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IN THE COMMONWEALTH COURT OF PENNSYLVANIA
RECEIVED THE COMMONWEALTH
PA INSURANCE DEPT.

M. Diane Koken, Insurance
Commissioner Commonwealth of
Pennsylvania,

Plaintiff

v.

HRM Health Plans (PA), Inc.,

Defendant

No. 407 M.D. 2001

ORDER

NOW, July 13, 2004, the Court hereby orders as follows:

1. The Insurance Commissioner shall file a detailed status report within 30 days of entry of this Order. Specifically, the report shall include:
 - (a) Total number of Proofs of Claims *received* and the total amount claimed;
 - (b) Total number of Proofs of Claims *evaluated*, and the amount claimed in each individual Claim;
 - (c) Total number of Objections received;
 - (d) Total number of Proofs of Claims still pending;
 - (e) Anticipated completion date for all pending Proofs of Claims;
 - (f) Identification of legal issues arising from Claims evaluation;
 - (g) Accounting of Expenses and Receipts since last status report was filed;
 - (h) Debts of HRMPA Estate other than to Providers;
 - (i) Amount remaining in the HRMPA Estate.

2. The procedure for filing Objections to the Insurance Commissioner's Notice of Determination regarding a denial in whole or part of a Proof of Claim shall be as follows:

(a) Within thirty (30) days of the date of the entry of this Order, the Liquidator shall present to the Court a report of the claims determined by the Liquidator to which no objection was filed ("undisputed claims"). The report shall include: the name and address of each Claimant, the particulars of the Claim, and the amount of the Claim determined by the Liquidator. The report shall be served upon all parties listed on the master service list via first class mail or, where designated, fax, or e-mail. The Court may approve, disapprove or modify the report on Claims submitted to it by the Liquidator. Upon approval of the determination by the Court, the Claimant will be eligible to receive a pro rata distribution of assets from the Estate of HRMPA.

(b) If a Claimant is dissatisfied with the decision set forth in the notice of determination regarding a denial in whole or in part of a Proof of Claim, the Claimant shall **within sixty (60) days from the mailing date shown on the notice of determination file an objection to the determination with the Commonwealth Court**, and serve a copy of the Objection on the Liquidator. The objection shall state the factual and legal basis for the Objection, shall attach all necessary supporting documentation, and shall also include the notice of determination (collectively the Objection). Claimant shall file the Objection, along with 5 copies of the Objection and a 3½ inch floppy disc containing the Objection typed in "Microsoft Word" format in the Office of the Prothonotary, Room 624, Irvis Office Building, Harrisburg, PA 17120. No courtesy copies of the Objection shall be filed with a judge's chambers. Service of a copy of the Objection in printed form shall be made on the Liquidator. **IF A CLAIMANT DOES NOT FILE AN OBJECTION TO THE LIQUIDATOR'S DETERMINATION WITH THE COMMONWEALTH COURT WITHIN THE TIME REQUIRED, THE CLAIMANT MAY NOT FURTHER OBJECT TO THE LIQUIDATOR'S DETERMINATION AS SET FORTH IN THE NOTICE OF DETERMINATION, AND THE LIQUIDATOR'S DETERMINATION SHALL CONSTITUTE THE MAXIMUM ALLOWABLE AMOUNT OF THE CLAIM. OBJECTIONS**

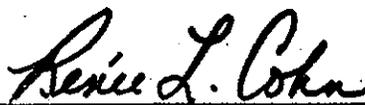
FILED WITH THE LIQUIDATOR PRIOR TO THE DATE OF ENTRY OF THIS ORDER WILL BE CONSIDERED TIMELY IF FILED WITH THE COURT WITHIN 60 DAYS OF THE DATE OF ENTRY OF THIS ORDER.

(c) When an Objection to the Liquidator's determination of a Claim is filed with the Court, the Liquidator, and the Claimant may attempt to resolve the dispute. The Liquidator shall file a response to the Objection with the Court and serve a copy of the response on the Claimant, and his counsel, if applicable, within thirty (30) days of the date of service of the Objection upon the Liquidator. If the Objection is not subsequently settled with Court approval, the Liquidator or the Claimant, shall, as soon as practicable, file a petition with this Court seeking appointment of a referee and serve a copy of the notice on the opposing party. Notice of the petition shall be given upon all parties listed on the master service list via U.S. mail or, where designated, fax and/or e-mail. The Court may refer the matter to a referee to conduct the hearing with respect to any factual disputes. The Court or the referee will hear the Objection and the Response, if any, of such persons as have standing. If the matter is referred to a referee, the referee shall, after hearing, file with the Court proposed findings of fact and/or recommend a determination, and serve copies thereof on the Liquidator, the Claimant and Claimant's counsel, if applicable, and any party who successfully intervenes in the proceedings on the Claimant's Objection to the Liquidator's determination. Exceptions, if any, to the referee's proposed findings of fact and recommendations shall be filed with the Commonwealth Court within fifteen (15) days after service of the referee's proposed findings of fact and recommendations. The exceptions shall set forth in concise form the grounds for the exceptions, and shall attach a copy of the notice of the determination, Claimant's Objection, the Liquidator's Response to Objection, and the proposed findings of fact and/or recommended decision of a referee. A party who does not timely file exceptions to a referee's proposed findings of fact and recommendations is deemed to have waived any and all exceptions and shall be barred thereafter from raising any and all issues, including, but not limited to, issues which could have been raised as exceptions. If exceptions are not timely filed, the Court may enter an Order approving the referee's recommendation.

(d) Nothing herein shall preclude any party in interest from filing a petition to intervene in such dispute, or preclude any party in interest from opposing such intervention, which shall be determined by the

Commonwealth Court. Proceedings on the dispute in which intervention is sought shall be stayed, pending resolution of the petition to intervene.

3. The Insurance Commissioner shall serve a copy of this order on all Claimants or their counsel, if they are represented, within 20 days of entry of this Order and shall file a Proof of Service with this Court within 23 days of entry of this Order evidencing such service. She shall also post a copy of this Order on her website. Further, she shall immediately revise her Notice of Evaluation Form to indicate that Objections must be filed in the Commonwealth Court within sixty days of the date of the Notice Evaluation and that she shall be served with a copy of the Objections. Further, within 20 days of the date of entry of this Order, she shall submit verification to the Court that she has made such a change to the Notice of Evaluation Form.



RENÉE L. COHN, Judge

Certified from the Record

JUL 14 2004

and Order Exit