

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS

SUPERIOR COURT

Docket No. 07-E-0517

**In the Matter of the Liquidation of
Patriot Health Insurance Company, Inc.**

LIQUIDATOR'S SIXTH REPORT

I, Roger A. Sevigny, Insurance Commissioner for the State of New Hampshire, as Liquidator ("Liquidator") of Patriot Health Insurance Company, Inc. ("Patriot"), hereby submit this Sixth report on the liquidation of Patriot, as of May 25, 2009, in accordance with RSA 402-C:25.

1. Claim administration and funding. On February 12, 2008, the Court approved a Claim Administration and Funding Agreement between the Liquidator, the New Hampshire Life and Health Insurance Guaranty Association ("NHLHIGA"), Comprehensive Benefits Administrator d/b/a EBPA ("EBPA"), and MVP Health Insurance Company of New Hampshire ("MVP") ("Agreement"). Pursuant to that Agreement, EBPA has been adjusting claims incurred under Patriot health insurance policies prior to 11:59 PM on December 31, 2007 when MVP assumed Patriot's responsibilities. EBPA has determined any amounts properly payable under Patriot health insurance policies, and provided Explanation of Benefits ("EOBs") to the provider or subscriber. EBPA has informed the Liquidator that where any claimant contacted EBPA regarding a determination set forth on an EOB, EBPA reviewed the issue and then provided a new EOB as appropriate under the Patriot health insurance policy.

2. EBPA has advised NHLHIGA of the amounts properly payable on claims under Patriot health insurance policies. Where the total payable amounts on any

individual life are less than the \$100,000 per life cap on NHLHIGA payments under RSA 408-B:5, III(b), the amounts have been paid to the claimant by or on behalf of the NHLHIGA. There are two subscribers as to whom claim payables exceed NHLHIGA's statutory individual life cap of \$100,000.00. The NHLHIGA is prorating the cap amounts among the respective claimants regarding these subscribers.

3. As of May 18, 2009, EBPA had received and adjusted claims incurred before January 1, 2008 under Patriot health insurance policies totaling \$1,877,035.92 of potentially payable amounts, the vast majority of which are within NHLHIGA's statutory limits and are being paid by NHLHIGA. NHLHIGA has filed a Proof of Claim with the Liquidation for any payments it makes on Patriot's behalf. The Liquidator has been monitoring this process.

4. Proofs of claim. The claim filing deadline in the Patriot liquidation was July 18, 2008. Patriot subscribers or members, or healthcare providers submitting claims on behalf of members or subscribers, were not required to submit proofs of claims unless they were not able to submit the claim in the normal course to EBPA (the claim administrator) by the July 18, 2008 claim filing deadline. Producers, attorneys, vendors and other general creditors should have filed proofs of claim. As of May 18, 2009, the Liquidator has received a total of 94 proofs of claim. The proofs of claim submitted assert claims that total \$1,219,660.15, but 14 proofs of claims were filed for an unstated amount. Most proofs of claim are for unpaid medical costs, and the Liquidator has forwarded copies of all supporting material to EBPA for adjusting of the claims.

5. Claim determinations. The process of determining proofs of claim continues. The Liquidator has issued final notices of determination addressing 85

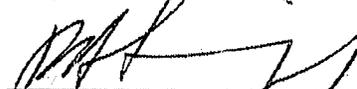
medical provider and four general creditor proofs of claim totaling \$492,899.70 for Patriot. There remain five proofs of claims to conclude, including the proof of claim which was filed by the NHLHIGA. The Liquidator has filed two reports of claims and recommendations. The first report was filed March 11, 2009 representing 41 Class II (policy related claims) proofs of claim totaling \$492,899.70 and four Class V (residual classification) proofs of claim which were determined as to classification only. The second report was filed April 24, 2009 representing 1,415 Class II (policy related claims) submissions to EBPA that were deemed to be proof of claims. The Court approved the claims reports by orders entered on March 17, 2009 and May 19, 2009.

6. Closure Plan. By Order dated October 6, 2008, the Court approved a plan for the closure of the Patriot liquidation. The Liquidation Closure Plan provides a framework for the determination of claims, distribution of assets and closure of the proceeding. As noted below, the Liquidator has \$773,500 in Patriot assets under his direct control as of March 31, 2009. The only significant assets remaining to be collected are potential subrogation recoveries. It is anticipated that Patriot's liabilities will exceed its assets, and that no distributions will be made to any priority class below Class II (policy related claims). See RSA 402-C:44.

7. Financial report. A copy of the unaudited March 31, 2009 statement of assets, receipts, and disbursements for Patriot is attached as Exhibit A to this report. The statement reflects \$773,500 in assets under the Liquidator's direct control at March 31, 2009, and \$402 in cash receipts and \$11,160 in operating disbursements from January 1, 2009 through March 31, 2009. In light of the Assumption Agreement with MVP approved by the Court on December 12, 2007, Patriot's sole asset on January 18, 2008

(the beginning of the liquidation) and on March 31, 2009 was the cash held at TD North Bank and Centrix Bank.

Respectfully submitted,



Roger A. Sevigny, Insurance Commissioner,
as Liquidator of Patriot Health Insurance
Company, Inc.

May 29, 2009

CERTIFICATE OF SERVICE

I hereby certify that on June 3, 2009, a copy of the Liquidator's Sixth Report was served upon the persons named on the attached Service List, by first class mail, postage prepaid.



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**Patriot Health Insurance Company In Liquidation
Statements of Assets, Receipts and Disbursements**

	<u>3/31/2009</u>
Beginning Cash at January 1, 2009	<u>\$ 784,257</u>
Cash Receipts - Claim Payment Recoveries	\$ 402
Cash Disbursements:	
Legal Expenses	3,867
Consultant and Outside Service Expenses	5,480
Special Deputy Expenses	1,813
Total Cash Disbursements	<u>\$ 11,160</u>
Excess of Receipts Over Disbursements	(10,757)
Ending Cash	<u><u>\$ 773,500</u></u>

Note - Basis of Accounting

This financial statement is prepared using the modified cash basis of accounting which differs from accounting principles generally accepted in the United States. Only those assets that are within the possession of the Liquidator and other known amounts for which ultimate realization is expected to occur, primarily investments and cash, and certain receivables, are recorded. Only incurred but unpaid Class I (Administration Costs) liabilities, which are in a creditor class superior to all other classes, are presented in this financial statement.

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In the Matter of the Rehabilitation of
Patriot Health Insurance Company, Inc.

SERVICE LIST

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