STATE OF VERMONT

SUPERIOR COURT
WASHINGTON UNIT

COMMISSIONER OF THE DEPARTMENT OF FINANCIAL REGULATION PLAINTIFF, v. EMERGENCY PHYSICIANS INSURANCE EXCHANGE RISK RETENTION GROUP RESPONDENT.	**CIVIL DIVISION** DOCKET NO. 21-cv-348 Wncv

<u>REHABILITATOR'S FOURTH STATUS REPORT</u>

I, J. David Leslie, Special Deputy Rehabilitator, hereby submit this Fourth Status Report regarding the rehabilitation of Emergency Physicians Insurance Exchange Risk Retention Group ("EPIX" or the "Company").

1. On February 18, 2021, the Commissioner of the Department of Financial Regulation ("Commissioner") filed a Petition for Order of Rehabilitation for EPIX pursuant to 8 V.S.A. § 7051, seeking, among other things, authorization to take possession and control of the assets of EPIX, to administer those assets under the general supervision of the Court, and to implement the proposed Plan of Rehabilitation. The Court granted the Commissioner's petition by entering its Order for Rehabilitation of EPIX ("Rehabilitation Order") on February 26, 2021. The Rehabilitation Order appointed the Commissioner as Rehabilitator, granted the requested authority, and directed the Rehabilitator to implement the Plan of Rehabilitation. The Rehabilitator appointed me to serve as Special Deputy Rehabilitator.

2. Notice. Following entry of the Rehabilitation Order, the Rehabilitator provided notice of the rehabilitation to all former EPIX members (the Company has had no in-force policies since September 1, 2020) including with that notice a Q&A document that described the reasons for the Commissioner's petition, the Plan of Rehabilitation, and the effect of rehabilitation on policyholders. Notice of rehabilitation has also been provided to regulators, defense counsel, EPIX vendors with then current claims, the Company's reinsurer, and other affected parties. Further, counsel for the Rehabilitator has participated in telephone calls with many individual insureds, defense counsel, and plaintiffs' counsel regarding the Company's insolvency, the effects of rehabilitation, and next steps.

3. Plan of Rehabilitation. Because EPIX is insolvent, the provision of a defense to insureds with open claims or the payment of losses insured under the Company's policies could create preferences under the insurance laws. See 8 V.S.A. § 7067. The Plan of Rehabilitation therefore contemplated that EPIX would cease providing its insureds with a defense, that insureds would assume responsibility for the defense of claims against them, and that EPIX would reimburse 40% of those defense expenses as well as 40% of insured loss. The Rehabilitator has reached out to policyholders and defense counsel to describe the Plan of Rehabilitation, discuss the necessity of policyholders engaging defense counsel directly, explain the reimbursement process, and answer questions. Through December 31, 2022, the Rehabilitator had received and processed loss adjustment expenses totaling $1,243,138 and made reimbursements (at the 40% rate) totaling $497,255. During the same period, the Rehabilitator has received proof of loss totaling $6,500,000 and made indemnity reimbursements (at the same 40% rate) totaling $2,600,000.

4. Prior Status Reports. I filed the Rehabilitator's First Status Report with the Court on May 24, 2021, advising as to the provision of notice, describing implementation of the Plan of Rehabilitation, and reporting on receipts/disbursements from the start of the proceeding. I filed the Second Status Report on December 27, 2021. The Second Status Report provided a semiannual accounting and an update on estate assets and liabilities. I filed a Third Status Report on July 6, 2022. The Third Status report provided a similar accounting and update (through May 31, 2022) while also advising as to the engagement of vendor (VCM) to provide third-party administrator services. All three Status Reports have been posted on the Department of Financial Regulation website (www.dfr.vermont.gov/epix) where the public may also access the Commissioner's petition (including the Plan of Rehabilitation), the Rehabilitation Order, and a Q&A document.[1]

5. Semiannual Accounting & Opinion Regarding Reorganization. The insurance laws require that, after an order of rehabilitation has been entered, a rehabilitator provide semiannual accountings to the supervising court and that these accountings shall include a report of the rehabilitator's opinion as to the likelihood that a plan of reorganization will be filed. See 8 V.S.A. § 7052(b). In accordance with the receivership statutes, a report identifying all receipts and disbursements from the Company's accounts during the period May 31, 2022 to December 31, 2022 is attached as Exhibit A.[2] All of the disbursements reported in Exhibit A were

[1] At the start of this proceeding, the Rehabilitator maintained the Company's former website, posted rehabilitation records to that site, advised of and presented links to the Department of Financial Regulation website, and provided notice that the Company website would not be maintained indefinitely. The Rehabilitator began the transition process in early 2022 by removing the content from the Company's former website and merely maintaining a link to the Department's website together with notice of impending deactivation. In December 2022, the Liquidator removed the Company's former site. The public will be able to view all insolvency-related materials on the Department's website through the close of this proceeding.

[2] The Rehabilitator's First and Second Status Reports included exhibits setting forth all receipts and disbursements from inception of the proceeding to the specified reporting date. The Rehabilitator's Third Status Report noted that this cumulative reporting was repetitious and becoming unwieldy. For the Third Status Report, therefore, the

approved by the Rehabilitator and are consistent with the Rehabilitation Order and Plan of Rehabilitation. With regard to the likelihood of reorganization, the Rehabilitator notes that EPIX transitioned all of its coverage to another carrier prior to insolvency and was operating in voluntary runoff prior to rehabilitation. The Rehabilitator is therefore of the opinion that there is no going concern that might be reorganized and that there is minimal likelihood that such a plan will be filed. The Rehabilitator continues to believe that, while it will ultimately be necessary to convert this proceeding to a liquidation, the interest of policyholders, creditors, and the public generally are best served at this time by continuing runoff of the Company's affairs in rehabilitation. See, infra, ¶ 16.

6. Balance Sheet. A simplified balance sheet reflecting the Company's financial condition as of December 31, 2022 is presented below in Table 1.

Table 1 – Simplified EPIX Balance Sheet as of December 31, 2022

ASSETS		
Cash & Cash Equivalents	$	6,953,772
Reinsurance Receivable		--
Credit for Distributions Made		3,097,255
Total Assets	$	10,051,027
LIABILITIES		
Priority Class 1	$	1,311,597
Priority Class 3 (Best Estimate)		16,350,000
Total Liabilities	$	17,661,597

7. Estate Assets. As of December 31, 2022, EPIX had liquid assets of $6,953,772.[3] Reinsurance recoveries may also constitute a material asset of the estate but, as these are

Rehabilitator reported only receipts/disbursement for the current period (i.e. since the last report). That practice will be continued going forward.

[3] As of December 31, 2022, all of these assets were held in cash or money market funds because the Rehabilitator had liquidated EPIX investments in anticipation of transfer to a Vermont institution. The Rehabilitator completed the transfer process in January of 2023 and, as part of that process, has opened investment accounts on behalf of EPIX, established an investment policy consistent with the Company's status and cash flow needs, and anticipates that investment in accordance with that policy will begin promptly.

contingent and unquantified, they are not reported as liquid assets. In addition to these liquid assets, it should also be noted that when calculating distributions in liquidation the EPIX estate will be entitled to credit for approximately $3.09 million in reimbursements that have been paid to-date on policy level claims pursuant to the Plan of Rehabilitation. See, supra, ¶ 3.

8. Estate Liabilities. To avoid the creation of preferences, payments in rehabilitation must be made in a manner consistent with the statutory priority classes. See 8 V.S.A. §§ 7067 and 7081. With regard to priority class 1 (administrative expenses), the Petition for Order of Rehabilitation noted that the Company had accrued $0.9 million in administrative expenses and that, on a conservative basis, administrative costs to complete runoff and liquidation might total $1.9 million. See id., ¶ 6. The administrative expense reserve stood at $1,311,597 as of December 31, 2022, and the Rehabilitator believes that this is a reasonable and conservative estimate of the costs to wind up the Company's affairs.[4] Priority class 2 (administrative expenses of guaranty associations) will be empty in this proceeding because EPIX is a risk retention group and therefore barred by federal law from participating in the guaranty association system. See 15 U.S.C.A. § 3902(a)(2).

9. Priority class 3 (policyholder level claims) is expected to include loss, loss adjustment expenses, and a small amount of return premium. The Petition for Order of Rehabilitation noted that the Company's actuaries had provided low (optimistic), high (conservative), and central (select) estimates of claim exposures. The Rehabilitator initially relied on the high estimate -- $13.2 million in loss and loss adjustment expenses -- for purposes of rehabilitation planning. As the proceeding has continued, however, the Rehabilitator has

[4] Total administrative expenses were $350,404 in calendar year 2021 and $237,999 in calendar year 2022. This reduction in administrative expense is due, in significant part, to the transition to a vendor-based administrative model. The Rehabilitator is hopeful that these savings can be sustained through the remainder of the proceeding. See, infra, ¶ 11.

sought to gain greater confidence and clarity as to the potential scope of the Company's claim liabilities in hopes of providing more specific guidance to creditors/claimants and to inform analysis as to whether the initial distribution percentage might be increased. See, infra, ¶¶ 12 (regarding claim status) and 14 (regarding the distribution percentage).

10. To evaluate potential policy level liabilities, the Rehabilitator has established a "claims roundtable" process in which the Rehabilitator's counsel, VCM representatives, and the Rehabilitator's claims consultant – Patrick McGrath of McGrath Associates Claims & Risk Services, Inc. – meet on a biweekly basis to discuss developments in individual claims and to evaluate the reserves for each claim in the Company's remaining inventory. The participants have recently completed a top-to-bottom review of all defense and indemnity reserves. The total of those reserves, plus defense and indemnity claims already received and processed in the Rehabilitation proceeding, is presented in Table 1 as the Rehabilitator's "best estimate" of priority class 3 liabilities. The Rehabilitator notes that this figure is approximately 24% greater than the high end of the pre-insolvency estimates generated by the Company's actuaries.[5]

11. <u>Staffing & Administrative Services</u>. In an effort to minimize the disruption resulting from insolvency, the Rehabilitator initially retained the EPIX claims staff to continue providing, as vendors, the services they had rendered as employees. An insolvent estate cannot offer long-term employment prospects, however, so it was anticipated that the Rehabilitator would ultimately need to engage consultants or other vendors to provide necessary services. This transition occurred in January of 2022 when the final EPIX claims staffer gave notice of resignation and the Rehabilitator engaged VCM (Vertical Claims Management, a division of

[5] The Rehabilitator notes that an increase in potential policy claims does not, in and of itself, indicate a greater degree of insolvency because the increased losses may be offset by increased reinsurance receivables. It is not possible, at this point, to calculate the balance of those factors with reasonable confidence.

Cannon Cochrane Management Services, Inc.) to provide certain third-party administrator services. The Rehabilitator believes that the transition to VCM's claims handling platform has been smooth and that, going forward, the relationship should yield stability and efficiency for the estate and the EPIX policyholders.

12. Status of Open Claims. When the Rehabilitation Order entered on February 26, 2021, EPIX had fifty-six open claims, forty-two of which involved active litigation. Following notice of this proceeding and outreach to the policyholders, the Rehabilitator has received reimbursement requests regarding forty-three claims that have produced the reimbursements described in the preceding paragraph. Forty-one of the original open claims have been resolved through judgment, settlement, closure of the underlying matter (e.g. a disciplinary proceeding), or the issuance of coverage denial letters and the Rehabilitator has received one new claim (submitted under a "tail coverage") leaving sixteen "open" claims as of the date of this report.[6]

13. Of the sixteen remaining open claims, six have trials scheduled in the coming twelve months and one has received a defense verdict and is awaiting appellate review. Discovery has been completed with regard to most of the other open claims which are therefore "on hold" pending a trial date. Discovery is ongoing, therefore, in very few cases and most EPIX claims are fully-developed and at stages suitable for mediation and trial. It remains difficult to project the pace of claim resolutions and thus the time that may be required to complete wind-down of the Company's affairs.

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[6] EPIX wrote "claims made" policies which typically provide coverage for claims reported during the coverage period. Since EPIX has no in-force policies, there is minimal opportunity for additional claims to be made. Some policies, however, included "tail coverage" – insurance for claims made subsequent to the coverage period regarding care rendered during a specified period – that cannot be cancelled or terminated. (The premium is fully earned when the policy is issued.) The universe of potential policy-level claims is not fixed, therefore, and the potential remains for claims to be submitted until all EPIX liabilities are cut off in a liquidation proceeding. See, infra, ¶ 16.

14. Potential for Increased Initial Distribution. The Plan of Rehabilitation authorizes the Rehabilitator to adjust policy-level claims and other policy-related obligations and make immediate reimbursement payments equivalent to 40% of such defense costs and indemnity values while deferring payment of the remainder. The 40% distribution rate was set in light of the Rehabilitator's duty to balance the risk of preferential transfers (payments to some policyholders that might need to be clawed-back in a liquidation proceeding if insufficient funds are available to pay other creditors) against the desire to minimize disruption to policyholder-level claimants and overall estate liabilities (e.g. facilitating stability in claim defense). See 8 V.S.A. §§ 7067 (regarding voidable preferences), 7081 (regarding equality of treatment within priority classes), and 7083 (distributions in liquidation to "balance between the expeditious completion of the liquidation and the protection of unliquidated and undetermined claims"). More specifically, the 40% rate was deemed reasonable, prudent, and conservative in light of the fact that the pre-insolvency actuarial projections and the Company's existing assets implied that at 66.6% distribution on policy-level claims might ultimately be possible and that a significant margin of error should be maintained.

15. The Rehabilitator continues to believe that a distribution of 66% (or more) on policy-level claims remains within the range of reasonably likely outcomes given that the EPIX estate should receive substantial additional assets in the form of reinsurance recoveries. The value and timing of those recoveries are subject to significant variability, however, such that the Rehabilitator does not deem them sufficiently certain to rely upon for purposes of setting initial distribution levels. Relying solely on the estate's liquid assets, the Rehabilitator calculates that a distribution of approximately 53% may be possible based on the "best estimate" of ultimate claim liabilities. See, supra, ¶ 10. The Rehabilitator also asked his claims consultant -- Mr. McGrath -- to prepare a more conservative estimate of claim liabilities that reflects the adverse

end of the expected range of potential exposure. (The "best estimate", in contrast, reflects the most likely point within that expected range.) In the "pessimistic scenario", the estate's liquid assets would permit a distribution of approximately 48%. Under those circumstances, the Rehabilitator believes that increasing the prevailing distribution rate above the currently-approved 40% would leave an insufficient margin of error for adverse development, the potential for additional claims, or other unforeseen circumstances. The Rehabilitator does not, therefore, seek an increase in the initial distribution rate at this time.

16. Continuation of Rehabilitation. The Company is insolvent and there is no going concern that might be reorganized or sold. At some point, therefore, this proceeding must be converted from a rehabilitation to a liquidation so that the Company's liabilities can be finally determined, estate assets can be distributed in accordance with the statutory priorities, and the Company's legal existence terminated. See, e.g., 8 V.S.A §§ 7056 (grounds for liquidation); 7075 (filing of proofs of claim); 7078 and 7082 (determination of claims); 7081 (statutory priorities); 7083 (distribution); and 7085 (termination and discharge). In the case of a traditional insurance company it would clearly be in the interests of insureds, claimants, and the public generally to place EPIX in liquidation as this would trigger guaranty association protection and allow policy-level claims to be paid promptly and in full amount (subject to statutory limits). See, e.g., 8 V.S.A. § 3615 (guaranty association obligated to the extent of covered claims). Pursuant to federal law, however, risk retention groups such as EPIX are not members of the insurance guaranty associations such that the entry of a liquidation order would not trigger guaranty association coverage. See 15 U.S.C.A. § 3902(a)(2). Accordingly, while policy-level creditors may enjoy substantial benefits when a traditional insurer's estate transitions from rehabilitation to liquidation, the cost/benefit analysis is materially different for a risk retention group.

17. In deciding whether to request that this proceeding be converted, the Rehabilitator looks at the relative costs/benefits of liquidation to the relevant stakeholders (policyholders, creditors, and the public generally) and weighs the balance of interests.

a. *Impacts of Liquidation*. If the proceeding were converted to a liquidation, the liquidator may be able to secure accelerated recovery of reinsurance receivables. See, e.g., 8 V.S.A. § 7071 (Liquidator's recoveries from reinsurers). By increasing liquid estate assets, such collections might benefit creditors with "closed" policy-level claims by allowing an increase in the initial distribution rate. See, e.g., 8 V.S.A. §§ 7081 (statutory priorities) and 7083 (distributions). The transition to liquidation would have significant drawbacks, however, in terms or reduced flexibility and responsiveness. Most importantly, a liquidator would not be able to issue policy-level payments on his own authority but would, instead, be limited to making distributions on court-allowed priority class 3 claims. See 8 V.S.A. § 7082. In most risk retention group liquidations, this means payment on a semi-annual basis. To achieve distributions that are nearly as prompt as those that can be made under the Plan of Rehabilitation, a liquidator would need to issue rolling determinations of defense expenses (e.g. a new determination every month for every matter) and submit reports and motions for approval to the Court every thirty days. The associated administrative expense – a class 1 priority -- would be significant and would reduce on a dollar-for-dollar basis the ultimate distribution to policy-level creditors. Further, for indemnity claims, a liquidator could not commit to payment of a guaranteed amount on a date certain. The ability to make such commitments has been important in developing proposed settlement packages (e.g. involving multiple defendants and their insurers) and, in the Rehabilitator's view, has facilitated the resolution of claims earlier and for lower amounts than might otherwise have been the case. Such resolutions benefit all policy-level creditors by both reducing estate liabilities (permitting a higher distribution percentage) and speeding the resolution of claims (permitting an earlier final distribution from the EPIX estate) distribution

b. *Impacts of Rehabilitation*. The Plan of Rehabilitation authorizes the Rehabilitator to "adjust policy-level claims, and other policy-related obligations and make immediate reimbursement". As noted above, this flexibility provides significant immediate benefits to creditors with current claims (i.e. those seeking reimbursement of current defense expenses or looking to negotiate settlements) while also benefiting the Company's policy-level creditors as whole (e.g. reduced overall estate liabilities and faster overall resolution of the proceeding). In contrast, placing the Company into liquidation might permit faster recovery of reinsurance receivables and thus an increase in the initial distribution rate.

At this time, the Rehabilitator believes that the interests of policyholders, creditors, and the public generally are best served by continuing to runoff the Company in rehabilitation. The Rehabilitator will regularly revisit that analysis, however, and will promptly file a petition for liquidation when he concludes that the balance of interests weighs in favor of converting this proceeding from rehabilitation to liquidation.

18. Next Steps. In the coming months, the Rehabilitator will continue to work with policyholders to ensure that the Rehabilitator remains informed of and involved in the management of open claims with a view towards resolving them in a prompt and efficient manner. The Rehabilitator proposes to make his next report and accounting in July of 2023

when data as of June 30, 2023, is available. See 8 V.S.A. § 7052(b) (rehabilitators to file semiannual accountings).

J. David Leslie

February 6th, 2023

Subscribed and sworn before me this 6th day of February, 2023.

Notary Public
My commission expires:

EILEEN M. BICKFORD
Notary Public
Commonwealth of Massachusetts
My Commission Expires
February 3, 2028

EXHIBIT A

EPIX Rehabilitation Accounting

Receipts and Disbursements – June 1, 2022 through December 31, 2022

Date	Payee/Payor	Description	Disbursements	Receipts
06/06/22	Kollath & Associates CPA LLC	Accounting & Mgmt. Services	$ 2,167.38	$ --
06/07/22	Verrill & Dana LLP	Administrative Expense	12,725.00	--
06/08/22	ECHO	Deductible Recovery	--	5,000.00
06/08/22	Markoff Law LLC	Deductible Recovery Expense	4,000.00	--
06/14/22	(Void) HCUTT	IT Services/Licenses	(807.50)	--
06/14/22	US Bank	Bank Fees	878.39	--
06/15/22	McGrath Assoc. Claims & Risk Serv.	Administrative Expense	1,262.50	--
06/21/22	Kollath & Associates CPA LLC	Accounting & Mgmt. Services	414.15	--
06/22/22	HCutt, LLC	IT Services/Licenses	1,615.00	--
06/28/22	VCM, LLC	TPA Fees	11,100.00	--
06/30/22	US Bank	Interest Received	--	0.42
06/30/22	VCM Claims Escrow	LAE (40% Initial Distribution)	26,362.24	--
06/30/22	VCM Claims Escrow	Loss (40% Initial Distribution)	200,000.00	--
06/30/22	M&T Bank	Interest Received	--	287.74
06/30/22	Peoples' United Bank	Bank Fees	15.57	--
07/06/22	HCutt, LLC	IT Services/Licenses	807.50	--
07/06/22	Kollath & Associates CPA LLC	Accounting & Mgmt. Services	2,169.86	--
07/12/22	ECHO	Deductible Recovery	--	5,000.00
07/13/22	McGrath Assoc. Claims & Risk Serv.	Administrative Expense	1,025.00	--
07/18/22	Verrill & Dana LLP	Administrative Expense	10,392.00	--
07/19/22	Kollath & Associates CPA LLC	Accounting & Mgmt. Services	414.15	--
07/31/22	US Bank	Interest Received	--	0.45
07/31/22	US Bank	Bank Fees	880.60	--
07/31/22	VCM Claims Escrow	LAE (40% Initial Distribution)	13,375.57	--
07/31/22	M&T Bank	Interest Received	--	278.15
08/04/22	Kollath & Associates CPA LLC	Accounting & Mgmt. Services	414.14	--
08/04/22	McGrath Assoc. Claims & Risk Serv.	Administrative Expense	437.50	--
08/05/22	VCM Claims Escrow	LAE (40% Initial Distribution)	13,531.94	--
08/08/22	ECHO	Deductible Recovery	--	5,000.00
08/17/22	VCM Claims Escrow	Loss (40% Initial Distribution)	20,000.00	--
08/17/22	Verrill & Dana LLP	Administrative Expense	3,630.00	--
08/17/22	VCM Claims Escrow	Loss (40% Initial Distribution)	20,000.00	--
08/18/22	HCutt, LLC	IT Services/Licenses	807.50	--
08/18/22	Kollath & Associates CPA LLC	Accounting & Mgmt. Services	414.15	--
08/31/22	US Bank	Interest Received	--	0.48
08/31/22	US Bank	Interest Received	--	0.47
08/31/22	US Bank	Bank Fees	871.40	--

Date	Payee/Payor	Description	Disbursements	Receipts
08/31/22	M&T Bank	Interest Received	--	316.53
09/01/22	Kollath & Associates CPA LLC	Accounting & Mgmt. Services	414.13	--
09/02/22	US Bank	Bank Fees	--	375.58
09/07/22	VCM Claims Escrow	LAE (40% Initial Distribution)	27,328.79	--
09/08/22	HCutt, LLC	IT Services/Licenses	807.50	--
09/09/22	Kollath & Associates CPA LLC	Accounting & Mgmt. Services	1,258.10	--
09/09/22	VCM Claims Escrow	LAE (40% Initial Distribution)	1,440.00	--
09/16/22	Kollath & Associates CPA LLC	Accounting & Mgmt. Services	414.16	--
09/21/22	ECHO	Deductible Recovery	--	5,000.00
09/28/22	Kollath & Associates CPA LLC	Accounting & Mgmt. Services	2,845.85	--
09/28/22	Verrill & Dana LLP	Administrative Expense	3,930.00	--
09/30/22	US Bank	Bank Fees	877.32	--
09/30/22	M&T Bank (Misc. Balance Adjustment)	Bank Fees	--	19.19
09/30/22	M&T Bank	Interest Received	--	268.57
10/01/22	VCM Claims Escrow	LAE (40% Initial Distribution)	23,198.11	--
10/05/22	VCM Claims Escrow	Loss (40% Initial Distribution)	180,000.00	--
10/05/22	VCM Claims Escrow	Loss (40% Initial Distribution)	16,000.00	--
10/06/22	VCM, LLC	TPA Fees	11,100.00	--
10/06/22	Kollath & Associates CPA LLC	Accounting & Mgmt. Services	1,891.73	--
10/07/22	McGrath Assoc. Claims & Risk Serv.	Administrative Expense	2,662.50	--
10/12/22	Kollath & Associates CPA LLC	Accounting & Mgmt. Services	397.87	--
10/14/22	Verrill & Dana LLP	Administrative Expense	5,204.50	--
10/20/22	Markoff Law LLC	Deductible Recovery Expense	4,000.00	--
10/31/22	US Bank	Interest Received	--	0.50
10/31/22	US Bank	Bank Fees	876.06	--
10/31/22	M&T Bank	Interest Received	--	2,715.12
11/04/22	VCM Claims Escrow	Loss (40% Initial Distribution)	400,000.00	--
11/04/22	VCM Claims Escrow	LAE (40% Initial Distribution)	67,641.35	--
11/07/22	Kollath & Associates CPA LLC	Accounting & Mgmt. Services	2,048.76	--
11/10/22	McGrath Assoc. Claims & Risk Serv.	Administrative Expense	1,962.50	--
11/10/22	VCM Claims Escrow	Loss (40% Initial Distribution)	12,000.00	--
11/14/22	Verrill & Dana LLP	Administrative Expense	11,949.50	--
11/15/22	US Bank	Bank Fees	867.12	--
11/21/22	HCutt, LLC	IT Services/Licenses	1,615.00	--
11/22/22	AVID Risk Solutions, Inc.	Administrative Expense	928.00	--
11/28/22	ECHO	Deductible Recovery	--	5,000.00
11/28/22	VCM Claims Escrow	Loss (40% Initial Distribution)	340,000.00	--
11/28/22	VCM Claims Escrow	Loss (40% Initial Distribution)	60,000.00	--
11/30/22	US Bank	Interest Received		0.44
11/30/22	M&T Bank	Interest Received		12,133.33
12/06/22	VCM Claims Escrow	LAE (40% Initial Distribution)	27,371.83	--
12/08/22	Peoples' United Bank	Bank Fees	0.95	--
12/12/22	ECHO	Deductible Recovery	--	5,000.00

Date	Payee/Payor	Description	Disbursements	Receipts
12/14/22	ECHO	Deductible Recovery	--	5,000.00
12/14/22	VCM Claims Escrow	Loss (40% Initial Distribution)	190,000.00	--
12/15/22	US Bank	Bank Fees	939.17	--
12/16/22	Verrill & Dana LLP	Administrative Expense	5,682.50	--
12/19/22	HCutt, LLC	IT Services/Licenses	807.50	--
12/19/22	Kollath & Associates CPA LLC	Accounting & Mgmt. Services	2,054.22	--
12/19/22	McGrath Assoc. Claims & Risk Serv.	Administrative Expense	450.00	--
12/23/22	Kollath & Associates CPA LLC	Accounting & Mgmt. Services	396.82	--
12/30/22	US Bank	Interest Received	--	0.02
12/30/22	M&T Bank	Interest Received	--	13,002.31
11/30/22	US Bank	Interest Received	--	0.44
11/30/22	M&T Bank	Interest Received	--	12,133.33
12/06/22	VCM Claims Escrow	LAE (40% Initial Distribution)	27,371.83	---
12/08/22	Peoples' United Bank	Bank Fees	0.95	---
12/12/22	ECHO	Deductible Recovery	--	5,000.00
12/14/22	ECHO	Deductible Recovery	--	5,000.00
12/14/22	VCM Claims Escrow	Loss (40% Initial Distribution)	190,000.00	--
12/15/22	US Bank	Bank Fees	939.17	--
12/16/22	Verrill & Dana LLP	Administrative Expense	5,682.50	--
12/19/22	HCutt, LLC	IT Services/Licenses	807.50	--
12/19/22	Kollath & Associates CPA LLC	Accounting & Mgmt. Services	2,054.22	--
12/19/22	McGrath Assoc. Claims & Risk Serv.	Administrative Expense	450.00	--
12/23/22	Kollath & Associates CPA LLC	Accounting & Mgmt. Services	396.82	--
12/30/22	US Bank	Interest Received	--	0.02
12/30/22	M&T Bank	Interest Received	--	13,002.31
		Subtotal (Current Period)	1,760,265.88	64,399.30
		Prior Periods (Inception – May 31, 2022)	1,970,685.17	105,802.00
		TOTAL	**$ 3,730,951.05**	**$ 170,201.30**

Estate Disbursements (Inception to December 31, 2022)

Priority Class	**Disbursements**
Priority Class 1 (Administrative Expense)	$ 588,403
Priority Class 3 (Policy-Related Claims)	3,097,255
Other (Improper Garnishments)	46,100
TOTAL	$ 3,731,759