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ANGIE SPARKS
CLERK DISTRICT COURT

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FILED
LISA KALLIO
DEPUTY

**MONTANA FIRST JUDICIAL DISTRICT COURT
LEWIS AND CLARK COUNTY**

IN THE MATTER OF THE LIQUIDATION OF CARECONCEPTS INSURANCE, INC., A RISK RETENTION GROUP, Respondent.	CASE NO. ADV-2016-640 NOTICE OF APPEARANCE and FILING OF SEMIANNUAL ACCOUNTING
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The Commissioner of Securities and Insurance, Office of the Montana State Auditor, by and through counsel, submits the following accounting of the estate of CareConcepts Insurance, Inc., a Risk Retention Group (Care). Attorney Benjamin C. Tiller appears on behalf of the CSI in this matter for the first time.

Pursuant to the Court's scheduling order dated August 8, 2016, the Liquidator shall file an accounting of the estate of Care semiannually based upon June 30 and December 31 financials, until termination of the liquidation. Michael FitzGibbons, Special Deputy Liquidator, has prepared the attached semiannual accounting based upon June 30, 2017, financials, (Exhibit A).

Respectfully submitted this 10th day of August, 2017.

MATTHEW ROSENDALE
Commissioner of Securities and Insurance,
Montana State Auditor

BRETT OLIN
Attorney for the Liquidator



CareConcepts Insurance, Inc., a Risk Retention Group
Balance Sheet
December 31, 2016 and June 30, 2017

	<u>December 31,</u> <u>2016</u>	<u>June 30,</u> <u>2017</u>
Assets		
Cash and cash equivalents	2,046,492	1,909,439
Interest income due and accrued	-	-
Premiums receivable	81,473	81,473
Amounts recoverable from reinsurers - paid losses	-	-
Amounts recoverable from reinsurers - ceded reserves	2,783,359	3,577,802
	<u>4,911,323</u>	<u>5,568,713</u>
Liabilities		
Loss reserves	8,574,375	9,551,644
Loss adjustment expense reserves	1,267,500	1,024,217
Other expenses	100,866	86,579
Taxes, licenses, and fees	12,424	12,424
Premium refund payable	302,545	302,545
Ceded premiums payable	267,501	267,501
Total liabilities	<u>10,525,210</u>	<u>11,244,909</u>
Capital and Surplus (Deficit)		
Common stock and contributed surplus	397,466	397,466
Surplus note	600,000	600,000
Unassigned funds	(6,611,352)	(6,673,661)
Total policyholders surplus (deficit)	<u>(5,613,886)</u>	<u>(5,676,195)</u>
	<u>4,911,323</u>	<u>5,568,713</u>

CareConcepts Insurance, Inc., a Risk Retention Group

Statement of Operations

Year Ended December 31, 2016 and Six Months Ended June 30, 2017

	Year Ended December 31, 2016	Six Months Ended June 30, 2017
Net premiums earned	91,717	-
Loss and LAE incurred	5,802,016	-
Other expenses	431,821	64,540
Net underwriting gain (loss)	(6,142,119)	(64,540)
Net investment income	8,056	2,231
Net realized capital gains (losses)	(113,438)	-
Income before taxes	(6,247,501)	(62,309)
Income taxes	145,606	-
Net income (loss)	(6,393,107)	(62,309)

CareConcepts Insurance, Inc., a Risk Retention Group
Cash Receipts and Disbursements
August 1, 2016 to June 30, 2017

	August 1 to December 31, 2016	January 1 to June 30, 2017	August 1, 2016 to June 30, 2017
Cash receipts:			
Investment income	8,523	2,231	10,754
Sale of investments	1,705,318	-	1,705,318
Income tax recoveries	91,541	-	91,541
Letter of credit	100,000	-	100,000
Other	1,000	-	1,000
	<u>1,906,382</u>	<u>2,231</u>	<u>1,908,613</u>
Cash disbursements:			
Loss and loss adjustment expenses	7,000	50,342	57,342
Salary and employee benefits	7,258	10,899	18,157
Special Deputy Liquidator	42,368	74,186	116,553
Insurance	791	-	791
Professional fees	7,139	624	7,763
Rent, rent items and utilities	1,113	1,306	2,420
Offices supplies, postage and printing	1,888	1,170	3,059
EDP equipment, software and consulting	10,503	758	11,260
Purchase of investments	2,248	-	2,248
Bank charges	698	-	698
Publication costs	7,743	-	7,743
	<u>88,749</u>	<u>139,285</u>	<u>228,034</u>
Net change in cash	<u>1,817,633</u>	<u>(137,053)</u>	<u>1,680,579</u>
Cash and cash equivalents - beginning of period	228,859	2,046,492	228,859
Cash and cash equivalents - end of period	<u>2,046,492</u>	<u>1,909,439</u>	<u>1,909,439</u>

CareConcepts Insurance, Inc., a Risk Retention Group
Asset Listing
June 30, 2017

	<u>June 30, 2017</u>
Assets	
Cash and cash equivalents	1,909,439
Premiums receivable	81,473
Amounts recoverable from reinsurers - paid losses	-
Amounts recoverable from reinsurers - ceded reserves	<u>3,577,802</u>
	<u><u>5,568,713</u></u>