

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.**

**MOTION FOR DISCHARGE OF LIQUIDATOR
AND TERMINATION OF PROCEEDING**

Roger A. Sevigny, Insurance Commissioner of the State of New Hampshire (“Commissioner”), as Liquidator (“Liquidator”) of Patriot Health Insurance Company, Inc. (“Patriot”), hereby moves that the Court enter an order discharging the Liquidator and terminating this proceeding. As reasons therefor, the Liquidator states as follows:

1. The Order of Liquidation for Patriot entered on January 18, 2008. Since that time, the Liquidator has been liquidating the company in accordance with the New Hampshire Insurers Rehabilitation and Liquidation Act, RSA 402-C (the “Act”). As the Liquidator has previously reported, all the claims against Patriot have been determined and the assets of Patriot collected. On February 8, 2013, the Court approved the release agreement with the United States and the distribution of assets except for an administrative expense reserve. As reported in the Liquidator’s Report on Distribution dated March 29, 2013, the Liquidator then distributed the assets. Affidavit of Peter A. Bengelsdorf, Special Deputy Liquidator, in Support of Motion for Discharge of Liquidator and Termination of Proceeding. (“Bengelsdorf Aff.”) ¶ 2.

2. On May 20, 2013, the Liquidator moved for approval of the disposal of the paper and imaged records of Patriot and the Patriot liquidation. The Liquidator provided notice of the motion to the United States Department of Justice. On June 3, 2013 the Court approved the disposal of the records, subject to provision of certain imaged records to the New Hampshire

Insurance Department. The Liquidator has now disposed of the records in accordance with the order and will provide a copy of the imaged records (after adding a copy of this motion and the Court's order with regard thereto) to the Insurance Department when the Court has ruled on this motion.¹ Bengelsdorf Aff. ¶ 3.

3. The Liquidator has also addressed the few other final issues in the Patriot estate. The distribution checks have been cashed and the monies been paid out of the estate except for one claimant's distribution check (for \$1,719.98) which was returned and another check (for \$7.71) which was not deposited. With regard to the check which was returned, the Liquidator has determined that the claimant company has been dissolved, and the Liquidator has been unable to locate anyone to receive the check. With regard to the uncashed check, despite numerous attempts to contact the claimant, the check was never cashed. The Act provides that unclaimed funds remaining at the time the Liquidator is ready to apply for discharge shall be deposited with the state treasurer. RSA 402-C:47, I. The Liquidator has accordingly paid the \$1,727.69 over to the New Hampshire Treasurer and provided the Treasurer with the claimant information so that anyone entitled to the funds may seek them from the Treasurer. Bengelsdorf Aff. ¶ 4.

4. The Liquidator with his consultant has prepared the final Patriot tax returns, which show no tax liability. The Liquidator will file the final returns when Patriot's corporate existence is dissolved. The Act authorizes dissolution of the corporate existence of the insurer by order at any time during the liquidation or, by operation of law, upon discharge of the Liquidator. RSA 402-C:23. To avoid any uncertainty over Patriot's status, the Liquidator

¹ The Liquidator will also provide the New Hampshire Life and Health Insurance Guaranty Association with certain imaged records that it had requested at that time.

recommends that the discharge order expressly state that Patriot's corporate existence is dissolved. Bengelsdorf Aff. ¶ 5.

5. The administrative expense reserve was \$33,024; it has been exhausted as set forth on the attached exhibit. The costs incurred or accrued to address the final issues in the Patriot estate, including making the distribution to the creditors, following up on distribution checks, paying amounts over to the New Hampshire Treasurer, preparing the final tax returns, disposing of documents, preparing motions concerning the distribution, document disposal and closure of the estate, total approximately \$11,218. The Liquidator has been using the services of liquidation staff of The Home Insurance Company, in Liquidation, to administer aspects of the Patriot liquidation, and the outstanding invoices for those services during 2013 exceed the remaining administrative expense reserve and will be satisfied by application of the remaining reserve. Bengelsdorf Aff. ¶ 6.

6. The Act provides for the discharge of the Liquidator and termination of the proceeding when assets have been collected and distributed. RSA 402-C:48 ("When all assets justifying the expense of collection and distribution have been collected and distributed under this chapter, the liquidator shall apply to the court for a discharge. The court may grant the discharge and make any other orders deemed appropriate, including an order to transfer to the state treasury for the credit of the insurance department any remaining funds that are uneconomic to distribute."). As previously described, the assets of the estate have been collected and distributed, and the Liquidator has taken the remaining steps necessary to bring this proceeding to a close. The Liquidator accordingly requests that the Court grant this motion, discharge the Liquidator and the Special Deputy Liquidator, and issue an order terminating this proceeding in the form submitted herewith. See Bengelsdorf Aff. ¶ 7.

WHEREFORE, the Liquidator respectfully requests that this Court enter an order in the form submitted herewith:

- A. Granting this motion;
- B. Discharging the Liquidator and Special Deputy Liquidator;
- C. Terminating this proceeding; and
- D. Granting such other and further relief as justice may require.

Respectfully submitted,

ROGER A. SEVIGNY, INSURANCE
COMMISSIONER OF THE STATE OF NEW
HAMPSHIRE, AS LIQUIDATOR OF PATRIOT
HEALTH INSURANCE COMPANY, INC.

By his attorney,

JOSEPH A. FOSTER
ATTORNEY GENERAL

August 9, 2013

By: 
J. Christopher Marshall
NH Bar ID No. 1619
Civil Bureau
New Hampshire Department of Justice
33 Capitol Street
Concord, NH 03301-6397
(603) 271-365

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Motion for Discharge of Liquidator and Termination of Proceeding, the Affidavit of Peter A. Bengelsdorf, and the Proposed Order, were sent, this 9th day of August 2013, by first class mail, postage prepaid to all persons on the attached service list.


J. Christopher Marshall

Patriot Health Insurance Company in Liquidation
Statement of Cash Receipts and Disbursements

Administrative Expense Reserve	33,024
Operating Expenses Paid	
Legal Services	5,515
Tax Advice	1,250
Administration Services by The Home Insurance Company, in Liquidation	1,086
Bank Fees	68
Total Operating Expenses Paid thru July 24, 2013	7,918
Accruals:	
Legal Services	2,000
File Destruction (In-house)	300
Tax Advice	1,000
Administration Services by The Home Insurance Company, in Liquidation (Outstanding for 2013) (Exceeds)	21,806
Total Accruals	25,106
Ending Cash Balance 07/31/13	0

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SERVICE LIST

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Alex Feldvebel	NH Insurance Department 21 South Fruit Street Suite 14 Concord, NH 03301 603-271-2261 603-271-1406 (fax) alex.feldvebel@ins.nh.gov	NH Insurance Department Rehabilitator
Peter A. Bengelsdorf	Patriot Health Insurance Company 61 Broadway, 6 th Floor New York, NY 10006-2504 805-498-2020 peter.bengelsdorf@homeinsco.com	NH Insurance Department Special Deputy Rehabilitator
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**AFFIDAVIT IN SUPPORT OF MOTION FOR
DISCHARGE OF LIQUIDATOR AND TERMINATION OF PROCEEDING**

I, Peter A. Bengelsdorf, hereby depose and say:

1. I am the Special Deputy Liquidator of the Patriot Health Insurance Company, Inc. ("Patriot"), appointed by the Insurance Commissioner for the State of New Hampshire, as Liquidator ("Liquidator") of Patriot. I submit this affidavit in support of the Liquidator's Motion for Discharge of Liquidator and Termination of Proceeding. The facts and information set forth herein are either within my own knowledge gained through my involvement in this matter, in which case I confirm that they are true, or are based on information provided to me by others, in which case they are true to the best of my knowledge, information, and belief.

2. As the Liquidator has previously reported, all the claims against Patriot have been determined and the assets of Patriot collected. On February 8, 2013, the Court approved the release agreement with the United States and the distribution of assets except for an administrative expense reserve. As reported in the Liquidator's Report on Distribution dated March 29, 2013, the Liquidator then distributed the assets.

3. On May 20, 2013, the Liquidator moved for approval of the disposal of the paper and imaged records of Patriot and the Patriot liquidation. The Liquidator provided notice of the motion to the United States Department of Justice. On June 3, 2013 the Court approved the disposal of the records, subject to provision of certain imaged records to the New Hampshire

Insurance Department. The Liquidator has now disposed of the records in accordance with the order and will provide a copy of the imaged records (after adding a copy of this motion and the Court's order with regard thereto) to the Insurance Department when the Court has ruled on this motion.¹

4. The Liquidator has also addressed the few other final issues in the Patriot estate. The distribution checks have been cashed and the monies been paid out of the estate except for one claimant's distribution check (for \$1,719.98) which was returned and another check (for \$7.71) which was not deposited. With regard to the check which was returned, the Liquidator has determined that the claimant company has been dissolved, and the Liquidator has been unable to locate anyone to receive the check. With regard to the uncashed check, despite numerous attempts to contact the claimant, the check was never cashed. The Liquidator has paid the \$1,727.69 over to the New Hampshire Treasurer pursuant to RSA 402-C:47 I, and provided the Treasurer with the claimant information so that anyone entitled to the funds may seek them from the Treasurer.

5. The Liquidator with his consultant has prepared the final Patriot tax returns, which show no tax liability. The Liquidator will file the final returns when Patriot's corporate existence is dissolved as provided in RSA 402-C:23. To avoid any uncertainty over Patriot's status, the Liquidator recommends that the discharge order expressly state that Patriot's corporate existence is dissolved.

6. The administrative expense reserve was \$33,024; it has been exhausted as set forth on the exhibit attached to the Motion. The costs incurred or accrued to address the final issues in the Patriot estate, including making the distribution to the creditors, following up on

¹ The Liquidator will also provide the New Hampshire Life and Health Insurance Guaranty Association with certain imaged records that it had requested at that time.

distribution checks, paying amounts over to the New Hampshire Treasurer, preparing the final tax returns, disposing of documents, preparing motions concerning the distribution, document disposal and closure of the estate, total approximately \$11,218. The Liquidator has been using the services of liquidation staff of The Home Insurance Company, in Liquidation, to administer aspects of the Patriot liquidation, and the outstanding invoices for those services during 2013 exceed the remaining administrative expense reserve and will be satisfied by application of the remaining reserve.

7. As previously described, the assets of the estate have been collected and distributed, and the Liquidator has taken the remaining steps necessary to bring this proceeding to a close. The Liquidator accordingly requests that the Court grant this motion, discharge the Liquidator and the Special Deputy Liquidator, and issue an order terminating this proceeding.

Signed under the penalties of perjury this 8 day of August, 2013.



Peter A. Bengelsdorf
Special Deputy Liquidator of
Patriot Health Insurance Company, Inc.

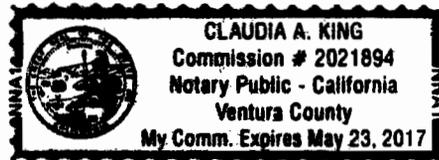
STATE OF CALIFORNIA
COUNTY OF VENTURA

On AUG 8, 2013 before me, CLAUDIA A. KING - Notary Public, personally appeared Peter A. Bengelsdorf, Special Deputy Liquidator of Patriot Health Insurance Company, Inc., who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature *Claudia A. King*
Signature of Notary Public



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[PROPOSED]

ORDER DISCHARGING LIQUIDATOR AND TERMINATING PROCEEDING

On consideration of the motion of Roger A. Sevigny, Insurance Commissioner of the State of New Hampshire, as Liquidator (“Liquidator”) of Patriot Health Insurance Company, Inc. (“Patriot”), for an order discharging the Liquidator and terminating this proceeding, and the supporting affidavit of Peter A. Bengelsdorf, it is hereby found and ORDERED as follows:

1. The Liquidator’s Motion for Discharge of Liquidator and Termination of Proceeding is granted.
2. Patriot Health Insurance Company, Inc., is dissolved.
3. The Liquidator and the Special Deputy Liquidator are discharged.
4. This proceeding is terminated.

So Ordered.

Dated: _____

Presiding Justice