

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

Docket No. 07-E-

2007 DEC 11 P 2: 25

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

NH SUPERIOR COURT
MERRIMACK COUNTY
CONCORD, NH

ORDER APPOINTING REHABILITATOR

After having read and considered the facts set forth in the Commissioner's Verified Petition for Rehabilitation and Affidavit in Support of Appointment of Special Deputy Commissioner, the Court finds that there exists a present and urgent necessity for the immediate entry of this Order pursuant to RSA 402-C.

WHEREFORE, it is hereby ordered as follows:

- (a) Sufficient cause exists for the rehabilitation of Patriot Health Insurance Company, Inc. ("Patriot") and appointment of the Commissioner as Rehabilitator;
- (b) Roger A. Sevigny, Commissioner of Insurance for the State of New Hampshire, and his successors in office, is hereby appointed as Rehabilitator of Patriot;
- (c) Peter A. Bengelsdorf is hereby appointed Special Deputy Commissioner pursuant to RSA 402-C:17, I;
- (d) The Rehabilitator and Special Deputy Commissioner may consult with and obtain the assistance and advice of the New Hampshire Life and Health Insurance Guaranty Association and insurance experts and shall have all the powers of the officers and managers of Patriot whose authority shall be suspended, except as they are specifically re-delegated by the Rehabilitator;
- (e) The Rehabilitator is directed to take possession of or secure all of the assets, property, books, records, accounts and documents of Patriot and administer them under the orders of the Court;

(f) The officers, directors, agents, employees, and representatives of Patriot, and any persons acting in concert with them, are prohibited from disposing, using, transferring, removing or concealing any property of Patriot, without the express written authority of the Rehabilitator.

(g) Any bank, savings and loan association or other financial institution or other legal entity is prohibited from disposing of, allowing to be withdrawn or concealing in any manner any property or assets of Patriot, except under the express authorization of the Rehabilitator or by the further order of this Court.

(h) The following actions shall be stayed, absent leave of the Court, pending the resolution of this proceeding:

- (1) the commencement or continuation of any judicial, administrative, or other action or proceeding against Patriot or to recover a claim against Patriot;
- (2) the enforcement, against Patriot or its property, of any judgment;
- (3) any act to obtain possession of property of Patriot or to exercise control over property of Patriot;
- (4) any act to create, perfect, or enforce any lien against property of Patriot;
- (5) any act to collect, assess, or recover a claim against Patriot;
- (6) the setoff of any debt owing to Patriot against any claim against Patriot;

and

(7) any act by any person doing business with Patriot to terminate a contract with Patriot, other than a policy of health insurance, due to Patriot's assent to entry of the Rehabilitation Order or entry of the Rehabilitation Order.

(i) The Rehabilitator shall provide quarterly accountings to the Court.

Date: Dec. 12, 2007

By: Carol Ann Conboy
Presiding Justice