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Office of the Montana State Auditor,
Commissioner of Securities and Insurance (CSI)
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ANGIE SPARKS, Clerk of District Court
By AMBER M MULLEN Deputy Clerk

Attorneys for the Liquidator

COPY

MONTANA FIRST JUDICIAL DISTRICT COURT
LEWIS AND CLARK COUNTY

<p>IN THE MATTER OF THE LIQUIDATION OF CARECONCEPTS INSURANCE, INC., A RISK RETENTION GROUP,</p> <p style="text-align: center;">Respondent.</p>	<p>CASE NO. ADV-2016-640</p> <p>FILING OF SEMIANNUAL ACCOUNTING</p>
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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).

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, 2019, financials. (Exhibit A).

Respectfully submitted this 19th day of November, 2019.

MATTHEW ROSENDALE
Commissioner of Securities and Insurance,
Montana State Auditor


BENJAMIN TILLER
Attorney for the Liquidator

CareConcepts Insurance, Inc., a Risk Retention Group
Balance Sheet
December 31, 2018 and June 30, 2019

	<u>December 31,</u> <u>2018</u>	<u>June 30,</u> <u>2019</u>
Assets		
Cash and cash equivalents	1,599,774	1,523,988
Interest income due and accrued	6,672	1,943
Premiums receivable	81,473	81,473
Amounts recoverable from reinsurers - paid losses	-	-
Amounts recoverable from reinsurers - ceded reserves	2,137,906	2,237,941
	<u>3,825,824</u>	<u>3,845,344</u>
Liabilities		
Loss reserves	8,200,792	8,258,358
Loss adjustment expense reserves	774,061	758,557
Other expenses	79,266	67,739
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>9,636,588</u>	<u>9,667,122</u>
Capital and Surplus (Deficit)		
Common stock and contributed surplus	397,466	297,466
Surplus note	600,000	600,000
Unassigned funds	(6,808,229)	(6,719,244)
Total policyholders surplus (deficit)	<u>(5,810,763)</u>	<u>(5,821,778)</u>
	<u>3,825,824</u>	<u>3,845,344</u>



CareConcepts Insurance, Inc., a Risk Retention Group
Statement of Operations
Year Ended December 31, 2018 and Six Months Ended June 30, 2019

	Year Ended December 31, 2018	Six Months Ended June 30, 2019
	<u> </u>	<u> </u>
Net premiums earned	-	-
Loss and LAE incurred	-	-
Other expenses	103,503	26,059
Net underwriting gain (loss)	<u>(103,503)</u>	<u>(26,059)</u>
Net investment income	20,530	15,044
Net realized capital gains (losses)	<u>-</u>	<u>-</u>
Income before taxes	<u>(82,973)</u>	<u>(11,015)</u>
Income taxes	<u>-</u>	<u>-</u>
Net income (loss)	<u><u>(82,973)</u></u>	<u><u>(11,015)</u></u>

CareConcepts Insurance, Inc., a Risk Retention Group
Cash Receipts and Disbursements
August 2016 to June 30, 2019

	8/1/16 to 12/31/16	2017	2018	2019	Total 8/1/16 to 6/30/19
Cash receipts:					
Investment income	8,523	3,149	13,260	19,148	44,080
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>3,149</u>	<u>13,260</u>	<u>19,148</u>	<u>1,941,938</u>
Cash disbursements:					
Loss and loss adjustment expenses	7,000	90,856	117,081	65,290	280,227
Salary and employee benefits	7,258	21,631	32,525	8,264	69,678
Special Deputy Liquidator	42,368	117,993	41,892	12,609	214,862
Insurance	791	772	814	-	2,377
Professional fees	7,139	5,600	474	4,705	17,918
Rent, rent items and utilities	1,113	2,714	2,686	1,641	8,154
Offices supplies, postage and printing	1,888	2,562	3,128	1,037	8,616
EDP equipment, software and consulting	10,503	1,389	21,010	1,389	34,290
Purchase of investments	2,248	-	-	-	2,248
Bank charges	698	-	-	-	698
Publication costs	7,743	-	-	-	7,743
	<u>88,749</u>	<u>243,517</u>	<u>219,610</u>	<u>94,934</u>	<u>646,810</u>
Net change in cash	<u>1,817,633</u>	<u>(240,368)</u>	<u>(206,350)</u>	<u>(75,786)</u>	<u>1,295,128</u>
Cash and cash equivalents - beginning of period	<u>228,859</u>	<u>2,046,492</u>	<u>1,806,124</u>	<u>1,599,774</u>	<u>228,859</u>
Cash and cash equivalents - end of period	<u><u>2,046,492</u></u>	<u><u>1,806,124</u></u>	<u><u>1,599,774</u></u>	<u><u>1,523,988</u></u>	<u><u>1,523,988</u></u>

CareConcepts Insurance, Inc., a Risk Retention Group
Asset Listing
June 30, 2019

	<u>June 30, 2019</u>
Assets	
Cash and cash equivalents	1,523,988
Interest income due and accrued	1,943
Premiums receivable	81,473
Amounts recoverable from reinsurers - paid losses	-
Amounts recoverable from reinsurers - ceded reserves	<u>2,237,941</u>
	<u><u>3,845,344</u></u>