

RECEIVED

THE STATE OF NEW HAMPSHIRE

2009 JAN 22 AM 10: 20

MERRIMACK, SS

NH INSURANCE DEPT.
SUPERIOR COURT

Docket No. 07-E-0517

**In the Matter of the Liquidation of
Patriot Health Insurance Company, Inc.**

LIQUIDATOR'S FIFTH 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 fifth report on the liquidation of Patriot, as of January 14, 2009, 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 December 31, 2008, EBPA had received and reviewed claims incurred before January 1, 2008 under Patriot health insurance policies and determined that a total of \$1,877,035.92. was properly payable. (This total is subject to a number of adjustments arising from returned checks, partial voided items and revised reissuances.) The vast majority of the claims are within NHLHIGA's statutory limits and are being paid by NHLHIGA. NHLHIGA has filed a Proof of Claim with the Liquidation for any payments it makes on Patriot's behalf. The Liquidator has been monitoring this process.

2. Proofs of claim. The claim filing deadline in the Patriot liquidation was July 18, 2008. Patriot subscribers or members, or healthcare providers submitting claims on behalf of members or subscribers, were not required to submit proofs of claims unless they were not 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 should have filed proofs of claim. As of December 31, 2008, the Liquidator has received a total of 94 proofs of claim. The proofs of claim submitted assert claims that total \$1,219,660.15. Most proofs of claim are for unpaid medical costs, and the Liquidator has forwarded copies of all supporting material to EBPA for adjustment of the claims. EBPA is to review and respond to the claimant to explain the resolution of the claim.

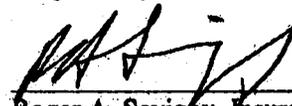
3. Claim determinations. The process of determining proofs of claim has started. The Liquidator has issued final notices of determination addressing 45 general creditor, vendor and medical provider proofs of claim totaling \$ 1,168,612.25. The Liquidator will file a report of claims and recommendations with the Court when a sufficient number of the claims have passed the 60-day period for objections.

4. Closure Plan. By Order dated October 6, 2008, the Court approved the Liquidator's plan for the closure of the Patriot liquidation. The Liquidation Closure Plan provides a framework for the determination of claims, distribution of assets and closure of the proceeding. As noted below, the Liquidator has \$784,257, in Patriot assets under his direct control at December 31, 2008. The only significant assets remaining to be collected are potential subrogation recoveries. It is anticipated that Patriot's liabilities

will exceed its assets, and that no distributions will be made to any priority class below Class II (policy related claims). See RSA 402-C:44.

5. Financial report. A copy of the unaudited December 31, 2008 statement of assets, receipts, and disbursements for Patriot is attached as Exhibit A to this report. The statement reflects \$784,257 in assets under the Liquidator's direct control at December 31 and \$504,316 in cash receipts and \$182,505 in operating disbursements from January 18, 2008 (the beginning of the liquidation) through December 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 and on December 31, 2008 was cash held at TD North Bank and Centrix Bank.

Respectfully submitted,



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

January 20, 2009

CERTIFICATE OF SERVICE

I hereby certify that on January 21, 2009, a copy of the Liquidator's Fifth Report was served upon the persons named on the Service List, by first class mail, postage prepaid.

A handwritten signature in black ink, appearing to read 'Glenn A. Perlow', written over a horizontal line.

Glenn A. Perlow

Dated: January 21, 2009

**Patriot Health Insurance Company In Liquidation
Statements of Assets, Receipts and Disbursements**

	<u>12/31/2008</u>
Beginning Cash at January 18, 2008	\$ 462,446
Claim Payment Recoveries	458,114
Premiums Receivable Collections	24,651
Interest Income	5,846
All Other	15,705
Total Cash Receipts	\$ 504,316
Cash Operating Disbursements:	
Legal Expenses	81,087
Consultant and Outside Service Expenses	51,223
Special Deputy Expenses	27,345
Other Expenses	22,850
Total Cash Disbursements	182,505
Excess of Operating Receipts Over Disbursements	321,811
Ending Cash	\$ 784,257

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.

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/Rehabilitator
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 Rehabilitator
Glenn A. Perlow, Esq.	N.H. Department of Justice 33 Capitol Street Concord, NH 03301 603-271-3658 603-223-6217/fax glenn.perlow@doj.nh.gov	N.H. Insurance Department Rehabilitator
Peter Bengelsdorf	The Home Insurance Co. 59 Maiden Lane New York, NY 10038 212-530-3741 212-530-6143/fax peter.bengelsdorf@homeinsco.com	N.H. Insurance Department Special Deputy Rehabilitator

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 Rehabilitator
Eric Smith, Esq.	Rackemann, Sawyer & Brewster 160 Federal Street Boston, MA 02110 617-951-1127 617-542-7437/fax eas@rackemann.com	N.H. Insurance Department Rehabilitator
Stephen J. Lauwers, Esq.	Rath, Young & Pignatelli P.O. Box 1500 Concord, NH 03302-1500 603-226-2600 603-226-2700/fax sjl@rathlaw.com	Patriot Health Insurance Company, Inc.
Robert J. Moses, Esq.	Greenberg, Traurig LLP 54 State Street, 6th Floor Albany, NY 12207 518-689-1400 603-491-0374/cell 518-689-1499/fax mosesb@gtlaw.com	MVP Health Insurance Company of New Hampshire
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