

RECEIVERSHIP STATUS REPORT TO THE SPECIAL MASTER

May 2, 2025

R-559 Access Insurance Company

Special Deputy Receiver:	CANTILO & BENNETT, L.L.P.	TX Guaranty Assoc.:	TPCIGA
SDR Responsible Person:	Susan E. Salch	Receiver's Counsel:	Shawn Martin
SDR's Counsel:	Christopher Fuller	Est'd Closing Date:	Q3/Q4 2026

SPECIFIC ACCOMPLISHMENTS SINCE LAST STATUS CONFERENCE

- Filed application for authority to enter into commutation agreement with the largest reinsurer, Allianz.
- Issued more than 3,200 notice letters for the deemed deductible project.
- Adjudicated all guaranty association Proofs of Claim ("POCs").
- Submitted request for federal statutory priority liability release to the United States Department of Justice.

SPECIFIC ESTATE GOALS TO ACHIEVE IN THE NEXT QUARTER

- Pursue additional reinsurance commutations.
- Complete issuing notices for deemed deductible POC project.

Receivership Background

- Date of Permanent Injunction (Liquidation): March 13, 2018
- Date of SDR Appointment: March 14, 2018
- Claim Filing Deadline: September 13, 2019
- Late Claim Filing Deadline: March 31, 2025
- States Where Licensed: TX, AL, AZ, AR, CA, DE, TN, FL, GA, IN, KY, LA, MS, MO, MT, NV, NM, NC, OK, OR, PA, SC
- Line of Business: Non-standard auto
- Early Access Distributions: \$138,771,196

Statement of Assets and Liabilities as of March 31, 2025

Total Assets:	\$240,018,771
Cash & Invested Assets:	\$ 55,982,479
Non-Cash Assets:	\$184,036,292
Total Liabilities:	\$418,920,689
Negative Equity:	(\$178,901,918)

Asset Recovery through March 31, 2025

Premium Collected:	\$ 10,792,951
Subrogation/Salvage:	\$ 925,787
Reinsurance Collected:	\$106,477,340
CDs Sold/Matured:	\$ 25,749,715
IOLTA Funds Recovered:	\$ 639,736
Litigation/Settlement Recovery:	\$ 16,611,924

Asset Recovery Activity

Reinsurance: Collections total \$106,477,340 from inception through March 31, 2025.

SDR v. John Paul Fuchs: The SDR reached an agreement with Mr. Fuchs to pay approximately 50% of the judgment in installments payable through March of 2026. As of March 31, 2025, he has paid \$11,924.

Claims Activity

Proofs of Claim (“POCs”): There were no new claims in the last quarter. As of March 31, 2025, the SDR received 9,461 POCs. Pursuant to the Receivership Court’s POC Order, there is no deadline for the timely filing of subrogation claims. The Court ordered the SDR to cut off late claims as of March 31, 2025.

As of March 31, 2025, the SDR has approved claims for \$37,479,895, including: 323 Class 1 claims for \$38,765 arising from POCs filed by AIC defense counsel for post-receivership

work expressly authorized by the SDR (some of the defense counsel POCs include both pre-receivership Class 5 claims and post-receivership Class 1 claims). In addition, the SDR has approved 49 non-guaranty association Class 2 claims for \$181,474, largely consisting of uncovered unearned premium (“UEP”) and 15 non-covered loss claims; 6,088 Class 5 subrogation claims for \$35,500,895; 845 Class 5 AIC defense counsel claims for pre-receivership fees and expenses for \$909,694; 453 Class 5 vendor claims for \$458,085; and 9 Class 6 claims for \$78,676, which are claims submitted by state or municipal governments. One POC has been withdrawn, and 1,626 have been denied (disallowed). As of April 8, 2025, the SDR has approved \$48,506,438 in Class 1 claims and \$92,986,739 in Class 2 claims for the guaranty associations.

Deemed Deductible POC Project: The Receivership Court approved the SDR’s plan to deem statutory deductible claims. The proposed plan requires consumers to confirm their current address and establishes a \$25 de minimis floor for approved claims. All deemed deductible claims will have a Class 2 priority. As of April 11, 2025, approximately 3,200 notices had been issued, and the SDR expects the remaining notices (primarily to South Carolina consumers) to be issued by early summer.

Guaranty Associations

Early Access: To date, the SDR has made \$138,771,196 in early access distributions to the guaranty associations (including the payment to the Arkansas association in December). All Class 1 and Class 2 claims for the associations, including UEP claims, have been funded through May 31, 2024.

Total guaranty association loss reserves decreased modestly in the last quarter to \$501,387 from \$505,705.

General Administrative Matters

Financial Statements: The SDR has continued to update the estate’s financial reporting to include current information regarding the amounts approved on POCs and their classification, along with the amounts potentially available for distribution. The financial statements are intended to provide approved creditors of the estate with sufficient information for them to accurately estimate their potential distribution while at the same time securing the historic financial reporting for NOL calculations and tax filings.

Federal Claims Release Submission: The SDR submitted the estate’s request for the release of federal claims on April 9, 2025.

Records Requests and Subpoenas: Effective April 1, 2025, the SDR stopped responding to subpoenas or requests for production from third party litigation (the vast majority of which come from California).

Estimated Closing Date of Receivership: The SDR estimates that the estate could close in mid-to late 2026.

Factors Affecting Closing Date and Final Distribution:

- Reinsurance commutations
- Federal release of claims