

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 APPROVAL OF DISPOSAL OF RECORDS

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 approving the disposal of records of Patriot. As reasons therefor, the Liquidator states as follows:

Background

1. After the Commissioner was appointed as Rehabilitator of Patriot on December 12, 2007, 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 Patriot health insurance policies to MVP effective January 1, 2008. The responsibility for claims incurred under Patriot health insurance policies prior to January 1, 2008 remained with Patriot. Affidavit of Peter A. Bengelsdorf, Special Deputy Liquidator, in Support of Motion for Approval of Disposal of Records. (“Bengelsdorf Aff.”) ¶ 2.

2. After Patriot was placed in liquidation on January 18, 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 (the “Agreement”) on February 12, 2008.

Pursuant to that Agreement, EBPA adjusted the claims incurred under Patriot health insurance policies prior to 11:59 PM on December 31, 2007. Bengelsdorf Aff. ¶ 3.

3. As a result of these transactions, Patriot's records concerning policies effective after December 31, 2007 and any related claims were transferred to MVP in connection with the Assumption Agreement, and other records concerning claim funding requests have been sent to NHHIGA. Bengelsdorf Aff. ¶ 4.

4. As the Liquidator has previously reported, all the claims against Patriot have been determined and the assets of Patriot collected.¹ 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, those assets have been distributed. The Liquidator is now addressing the final issues in the Patriot estate. These issues include disposal of records (RSA 402-C:50), dissolution of the company (RSA 402-C:23), handling of any unclaimed funds (RSA 402-C:47), filing of final tax returns, and discharge of the liquidator and termination of the proceedings (RSA 402-C:48). This motion seeks approval of the process to dispose of the records of Patriot. Bengelsdorf Aff. ¶ 5.

Disposal of Records

5. With the approval of the Court, the Liquidator may dispose of records of an insurer in liquidation that are no longer useful. See RSA 402-C:50 ("Whenever it appears to the commissioner that the records of any insurer in process of liquidation or completely liquidated are no longer useful, he or she may recommend to the court what records should be retained for future reference and what should be disposed of. Until further order of the court, the

¹ The Liquidator previously noted that certain potential small subrogation recoveries (of less than \$3,000) were outstanding. The Liquidator has now determined, and advised NHHIGA, that the potential recoveries will not be realized.

commissioner shall keep all records the court orders preserved and shall destroy the remainder whether or not the records have been photographed or otherwise reproduced.”).

6. The Liquidator presently has 47 boxes of Patriot paper records in storage including group policy premium calculations, personnel and benefit records, banking records, accounts payable (vendor) records, reinsurance records, consulting and other agreements, financial statements and records, regulatory filings, Patriot liability and workers compensation policies, and miscellaneous correspondence. The Liquidator also has paper records of the liquidation including copies of pleadings, proofs of claims, notices of determination, other claim and policy records, and miscellaneous correspondence. The only paper documents that are being used are the financial, tax, and corporate records supporting the Patriot tax returns (the “tax records”), as the final tax returns are still being prepared. The Liquidator is making an imaged copy of the tax records. Bengelsdorf Aff. ¶ 6.

7. The Liquidator also has imaged records of the Patriot liquidation, including records of pleadings and orders in the liquidation proceeding, lists of the allowed claims, and proof of claim and notice of determination materials. Bengelsdorf Aff. ¶ 7.

8. Now that the claims have been determined and the assets collected and distributed, the records of Patriot and the Patriot liquidation are generally no longer useful. The Liquidator accordingly recommends pursuant to RSA 402-C:50 that the Court authorize the Liquidator to dispose of all paper records of Patriot and the liquidation. The Liquidator will retain the tax records until the final tax return is filed. Documents that the Liquidator identifies as confidential or commercially sensitive will be shredded. Bengelsdorf Aff. ¶ 8.

9. The Liquidator also recommends pursuant to RSA 402-C:50 that imaged records be disposed of or deleted except for (1) an imaged record of the filings and orders in the

liquidation proceeding itself, which will be retained at the New Hampshire Insurance Department (“NHID”), (2) an imaged record of the allowed claims and the distribution, which will be retained at the NHID in the event it is needed by the state treasurer to address unclaimed funds, and (3) imaged copies of Patriot’s tax records, which will also be retained at the NHID.² Bengelsdorf Aff. ¶ 9.

10. In accordance with the Release Agreement with the United States, the Liquidator is providing a copy of this motion to the United States Department of Justice (“DOJ”). In the event DOJ wishes to review or copy any Patriot records before they are destroyed or deleted, the Liquidator will allow DOJ to do so. Bengelsdorf Aff. ¶ 10.

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

- A. Granting this motion;
- B. Authorizing the disposal of the records of Patriot and the liquidation, with those records identified by the Liquidator as confidential or commercially sensitive being shredded and specified records to be imaged and provided to the New Hampshire Insurance Department in that form; and
- C. Granting such other and further relief as justice may require.

Respectfully submitted,

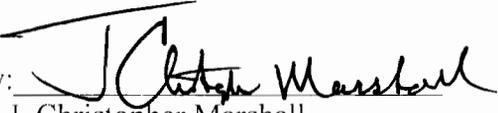
ROGER A. SEVIGNY, INSURANCE
COMMISSIONER OF THE STATE OF NEW
HAMPSHIRE, AS LIQUIDATOR OF PATRIOT
HEALTH INSURANCE COMPANY, INC.

By his attorney,

² The Liquidator will also provide NHLHIGA with an imaged copy of the filings and orders in the proceeding, a list of the proofs of claim and determinations, and a list of the distributions made.

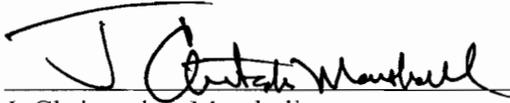
JOSEPH A. FOSTER
ATTORNEY GENERAL

May 20, 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) 271-3650

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Motion for Approval of Disposal of Records, the Affidavit of Peter A. Bengelsdorf, and the Proposed Order, were sent, this 20th day of May, 2013, by first class mail, postage prepaid to all persons on the attached service list.



J. Christopher Marshall

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THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

Docket No. 07-E-0517

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

SERVICE LIST

Name	Address/Phone	Representing
Roger A. Sevigny	N.H. Insurance Department 21 South Fruit Street Suite 14 Concord, NH 03301 603-271-2261 603-271-1406/fax roger.sevigny@ins.nh.gov	N.H. Insurance Department Commissioner/Liquidator
Alex Feldvebel	N.H. Insurance Department 21 South Fruit Street Suite 14 Concord, NH 03301 603-271-2261 603-271-1406/fax alex.feldvebel@ins.nh.gov	N.H. Insurance Department Liquidator
Peter Bengelsdorf	Patriot Health Insurance Co. 61 Broadway, 6 th Floor New York, NY 10006-2504 805-498-3020 pcter.bengelsdorf@homeinsco.com	N.H. Insurance Department Special Deputy Liquidator
J. David Leslie, Esq.	Rackemann, Sawyer & Brewster 160 Federal Street Boston, MA 02110 617-951-1131 617-542-7437/fax jdl@rackemann.com	N.H. Insurance Department Liquidator

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George Roussos, Esq.	Orr & Reno P.O. Box 3550 Concord, NH 03302-3550 603-224-2381 603-224-2318/fax groussos@orr-reno.com	N.H. Life & Health Insurance Guaranty Association
Lisa Snow Wade, Esq.	Orr & Reno P.O. Box 3550 Concord, NH 03302-3550 603-224-2381 603-224-2318 (fax) lwade@orr-reno.com	NH Life and Health Insurance Guaranty Association

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.**

**AFFIDAVIT OF PETER A. BENGELSDORF,
SPECIAL DEPUTY LIQUIDATOR, IN SUPPORT OF
MOTION FOR APPROVAL OF DISPOSAL OF RECORDS**

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 Approval of Disposal of Records. 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. After the Commissioner was appointed as Rehabilitator of Patriot on December 12, 2007, 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 Patriot health insurance policies to MVP effective January 1, 2008. The responsibility for claims incurred under Patriot health insurance policies prior to January 1, 2008 remained with Patriot.

3. After Patriot was placed in liquidation on January 18, 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 (the “Agreement”) on February 12, 2008. Pursuant to that Agreement, EBPA adjusted the claims incurred under Patriot health insurance policies prior to 11:59 PM on December 31, 2007.

4. As a result of these transactions, Patriot’s records concerning policies effective after December 31, 2007 and any related claims were transferred to MVP in connection with the Assumption Agreement, and other records concerning claim funding requests have been sent to NHLHIGA.

5. As the Liquidator has previously reported, all the claims against Patriot have been determined and the assets of Patriot collected.¹ 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, those assets have been distributed. The Liquidator is now addressing the final issues in the Patriot estate. These issues include disposal of records, dissolution of the company, handling of any unclaimed funds, filing of final tax returns, and discharge of the liquidator and termination of the proceedings.

6. The Liquidator presently has 47 boxes of Patriot paper records in storage including group policy premium calculations, personnel and benefit records, banking records, accounts payable (vendor) records, reinsurance records, consulting and other agreements, financial statements and records, regulatory filings, Patriot liability and workers compensation policies, and miscellaneous correspondence. The Liquidator also has paper records of the liquidation including copies of pleadings, proofs of claims, notices of determination, other claim

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and policy records, and miscellaneous correspondence. The only paper documents that are being used are the financial, tax, and corporate records supporting the Patriot tax returns (the “tax records”), as the final tax returns are still being prepared. The Liquidator is making an imaged copy of the tax records.

7. The Liquidator also has imaged records of the Patriot liquidation, including records of pleadings and orders in the liquidation proceeding, lists of the allowed claims, and proof of claim and notice of determination materials.

8. Now that the claims have been determined and the assets collected and distributed, the records of Patriot and the Patriot liquidation are generally no longer useful. The Liquidator accordingly recommends that the Court authorize the Liquidator to dispose of all paper records of Patriot and the liquidation. The Liquidator will retain the tax records until the final tax return is filed. Documents that the Liquidator identifies as confidential or commercially sensitive will be shredded.

9. The Liquidator also recommends that imaged records be disposed of or deleted except for (1) an imaged record of the filings and orders in the liquidation proceeding itself, which will be retained at the New Hampshire Insurance Department (“NHID”), (2) an imaged record of the allowed claims and the distribution, which will be retained at the NHID in the event it is needed by the state treasurer to address unclaimed funds, and (3) imaged copies of Patriot’s tax records, which will also be retained at the NHID.²

10. In accordance with the Release Agreement with the United States, the Liquidator is providing a copy of the motion to the United States Department of Justice (“DOJ”). In the

² The Liquidator will also provide NHLHIGA with an imaged copy of the filings and orders in the proceeding, a list of the proofs of claim and determinations, and a list of the distributions made.

event DOJ wishes to review or copy any Patriot records before they are destroyed or deleted, the Liquidator will allow DOJ to do so.

Signed under the penalties of perjury this 14 day of May, 2013.

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

STATE OF CALIFORNIA
COUNTY OF VENTURA

On 5-14, 2013 before me, Tina Le, 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 Tina
Signature of Notary Public



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.

[PROPOSED]

ORDER APPROVING DISPOSAL OF RECORDS

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 approval of disposal of records, and the supporting affidavit of Peter A. Bengelsdorf, it is hereby found and ORDERED as follows:

1. The Liquidator’s Motion for Approval of Disposal of Records is granted.
2. The Liquidator is authorized to dispose of all paper records of Patriot and the Patriot liquidation. Records identified by the Liquidator as confidential or commercially sensitive shall be disposed of by shredding.
3. The Liquidator is authorized to dispose of or delete all imaged records of Patriot and the Patriot liquidation except for (1) an imaged record of the filings and orders in the liquidation proceeding itself, which shall be retained at the New Hampshire Insurance Department (“NHID”), (2) an imaged record of the allowed claims and the distribution, which shall be retained at the NHID, and (3) an imaged record of the financial, tax, and corporate records necessary for the final Patriot tax returns, together with those returns, which shall be retained at the NHID.

So Ordered.

Dated: _____

Presiding Justice