

**COPY**

GV 204523

THE STATE OF TEXAS

v.

AMCARE HEALTH PLANS OF TEXAS,  
INC. and AMCARE MANAGEMENT, INC.

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IN THE DISTRICT COURT OF

TRAVIS COUNTY, TEXAS

200th JUDICIAL DISTRICT

**SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORTS  
FOR THE QUARTER ENDING MAY 31, 2006**

TO THE HONORABLE JUDGE OF THIS COURT:

COMES NOW, Jean Johnson, Special Deputy Receiver under contract to the Permanent Receiver of AmCare Health Plans of Texas, Inc. and AmCare Management, Inc., pursuant to TEX. INS. CODE ANN. § 21A.016(a), and presents to this Court her QUARTERLY FINANCIAL REPORTS FOR THE QUARTER ENDING MAY 31, 2006, for each entity in the above-referenced receivership estate. The Financial Reports cover the period of March 1, 2006 through May 31, 2006.

FILED  
06 JUN 15 PM 12:57  
District Clerk  
Travis County, Texas

Respectfully submitted,

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Attorneys for the Special Deputy Receiver

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing document has been served on all interested parties in accordance with the Texas Rules of Civil Procedure and TEX. INS. CODE ANN. § 21A.007(d) this the 15<sup>th</sup> day of June 2006.

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*Brian E. Riewe*  
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**FINANCIAL REPORTS**  
**Relating to**  
**AmCare Health Plans of Texas, In Receivership**  
**For the Quarter Ending May 31, 2006**

**R 512H**

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**Amcare Health Plans of Texas, Inc. in Receivership  
Statement of Net Assets**

**For the Month Ending  
05/31/06**

Line		03/31/06	04/30/06	05/31/06
	<b>Cash</b>			
1	Cash - Unrestricted			
	<b>Investments</b>	9,971,768	9,952,260	9,955,616
2	Short-Term Investments			
3	Bonds, Preferred Stocks & Common Stocks			
4	Investments in Subsidiaries, Controlled or Affiliated Entities			
5	Mortgage Loans			
6	Real Estate			
7	Policy Loans			
8	Other Invested Assets			
	<b>Reinsurance</b>			
9.1	Reinsurance Recoverables on Paid Losses & LAE			
9.1A	Allowance for Reinsurance on Paid Losses & LAE			
9.2	Reinsurance Recoverables on Unpaid Losses & LAE			
9.2A	Allowance for Reinsurance on Unpaid Losses & LAE			
9.3	Reinsurance Recoverables on UEP & Contingent Commissions			
	<b>Receivables</b>			
10	Salvage & Subrogation Recoveries			
11	Premiums Due & Accrued from Agents & Policyholders			
12	Receivable from Parents, Subsidiaries & Affiliates	18,755	18,755	18,755
13	Accrued Investment Income	130,353	130,353	130,353
14	Receivable from Guaranty Associations - Early Access Payments			
	<b>Other Assets</b>			
15.1	FF&E			
15.2	Prepaid Expenses			
16	Other Assets			
	<b>Restricted Assets</b>	917,927	915,192	912,390
17.1	Restricted - Statutory Deposits			
17.2	Restricted - Funds held by or deposited with Reinsured Companies			
17.3	Restricted - Separate Accounts & Protected Cell Accounts			
17.4	Restricted - Other			
18	<b>Total Unrestricted Assets</b>	7,715,013	7,743,367	7,777,848
19	<b>Total Restricted Assets</b>	11,038,803	11,016,560	11,017,114
		7,715,013	7,743,367	7,777,848
19A	Net Assets not Categorized			
20	<b>Total Assets</b>	18,753,816	18,759,927	18,794,962

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**Amcare Health Plans of Texas, Inc. in Receivership  
Statement of Net Assets**

**For the Month Ending  
05/31/06**

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Ref No.

NOTES

512H

**Amcare Health Plans of Texas, Inc. in Receivership  
Changes in Net Assets**

**For the Quarter Ending  
05/31/06**

Line	Qtr Ending 02/28/06	Qtr Ending 05/31/06	Change
<b>Cash</b>			
1 Cash - Unrestricted	10,094,136	9,955,616	(138,520)
<b>Investments</b>			
2 Short-Term Investments	0	0	0
3 Bonds, Preferred Stocks & Common Stocks	0	0	0
4 Investments in Subsidiaries, Controlled or Affiliated Entities	0	0	0
5 Mortgage Loans	0	0	0
6 Real Estate	0	0	0
7 Policy Loans	0	0	0
8 Other Invested Assets	0	0	0
<b>Reinsurance</b>			
9.1 Reinsurance Recoverables on Paid Losses & LAE	0	0	0
9.1A Allowance for Reinsurance on Paid Losses & LAE	0	0	0
9.2 Reinsurance Recoverables on Unpaid Losses & LAE	0	0	0
9.2A Allowance for Reinsurance on Unpaid Losses & LAE	0	0	0
9.3 Reinsurance Recoverables on UEP & Contingent Commissions	0	0	0
<b>Receivables</b>			
10 Salvage & Subrogation Recoveries	0	0	0
11 Premiums Due & Accrued from Agents & Policyholders	18,755	18,755	0
12 Receivable from Parents, Subsidiaries & Affiliates	130,353	130,353	0
13 Accrued Investment Income	0	0	0
14 Receivable from Guaranty Associations - Early Access Payments	0	0	0
<b>Other Assets</b>			
15.1 FF&E	0	0	0
15.2 Prepaid Expenses	0	0	0
16 Other Assets	0	0	0
<b>Restricted Assets</b>	928,640	912,390	(16,250)
17.1 Restricted - Statutory Deposits	0	0	0
17.2 Restricted - Funds held by or deposited with Reinsured Companies	0	0	0
17.3 Restricted - Separate Accounts & Protected Cell Accounts	0	0	0
17.4 Restricted - Other	0	0	0
18 <b>Total Unrestricted Assets</b>	7,685,041	7,777,848	92,807
19 <b>Total Restricted Assets</b>	11,171,884	11,017,114	(154,770)
19A Net Assets not Categorized	7,685,041	7,777,848	92,807
20	0	0	0
<b>Total Assets</b>	18,856,925	18,794,962	(61,963)

Amcare Health Plans of Texas, Inc. in Receivership  
Statement of Net Liabilities

For the Month Ending  
05/31/06

Line	Class	03/31/06	04/30/06	05/31/06
1	Secured Claims			
2	Special Deposit Claims			
<b>Administrative</b>				
3	Administrative Claims - State/Receiver			
	Special Deputy Receiver, Subcontractors Fees & Expenses			
	Liquidation Oversight & Special Master's Fees			
	Unsecured Loans			
4	Administrative Claims - Guaranty Assns	1	1	1
	Claims Paid			
	Reserves			
5	LAE - Guaranty Assns	1	1	1
<b>Loss Claims</b>				
6	Loss Claims - Guaranty Assns			
	Loss Claims Paid			
	Reserves			
7	Loss Claims - Other			
	Loss Claims Paid			
	Reserves			
8	LAE - Other			
9	Unearned & Advance Premium Claims (Non Assessable Policies) - GA	2	2	2
	Unearned & Advance Premium Claims (Assessable Policies) - GA			
10	Unearned & Advance Premium Claims (Non Assessable Policies) - Other	2	2	2
18	Unearned Premium Claims (Assessable Policies) - GA	2	2	2
<b>Other Creditors</b>				
11	Federal Government Claims			
12	Employee Claims			
13	General Unsecured Creditor Claims (Other than Reinsurance Related)			
14	Ceded Reinsurance Related Unsecured Claims			
14.1	Assumed Reinsurance Related Unsecured Claims			
15	State & Local Government Claims			
	State & Local Governments/Attorneys			
	State & Local Governments - Penalties			
16	Late Filed Claims - Unexcused			
17	Surplus Notes			
19	Unearned Premium Claims (Assessable Policies) - Other			
20	Shareholder Claims			
21	Other Liabilities			
	Interest			
	Other			
22	Total Liabilities	52,731,495	52,723,034	52,724,513
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(33,977,679)	(33,963,107)	(33,929,551)
	Total Liabilities & Equity	18,753,816	18,759,927	18,794,962



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**Amcare Health Plans of Texas, Inc. in Receivership  
Statement of Net Liabilities**

**For the Month Ending  
05/31/06**

**NOTES**

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

512H

**Amcare Health Plans of Texas, Inc. in Receivership**  
**Changes In Net Liabilities**

For the Quarter Ending  
05/31/06

Line	Qtr Ending 02/28/06	Qtr Ending 05/31/06	Change
1 Secured Claims	0	0	0
2 Special Deposit Claims	0	0	0
<b>Administrative</b>			
3 Administrative Claims - State/Receiver	0	0	0
Special Deputy Receiver, Subcontractors Fees & Expenses	575,629	591,522	15,893
Liquidation Oversight & Special Master's Fees	34,940	2,164	(32,776)
Unsecured Loans	0	0	0
4 Administrative Claims - Guaranty Assns	0	0	0
Claims Paid	0	0	0
Reserves	0	0	0
5 LAE - Guaranty Assns	0	0	0
<b>Loss Claims</b>			
6 Loss Claims - Guaranty Assns	0	0	0
Loss Claims Paid	0	0	0
Reserves	0	0	0
7 Loss Claims - Other	0	0	0
Loss Claims Paid	0	0	0
Reserves	0	0	0
8 LAE - Other	52,130,827	52,130,827	0
9 Unearned & Advance Premium Claims (Non Assessable Policies) - GA	0	0	0
10 Unearned & Advance Premium Claims (Non Assessable Policies) - Other	0	0	0
18 Unearned Premium Claims (Assessable Policies) - GA	0	0	0
<b>Other Creditors</b>			
11 Federal Government Claims	0	0	0
12 Employee Claims	0	0	0
13 General Unsecured Creditor Claims (Other than Reinsurance Related)	0	0	0
14 Ceded Reinsurance Related Unsecured Claims	0	0	0
14.1 Assumed Reinsurance Related Unsecured Claims	0	0	0
15 State & Local Government Claims	0	0	0
State & Local Governments/Attorneys	0	0	0
State & Local Governments - Penalties	0	0	0
16 Late Filed Claims - Unexcused	0	0	0
17 Surplus Notes	0	0	0
19 Unearned Premium Claims (Assessable Policies) - Other	0	0	0
20 Shareholder Claims	0	0	0
21 Other Liabilities	0	0	0
Interest	0	0	0
Other	0	0	0
22 Total Liabilities	52,741,396	52,724,513	(16,883)
23 Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(33,884,471)	(33,929,551)	(45,080)
<b>Total Liabilities &amp; Equity</b>	<b>18,856,925</b>	<b>18,794,962</b>	<b>(61,963)</b>

512H Amcare Health Plans of Texas, Inc. in Receivership  
Change in Cash & Investments

For the Quarter Ending  
05/31/06

Line	Qtr Ending 5/31/2006
<b>Income</b>	
1 Premium Receipts	0
2 Settlements	0
3 Policy Loan Receipts	0
4 Proceeds from Sale of Real Property or Personal	0
5 Reinsurance Recoveries	0
6 Salvage & Subrogation Recoveries	0
7 Agents' Balances Received	0
8 Collection of Affiliate Receivables	0
9 Recovery of Taxes Previously Paid	0
10 Other Receipts	18,065
11 Total Operational Receipts	18,065
12 Interest & Dividend Receipts	119,771
13 Net Cash Provided by Investment Activities	0
14 Total Cash Receipts from Investment Activities	119,771
15 Total Cash Receipts	137,836
<b>Operational Expenses</b>	
16 Deputy Receiver & Consulting Fees & Expenses	104,394
17 Employee Salaries, P/R Taxes & Employee Benefits	0
18 Rent, Office & Other Facility Expenses	18,360
19 Legal Fees & Expenses	131,360
20 Accounting & Auditing Fees & Expenses	1,949
21 SGA - Administration Expenses other than LAE	3,877
22 Ancillary Administration Expenses	16,416
23 Other Disbursements	0
24 Total Operational Disbursements	276,356
<b>Investment Expenses</b>	
25 Investment Expenses	0
26 Purchase of Invested Assets	0
27 Total Disbursements for Investment Activities	0
<b>Claims Paid</b>	
28.1 Losses/Benefit Payments - SGA	0
28.2 Losses/Benefit Payments - Non SGA	0
28.3 Losses/Benefit & LAE Payments - Special Deposits	0
29.1 LAE Payments - SGA	0
29.2 LAE Payments - non SGA	0
30 Early Access Payments	0
31 Reinsurance Payments	0
32 Total Cash Distributions	0
33 Total Cash Disbursements & Distributions	276,356
34 Net Increase(Decrease) in Cash	(138,520)
35 Cash at Beginning of Period	10,094,136
36 Cash at End of Period	9,955,616

**FINANCIAL REPORTS**  
**Relating to**  
**AmCare Management, Inc., In Receivership**  
**For the Quarter Ending May 31, 2006**

**R 512M**