,549,335)	(34,573,412)	(24,077)
	Total Liabilities & Equity	69,925,130	70,044,446	119,316

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

**For Period Ending
02/28/26**

	Qtr Ending Feb-2026
Income	
Premium Receipts	0
Agents' Balances Received	0
Reinsurance Recoveries	0
Salvage & Subrogation Recoveries	8,857
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	8,857
Interest & Dividend Receipts, EA Interest	0
Cash Deposit Interest	558,046
Total Cash Receipts	566,903
Disbursements	
SDR Fees & Expenses	171,133
Subcontractor Legal Fees & Expenses	100,435
Subcontractor Other Fees & Expenses	109,221
Non-Subcontractor Fees & Expenses	20,382
Other Expenses	3,164
RLO Fees & Expenses	43,252
Total Disbursements for Operations	447,587
Loss Claims & LAE Expense Payments	0
Early Access Payments - GA	0
Refunds & Other Distributions	0
Total Cash Distributions	0
Total Cash Disbursements & Distributions	447,587
Net Increase(Decrease) in Cash	119,316
Cash at Beginning of Period	61,265,444
Cash at End of Period	61,384,760