



**THE STATE OF NEW HAMPSHIRE
INSURANCE DEPARTMENT**

21 SOUTH FRUIT STREET SUITE 14
CONCORD, NEW HAMPSHIRE 03301

Roger A. Sevigny
Commissioner

Alexander K. Feldvebel
Deputy Commissioner

An Open Letter from Insurance Commissioner Roger Sevigny to the Policyholders,
Subscribers, Healthcare Providers and Insurance Producers of Patriot Health Insurance Company

On December 12, 2007, Patriot was placed under my direct control and supervision pursuant to an Order Appointing Rehabilitator entered by the Merrimack County Superior Court. Patriot's Board of Directors consented to this action. I have appointed Peter Bengelsdorf, an experienced insurance executive, to serve as special deputy commissioner for Patriot, and he has assumed the responsibilities of managing the company.

As Rehabilitator, I have entered an agreement with MVP Health Insurance Company of New Hampshire ("MVP") to assume the policies and operations of Patriot effective January 1, 2008. The Court has approved the assumption agreement transferring the policies to MVP. As a start-up company, Patriot sustained operating losses that extended into 2007 and required that steps be taken to maintain the security of the coverage over the long term. The assumption agreement with MVP achieves this goal.

The assumption agreement with MVP will provide for the transfer of policies with no disruption to policyholders and subscribers. Members will continue to call the same phone numbers and receive the same service. Claims can be submitted to the same address. Employers will call the same phone numbers for service and mail premium payments to the same address. For plans that have Health Savings Accounts, members and employers can continue to use their existing accounts. MVP's intent is to maintain all of Patriot Healthcare's plans in substantially the same form. Patriot Healthcare employer groups and members will have the same products and rates they do now, and those products and rates will remain the same through the end of each group's contract year. MVP will honor all current Patriot Healthcare provider fee schedules and network contracting agreements. Producers will continue to be paid according to MVP producer commission schedules for MVP plans and according to Patriot producer commission schedules for Patriot plans.

In the time before the assumption by MVP on January 1, I intend to operate Patriot's business as usual. The rehabilitation proceeding means that provider and policyholder/subscriber claims on and after the date of the rehabilitation order will be paid in full.

For further information, please contact:

Roger Sevigny
New Hampshire Insurance Department
(603) 271-2261

December 12, 2007