THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS. SUPERIOR COURT

IN THE MATTER OF THE WINDING DOWN OF: THE NEW HAMPSHIRE MEDICAL MALPRACTICE JOINT UNDERWRITING ASSOCIATION	)	No. 217-2015-CV-00347

RECEIVER'S MONTHLY STATUS REPORT FOR AUGUST 2015

Roger A. Sevigny, Insurance Commissioner of the State of New Hampshire ("Commissioner"), as Receiver ("Receiver") of the New Hampshire Medical Malpractice Joint Underwriting Association ("NHMMJUA"), submits this monthly report in accordance with paragraph 11 of the Order of Rehabilitation for the NHMMJUA ("Rehabilitation Order").

1. In accordance with the House Bill 508 as enacted, 2015 Laws 263, the Commissioner filed his Verified Petition for Receivership on July 21, 2015. The Rehabilitation Order dated July 22, 2015 was issued on July 24, 2015. The Receiver immediately engaged Peter A. Bengelsdorf as Special Deputy Commissioner in accordance with paragraph 2 of the Rehabilitation Order. Pursuant to paragraph 2 of the Rehabilitation Order, Mr. Bengelsdorf has the powers of the Receiver, and he has been engaged in organizing the receivership operations.

2. On July 24, 2015, the Receiver emailed the Rehabilitation Order to the directors of the NHMMJUA. The Receiver also emailed the Rehabilitation Order to The Hays Group, Inc. ("Hays"), the company that administers the NHMMJUA business; Bank of America, the bank that holds the NHMMJUA's accounts and investment portfolio; and Deutsche Investment Management Americas Inc. ("Deutsche"), the NHMMJUA's investment advisors.

3. The Receiver has taken control of the NHMMJUA and its assets by notifying the NHMMJUA and the vendors that handle NHMMJUA assets of the Rehabilitation Order and establishing ongoing relationships with them. Those vendors include Hays, Bank of America, and Deutsche, as well as Leone, McDonnell & Roberts ("Leone"), the NHMMJUA's accountants and auditors, and Towers Watson, the NHMMJUA's actuaries.

4. RSA 404-C:16 directs the Receiver to wind down the business of the NHMMJUA seeking to facilitate the payment of all policyholder coverage obligations in full and in the normal course of business. The Receiver has accordingly made arrangements to maintain and continue the operations of the NHMMJUA. In particular, the Special Deputy Commissioner has issued delegation letters (a) to Hays, authorizing it to continue to administer the NHMMJUA's business, including the handling of claims, subject to certain limitations and the provisions of 2015 Laws 263, and (b) to Deutsche, authorizing it to continue to invest the NHMMJUA's assets subject to the NHMMJUA investment guidelines previously in place subject to certain limitations.

5. Policyholder claims are being handled and addressed in the normal course of business and without interruption by Hays subject to oversight by the Special Deputy Commissioner.

6. The Receiver's team has met with Hays, Deutsche and Leone to provide for an orderly transition to receivership operations and to obtain information and discuss issues concerning the NHMMJUA's investment portfolio and the NHMMJUA's financial statements and position. The Receiver is consulting with Deutsche as to the best strategy to maximize income and preserve capital in the current circumstances. After discussions with Deutsche, the Receiver will present revised investment guidelines to the Court for approval.

7. The Receiver will continue the relationship with Leone. Leone will prepare the NHMMJUA's 2014 tax returns, which are due in September 2015, consistent with the tax positions taken with the 2013 tax returns. Leone will also conduct the annual audit as of December 31, 2015.

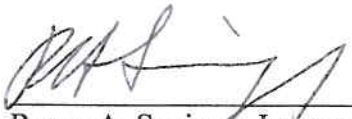
8. The Receiver is working with Hays to develop a monthly financial statement for reporting to the Court on a modified cash basis. The statement is to include a statement of net assets as of the beginning and end of the reporting period; a statement of changes in net assets during the period; and a statement of receipts and disbursements, including expenses, during the period. Since the receivership began in late July, the first statements will cover the period from July 22, 2015 to August 31, 2015, with subsequent statements covering each following month. These statements will be included in the monthly reports to the Court.

9. The Receiver is making arrangements to establish a hardship fund in the amount of $2 million in accordance with RSA 404-C:16, III. The Receiver will develop an application process for hardship grants from the fund and present it to the Court for approval.

10. The Receiver is gathering information and working on developing a plan to seek competitive bids to have all of the coverage-related obligations under policies issued by the NHMMJUA assumed by an insurer or insurers in accordance with RSA 404-C:16, II. The Receiver will present that plan to the Court for approval when it has been developed and before seeking competitive bids. The information-gathering process includes meeting with Hays and Leone to develop an understanding of the nature of the coverage-related obligations that will be offered. This process also includes discussions regarding the NHMMJUA's coverage obligations, reserves and pricing with the NHMMJUA's actuaries, Towers Watson. The Receiver is also obtaining information from the NHMMJUA consultant who has been involved

with considering exposures that may be presented by structured settlement annuities purchased to fund certain settlements. At this point, the Receiver has preliminarily identified three elements that comprise the coverage-related obligations: (a) the incurred losses on NHMMJUA policies issued for periods from inception of the NHMMJUA in 1975 to date, including reported claims and incurred but not reported claims; (b) the exposures presented by current in-force NHMMJUA policies and the policies to be renewed pursuant to RSA 404-C:15, II; and (c) any contingent liability for structured settlements being paid by annuities purchased by the NHMMJUA and issued by insurance companies.

Respectfully submitted,



Roger A. Sevigny, Insurance Commissioner
of the State of New Hampshire, as Receiver
of the New Hampshire Medical Malpractice
Joint Underwriting Association

August 12, 2015