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Office of the Montana State Auditor,
Commissioner of Securities and Insurance (CSI)
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ANGIE SPARKS
CLERK DISTRICT COURT

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

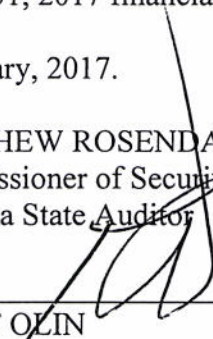
IN THE MATTER OF THE LIQUIDATION OF CARE CONCEPTS INSURANCE, INC., A RISK RETENTION GROUP, Respondent.	CASE NO. ADV-2016-640 FILING OF SEMIANNUAL ACCOUNTING
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The Commissioner of Securities and Insurance, Office of the Montana State Auditor, by and through counsel, submits the following accounting of the estate of CareConcepts Insurance, Inc., a Risk Retention Group (CareConcepts).

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

Respectfully submitted this 15th day of February, 2017.

MATTHEW ROSENDALE
Commissioner of Securities and Insurance,
Montana State Auditor


BRETT OLIN
Attorney for the Liquidator

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

	December 31,	
	2016	2017
Assets		
Cash and cash equivalents	2,046,492	1,806,124
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	3,240,584
	<u>4,911,323</u>	<u>5,128,181</u>
Liabilities		
Loss reserves	8,574,375	9,365,507
Loss adjustment expense reserves	1,267,500	842,740
Other expenses	100,866	65,254
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>10,855,971</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)	(6,725,256)
Total policyholders surplus (deficit)	<u>(5,613,886)</u>	<u>(5,727,790)</u>
	<u>4,911,323</u>	<u>5,128,181</u>

EXHIBIT

A

CareConcepts Insurance, Inc., a Risk Retention Group, in Liquidation
Statement of Operations
Years Ended December 31, 2016 and 2017

	Years Ended December 31, 2016	2017
Net premiums earned	91,717	-
Loss and LAE incurred	5,802,016	-
Other expenses	431,821	117,053
Net underwriting gain (loss)	<u>(6,142,119)</u>	<u>(117,053)</u>
Net investment income	8,056	3,149
Net realized capital gains (losses)	<u>(113,438)</u>	<u>-</u>
Income before taxes	<u>(6,247,501)</u>	<u>(113,904)</u>
Income taxes	145,606	-
Net income (loss)	<u><u>(6,393,107)</u></u>	<u><u>(113,904)</u></u>

CareConcepts Insurance, Inc., a Risk Retention Group
Cash Receipts and Disbursements
August 1, 2016 to December 31, 2017

	8/1/16 to 12/31/16	1/1/17 to 6/30/17	7/1/17 to 12/31/17	Total 8/1/16 to 12/31/17
Cash receipts:				
Investment income	8,523	2,231	918	11,672
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>918</u>	<u>1,909,531</u>
Cash disbursements:				
Loss and loss adjustment expenses	7,000	50,342	40,514	97,856
Salary and employee benefits	7,258	10,899	10,732	28,889
Special Deputy Liquidator	42,368	74,186	43,807	160,361
Insurance	791	-	772	1,563
Professional fees	7,139	624	4,976	12,740
Rent, rent items and utilities	1,113	1,306	1,407	3,827
Offices supplies, postage and printing	1,888	1,170	1,392	4,450
EDP equipment, software and consulting	10,503	758	631	11,891
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>104,232</u>	<u>332,266</u>
Net change in cash	<u>1,817,633</u>	<u>(137,053)</u>	<u>(103,314)</u>	<u>1,577,265</u>
Cash and cash equivalents - beginning of period	228,859	2,046,492	1,909,439	228,859
Cash and cash equivalents - end of period	<u>2,046,492</u>	<u>1,909,439</u>	<u>1,806,124</u>	<u>1,806,124</u>

CareConcepts Insurance, Inc., a Risk Retention Group
Asset Listing
December 31, 2017

	<u>December 31,</u> <u>2017</u>
Assets	
Cash and cash equivalents	1,806,124
Premiums receivable	81,473
Amounts recoverable from reinsurers - paid losses	-
Amounts recoverable from reinsurers - ceded reserves	3,240,584
	<u>5,128,181</u>