

ATTORNEY GENERAL
DEPARTMENT OF JUSTICE

33 CAPITOL STREET
CONCORD, NEW HAMPSHIRE 03301-6397

RECEIVED

2008 JUN 20 AM 6:51

ORVILLE B. "BUD" FITCH II
DEPUTY ATTORNEY GENERAL

NH INSURANCE DEPT.

MELLY A. AYOTTE
ATTORNEY GENERAL



June 19, 2008

William S. McGraw, Clerk
Merrimack County Superior Court
PO Box 2880
Concord NH 03302-2880

RE: *In the Matter of Rehabilitation of Patriot Health Insurance*
Docket No. 07-E-0517

Dear Clerk McGraw:

Enclosed please find Liquidator's Third Report for docketing and filing in the above-captioned matter.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Glenn A. Perlow".

Glenn A. Perlow
Assistant Attorney General
Civil Bureau
603-271-3650

GAP/sd
Enclosure
cc: Service List
278485

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 THIRD 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 third report on the liquidation of Patriot, as of June 13, 2008, in accordance with RSA 402-C:25.

1. Claim administration and funding. On February 12, 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 Health Insurance Company of New Hampshire ("MVP"). Pursuant to that agreement, EBPA has been adjusting claims incurred under Patriot health insurance policies prior to 11:59 PM on December 31, 2007 when MVP assumed Patriot's responsibilities. As of May 15, 2008, EBPA had received claims incurred before January 1, 2008 under Patriot health insurance policies totaling \$1,736,662.27, the vast majority of which are within NHLHIGA's statutory limits and are being paid by NHLHIGA. The Liquidator has been monitoring this process.

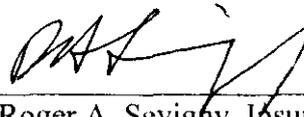
2. Proofs of claim. The claim filing deadline in the Patriot liquidation is July 18, 2008. Patriot subscribers or members, or healthcare providers submitting claims on behalf of members or subscribers, need not submit proofs of claims unless they will

not be able to submit the claim in the normal course to EBPA (the claim administrator) by the July 18, 2008 claim filing deadline. Producers, attorneys, vendors and other general creditors must file proofs of claim. As of May 9, 2008, the Liquidator has received a total of 39 proofs of claim. The proofs of claim submitted assert claims that total \$ 251,341.94. Most proofs of claim are for unpaid medical costs, and the Liquidator has forwarded copies of all supporting material to EBPA for adjusting of the claims.

3. Publication Notice. Notice of the claim filing deadline was published in The Union Leader on April 2 and 16, 2008. A copy of the form of notice is attached as Exhibit A.

4. Financial report. A copy of the unaudited March 31, 2008 statement of assets, receipts, and disbursements for Patriot is attached as Exhibit B to this report. The statement reflects \$440,323 in assets under the Liquidator's direct control at March 31st, and \$78,729 in cash receipts and \$100,853 in operating disbursements from January 18, 2008 through March 31, 2008. In light of the Assumption Agreement with MVP approved by the Court on December 12, 2007, Patriot's sole asset on January 18, 2008 (the beginning of the liquidation) and on March 31, 2008 was the cash held at TD North Bank and Centrix Bank.

Respectfully submitted,



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

June 17, 2008

CERTIFICATE OF SERVICE

I hereby certify that on June 19, 2008, a copy of the Liquidator's Third Report was served upon the persons named on the attached Service List, by first class mail, postage prepaid.

Dated: June 19, 2008

Legal Notice

NOTICE OF LEGISLATION
MANICOT HEALTH INSURANCE
COMPANY, INC.
CLAIM FILING DEADLINE:
JULY 18, 2008

All State of New Hampshire policyholders, former policyholders, dependents, beneficiaries, and assignees of policies issued by Manicot Health Insurance Company, Inc. ("Manicot") are hereby notified that the New Hampshire Commissioner of Insurance Legislation was notified by the Superior Court for Merrimack County, New Hampshire, on January 18, 2008.

Policyholders, assignees, or members of households provided with a claim on behalf of a policyholder or member thereof, submit claim forms and billings in the normal course to the claim administrator (CSPAP) and these submissions will be considered proof of claim for all submissions received through July 18, 2008. If claims cannot be substantiated by that date, then the policyholder, assignee, or beneficiary provided shall file a proof of claim by the July 18, 2008 deadline.

All other persons, including professional advisors and vendors having possession of or in the future, should determine whether or not the recovery of the benefits, presently known, MUST file a Proof of Claim form with the Legislation on or before the claim filing deadline of July 18, 2008. Proofs of Claim filed after the claim filing deadline will likely not be paid.

Proof of Claim forms may be obtained by downloading the form from the New Hampshire Insurance Department website: www.state.nh.us/insurance/ or by calling 1-800-947-0244 during regular business hours (Monday-Friday, 9:00 AM to 5:00 PM) or by writing to:

Manicot Health Insurance Company, Inc.
 11720, Manchester, New Hampshire 03105-1720
 (CL-APR 2, 16)

I hereby certify that the foregoing notice was published in The Union Leader and/or New Hampshire Sunday News, newspapers printed at Manchester, N.H., by the Union Leader Corporation on the following dates, viz: 4/2/08 4/16/08

(Signed) *Phyllis Gilbert*

UNION LEADER CORPORATION

State of New Hampshire,
 Hennepin, SS.

(Dated)..... 5/11/08



Subscribed and sworn to by the said... *Phyllis Gilbert*

Before me
Marsha A. McGinnis
 Marsha A McGinnis
 Notary Public
 State of New Hampshire
 My Commission Expires 04/19/2011

Patriot Health Insurance Company In Liquidation
Statements of Assets, Receipts and Disbursements
(Modified Cash Basis)
(Unaudited)
March 1, 2008 - March 31, 2008

Beginning Cash at March 1, 2008	\$ <u>440,323</u>
Cash Received:	
Claim Payment Recoveries	\$ 14,972
Premiums Receivable	2,348
Interest Income	846
All Other	<u>6,017</u>
Total Cash Receipts	\$ 24,183
Cash Operating Disbursements:	
Legal Expenses	7,142
Consultant and Outside Service Expenses	9,360
Special Deputy Expenses	\$ 5,000
Other Rehabilitation Expenses	<u>5,952</u>
Total Cash Disbursements	\$ 27,453
Excess of Operating Disbursements Over Receipts	<u>(3,270)</u>
Ending Cash at March 31, 2008	\$ <u><u>437,053</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 (Administrations Costs) liabilities, which are in a creditor class superior to all other classes, are presented in these financial statement.