

IN THE DISTRICT COURT OF OKLAHOMA COUNTY APR 27 2018
STATE OF OKLAHOMA

RICK WARREN
COURT CLERK

STATE OF OKLAHOMA, ex rel.
JOHN D. DOAK, Insurance Commissioner,

Plaintiff,

v.

SENIORSURE HEALTH PLANS, INC.,
A licensed special purpose captive insurer in
the State of Oklahoma

Defendant.

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Case No. CJ-2017-3547

Judge: Aletia Haynes Timmons

**RECEIVER'S FIRST REPORT OF CLAIMS EVALUATION AND
REQUEST FOR CONFIRMATION OF RECEIVER'S RECOMMENDATIONS**

COMES NOW, the State of Oklahoma, ex. Rel., John D. Doak, Insurance Commissioner, as Statutory Receiver for SeniorSure Health Plans, Inc. ("SeniorSure") and files this First Report on Claims Evaluation and Request for Confirmation of Receiver's Recommendation's:

BACKGROUND

1. On June 27, 2017, this Court placed SeniorSure in liquidation through its Order Placing Insurer into Receivership and Liquidation, Appointing Receiver, and for Permanent Injunction ("Liquidation Order").

2. Under the Oklahoma Uniform Insurers Liquidation Act, '36 O.S. § 1930, the Receiver must notify all persons holding claims against SeniorSure to file proofs of claims.

3. On July 24, 2017, the Receiver filed the Receiver's Combined Application for Approval of (A) Notice of Liquidation, (B) Form of Proof of Claim and Instructions, (C) Form of Unconditional Assignment and Application for Approval of Receiver's Claims Reporting and Evaluation Plan.

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4. On August 24, 2017, the Court entered an Order that approved the Receiver's proposed Proof of Claim Form and accompanying instructions and established a filing date of October 27, 2017, within which to submit proofs of claim.

5. The August 24, 2017, Order established the following deadlines:

<u>Deadline</u>	<u>Activity to Occur On or Before Deadline</u>
December 27, 2017	Receiver's Report on Timely-Filed Claims due.
April 27, 2018	Receiver's First Claims Evaluation and Request for Confirmation due (on claims due to be adjudicated). Receiver's Supplemental Claims Evaluations and Requests for Confirmation (on subsequently evaluated claims ready to be adjudicated) will be submitted within every six (6) months thereafter, beginning with 10/27/2018, or earlier, if practicable.

6. The Receiver took all reasonable efforts to identify all persons who may have claims against SeniorSure and to provide them with notice to allow the opportunity to submit a proof of claim prior to the October 27, 2017, claims deadline.

7. On December 27, 2017, the Receiver filed the Receiver's Report of Timely Filed Claims ("Receiver's Report"). The Receiver's Report noted that the Receiver distributed 135 proof of claim packets to potential claimants.

8. The Receiver's Report also states that six (6) timely proofs of claims were received by the Receiver with an aggregate amount claimed of \$2,086,656.73. The Report also states that one (1) untimely proof of claim was submitted with the Receiver in the amount of \$60,000.

9. Since the Receiver's Report was filed, an additional untimely proof of claim was submitted in the amount of \$5,519.85.

10. The Receiver continues to marshal all of the assets of SeniorSure, and has been working diligently to obtain all of the company books and records from those individuals and/or entities that possess them.

11. One (1) timely Class 6 claim and one (1) untimely Class 6 claim are ready for adjudication at this time. Pursuant to 36 O.S. 1927.1, Class 6 includes “[c]laims of any person, including claims of state or local governments, except those specifically classified elsewhere in [section 1927.1].” The Class 6 claims included are only a portion of the Class 6 claims to be adjudicated. As other Class 6 claims become ready for adjudication, the Receiver will submit additional reports.

12. This Report does not address the actual distribution of assets that may ultimately be made to creditors and beneficiaries of SeniorSure. Neither the Receiver’s recommendation that a claim be allowed in a certain amount, nor the Court’s Order allowing a claim, ensure that the claim will be paid in whole, in part or at all. Payment of an allowed claim is contingent upon: (a) the assets available to the estate for payment of the claim; (b) the class of the claim allowed; and (c) whether the assets of the estate are sufficient to pay in full all allowed claims and all classes of claims.

EXPLANATION OF RECEIVER’S RECOMMENDATION

13. Attached as Exhibit 1 is a report detailing the Receiver’s recommendations on the Class 6 claims which are ready for adjudication. The table below is a summary of the Receiver’s recommendations with respect to the Class 6 claims that are currently ready for adjudication:

<u>Class</u>	<u>Claimed</u>	<u>Recommended Allowance</u>	<u>Recommended Denial</u>
6	\$ 8,306.85	\$ 0.00	\$ 8,306.85

14. The attached Exhibit 1 refers to the Receiver's recommendations as to the Class 6 claims that are ready for adjudication. The Receiver has analyzed the claims reflected on Exhibit 1 and recommends that each of the claims be classified as a Class 6 claim for purposes of 36 O.S. §1927.1.

15. The "Amount Claimed" column on Exhibit 1 reflects the amount that the Class 6 claimants have sought through their particular claims. The "Amount Allowed" column sets forth the amount the Receiver recommends that the Court allow as to each particular Class 6 claim.

16. The Proof of Claim form filed by each claimant contains the following language in bold type: **"If you have a change of address, you are required to inform the receiver of the new address in order to receive any payment that might be due."** To the extent that any Notice of this proceeding is returned as undeliverable, the Receiver asks the Court to find that the due process rights of any particular claimant has not been impaired and to order the denial of their claim without further attempts to give actual notice.

17. Pursuant to 36 O.S. §1918, the Receiver requests the Court to set a hearing on the claims recommended for adjudication herein and to establish a date certain for the filing of any objections to the Receiver's recommendation. Attached hereto as Exhibit 2 is the Receiver's proposed for of notice of hearing to be provided to claimants whose claims are included in this Report.

18. The denial of any timely-filed proof of claim included in the Receiver's Report does not alter the statutory obligation, if any, of the Oklahoma Property and Casualty Insurance Guaranty Association or other applicable state guaranty fund, to provide indemnity and defense of a covered claim as defined by the Oklahoma Property & Casualty Insurance Guaranty Association Act, 36 O.S. §2004(7), or other applicable statute.

19. The Receiver's characterization of a claim or payment does not constitute an admission of liability by SeniorSure for purposes of litigation.

WHEREFORE, the Receiver respectfully requests that this Court:

- a. order that the Receiver provide notice or opportunity to object and be heard to each of the claimants making a claim reflected on Exhibit 1 attached to this Report, and find that the proposed form of notice attached hereto as Exhibit 2 is proper;
- b. establish a date for the filing of any objection to the recommendations of the Receiver;
- c. establish a date for hearing the Receiver's recommendations to the Court and any objections thereto;
- d. upon hearing any objections thereto, enter an Order approving the Receiver's Report, and confirm the Receiver's recommendations as to each of the claims recommended for adjudication herein, and;
- e. grant the Receiver such other and further relief as the Court deems proper.

Respectfully submitted,



Ryan Leonard, OBA No. 19155
Jason Reese, OBA No.
Jonathan D. Buxton, OBA No. 22515
Edinger, Leonard & Blakley, PLLC
100 Park Avenue, Suite 500
Oklahoma City, OK 73102
(405) 702-9900
(405) 605-8381 facsimile
rleonard@leonard-law.net

**ATTORNEYS FOR RECEIVER
STATE OF OKLAHOMA, ex rel,**

**JOHN DOAK, INSURANCE COMMISSIONER
FOR THE STATE OF OKLAHOMA, AS RECEIVER FOR
SENIORSURE HEALTH PLANS, INC.
IN LIQUIDATION**

AND

Barron B. Brown, OBA No. 31346
Sara A. Worten, OBA No. 21532
3613 NW 56th, Suite 330
Oklahoma City, OK 73112
(405) 947-0022 phone
(405) 947-0046 facsimile
barron.brown@oid.ok.gov

CERTIFICATE OF MAILING

I, hereby certify that on this 27th day of April, 2018, I caused to be mailed a true and correct copy of the within and foregoing instrument by U.S. Mail postage prepare and/or electronic mail with written consent to:

George Gibbs, OBA No. 11843
601 S. Boulder, Suite 500
Tulsa, OK 74119

Dominick L. Lanzito
Peterson, Johnson & Murray Chicago, LLC
200 West Adams Street, Suite 2125
Chicago, IL 60606

PrimeSource Healthcare Systems, Inc.
Attn: David Fleming
2100 E. Lake Cook Road, Suite 1100
Buffalo Grove, IL 60089

Mucklough, LLC
c/o Tralee Portfolio Management, LLC
135 LaSalle Street, Suite 3914
Chicago, IL 60603

Oklahoma Insurance Department
Five Corporate Plaza
3625 NW 56th Street, Suite 100
Oklahoma City, OK 73112

Oklahoma Property & Casualty
Insurance Guaranty Association
2601 NW Expressway, Suite 330E
Oklahoma City, OK 73112



Ryan Leonard

Claims Allowed By Class

Claim Class: 6

POC #	Amount Claimed	Amount Allowed	
1002	\$2,787.00	\$0.00	Timely Filed? <u>Yes</u>
1008	\$5,519.85	\$0.00	Timely Filed? <u>No</u>
Class 6 Totals:	\$8,306.85	\$0.00	
 Total Claims:	 \$8,306.85	 \$0.00	

You are receiving this Notice because the Receiver has evaluated your claim and such claims is ready for adjudication. The Exhibit attached to this Notice sets forth the Receiver's recommendations to the Court in relation to your claim. The Receiver's recommendations to this Court regarding your claim(s) and other claims set for hearing on the cited hearing date are set forth in the Receiver's Report, which was filed on April 27, 2018. A copy of the Receiver's Report is available on the website of the Oklahoma Receivership Office at www.okaro.org. Your claim has been assigned the Proof of Claim number ("POC#") indicated on the attached

Exhibit. The attached Exhibit also provides information specific to your claim including the amount of your claim, the Receiver's recommendation as to the amount of your claim to be allowed, if any, and the Receiver's recommendation regarding the classification of your claim, which classification reflects the nature of your claim and the priority the Receiver recommends be given to your claim under Oklahoma law, 36 O.S. § 1927.1.

If you do not wish to object to the Receiver's recommendation, you are not required to take any action at this time. If you wish to object to the Receiver's recommendation, you must file a proper, written objection with the Court no later than June 8, 2018. To be a proper, written objection:

1. The objection must contain the case information located at the top of this Notice (State of Oklahoma, ex. rel. John Doak, Insurance Commissioner v. SeniorSure Health Plans, Inc. Case No. CJ-2017-3547, Judge Aletia Haynes Timmons);
2. The objection must be filed with the Clerk of the Oklahoma County District Court, 320 Robert S. Kerr Avenue, Oklahoma City, Oklahoma 73102, and a copy mailed to the Receiver's counsel at the address shown below;
3. The objection must be signed by the claimant or the claimant's representative;
4. The objection must be typewritten on a good grade of white paper size 8.5 by 11 inches, give the name, current address and telephone number of the claimant making the objection, including the name and position of the person signing the objection, if the claimant is a business, and;
5. The objection must state the exact grounds on which the objection is based and be accompanied by a concise brief that contains (a) a written statements of material facts as to which the objecting party contends no genuine issue exists verified by a person with knowledge of the facts; (b) references to supporting documentation submitted with the proof of claim; and (c) citation to applicable authority supporting the objection;
6. If you wish to present oral argument to the Court on your objection at the hearing, the objection must indicate your intention to appear at the hearing and make such oral arguments. Failure to expressly state an intention to make oral argument in your objection may be deemed by the Court to be a waiver of the right to oral argument.

Failure to file a timely and proper written objection as described above may result in your

objection being denied. If the Court approves your claim in whole or in part, it does not mean that you will actually receive the allowed amount as ordered by the Court. The amount of payment on your claim, if any, is dependent upon the class or priority the Court assigns to your claim based upon Oklahoma law, and the assets in the estate available for payment. Certain legal matters still pending before the Court may prevent the payment of claims for some time. Any questions regarding this Notice, the Receiver's Recommendations as to your claim or any of the other claims to be heard during the hearing on the date referenced above should be directed to the Receiver's Office. Contact for the Receiver's Office is set forth below:

Assistant Receiver's Office

Donna L. Wilson, CIR-ML
3613 NW 56th Street, Suite 330
Oklahoma City, OK 73112
Telephone: (405) 947-0022
Facsimile: (405) 947-0046

Receiver's Counsel Address

Ryan Leonard
Jason Reese
Edinger, Leonard & Blakley, PLLC
100 Park Avenue, Suite 500
Oklahoma City, OK 73102
Telephone: (405) 702-9900
Facsimile: (405) 605-8381

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