

IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA

JUN 23 2023

RICK WARREN
COURT CLERK

41 _____

STATE OF OKLAHOMA, ex rel.)
GLEN MULREADY, Insurance Commissioner,)

Petitioner,)

v.)

Case No. CJ-2023-3105

FRIDAY HELATH PLANS OF OKLAHOMA,)
INC., a licensed health maintenance organization)
in the State of Oklahoma,)

Defendant.)

ORDER OF LIQUIDATION WITH A FINDING OF INSOLVENCY

Now on this 23 day of June, 2023, there comes before the Court the Receiver's Application for Order of Liquidation ("Application"). The Plaintiff, State of Oklahoma, *ex rel.* Glen Mulready Insurance Commissioner, as Receiver for Friday Health Plans of Oklahoma, Inc., ("FHPOK"), appears through counsel Riggs, Abney, Neal, Turpen, Orbison and Lewis. FHPOK has consented to the entry of the Order hereto.

The Court, having examined the Receiver's Application; having reviewed the evidence presented thus far; having heard the arguments, representations and/or agreements of the parties; and being fully advised, finds as follows:

1. This Court has jurisdiction of this action pursuant to 36 O.S. § 1902(A).
2. Venue in this Court is appropriate pursuant to 36 O.S. § 1902(F).
3. Glen Mulready is the Insurance Commissioner of the State of Oklahoma, and as such is charged with the duty of administering and regulating the state's insurance industry.

4. FHPOK is an Oklahoma domestic health maintenance organization, whose business practices qualify it as an "insurer" pursuant to Oklahoma law, and is subject to the insurance regulatory/supervisory authority of, or to liquidation, rehabilitation, reorganization or conservation by, the Oklahoma Insurance Commissioner pursuant to 36 O.S. § 1901(2).

5. FHPOK was placed into administrative supervision on April 4, 2023, by consent order pursuant to 36 O.S. § 1803.

6. On June 2, 2023, the State of Oklahoma, *ex rel.* Glen Mulready, Insurance Commissioner, filed herein his Application for Order Placing Friday Health Plans of Oklahoma, Inc. into Receivership, Appointing Receiver, and Issuing Injunction.

7. Pursuant to the Court's June 14, 2023 Agreed Order Placing Friday Health Plans of Oklahoma Inc. into Receivership, Appointing Receiver and Permanent Injunction ("Receivership Order"), the Court directed that FHPOK be placed in receivership; appointed Glen Mulready, Oklahoma Insurance Commissioner, as statutory Receiver; and directed the Receiver to rehabilitate the Company.

8. The financial condition of FHPOK is in such that further transaction of business would be hazardous, financially or otherwise, to its policyholders, its creditors, or the public;

9. FHPOK is insolvent.

10. FHPOK is not in good standing to offer health insurance in the State or on the Federally Facilitated Exchange ("FFE");

11. Grounds exist to decertify the FHPOK Qualified Health Plan (“QHP”) because FHPOK is no longer in good standing to offer health insurance in the State of Oklahoma pursuant to 45 C.F.R. § 156.200(b)(4) and 156.810(a)(6);

12. The effective date of such decertification is September 1, 2023, which allows impacted members to continue to receive advanced premium tax credits and cost share subsidies during a Special Enrollment Period (“SEP”);

13. The Centers for Consumer Information and Insurance Oversight (“CCIIO”) will issue notice of the SEP to impacted policyholders who purchased a QHP through the Federally Facilitated Exchange (“FFE”) pursuant to 45 C.F.R. § 155.420;

14. All FHPOK QHPs are terminated effective August 31, 2023, pursuant to 45 CFR 156.290(c);

15. All FHPOK QHP members, including all dependents, who lost coverage as a result of the FHPOK QHP terminations will be able to enroll in a new QHP through the FFE without a gap in coverage and with an effective date beginning September 1, 2023 between July 2, 2023 through August 31, 2023 (“First SEP Window”) pursuant to 45 C.F.R. § 155.420;

16. All FHPOK QHP policyholders, including all dependents, who lost coverage as a result of the FHPOK QHP terminations will be able to enroll in a new QHP through the FFE with an effective date beginning on the first day of the month following the month of enrollment anytime between September 1, 2023 through October 30, 2023 (“Second SEP Window”) pursuant to 45 C.F.R. § 155.420;

17. Pursuant to 36 O.S. § 1910 (B), the Receiver may apply to the Court for an Order of Liquidation if at any time he deems that further efforts to rehabilitate the insurer would be useless.

18. Pursuant to 36 O.S. §§ 1905 and 1906, the Receiver may apply to the Court for an Order directing the Receiver to liquidate the business of FHPOK upon the showing of specified grounds, including that the insurer is insolvent; and/or is in a condition such that the continued operation would be hazardous to the members, creditors or the general public. FHPOK currently meets all of the aforesaid criteria.

19. Pursuant to 36 O.S. § 1911, an Order to liquidate the business of a domestic insurer shall direct the Receiver forthwith to take possession of the property of the insurer, to liquidate its business, to deal with the insurer's property and business in the Receiver's own name or in the name of the insurer, as the Court may direct, and to give notice to all creditors who may have claims against the insurer to present such claims.

20. The Receiver (and/or the Assistant Receiver) has taken custody of and accounted for the books and records and remaining assets of FHPOK since entry of the Receivership Order.

21. It appearing to the Court that FHPOK is operating in a financially hazardous condition, that the continuation of its business would substantially increase the risk of loss to the creditors, claimants, members and the public, that appropriate coordination with CCHIO respecting continuity for current QHP members and their rights under a SEP occurred and that it is in the best interest of the FHPOK members and other creditors that FHPOK be placed in receivership,

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED, AND THE PARTIES AGREE THAT:

1. FHPOK is statutorily insolvent.
2. This Order of Liquidation is hereby entered as to and against FHPOK. This

Order is a final order.

3. FHPOK is placed into liquidation on September 1, 2023 or such later date as the Court approves upon written request of the Receiver.

4. As all FHPOK QHPs are terminated effective August 31, 2023, pursuant to 45 CFR 156.290(c), there is no continuation of coverage available for FHPOK QHP members.

5. All direct policies not previously cancelled, non-renewed or otherwise terminated and/or certificates of insurance heretofore issued by FHPOK are hereby cancelled as of August 31, 2023 upon the following terms. The termination of policies set forth herein supercedes any contractual or statutory provisions pertaining to the renewal or cancellation of policies:

a. All direct policies and/or certificates of insurance which may give rise to "covered claims" as defined and set forth in the Oklahoma Life and Health Insurance Guaranty Association Act, 36 O.S. §§ 2021, et seq., or which may give rise to "covered claims" of a similar organization in any other state, as defined by the provisions of such similar statute in any such other state, shall be cancelled on the earliest of:

(i) such that coverage ends on August 31, 2023; or

(ii) Upon the expiration of any such direct policy and/or certificate of insurance, if the expiration date is within thirty (30) days from the date of entry of this Order of Liquidation; or

(iii) Upon the date requested by the insured or policyholder of any such direct policy and/or certificate of insurance pursuant to policy provisions, if the requested cancellation date is no later than September 1, 2023.

b. All other direct policies and/or certificates of insurance issued by FHPOK shall be cancelled effective as of August 31, 2023.

c. Further, the continuation of the policies until the dates specified above is contingent upon premium payments continuing to be paid when due during the post-liquidation cancellation period, without regard to any pre-liquidation offsets (if allowable by law) for deposits claimed to be held by FHPOK or its parent holding company or agent(s); otherwise the policy shall cancel/terminate upon non-payment of premium pursuant to policy provisions.

d. In the event a policy is deemed to have lapsed as of the date of liquidation such policy will not be reinstated.

6. The Receiver is hereby vested with all powers, rights and authority, express or implied, under the provisions of the OUILA, 36 O.S. §§ 1901 *et seq.*, in order to liquidate FHPOK.

7. The Receiver is hereby vested by operation of law with title to all of the property, accounts, assets, contracts, rights of action and all of the books and records of FHPOK wherever located, now or hereafter discovered.

8. Pursuant to 36 O.S. § 1911, the Receiver shall forthwith take possession of the property of FHPOK, shall liquidate its business, shall deal with FHPOK property and business in the Receiver's own name as statutory Receiver and/or in the name of FHPOK, and shall give notice to all creditors who may have claims against FHPOK to present such claims.

9. Pursuant to 36 O.S. § 1930, the Court hereby sets a one hundred eighty (180) day claims filing period for claimants to submit claims to the Receiver. The claims filing deadline shall be one hundred eighty (180) days from September 1, 2023. The Receiver shall notify all persons who may have claims against FHPOK of this claims filing deadline. The notice shall be given in a manner approved by the Court. Proofs of claim may be submitted after the claims filing deadline, but no such claim shall share in the distribution of the assets until all allowed claims, proofs of which have been submitted before that date, have been paid in full with interest in accordance with Oklahoma law.

10. Pursuant to 36 O.S. § 1925, the rights and liabilities of FHPOK and of its creditors, policyholders, stockholders, corporate members, subscribers, and all other persons interested in its estate shall be fixed as of the date of entry of this Order of Liquidation, subject to the provisions otherwise set forth herein and/or within the OUILA with respect to the rights

of claimants holding contingent claims.

11. With respect to claimants holding contingent claims, including causes of action against FHPOK or FHPOK insureds, the provisions of 36 O.S. § 1929 shall govern said claimants' rights in this liquidation proceeding.

12. Any and all banks, brokerage houses, financial institutions and any and all other companies, persons or entities having knowledge of and/or presented with a copy of this Order and having in its possession accounts or any other assets which are, or may be, the property of FHPOK are restrained from disbursing or disposing of said accounts or assets, and are further restrained from disposing of or destroying any records pertaining to any business transaction between FHPOK; and such banks, brokerage houses, financial institutions, companies, persons or entities having done business or doing business with FHPOK or having in its possession assets and/or records which are, or may be, the property of FHPOK are ordered to immediately deliver any and all such assets and/or records to the Receiver.

13. All agents, brokers and fronting companies of FHPOK and their respective agents, servants, representatives and employees, and all other persons having knowledge of and/or presented with a copy of this Order are restrained from returning any unearned premiums or any money in their possession, or under their control, collected from premiums upon policies, contracts or certificates of insurance or reinsurance previously issued by FHPOK to members or others; and all such agents, servants, representatives and employees are directed to turn over all such funds in their possession or under their control, including any premium or money to which they may hereafter

acquire possession or control, to the Receiver in gross and not net of any commissions which may be due thereon.

14. Any and all authority of the FHPOK officers and directors was previously revoked and withdrawn pursuant to the Agreed Order Placing Friday Health Plans of Oklahoma, Inc. into Receivership, Appointing Receiver, and Permanent Injunction entered on June 14, 2023.

15. FHPOK and each of its respective officers, employees, directors, trustees, stockholders, shareholders, corporate members, subscribers, agents, representatives, affiliates, and all other persons, are hereby permanently enjoined and prohibited from transacting any further business of FHPOK; and are further permanently enjoined and prohibited from wasting, transferring, selling concealing, destroying, disbursing, disposing of, or assigning any assets, contracts, causes of action, funds, records, correspondence, memoranda, or any other documents or other property of FHPOK, or interfering with the Receiver and/or these receivership proceedings.

16. FHPOK, and both its former and current respective officers, employees, directors, affiliates, trustees, stockholders, shareholders, corporate members, subscribers, enrollees, insurers, reinsurers, agents, representatives, contractors, subcontractors and all other persons, are hereby directed to assign, transfer and deliver any/all amounts owed to and/or property or records of FHPOK to the Receiver.

17. All persons and entities (including secured creditors, unsecured creditors, claimants and/or litigants) are hereby enjoined and prohibited from wasting, transferring,

selling, concealing, destroying, disbursing, disposing and assigning, in any manner, the assets and/or property of FHPOK; and are further permanently enjoined and prohibited from prosecuting any pending action or litigation involving FHPOK (whether as a plaintiff or defendant or insurer/indemnitor thereto); obtaining any preferences, judgments, attachments, or other liens against FHPOK; making any levy against FHPOK or against its assets or any part thereof; or interfering with the Receiver and/or these receivership proceedings.

18. The Receiver is hereby vested by operation of law to assert and prosecute common claims on behalf of policyholders and creditors of the estate.

19. If any legal action is commenced against the Insurance Commissioner, Receiver, assistant commissioners or receivers, retained counsel, deputies, and/or any of their employees or personnel, whether personally or in an official capacity, alleging property damage, property loss, personal injury, or other civil liability caused by or resulting from any alleged act, error, or omission of any such person, the Insurance Commissioner, Receiver, assistant commissioners or receivers, deputies, retained counsel, and/or any of their employees or personnel shall be immune from liability and indemnified as defined and set forth under 36 O.S. § 1937.

20. Until further order of the Court, no obligation, claim or debt of or against FHPOK shall be paid except those which the Receiver deems to be necessary or appropriate to facilitate the taking of possession or commencement/furtherance of the liquidation of FHPOK. Except as provided for herein, no distribution of the property/assets of FHPOK will be made without approval of the Court.

21. Any amounts recovered or recoverable from a contractor, reinsurer, or other

insurer of FHPOK shall not be reduced as a result of this Order or this delinquency proceeding.

22. All rights, duties and powers of the Receiver set forth in the Receivership Order are reaffirmed. The injunctive relief set forth in the Receivership Order and the Order Granting Injunctive Relief shall continue and is reaffirmed. All findings and rulings of the Court set forth in the Receivership Order are reaffirmed.

23. The permanent and temporary injunctive relief entered by the Court in its Agreed Order Placing Friday Health Plans of Oklahoma Inc. into Receivership, Appointing Receiver and Permanent Injunction and in the Order Granting injunctive Relief filed June 7, 2023 shall remain in effect as set forth and provided for therein and/or as set forth herein.

24. The Court further enjoins and orders that all claims and/or proceedings in which FHPOK, its member(s), or any Guaranty Association (in this state or another state in which FHPOK is licensed) is a party and is germane to a Guaranty Association's power and duties shall be stayed one hundred eighty (180) days (or the time period set forth in any similar statute in other states) from the date of this Order of Liquidation to permit proper legal action by the Guaranty Association. As to judgment under any decision, order, verdict or finding based on default, the Guaranty Association may apply to have such judgment set aside by the same court that made such judgment and shall be permitted to defend against such suit on the merits.

25. All expenses of these proceedings shall be taxed and assessed against FHPOK as approved by the Court.

26. Pursuant to 36 O.S. § 1923, the Insurance Commissioner, as Receiver,

shall not be required to pay any fee to any public officer in this state for filing, recording, issuing a transcript or certificate or authenticating any paper or instrument pertaining to the exercise by the Insurance Commissioner, as Receiver, of any of the powers or duties conferred upon him, whether or not such paper or instrument be executed by the Insurance Commissioner or his assistants, deputies, employees or attorneys of record and whether or not it is connected with the commencement of any action or proceeding by or against the Insurance Commissioner, or with the subsequent conduct of such action or proceeding.

27. Unless otherwise ordered by the Court, any violations of this Order or the injunctive relief set forth herein shall be deemed a contempt of Court and shall subject the violating party to such penalties as allowed by law.

Signed the 23 day of June, 2023.

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NATALIE MAI
JUDGE OF THE DISTRICT COURT

CERTIFIED COPY
AS FILED OF RECORD
IN DISTRICT COURT

JUN 23 2023

RICK WARREN COURT CLERK
Oklahoma County

Rick Warren

APPROVED:

Robert A. Nance

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STATE OF OKLAHOMA, EX. REL.
GLEN MULREADY, INSURANCE
COMMISSIONER, AS RECEIVER OF
FRIDAY HEALTH PLANS OF OKLAHOMA, INC.

CONSENT TO ORDER OF LIQUIDATION

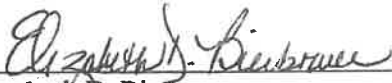
FHPOK has reviewed the foregoing Order of Liquidation and Finding of Insolvency.

1. FHPOK admits the jurisdiction of the Insurance Commissioner, State of Oklahoma, and consents to the entry of the foregoing Order.

2. FHPOK is aware of its right to notice and a hearing at which it may be represented by counsel, present evidence and examine witnesses. FHPOK irrevocably waives its right to such notice and hearing and to any court appeals relating to this Order of Liquidation.

3. Elizabeth D. Bierbower is the Chief Executive Officer of FHPOK and she is duly authorized to execute this Consent Order on FHPOK's behalf.

Friday Health Plans of Oklahoma, Inc.

By 
Elizabeth D. Bierbower
Chief Executive Officer

CERTIFICATE OF MAILING

I, hereby certify that on this 23 day of June, 2023, I caused to be mailed or emailed a true and correct copy of the within and foregoing instrument to:

Oklahoma Receivership Office
Attn: Debra Crowe
dcrowe@okaro.org


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