

RET. DATE: JUNE 15, 1999

GEORGE M. REIDER, JR., INSURANCE	:	SUPERIOR COURT
COMMISSIONER OF THE STATE	:	
OF CONNECTICUT	:	JUDICIAL DISTRICT OF
	:	HARTFORD
V.	:	
	:	
SUBURBAN HEALTH PLAN, INC.	:	MAY 20, 1999

STIPULATED ORDER OF LIQUIDATION

The Court enters this Order by consent and stipulation of the parties, being George M. Reider, Jr., Insurance Commissioner of the State of Connecticut (the "Commissioner") and Suburban Health Plan, Inc. (the "Company").

IT IS HEREBY ORDERED:

1. This Stipulated Order of Liquidation is entered into pursuant to the provisions of The Insurers Rehabilitation and Liquidation Act (the "Act"), Conn. Gen. Stat. §§ 38a-903 to 38a-961 as amended from time to time. Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in Conn. Gen. Stat. § 38a-175.

2. The Company is declared insolvent and is placed in liquidation under the Act, and as of 11⁴⁵ o'clock in the fore noon of this 20th day of May, 1999, the Company shall in its existing form cease all operations and "Suburban Health Plan, Inc. in Liquidation" shall continue as successor of the Company, consistent with the terms of

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this and all subsequent Orders of this Court. The title of this case shall hereafter be "In the matter of Suburban Health Plan, Inc.," but the case number shall remain the same.

3. The Commissioner and his successors in office (collectively, the "Liquidator") are hereby appointed Liquidator of the Company and are vested, in addition to the powers and authority set forth in this Order, with all powers and authority expressed or implied under the Act.

4. Pursuant to Conn. Gen. Stat. § 38a-920, (a) the Liquidator is hereby vested with the title to all of the property, contracts, and rights of action and all of the books and records of the Company, wherever located and (b) the Liquidator is hereby directed forthwith to take possession of the assets of the Company and to administer them under the general supervision of the Court. The filing or recording of this Order with the clerk of the Superior Court and with the recorder of deeds of the town in which the Company's principal office or place of business is located, or, in the case of real estate with the recorder of deeds of the town where the property is located, shall impart the same notice as a deed, bill of sale, or other evidence of title duly filed or recorded with that recorder of deeds would have imparted.

5. The Liquidator shall have all the powers and duties set forth in Conn. Gen. Stat. § 38a-923, including, without limitation, the power to appoint one or more special deputies who shall have all of the powers and responsibilities of the Liquidator under such section, and the power to employ or continue the employment of such

employees and agents, legal counsel, actuaries, accountants, appraisers, consultants and such other personnel as he may deem necessary to assist in the liquidation, together with the power to fix the reasonable compensation of such persons (which compensation shall be paid out of the funds or assets of the Company). The Liquidator is hereby authorized to pay, from the funds or assets of the Company, the reasonable compensation of the foregoing, with all such payments to be reported to the Court in the Liquidator's periodic reports of receipts and disbursements filed pursuant to paragraph 22 of this Order.

6. The Liquidator is hereby authorized to deposit funds in banks and other institutions in accounts which are insured by the Federal Deposit Insurance Corporation and to invest funds which are not immediately necessary for the administration of the case in the Short Term Investment Fund managed by the Treasurer of the State of Connecticut or in obligations of the United States government or agencies and instrumentalities thereof, or in other investments which a health care center may own under Connecticut law.

7. In the event that there are insufficient cash or liquid assets of the Company to defray the costs incurred, the Commissioner may advance funds for costs so incurred out of any appropriation for the maintenance of the Insurance Department. Any amounts so advanced for expenses of administration shall be repaid to the

Commissioner for the use of the Insurance Department out of the first available money of the Company.

8. The Liquidator is hereby authorized to abandon property of the Company which, in his discretion, he deems burdensome or of insubstantial value without further order of Court. The Liquidator is further authorized and empowered to sell, transfer, and convey his right, title, and interest and the right, title, and interest of the Company in and to any real property, personal property (tangible and intangible), licenses or any other assets of the Company, for such sums of money and on such terms as appears reasonable, at public or private sales; provided, however, that if the property has a value in excess of \$100,000, approval for such sale shall first be given by this Court, said approval to be sought on motion to this Court on not less than ten (10) days written notice to (a) Griffin Health Services Corporation and (b) any other person or entity who or which has filed or will hereafter file an appearance in these proceedings.

9. Except as otherwise expressly provided herein, contracts of the Company may be affirmed or disavowed by the Liquidator pursuant to the Act with the approval of this Court, said approval to be sought by motion to this Court on no less than ten (10) days written notice to the other party or parties to any contract proposed to be affirmed or disavowed.

10. The Liquidator may settle controversies in respect of debts and claims owing to the Company, and claims against the estate in these proceedings, on such terms as appear reasonable to the Liquidator without further order of the Court.

11. To the fullest extent provided by law including, but not limited to, Section 38a-909 of the Connecticut General Statutes, the Liquidator, his employees, and other personnel retained by the Liquidator pursuant to this Order shall have official immunity and shall be immune from suit and liability, both personally and in their official capacity, for any claim or other civil liability in respect of any alleged act, error or omission of the Liquidator, his employees and retained personnel arising out of or by reason of their duties, employment or retention with respect to these liquidation proceedings.

INJUNCTIONS

12. All officers, managers, directors, trustees, owners, employees or agents of the Company, or any other persons with authority over or in charge of any segment of the Company's affairs, shall, in accordance with Conn. Gen. Stat. § 38a-908, cooperate with the Liquidator.

13. All officers, managers, directors, trustees, owners, employees, attorneys, agents, Providers, Enrollees, Subscribers, Group Contract Holders and holders of Individual Contracts and all other Persons are hereby enjoined and restrained, pursuant to Conn. Gen. Stat. § 38a-907, from:

- (a) the transaction of further business of the Company;
- (b) transferring, selling, concealing, terminating, canceling, destroying, disposing or assigning any assets, funds or other property of any nature of the Company;
- (c) any interference, in any manner, with the Liquidator in his possession of or title to the property and assets of the Company or in the discharge of his duties as Liquidator;
- (d) any waste of the Company's assets or property;
- (e) dissipation and transfer of bank accounts and negotiable instruments;
- (f) the institution or further prosecution of any actions or proceedings at law or in equity in which the Company is a party;
- (g) the obtaining of preferences, judgments, attachments, garnishments or liens against the Company, or its assets;
- (h) the levying of execution against the Company, or its assets;
- (i) the making of any sale or deed for nonpayment of taxes or assessments that would lessen the value of the assets of the Company;
- (j) the withholding from the Liquidator or his designees of books, accounts, documents, or other records relating to the business of the Company; or

- (k) any other threatened or contemplated action that might lessen the value of the Company's assets or prejudice the rights of Providers, Enrollees, Subscribers, Group Contract Holders and holders of Individual Contracts, creditors, or shareholders, or the administration of the receivership proceedings.

14. All Persons who have in their possession, custody or control, assets of the Company of any kind whatsoever and wherever situated, including but not limited to, monies, books, records (including but not limited to data processing information, source documents, data processing cards, input tapes, all types of storage information, master tapes or any other recorded information relating to the Company), personal or real property, are directed forthwith to deliver upon demand such assets or books, records and information to the Liquidator.

15. All affiliated companies shall, upon demand, make their books, data processing information, records and other information of or pertaining to Suburban (collectively, "documents") available for inspection and copying by the Liquidator, and shall, upon demand, relinquish possession of the originals of any of the Company's records that may be in their possession to the Liquidator. Any documents sought by the Liquidator which are claimed in good faith by the party in possession of such documents to be privileged or outside the scope of the preceding sentence shall immediately be

presented to the Court by such party for a determination of the Liquidator's entitlement to access to such documents.

16. The Company, its officers, directors, trustees, employees, agents, attorneys and affiliates shall identify for the Liquidator all of the assets, books, records, files, credit cards, or other property of the Company, tender or make readily available to the Liquidator, in the Liquidator's discretion, all of the foregoing, and otherwise advise and cooperate with the Liquidator in identifying and locating any of the Company's assets.

17. Any bank, savings, and loan association, other financial institution, including any other entity or person, which has on deposit or in its possession, custody or control any funds, accounts and any other assets of the Company shall immediately transfer title, custody and control of all such funds, accounts or assets to the Liquidator. The Liquidator shall exercise absolute control over such funds, accounts and other assets, and may change the name of such accounts and other assets, withdraw them from such bank, savings and loan association or other financial institution, or take any lesser action necessary for the proper conduct of the liquidation.

18. No bank, savings and loan association, reinsurer, other financial institution, or any other person or entity shall exercise any form of set-off, alleged set-off, recoupment, lien, or any form of self-help whatsoever or refuse to transfer any funds or assets to the Liquidator's control without the permission of this Court.

19. All insurance agents, brokers, or other Persons having sold Health Care service contracts issued by the Company and/or collected premiums on behalf of Company shall account for and pay over all premiums, including amounts representing commissions, directly to the Liquidator within 30 days of demand. No insurance agent, broker or other Person shall exercise any form of set-off, or disburse or use premium monies for any purpose other than payment to the Liquidator. The Liquidator shall serve this Order on all insurance agents, brokers or such other Persons in accordance with Conn. Gen. Stat. § 38a-924 which shall constitute notice of its injunctive provisions.

NOTICES AND REPORTS

20. In lieu of the provisions of Conn. Gen. Stat. § 38a-924(a), the Liquidator shall give or cause to be given notice of this Order on or before June 15, 1999, by first class mail to all Persons known or reasonably expected to have claims against the Company including all providers, Enrollees, Subscribers, Group Contract Holders and holders of Individual Contracts, at their last known address as indicated by the records of the Company; and by publication once in The Hartford Courant, once in the Connecticut Post, once in a newspaper of general circulation in Shelton, Connecticut, and once in such other publication or publications (if any) as the Liquidator may, in his discretion, deem appropriate.

21. Any and all claims against the Company not presented to the Liquidator on or before the dates specified in the attached Notice of Claims Procedure and Claims Bar Date shall be forever barred from sharing in distributions of the assets of the Company except as provided in Conn. Gen. Stat. § 38a-937. If notice is given in accordance with the Notice of Claims Procedure and Claims Bar Date, the distribution of assets of the Company in these proceedings shall be conclusive with respect to all claimants whether or not they receive notice. Notice of the bar dates established hereby shall be sufficient under Conn. Gen. Stat. § 38a-924 if given in accordance with paragraph 20 of this Order.

22. The Liquidator shall file the financial reports required by Section 38a-920(e) of the Connecticut General Statutes. Such reports shall be filed within one year of the date of this Order, and at least annually thereafter, and shall report the assets and liabilities of the Company and all funds received or disbursed by the Liquidator during the current period and such other matters as the Liquidator shall, in his discretion, deem appropriate.

CONTINUING JURISDICTION

23. This Court shall retain jurisdiction over this matter for all purposes necessary to effectuate and enforce this Order. The Liquidator may at any time make further

application for any such relief, including, without limitation, any restraining order, preliminary or permanent injunctions, and other orders as he deems necessary.

24. This Stipulated Order of Liquidation shall not be construed as an admission of negligence or wrongdoing on the part of any officer or director of the Company.

Dated this 20 day of May, 1999, at Hartford, Connecticut.

THE PLAINTIFF
GEORGE M. REIDER, JR., INSURANCE
COMMISSIONER OF THE STATE OF
CONNECTICUT

RICHARD BLUMENTHAL
ATTORNEY GENERAL

BY: Shelagh P. McClure
John G. Haides
Juris No. 85285
Shelagh P. McClure
Juris No. 85075
Lorrie Lewis Adeyemi
Assistant Attorneys General
55 Elm Street
P.O. Box 120
Hartford, CT 06141-0120
Tel. (860) 808-5270
His Attorneys

Dated this 20th day of May, 1999, at Hartford, Connecticut.

THE DEFENDANT
SUBURBAN HEALTH PLAN, INC.

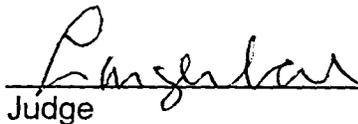
BY:



Ross G. Finbow
Its Attorney

Esquire

APPROVED AND SO ORDERED this 20th day of May, 1999.



Judge

NOTICE OF CLAIMS PROCEDURE AND CLAIMS BAR DATE

A. CLAIMS BAR ORDER

Any and all claims against the Company not presented to the Liquidator on or before the dates specified below shall be forever barred from sharing in distributions of the assets of the Company except as provided in Conn. Gen. Stat. § 38a-937.

B. CLAIMS FOR BENEFITS

1. Previously filed claims. On or before July 1, 1999, the Liquidator shall provide notice to each Subscriber, Enrollee and Provider ("Benefit Claimants") who has submitted a claim prior to [the date of the liquidation order] stating the amount which the Company shows on its books and records as owing to such Benefit Claimant (the "Statement"). If the amounts shown on the Statement are accurate, the Benefit Claimant shall have an allowed claim against the liquidation estate for the amount stated therein, and the Benefit Claimant shall not be required to take further action with respect to such claim. In the event that a Benefit Claimant disputes the amount shown on such statement, the Benefit Claimant shall file a claim on a form which shall be provided with the Statement on or before **SEPTEMBER 1, 1999**.

IN THE EVENT THAT A BENEFIT CLAIMANT HAS SUBMITTED A CLAIM FOR BENEFITS PRIOR TO [THE DATE OF THE LIQUIDATION ORDER], SUCH BENEFIT CLAIMANT SHALL NOT SUBMIT A FURTHER CLAIM TO THE

LIQUIDATOR FOR SERVICES COVERED BY THE PRIOR CLAIM UNLESS THE BENEFIT CLAIMANT DOES NOT RECEIVE A STATEMENT BEFORE JULY 15, 1999. THE SUBMISSION OF DUPLICATE CLAIMS WILL CAUSE CONFUSION AND ADDITIONAL EXPENSE TO THE LIQUIDATION ESTATE. THE LIQUIDATOR RESERVES THE RIGHT TO REQUEST THE SUPERIOR COURT TO IMPOSE MONETARY AND OTHER SANCTIONS AGAINST BENEFIT CLAIMANTS WHO SUBMIT DUPLICATE CLAIMS.

2. Unfiled Claims. Benefit Claimants who have not previously submitted a claim to the Company for particular Health Care services prior to [date of liquidation order] shall submit a claim to the Liquidator for such services on the forms and at the address previously provided by the Company for the submission of such claims. Such claims shall be submitted on or before **JULY 1, 1999**. Within thirty days after receipt of a claim (or as soon thereafter as practicable) the Liquidator shall provide the Benefit Claimant a Statement setting forth the amount of the claim allowed by the Liquidator. In the event that a Benefit Claimant disputes the amount shown on such Statement, the Benefit Claimant shall file a claim on a form which shall be provided with the Statement on or before the thirtieth day after the date of the Statement.

C. RETURN PREMIUM CLAIMS

On or before August 1, 1999, the Liquidator shall provide notice to each holder of an Individual Contract or a Group Contract Holder (a "Contractholder") stating the amount which the books and records of the Company show as owing to such Contractholder for return premium (the "Premium Statement"). If the amounts shown on the Premium Statement are accurate, the Contractholder shall have an allowed claim against the liquidation estate for the amount stated therein, and the Contractholder shall not take further action with respect to such claim. In the event that the Contractholder disputes the amount shown on such Premium Statement, the Contractholder shall have until **SEPTEMBER 1, 1999** in which to file a claim on a form which shall be provided with the Premium Statement. Contractholders shall not submit claims to the Company for return premiums except on the forms to be provided by the Liquidator with the Premium Statement.

D. OTHER CLAIMS

Creditors which have claims other than claims for Health Care services or return premiums shall file proofs of claim with the Liquidator on forms provided by the Liquidator. Such proofs of claim shall be filed with the Liquidator in accordance with the proof of claim for on or before **SEPTEMBER 1, 1999**. Benefit Claimants and Contractholders who wish to assert claims other than claims for Health Care services or return

premiums should obtain a proof of claim form from the Liquidator by sending a request for a proof of claim together with a self-addressed stamped envelope to [Liquidator address].



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Deputy Clerk Cook

JUDICIAL DISTRICT OF
HARTFORD/NEW BRITAIN
AT HARTFORD
STATE OF CONNECTICUT

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Kirde A. Cook
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