

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

IN RE: Senior Health Insurance : No. 1 SHP 2020
Company of Pennsylvania in :
Rehabilitation :

**APPLICATION FOR APPROVAL OF FORM AND DISTRIBUTION OF
NOTICE OF APPLICATION FOR APPROVAL OF
PLAN OF REHABILITATION FOR
SENIOR HEALTH INSURANCE COMPANY OF PENNSYLVANIA**

Jessica K. Altman, Insurance Commissioner of the Commonwealth of Pennsylvania, in her capacity as statutory Rehabilitator of Senior Health Insurance Company of Pennsylvania (“SHIP”), hereby applies to this Court for (i) approval of the form of notice (the “Form of Notice”) attached hereto as Exhibit A as the formal notice to all Interested Parties (as defined herein) of the Rehabilitator’s filing of the Application for Approval of Plan of Rehabilitation for SHIP (the “Plan Application”), (ii) approval of deadlines and procedures for making objections thereto, and of other court filings, orders, deadlines, and updates related to this

rehabilitation proceeding, and (iii) the entry of a scheduling order. In support thereof, the Rehabilitator avers the following:

1. On January 29, 2020, the Court entered the Order of Rehabilitation in this matter, placing SHIP in rehabilitation and appointing the Commissioner as statutory Rehabilitator.

2. In the Order of Rehabilitation, the Court directed the Rehabilitator to file a preliminary plan of rehabilitation, including therewith a timeline for the preparation for a final plan of rehabilitation, on or before April 22, 2020.

3. The Rehabilitator timely filed a Plan Application on April 22, 2020, to which was attached the Plan of Rehabilitation (“Plan”).

4. On or before April 23, 2020, the Rehabilitator will place a copy of the Plan Application and exhibits thereto on SHIP’s website, <https://www.shipltc.com/court-documents> (the “Site”), thereby providing initial notice to the Interested Parties. (See Paragraph 7 herein for the definition of Interested Parties).

5. Through this Application, the Rehabilitator proposes a more robust notice process to inform Interested Parties of the filing of the Plan Application and any related proceedings. The proposed Form of Notice attached as Exhibit A is reasonably calculated to fairly, adequately and timely apprise the Interested Parties of the filing in this Court of the Plan Application, as well as the deadlines and

procedures for making objections thereto and of other court filings, orders, deadlines, and updates related to this rehabilitation proceeding, while keeping the method of notice effective, reasonably cost efficient and orderly given the number of Interested Parties.

6. In addition to the abovementioned notice method, the Rehabilitator shall cause a copy of the Form of Notice attached as Exhibit A to be published in The Wall Street Journal, USA Today, The Indianapolis Star, The Philadelphia Inquirer, and The Harrisburg Patriot-News by placing a request for immediate publication within three (3) business days of the entry of this Court's Case Management Order.

7. The Rehabilitator believes that notice of the Plan Application and proceedings thereon should be provided to the Interested Parties, defined as: all persons identified on the Master Service List (if any); all known policyholders and certificate holders having policies or other coverage in force with SHIP on the date of the mailing; all known SHIP insurance agents and all known creditors of SHIP (in each case, addressed to their last known address as shown on the electronic books and records of SHIP); the insurance regulatory authorities in the jurisdictions in which SHIP issued policies that remain in effect; the state life and health insurance guaranty associations; the taxing authorities of the various states where SHIP has policies or other coverage in force at the time of mailing the notice; the National

Association of Insurance Commissioners; the National Organization of Life and Health Insurance Guaranty Associations; and the Senior Health Care Oversight Trust and its Trustees.

8. Notice will be provided to the Interested Parties in accordance with the attached form of Order which is incorporated herein by reference. The Plan of Rehabilitation provides instructions for Interested Parties to provide informal comments to the Patrick H. Cantilo, the Special Deputy Rehabilitator. This Application seeks approval of all schedules and procedures for formal objections to, or comments about, the Plan.

9. The Rehabilitator requests approval of the Form of Notice and that an Order be entered, in the form attached hereto, establishing (a) the method for providing notice of the Plan Application and other filings, orders, deadlines, and updates related to this rehabilitation proceeding to the Interested Parties; and (b) a schedule and procedures for objections to, or comments about, the Plan Application and a hearing on the Plan Application.

10. The Rehabilitator requests that: (a) a deadline of July 31, 2020 be established for any person interested in supporting, objecting to or otherwise commenting on the Plan Application (“Commenters”) to file and serve on the Rehabilitator any supporting statement, objections, or other comments to the Plan Application; and (b) a pre-hearing conference be held before the Court at a date

established by the Court after the deadline for objection and comments, at 10:00 a.m. in Courtroom 3002 of the Pennsylvania Judicial Center, 601 Commonwealth Avenue, Harrisburg, Pennsylvania, or by telephonic or other appropriate means, to consider the admission of parties, the schedule for a hearing, the exchange of witness lists and documents, and all other matters relevant to a hearing on the proposed Plan of Rehabilitation, all in accordance with the requirements contained in the form of Order attached hereto.

11. The Rehabilitator reserves the right to proffer additional evidence and arguments in support of this Application.

WHEREFORE, the Rehabilitator respectfully requests that the Court grant the relief requested herein and enter the Order attached hereto.

Respectfully submitted,

/s/ James R. Potts

James R. Potts

Attorney I.D. No. 73704

Dexter R. Hamilton

Attorney I.D. No. 50225

Michael J. Broadbent

Attorney I.D. No. 309798

Cozen O'Connor

One Liberty Place

1650 Market Street, Suite 2800

Philadelphia, PA 19103

and

Leslie M. Greenspan
Attorney I.D. No. 91639
Dorothy Dugue
Attorney No. 327557
Tucker Law Group
Ten Penn Center
1801 Market Street, Suite 2500
Philadelphia, PA 19103

Counsel for Applicant, Jessica
K. Altman, Insurance
Commissioner of the
Commonwealth of
Pennsylvania as Rehabilitator
of SENIOR HEALTH
INSURANCE COMPANY OF
PENNSYLVANIA

Date: April 22, 2020

VERIFICATION

I, Patrick H. Cantilo, hereby state that I am the Special Deputy Rehabilitator for Senior Health Insurance Company of Pennsylvania, and I am authorized to make this Verification on behalf of the Court Appointed Rehabilitator. I hereby verify that the facts set forth in the foregoing application are true and correct to the best of my knowledge, information, and belief.

I understand that this Verification is made subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.

Patrick H. Cantilo

Patrick H. Cantilo
Special Deputy Rehabilitator

Dated: April 22, 2020

EXHIBIT A

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

IN RE: Senior Health Insurance : No. 1 SHP 2020
Company of Pennsylvania in :
Rehabilitation :

**NOTICE OF APPLICATION FOR APPROVAL OF PLAN OF
REHABILITATION**

TO: All Interested Parties

PLEASE TAKE NOTICE that Jessica K. Altman, Insurance Commissioner of the Commonwealth of Pennsylvania, in her capacity as the statutory Rehabilitator of Senior Health Insurance Company of Pennsylvania (“SHIP”), has filed with the Commonwealth Court of Pennsylvania (the “Court”) in the above-captioned matter an Application for Approval of a Plan of Rehabilitation for SHIP (the “Application”), including the Plan of Rehabilitation attached thereto (the “Plan”).

THE PLAN IS SUBJECT TO REVIEW BY THE COURT AND THE COURT'S APPROVAL, DISAPPROVAL OR MODIFICATION AND APPROVAL. NEITHER THE PLAN NOR ANY MODIFIED PLAN WILL BE

EFFECTIVE OR IMPLEMENTED UNLESS APPROVED BY THE COURT. IF APPROVED BY THE COURT, THE PLAN WILL AFFECT SUBSTANTIALLY THE RIGHTS AND BENEFITS AFFORDED TO SHIP'S POLICYHOLDERS, CREDITORS AND OTHERS. ALL PERSONS WHO MAY BE INTERESTED IN THE REHABILITATION OF SHIP SHOULD READ THE PLAN CAREFULLY AND CONSULT WITH THEIR LEGAL, BUSINESS, FINANCIAL, TAX AND OTHER ADVISORS AS TO MATTERS CONCERNING THE PLAN DOCUMENTS.

Copies of the Application and the Plan are available for viewing, downloading and/or printing at <https://www.shipltc.com/court-documents> (the "Site") which is under the rehabilitation section of the Site. The Site contains a link to all documents filed with the Court by the Rehabilitator, appearing in portable document format (PDF).

If any person receiving this Notice does not have access to a computer or is otherwise unable to view, download or print the Application, the Plan or other court documents at the Site, they may be placed on the "hard copy" list and receive copies of all Court orders and filings by the Rehabilitator in this matter by making a written request, together with an affirmation to the Court as described below that they either do not have regular access to a computer or adequate device or are unable to view, download or print the applicable documents. Requests for placement on the "hard

copy” service list should be made by writing to the following address: Senior Health Insurance Company of Pennsylvania (In Rehabilitation), Attention: Rehabilitation Administrator, 550 Congressional Boulevard, Suite 200, Carmel, IN 46032; or by facsimile to the attention of Senior Health Insurance Company of Pennsylvania (In Rehabilitation), Attention: Rehabilitation Administrator, at the following number: (317) 566-7588; or by email to rehabilitation@shipltc.com. The request should be signed and contain the following statement:

In making this request, I hereby affirm to the Commonwealth Court of Pennsylvania that I do not have regular access to a computer or other device providing me internet access to the Site or I am otherwise unable to view, download or print documents from the Site related to this matter.

A pre-hearing conference shall be held before the Court on _____, 2020, at _____ a.m./p.m. in Courtroom_____ in the Pennsylvania Judicial Center, 601 Commonwealth Avenue, Harrisburg, Pennsylvania, or by telephonic or other means established by the Court and posted to the Site. The hearing to consider approval of the proposed Plan of Rehabilitation will be scheduled by the Court by separate Order.

Informal comments in support of or objecting to the proposed Plan of Rehabilitation may be sent to Patrick H. Cantilo, Special Deputy Rehabilitator, at the following address: Senior Health Insurance Company of Pennsylvania, In

Rehabilitation, 550 Congressional Blvd., Suite 200, Carmel, IN 46032; or by email to: plan.comments@shipltc.com.

Formal comments in support of or in objection to the proposed Plan or Rehabilitation shall be filed with the Court on or before July 31, 2020. Any formal comments shall be identified at the top of the document as being filed in “In re: Senior Health Insurance Company of Pennsylvania in Rehabilitation, No. 1 SHP 2020.” Formal comments shall state with specificity the facts on which the comments are based and any suggested modifications to the proposed Plan of Rehabilitation. A person may submit formal comments without participating in the hearing on the proposed Plan of Rehabilitation.

A Commenter who intends to participate in the hearing must notify the Court of that intention in his formal comments. Additionally, any Commenter who intends to call or cross examine witnesses and/or introduce exhibits at the Hearing or participate in any discovery that may be allowed by the Court must file an application with the Court to intervene and become a party in the proceeding in accordance with the Pennsylvania Rules of Appellate Procedure, the Commonwealth Court’s rules of practice and procedure, and the Court’s order. Any Commenter who is permitted to intervene shall file with the Court and serve on the Rehabilitator on or before August 28, 2020, (i) a narrative or other description consisting substantially

of the direct testimony of each witness the Commenter intends to call at the Hearing and (ii) the exhibits the Commenter intends to introduce at the Hearing.

Formal comments to the proposed Plan of Rehabilitation shall be filed with the Court at the following address:

Office of Chief Clerk of the Commonwealth Court of Pennsylvania
ATTN: 1 SHP 2020
Pennsylvania Judicial Center
601 Commonwealth Avenue, Suite 2100
Harrisburg, PA 17106

Service by Commenters on the Rehabilitator shall be made on the Rehabilitator by electronic delivery to the Rehabilitator's counsel and the Special Deputy Rehabilitator at the following addresses:

Counsel

Cozen O'Connor
shipcomments@cozen.com

SDR

Patrick Cantilo
service@cb-firm.com

If a Commenter is unable to make service on the Rehabilitator by electronic delivery as directed above, the Commenter shall include with the materials served an affirmation to the Court that they are unable to make service on the Rehabilitator by electronic delivery and may serve the Rehabilitator by first-class mail or overnight delivery service to the Rehabilitator's counsel and the Special Deputy Rehabilitator at the following physical addresses:

James R. Potts
Cozen O'Connor
One Liberty Place
1650 Market Street, Suite 2800
Philadelphia, PA 19103

Patrick Cantilo
Cantilo & Bennett, L.L.P.
11401 Century Oaks Terrace
Suite 300
Austin, Texas 78758

Commenters failing to comply with the requirements hereof shall be prohibited from submitting objections to the Plan or participating in the hearing, and all objections of such persons shall be considered waived and disregarded by the Court.

All other dates and requirements established by the Court relevant to the proceedings concerning the Plan, including any changes to the dates and procedures set forth in this notice, will be posted to the Site and shall not be delivered by mail or other means except as provided herein.

The Rehabilitator may, in her discretion, provide policyholders and other interested parties supplemental information concerning the Plan and the proceedings relating thereto, including summaries and Questions and Answers concerning the Plan and the proceedings, by mail or by posting information on the Site and by operating a call center. **ALL INTERESTED PARTIES ARE ADVISED TO CHECK THE SITE FREQUENTLY FOR UPDATED INFORMATION AND DEADLINES.**

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In Re: Senior Health Insurance : No. 1 SHP 2020
Company of Pennsylvania in :
Rehabilitation :

**ORDER APPROVING APPLICATION FOR APPROVAL OF
FORM AND DISTRIBUTION OF NOTICE OF APPLICATION FOR
APPROVAL OF PLAN OF REHABILITATION FOR
SENIOR HEALTH INSURANCE COMPANY OF PENNSYLVANIA**

AND NOW, this _____ day of _____, 2020, upon
consideration of the Application of Jessica K. Altman, Insurance Commissioner of
the Commonwealth of Pennsylvania, in her capacity as statutory Rehabilitator of
Senior Health Insurance Company of Pennsylvania (“SHIP”), for approval of Form
and Distribution of Notice of Application for Approval of Plan of Rehabilitation for
SHIP (the “Application”), and any objections filed thereto, and after hearing, it is
hereby **ORDERED** as follows:

1. The Court finds that the Rehabilitator has complied with the requirement in this Court's Order of January 29, 2020, that she file a preliminary plan of rehabilitation that includes a timeline for the preparation of a final plan of rehabilitation. Specifically, the Court finds that, except to the extent that this Court orders it modified, the Plan filed herein by the Rehabilitator on April 22, 2020, satisfies the requirement for a final plan or rehabilitation.

2. The Court hereby finds that the form of notice attached as Exhibit A to the Application (the "Form of Notice") is reasonably calculated under the circumstances to fairly, adequately and timely apprise the Interested Parties (as defined below) of the filing in this Court by the Rehabilitator of the Application for Approval of the Plan of Rehabilitation for SHIP (the "Plan Application") and of other court filings, orders, deadlines, and updates related to this rehabilitation proceeding, while keeping the method of notice effective, reasonably cost effective and orderly given the number of Interested Parties.

3. The Form of Notice is hereby approved.

4. The scope of service of the Form of Notice is approved.

5. As soon as reasonably practical, the Rehabilitator shall cause a copy of the Form of Notice, in substantially the form attached to the Notice of Application, to be sent by U.S. mail to the Interested Parties, defined as: all persons identified on the Master Service List (if any); all known policyholders and certificate holders

having policies or other coverage in force with SHIP on the date of the mailing; all known SHIP insurance agents and all known creditors of SHIP (in each case, addressed to their last known address as shown on the electronic books and records of SHIP); the insurance regulatory authorities in each jurisdiction in which SHIP issued policies that remain in effect; the state life and health insurance guaranty associations; the taxing authorities of the various states where SHIP has policies or other coverage in force at the time of mailing the notice; the National Association of Insurance Commissioners; the National Organization of Life and Health Insurance Guaranty Associations; and the Senior Health Care Oversight Trust and its Trustees.

6. Notice is not required to be mailed to persons who have changed their addresses without notifying SHIP and for whom the Rehabilitator, after good effort, has been unable to establish a current address.

7. The Rehabilitator shall continue to maintain the website addressed at <https://www.shipltc.com/court-documents> (the "Site") and post thereon the Application for Approval of the Plan of Rehabilitation for Senior Health Insurance Company of Pennsylvania, a copy of this Order and such other documents that are from time to time required by Pa.R.A.P. 3779 or provide a link thereon to such documents. Absent further or other order by this Court, updates to the Site shall serve as official notice of filings, orders, deadlines and hearings.

8. As soon as reasonably practical, the Rehabilitator shall cause a copy of the Form of Notice, in substantially the form attached to the Notice Application, to be published in The Wall Street Journal, USA Today, The Indianapolis Star, The Philadelphia Inquirer, and The Harrisburg Patriot-News, twice a week in each publication for two weeks.

9. The Rehabilitator shall maintain a “hard copy” service list for those Interested Parties requesting hard copies of relevant documentation. Interested Parties who affirm that they either do not have regular access to a computer or are unable to view, download or print the applicable documents may be placed on the “hard copy” list and receive copies of all Court orders and filings by the Rehabilitator in this matter by making a request for placement on the “hard copy” service list. Requests for placement on the “hard copy” service list shall be made by sending a written request by mail to Senior Health Insurance Company of Pennsylvania (In Rehabilitation), Attention: Rehabilitation Administrator, 550 Congressional Boulevard, Suite 200, Carmel, IN 46032; or by facsimile to the attention of Senior Health Insurance Company of Pennsylvania (In Rehabilitation), Attention: Rehabilitation Administrator, at the following number: (317) 566-7588; or by email to rehabilitation@shipltc.com. The request should be signed and contain the following statement:

In making this request, I hereby affirm to the Commonwealth Court of Pennsylvania that I do not have regular access to a computer or other device providing me internet access to the Site or I am otherwise unable to view, download or print documents from the Site related to this matter.

10. Informal comments in support of or in objection to the proposed Plan of Rehabilitation may be sent to Patrick H. Cantilo, Special Deputy Rehabilitator at the following address: Senior Health Insurance Company of Pennsylvania, In Rehabilitation, 550 Congressional Blvd., Suite 200, Carmel, IN 46032; or by email to: plan.comments@shipltc.com.

11. Formal comments in support of or in objection to the proposed Plan or Rehabilitation shall be filed with the Court on or before July 31, 2020. Any formal comments shall be identified at the top of the document as being filed in “In re: Senior Health Insurance Company of Pennsylvania in Rehabilitation, No. 1 SHP 2020.” Formal comments shall state with specificity the identity and interest in the proceeding of the Commenter, the facts on which the comments are based, and any suggested modifications to the proposed Plan of Rehabilitation. A person may submit formal comments without participating in the hearing on the proposed Plan of Rehabilitation. A Commenter who intends to participate in the hearing must notify the Court of that intention in his formal comments and must apply for leave from the Court to intervene and become a party in the proceeding.

12. Additionally, any Commenter who intends to call or examine witnesses and/or introduce exhibits at the Hearing or participate in any discovery that this Court may permit shall file with the Court and serve on the Rehabilitator on or before August 28, 2020, (i) a narrative or other description consisting substantially of the direct testimony of each witness the Commenter intends to call at the Hearing and (ii) the exhibits the Commenter intends to introduce at the Hearing.

13. Formal comments to the proposed Plan of Rehabilitation shall be filed with the Court at the following address:

Office of Chief Clerk of the Commonwealth Court of Pennsylvania
ATTN: 1 SHP 2020
Pennsylvania Judicial Center
601 Commonwealth Avenue, Suite 2100
Harrisburg, PA 17106.

14. Service by Commenters on the Rehabilitator shall be made on the Rehabilitator by electronic delivery to the Rehabilitator's counsel and the Special Deputy Rehabilitator at the following addresses:

Counsel

Cozen O'Connor
shipcomments@cozen.com

SDR

Patrick Cantilo
service@cb-firm.com

15. If a Commenter is unable to make service on the Rehabilitator by electronic delivery as directed above, the Commenter shall include with the materials

served an affirmation to the Court that they are unable to make service on the Rehabilitator by electronic delivery and may serve the Rehabilitator by first-class mail or overnight delivery service to the Rehabilitator's counsel and the Special Deputy Rehabilitator at the following physical addresses:

James R. Potts
Cozen O'Connor
One Liberty Place
1650 Market Street, Suite 2800
Philadelphia, PA 19103

Patrick Cantilo
Cantilo & Bennett, L.L.P.
11401 Century Oaks Terrace
Suite 300
Austin, Texas 78758

16. A Commenter who has complied with the procedures set forth in this Order and been granted intervenor status by this Court shall have the right to participate in the hearing, including the examination of witnesses proffered in support of or opposition to the proposed Plan of Rehabilitation. Evidence presented by the Commenter may be subject to cross-examination by the Statutory Rehabilitator and any other party to the proceeding. Such participation will be limited as needed to ensure an orderly proceeding, as determined by the Court.

17. The Rehabilitator shall not be required to respond to Formal or Informal Comments or other filings by Commenters pursuant to this Order and any failure to respond shall not constitute an admission or waiver by the Rehabilitator.

18. All other dates and requirements established by the Court relevant to the proceedings concerning the Plan, including any changes to the dates and

procedures set forth in this Order, will be posted to the Site and shall not be delivered by mail or other means except as otherwise provided herein.

19. This Case Management Order governs the procedures for the presentation of comments to, and the hearing on, the proposed Plan of Rehabilitation. All other orders, injunctions, and stays issued by this Court in this matter shall continue in full force and effect except as modified by this Order.

20. All objections to the Notice Application and Form of Notice are overruled.

BY THE COURT:

MARY HANNAH LEAVITT
President Judge

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In Re: Senior Health Insurance : No. 1 SHP 2020
Company of Pennsylvania in :
Rehabilitation :

CERTIFICATE OF SERVICE

I, Michael J. Broadbent, hereby certify that a Notice of Filing of the foregoing Application is being served on all parties listed on the Master Service List, if any, by electronic mail or facsimile, or by First Class Mail where no electronic mail address or facsimile number was available, and that an electronic copy of the foregoing Application has been posted on SHIP's website at <https://www.shipltc.com/court-documents>.

/s/ Michael J. Broadbent
Michael J. Broadbent

Dated: April 22, 2020