

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re

MODIVCARE INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 25-90309 (ARP)

(Jointly Administered)

(Related to Docket No. 1002)

**LIMITED OBJECTION AND RESERVATION OF RIGHTS OF NEMT INSURANCE
DE LLC, SERIES 1 TO APPLICATION OF NATIONAL SPECIALTY INSURANCE
COMPANY FOR PAYMENT OF ADMINISTRATIVE EXPENSE
CLAIM UNDER 11 U.S.C. § 503(B)(1)²**

NEMT Insurance DE LLC, Series 1 (“NEMT”), by and through its undersigned counsel, hereby files this limited objection and reservation of rights (this “Limited Objection”) to the *Application Of National Specialty Insurance Company For Payment Of Administrative Expense Claim Under 11 U.S.C. § 503(B)(1)* (D.I. 1002). In support thereof, NEMT respectfully states as follows:

Limited Objection

1. By the Application, State National seeks payment of an administrative expense claim against the Debtors’ estates in an amount “no less than \$11,315,169.98, plus all other obligations of the Debtors, including for additional collateral, that is or may come due pursuant to the Reinsurance Agreements and the Guaranty Agreement under 11 U.S.C. § 503.” (*See*

¹ A complete list of each of the Debtors in these chapter 11 cases (the “Chapter 11 Cases”) and the last four digits of each Debtor’s taxpayer identification number (if applicable) may be obtained on the website of the Debtors’ proposed claims and noticing agent at <https://www.veritaglobal.net/ModivCare>. Debtor ModivCare Inc.’s principal place of business and the Debtors’ service address in these Chapter 11 Cases is 6900 E. Layton Avenue, Suite 1100 & 1200, Denver, Colorado 80237.

² Unless otherwise defined in this Limited Objection, all capitalized terms used in this Limited Objection have the meaning ascribed to them in the Application.



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paragraph 2 of proposed *Order Granting Administrative Expense Claim* (D.I. 1002-3) and *Application* at paragraphs 16-20.)

2. As noted in the Application, NEMT serves as the Reinsurer under certain Reinsurance Agreements referenced in the Application.

3. NEMT lacks sufficient information or knowledge to form a belief as to the post-petition losses and expenses funded by State National under the insurance program referenced in the Application. (Application at para 16.)

4. NEMT also lacks sufficient information or knowledge to form a belief as to the adequacy of the “additional collateral” requested by State National in the Application.

5. The amounts to be funded and collateral requirements owed, if any, by NEMT under the insurance program and Reinsurance Agreements are governed by the respective agreements.

6. Out of an abundance of caution, NEMT files this Limited Objection to note that it disagrees with the statement in paragraph 16 of the Application that “NEMT has defaulted on its obligations to fund losses and expenses arising under the insurance program, as required by the Reinsurance Agreements.” NEMT further disagrees with the statement in paragraph 17 of the Application that “[s]ince the Petition Date, neither NEMT nor ModivCare has paid the amounts due for losses and expenses arising under the insurance program.”

7. Indeed, as noted in the Application “the Reinsurance Agreements went into run-off effective as of June 30, 2025, such that no new insurance policies will generally be issued under the insurance program after that date unless required by law.” (Application at para 6.) Moreover, as of the Petition Date, State National held (or holds) \$44,654,605.71 in collateral to

service the insurance program and existing policies identified in the Application. (Application at para 10.)

8. Given the broad relief sought by the Application, as more specifically identified in paragraph 2 of the proposed Order attached to the Application, NEMT respectfully requests that any Order approving the Application, if any such Order is approved by the Court, make clear that the Court is not making any finding or determination as to NEMT's, or NEMT's members' rights, claims, obligations, liability, defenses, under any insurance policy or any insurance claims arising under any insurance policy, or the Reinsurance Agreements identified in the Application, including the amount of any additional collateral, if any, that NEMT may be required to post under the insurance program or Reinsurance Agreements.

Reservation of Rights and Conclusion

Without waiver of any rights, claims, obligations, or defenses NEMT may have or hold against State National, the Debtors, or any other person or entity, NEMT respectfully requests that to the extent the Court grants the Application, the form of Order makes clear that, “[f]or the avoidance of doubt, the Court is not making any finding or determination as to NEMT's, or NEMT's members' rights, claims, obligations, liability, defenses, under any insurance policy or any insurance claims arising under any insurance policy, or the Reinsurance Agreements identified in the Application, including the amount of any additional collateral, if any, that NEMT may be required to post under the insurance program or Reinsurance Agreements.” NEMT further requests that the Court grant NEMT any and all further relief the Court deems just and appropriate.

Dated: December 30, 2025

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned certifies that on December 30, 2025, a true and correct copy of the foregoing *Limited Objection and Reservation of Rights of NEMT Insurance DE, LLC Series 1 to Application of National Specialty Insurance Company for Payment of Administrative Claim Under 11 U.S.C. § 503(b)(1)* was served electronically on all parties registered to receive electronic notice of filings in this case via this Court's ECF notification system.

/s/ Todd A. Atkinson

Todd A. Atkinson