

Velva L. Price
District Clerk
Travis County
D-1-GN-18-001285
Sandra Henriquez

CAUSE NO. D-1-GN-18-001285

THE TEXAS DEPARTMENT OF	§	IN THE DISTRICT COURT OF
INSURANCE,	§	
<i>Plaintiff,</i>	§	
	§	
v.	§	TRAVIS COUNTY, TEXAS
	§	
ACCESS INSURANCE COMPANY,	§	
<i>Defendant.</i>	§	261 ST JUDICIAL DISTRICT

**SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND
SUMMARY STATEMENT OF EXPENSES
(JUNE 1, 2018 THROUGH AUGUST 31, 2018)**

TO THE HONORABLE DISTRICT COURT:

CANTILO & BENNETT, L.L.P., solely in its capacity as the Special Deputy Receiver of Access Insurance Company (the “SDR” and “Access” respectively), files this Financial Report and Summary Statement of Expenses of the receivership estate for the period of June 1, 2018 to August 31, 2018. The attached report is filed pursuant to TEX. INS. CODE ANN., §§ 443.015(2)(g) and 443.016(a) and the Court's Order Approving the SDR's Application for Approval of Fees and Expenses, entered on April 17, 2018.

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,

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Attorney for CANTILO & BENNETT, LLP,
Special Deputy Receiver of Access Insurance Co.

CERTIFICATE OF SERVICE

I certify that on September 17, 2018 the foregoing SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND SUMMARY STATEMENT OF EXPENSES (JUNE 1, 2018 THROUGH AUGUST 31, 2018) was served pursuant to the Court's order requiring electronic service, the Texas Rules of Civil Procedure and TEX. INS. CODE CHAPTER 443.007(d) on the following by electronic mail, except as specifically noted:

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/s/Christopher Fuller

Christopher Fuller

**Access Insurance Co
Statement of Expenses**

**For Period Ending
08/31/18**

	Total Jun	Total Jul	Total Aug	Total Quarter
SDR				
Cantilo & Bennett, LLP				
Partner/Attorney/	26,920.00	23,200.00	25,960.00	76,080.00
Partner/Attorney Travel	1,270.00	50.00	0.00	1,320.00
Partner/Attorney	10,320.00	6,220.00	3,340.00	19,880.00
Associate	27,240.00	17,265.00	24,870.00	69,375.00
Receivership Specialist/	0.00	48.00	252.00	300.00
Law Clerk	3,630.00	0.00	0.00	3,630.00
Law Clerk	0.00	6,292.00	165.00	6,457.00
Expenses	3,778.76	234.51	244.99	4,258.26
Total SDR Billing	73,158.76	53,309.51	54,831.99	181,300.26
SDR Subcontractors - Legal				
Fuller Law Group				
Attorney	20,800.00	16,375.00	15,100.00	52,275.00
Expenses	242.50	494.05	0.00	736.55
Total Billing	21,042.50	16,869.05	15,100.00	53,011.55
Inquest Resources				
Paralegal	4,057.50	6,135.00	3,645.00	13,837.50
Receivership Specialist	4,747.50	6,555.00	4,005.00	15,307.50
Receivership Specialist/ Travel	15.00	480.00	22.50	517.50
Mgr	1,764.00	2,079.00	1,818.00	5,661.00
Mgr Travel	99.00	101.25	67.50	267.75
Clerical	1,080.00	573.00	330.00	1,983.00
Expenses	892.99	4,433.92	602.87	5,929.78
Total Billing	12,655.99	20,357.17	10,490.87	43,504.03
Total Legal Subcontractors	33,698.49	37,226.22	25,590.87	96,515.58
SDR Subcontractors - Other				
Petrosewicz & Company, Inc				
Accountant-Principal/	7,776.00	7,182.00	5,652.00	20,610.00
Accountant-Principal Travel	0.00	1,170.00	0.00	1,170.00
Accountant	6,846.00	3,811.50	3,937.50	14,595.00
Accountant	0.00	84.00	640.50	724.50
Accounting Clerical	213.00	0.00	0.00	213.00
Credit-July Invoice:Duplicate Entry Correction	0.00	0.00	(36.00)	(36.00)
Expenses	80.92	1,341.82	64.46	1,487.20
Total Billing	14,915.92	13,589.32	10,258.46	38,763.70

	Total Jun	Total Jul	Total Aug	Total Quarter
Abaci, Inc.				
Project Manager	1,216.00	693.50	978.50	2,888.00
Technical Analyst	4,941.00	4,851.00	6,876.00	16,668.00
Expenses	0.00	0.00	215.98	215.98
Total Billing	6,157.00	5,544.50	8,070.48	19,771.98
EMKAY Associates				
Claims Manager/	712.50	475.00	532.00	1,719.50
Claims Representative/	13,464.00	9,996.00	14,900.50	38,360.50
Claims Representative Travel	446.25	0.00	0.00	446.25
Claims Representative	18,980.50	17,008.50	18,079.50	54,068.50
Claims Representative	3,642.00	822.00	4,512.00	8,976.00
Expenses	1,422.13	312.50	312.50	2,047.13
Total Billing	38,667.38	28,614.00	38,336.50	105,617.88
Tharp and Associates-Reinsurance				
Reinsurance Consultant	11,925.00	15,975.00	18,225.00	46,125.00
Corporate				
Controller/Accountant	277.50	92.50	0.00	370.00
IT/Data Base Admin	9,990.00	6,197.50	7,400.00	23,587.50
Expenses	0.00	0.00	0.00	0.00
	22,192.50	22,265.00	25,625.00	70,082.50
Total Other SDR Subcontractors	81,932.80	70,012.82	82,290.44	234,236.06
Receivership Service Providers				
SafeSite	140.00	0.00	280.00	420.00
ADP-401K Plan Services	0.00	0.00	481.00	481.00
Access Holdco Mgmt-Master Service Agreement F	390,000.00	624,000.00	650,000.00	1,664,000.00
Answer National	44,108.88	28,374.72	15,686.05	88,169.65
CT Corporation-Miscellaneous Exp-Registered Age	0.00	1,320.00	4,287.31	5,607.31
docuLynx-Document Scanning & Indexing	17,911.04	7,662.66	3,758.52	29,332.22
Dove Mailing	3,247.00	2,308.40	2,300.40	7,855.80
Network 1 Consulting	10,589.50	5,984.46	3,670.00	20,243.96
KeyMark	0.00	3,923.16	10,009.07	13,932.23
Vertafore	573.73	0.00	564.98	1,138.71
USI Ins Services National-Extended E&O and D&C	363,750.00	0.00	0.00	363,750.00
Texas Department of Insurance	0.00	0.00	50.00	50.00
Regions Bank (TN) Mgmt Fees	252.05	0.00	33.56	285.61
Investment Account Fees-US Bank (FL, GA, NC St	37.50	460.00	0.00	497.50

	Total Jun	Total Jul	Total Aug	Total Quarter
Ashford & Associates Bank Fees-Brand Bank (acc	72.02	0.00	0.00	72.02
Operating Account Bank Fees-Frost	18.00	12.00	26.00	56.00
AIC Suntrust Accounts Bank Fees-46 Accounts	1,133.08	4,030.38	2,984.75	8,148.21
Texas Treasury	669.44	1,047.48	1,002.40	2,719.32
Total Other	832,502.24	679,123.26	695,134.04	2,206,759.54

Sub-Total SDR, Subcontractor & Provider Expenses

**Sub-Total SDR,
Subcontractor & Provider
Expenses**

1,021,292.29 839,671.81 857,847.34 2,718,811.44

Liquidation Oversight Allocation

RLO Allocation	45,005.58	40,162.04	40,588.07	125,755.69
Special Master's Fees	0.00	428.25	65.92	494.17
Total RLO & SM Expense	45,005.58	40,590.29	40,653.99	126,249.86
Total Expenses	1,066,297.87	880,262.10	898,501.33	2,845,061.30

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**Access Insurance Co
Statement of Net Assets**

**For the Period Ending
08/31/18**

Line		08/31/18
Cash		
1	Cash	
	Cash - Unrestricted	66,964,243
	APF Funds (Loan proceeds)	
Investments		
2	Short-Term Investments	17,700,000
3	Bonds	248,597
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	2,369,554
11	Funds held by or deposited with Reinsured Companies	
12	Restricted - Other	
	Collateral Assignment - Suntrust Bank Certificate of Deposit	562,500
Reinsurance Receivable		
13	Reinsurance Recoverables on Paid Losses & LAE (net of allowance)	22,638,144
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	
	Income and Premium Tax Receivable	118,740
	Interest Income Receivable	
Other Assets		
21	FF&E	
22	Other Assets	
	Total Assets	110,601,778

NOTES

Ref No.

See Accompanying "Notes to Financial Statements"

R-559

Access Insurance Co
Changes in Net Assets for the Quarter Ending

08/31/18

Line		05/31/18	08/31/18	Change
Cash				
1	Cash			
	Cash - Unrestricted	59,265,714	66,964,243	7,698,529
	APF Funds (Loan proceeds)	0	0	0
Investments				
2	Short-Tem Investments	19,900,000	17,700,000	(2,200,000)
3	Bonds	248,597	248,597	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
	<i>Detail Item if any</i>	0	0	0
	<i>Detail Item if any</i>	0	0	0
Restricted Assets				
10	Statutory Deposits	2,367,778	2,369,554	1,776
11	Funds held by or deposited with Reinsured Companies	0	0	0
12	Restricted - Other	0	0	0
	Collateral Assignment - Suntrust Bank Certificate of Deposit	750,000	562,500	(187,500)
		0	0	0
Reinsurance Receivable				
13	Reinsurance Recoverables on Paid Losses & LAE (net of allowance)	30,106,283	22,638,144	(7,468,139)
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	83,136	0	(83,136)
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
	Income and Premium Tax Receivable	120,657	118,740	(1,917)
	Interest Income Receivable	0	0	0
Other Assets				
21	FF&E	0	0	0
22	Other Assets	0	0	0
	Total Assets	112,842,165	110,601,778	(2,240,387)

R-559

**Access Insurance Co
Statement of Net Liabilities**

**For Period Ending
08/31/18**

Line		08/31/18
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	153,800
	Liquidation Oversight	40,654
	Special Master's Fees	
5	Administrative Claims - Guaranty Assns	
	Administrative Expense Paid	
	Administrative Expense Reserves	
6	LAE - Guaranty Assns	
	LAE Paid	845,754
	LAE Reserves	2,105,551
Policy Claims - Class 2		
7	Loss Claims - Guaranty Assns	
	Loss Claims Paid	6,573,509
	Loss Claims Reserves	78,671,840
8	Loss Claims - Other	
	Other Loss Claims Paid	
	Other Loss Claims Reserves	
9	LAE - Other	36,966
10	Unearned & Advance Premium Claims - GA	18,387,527
11	Unearned & Advance Premium Claims - Other	1,276,523
Other Liabilities		
12	Class 3 Claims	
13	Class 4 Claims	
14	Class 5 General Unsecured Creditor Claims	15,180,902
15	Class 5 Reinsurance Related Unsecured Claims	128,412,291
16	Class 6 Claims	899,747
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	252,585,064
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(141,983,286)
	Total Liabilities & Equity	110,601,778

NOTES

Ref. No.

See Accompanying "Notes to Financial Statements"

R-559

Access Insurance Co
Changes in Net Liabilities for the Quarter Ending

08/31/18

Line		05/31/18	08/31/18	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	264,320	153,800	(110,520)
	Liquidation Oversight	25,414	40,654	15,240
	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	845,754	845,754
	LAE Reserves	0	2,105,551	2,105,551
Policy Claims - Class 2				
7	Loss Claims - Guaranty Assns	0	0	0
	Loss Claims Paid	0	6,573,509	6,573,509
	Loss Claims Reserves	0	78,671,840	78,671,840
8	Loss Claims - Other	0	0	0
	Other Loss Claims Paid	0	0	0
	Other Loss Claims Reserves	54,246,900	0	(54,246,900)
9	LAE - Other	2,142,518	36,966	(2,105,552)
10	Unearned & Advance Premium Claims - GA	0	18,387,527	18,387,527
11	Unearned & Advance Premium Claims - Other	19,664,050	1,276,523	(18,387,527)
Other Liabilities				
12	Class 3 Claims	0	0	0
13	Class 4 Claims	0	0	0
14	Class 5 General Unsecured Creditor Claims	15,180,902	15,180,902	0
15	Class 5 Reinsurance Related Unsecured Claims	128,412,291	128,412,291	0
16	Class 6 Claims	0	899,747	899,747
17	Class 7 Claims	0	0	0
18	Class 8 Claims	0	0	0
19	Class 9 Claims	0	0	0
20	Class 10 Interest	0	0	0
21	Class 11 Claims	0	0	0
22	Other Liabilities	0	0	0
	Total Liabilities	219,936,395	252,585,064	32,648,669
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(107,094,230)	(141,983,286)	(34,889,056)
	Total Liabilities & Equity	112,842,165	110,601,778	(2,240,387)

**Access Insurance Co
Sources & Uses of Cash**

**For Period Ending
08/31/18**

	Qtr Ending Aug-18
Income	
Premium Receipts	(1,635)
Agents' Balances Received	0
Reinsurance Recoveries	7,468,139
Salvage & Subrogation Recoveries	317,764
Affiliates Recovery	0
Settlement/Litigation Recovery	0
Other Receipts	86,977
Sale of Real & Personal Property	0
Investment Sales/Receipts	2,200,000
Other Asset Receipts	187,500
Total Receipts from Assets/Receivables	10,258,745
Interest & Dividend Receipts, EA Interest	96,612
Cash Deposit Interest	283,514
Total Cash Receipts	10,638,871
Disbursements	
SDR Fees & Expenses	205,195
Subcontractor Legal Fees & Expenses	128,617
Subcontractor Other Fees & Expenses	286,771
Non-Subcontractor Fees & Expenses	2,024
Other Expenses	2,206,725
RLO Fees & Expenses	111,010
Total Disbursements for Operations	2,940,342
Loss Claims & LAE Expense Payments	0
Early Access Payments - GA	0
Refunds & Other Distributions	0
Total Cash Distributions	0
Total Cash Disbursements & Distributions	2,940,342
APF Loan Proceeds (Repayment)	0
Net Increase(Decrease) in Cash	7,698,529
Cash at Beginning of Period	59,265,714
Cash at End of Period	66,964,243