

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 THIRTEENTH 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 thirteenth report on the liquidation of Patriot, as of September 14, 2011, in accordance with RSA 402-C:25 and the order dated April 11, 2008 granting the Liquidator's motion regarding filing of Liquidator's reports.

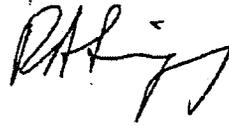
1. Patriot's background. Patriot wrote coverage only in New Hampshire and specialized in consumer directed health plans. It started business in 2005. On December 12, 2007, Patriot was placed in rehabilitation and the Commissioner was appointed as its Rehabilitator. The Rehabilitator entered an Assumption Agreement with MVP Health Insurance Company of New Hampshire ("MVP"), which was approved by the Court December 12, 2007. The agreement provided for the transfer of policies effective January 1, 2008 with no disruption to the policyholders or subscribers. The responsibility for claims incurred under Patriot health insurance policies prior to January 1, 2008 remained with Patriot. On January 18, 2008, the Court entered an Order of Liquidation placing Patriot in liquidation and appointing the Commissioner as Liquidator. Thereafter, by order dated October 6, 2008, the Court approved a plan providing a framework for the eventual closure of the Patriot liquidation. Since that time the liquidation has been proceeding under the supervision of the Court and in accordance

with the New Hampshire Insurers Rehabilitation and Liquidation Act, RSA 402-C (“Act”).

2. Motion for approval of distribution of assets, disposal of records and termination of proceeding. The claim determination process has been completed and all claims against Patriot have been determined. In addition, all Patriot assets justifying the expense of collection have been collected. Accordingly, on July 15, 2011, the Liquidator filed with the Court a Motion for Approval of Distribution of Assets, Disposal of Records and Termination of Proceeding. The motion seeks approval of the process to distribute assets, dispose of records, dissolve the company, handle unclaimed funds, discharge the Liquidator and terminate the proceeding in accordance with the Act and the closure plan. In light of uncertainty regarding potential claims of the United States and the federal priority statute, 31 U.S.C. Section 3713, the distribution will be subject to receipt of a waiver of federal priority claims from the United States. The New Hampshire Life and Health Insurance Guaranty Association (“NHLHIGA”) filed an objection to the motion and the Court has scheduled a hearing on the motion for September 23, 2011.

3 Financial report. A copy of the unaudited June 30, 2011 statement of assets, receipts, and disbursements for Patriot is attached as Exhibit A to this report. The statement reflects \$649,508 in assets (all cash) under the Liquidator’s direct control at June 30, 2011, and \$17,787 in cash receipts, \$4,124 in operating disbursements, and a \$150,502 NHLHIGA Class I claim payment made between January 1, 2011 and June 30, 2011. In light of the Assumption Agreement with MVP approved by the Court on December 12, 2007, Patriot’s sole asset both on January 18, 2008 (the beginning of the liquidation) and on June 30, 2011 was cash held at TD Banknorth and/or Centrix Bank.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "RAS", with a stylized flourish extending from the end.

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

September 15, 2011

CERTIFICATE OF SERVICE

I hereby certify that on September __, 2011, a copy of the Liquidator's Thirteenth Report was served upon the persons named on the attached Service List, by first class mail, postage prepaid.



Glenn A. Perlow

Dated: September 16, 2011

Patriot Health Insurance Company In Liquidation
Statement of Assets and Liabilities, and Receipts and Disbursements

	January 1, 2011 to June 30, 2011	January 1, 2010 to December 31, 2010
Beginning Cash	\$ <u>786,347</u>	<u>798,202</u>
Cash Receipts - Claim Payment Recoveries	9,587	7,725
Misc Income	8,200	-
Total Cash Receipts	<u>17,787</u>	<u>7,725</u>
Cash Disbursements:		
Legal Expenses	3,201	8,131
Consultant and Outside Service Expenses	923	2,630
Other Expenses	-	8,818
Total Cash Disbursements	<u>4,124</u>	<u>19,580</u>
Excess of Receipts Over Disbursements	<u>13,663</u>	<u>(11,855)</u>
NHLHIGA Class I Claim Paid	<u>(150,502)</u>	-
Ending Cash	<u>649,508</u>	<u>786,347</u>
Reserve for Allowed NHLHIGA Class I Claim	-	150,502
Ending Cash less Reserve for Class I Claim	<u>\$ <u>649,508</u></u>	<u><u>635,845</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
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SERVICE LIST

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Association