

IN THE COURT OF COMMON PLEAS
FRANKLIN COUNTY, OHIO

Mary Jo Hudson, Ohio Superintendent of Insurance, in her Capacity as Liquidator of Renaissance Health Plan, Inc.,
Plaintiff,
vs.
Renaissance Health Plan, Inc.
Defendant.

Case No. 02CVH08-9275
Judge Sheeran

CLERK OF COURTS
2007 MAY - 26 PM 4:07
COMMON PLEAS COURT
FRANKLIN COUNTY, OHIO

MOTION FOR APPROVAL OF PERIODIC ACCOUNTINGS OF LIQUIDATOR FOR THE PERIODS OF JANUARY 1, 2006 TO JUNE 30, 2006 AND JULY 1, 2006 TO DECEMBER 31, 2006

Plaintiff, Mary Jo Hudson, Ohio Superintendent of Insurance, in her capacity as Liquidator of Renaissance Health Plan, Inc. ("RHP"), moves this Court for an Order approving the Statements of Cash Receipts and Disbursements of the Liquidator for the periods January 1, 2006 to June 30, 2006 and July 1, 2006 to December 31, 2006, as set forth in the attached Exhibits A and B. The grounds in support of this Motion are set forth in the accompanying Memorandum in Support.

Respectfully submitted,

MARC DANN
Attorney General State of Ohio

By: Special Counsel:
KEGLER, BROWN, HILL & RITTER
A Legal Professional Association



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Attorneys for the Liquidator of Renaissance Health Plan, Inc.

MEMORANDUM IN SUPPORT

This Motion is brought by the Liquidator requesting that this Court approve the Statements of Receipts and Disbursements of the Liquidator for the periods January 1, 2006 to June 30, 2006 and July 1, 2006 to December 31, 2006. These receipts and expenditures are described and set forth in the attached Exhibits A and B.

By Order of this Court entered on November 6, 2002, the Ohio Superintendent of Insurance was appointed Liquidator of Renaissance Health Plan, Inc., ("RHP") and was empowered, authorized and directed to liquidate all of the property and assets of RHP in accordance with the laws of Ohio and under the continuing jurisdiction of this Court. As part of the liquidation, the Liquidator collects all debts and moneys due RHP, and makes payment of necessary expenses. R.C. 3903.21(A)(4) provides, in pertinent part, that the Liquidator may:

pay reasonable compensation to persons appointed and defray from the funds or assets of the insurer all expenses of taking possession of, conserving, conducting, liquidating, disposing of or otherwise dealing with the business and property of the insurer.

Section 3903.42(A) of the Ohio Revised Code provides that the expenses of administration be given first priority in the distribution of assets.

The Liquidator is also required by R.C. 3903.18(E) to periodically account to the Court, throughout the pendency of the RHP liquidation proceeding, to be submitted in the form attached hereto as Exhibits A and B. Such accountings may assist the Court in monitoring the progress and status of the liquidation, and in particular, the receipts and disbursements in the RHP liquidation proceedings.

WHEREFORE, for the reasons outlined above, the Liquidator respectfully requests the Court to approve the attached Statements of Receipts and Disbursements of the Liquidator for the periods January 1, 2006 to June 30, 2006 and July 1, 2006 to December 31, 2006.

Respectfully submitted,

MARC DANN
Attorney General State of Ohio

By: Special Counsel:
KEGLER, BROWN, HILL & RITTER
A Legal Professional Association



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Attorneys for the Liquidator of Renaissance Health
Plan, Inc.

EXHIBIT A

RENAISSANCE HEALTH PLAN, INC., IN LIQUIDATION
LIQUIDATION DATE NOVEMBER 6, 2002
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
CUMULATIVE FROM NOVEMBER 6, 2002 THROUGH JUNE 30, 2006

	Current Period 1/1/2006 TO 6/30/2006	CUMULATIVE FROM 11/06/02
Beginning Cash & Invested Assets (Note 1)	3,152,612.51	3,042,454.53
Receipts:		
Interest Income (Note 2)	68,498.77	216,265.97
Reimbursement of Paid Claims (Note 3)	3,842.76	95,841.68
Premiums Collected	0.00	141,560.57
Reinsurance Recoveries	0.00	33,278.08
Unearned Commissions Collected	0.00	372.75
Proceeds from Sale of Furniture & Equipment	0.00	19,596.99
Proceeds from Class Action Lawsuit	0.00	20,027.53
Recovery of Preference Payments	0.00	2,000,000.00
Capitation Refunds	0.00	3,676.19
Proceeds from Cleveland Voided Payroll Checks	0.00	6,914.38
Reimbursements of Cobra Premium Payments	0.00	5,402.88
Salvage & Subrogation	0.00	55,329.53
Postage Refund	0.00	7,009.91
Tax Refunds	0.00	2,542.76
Recovery of Rx America Receivable - Akron City Health Systems	0.00	64,243.32
ACLIC Settlement Deposited in Error	0.00	15,259.28
Insurance Recovery - Theft of Computer \ Equipment	0.00	385.91
Other Income	0.00	33,933.71
Total Receipts	<u>72,341.53</u>	<u>2,721,641.44</u>
Disbursements:		
Compensation:		
Salaries (Note 4)	49,945.38	955,076.48
Employee Benefits (Note 5)	5,169.82	65,746.70
Payroll and Other Taxes (Note 6)	3,743.67	70,957.10
Professional Fees:		
Legal Fees (Note 7)	79,130.14	853,150.47
Consulting Fees and Other Outside Contracts (Note 8)	63,970.68	399,985.62
Tax Preparation and Audit Fees	0.00	115.75
Other Expenses of Administration of Company and its Property:		
Rent and Rent Items (Note 9)	12,254.10	175,167.34
Equipment Expenses (Note 10)	321.61	43,911.39
Travel and Travel Items (Note 11)	917.89	109,924.97
Postage, Freight and Telephone (Note 12)	919.77	70,879.99
Office Supply Expense (Note 13)	218.57	10,660.15
Data Processing (Note 14)	24,281.13	244,911.65
Other Expenses (Note 15)	11,274.82	143,326.04
All Other Disbursements:		
Return Overpayment of Premium	0.00	10,971.23
Payment to ACLIC for Deposit made in Error	0.00	15,259.28
Total Disbursements	<u>252,147.58</u>	<u>3,170,044.16</u>
Recovery of Statutory Deposit (Certificate of Deposit) OH	<u>0.00</u>	<u>378,754.65</u>
Ending Cash & Invested Assets (Note 1)	<u>2,972,806.46</u>	<u>2,972,806.46</u>

See Schedule A for Analysis of Increase in Cash and Invested Assets (Unencumbered)

**RENAISSANCE HEALTH PLAN, INC., IN LIQUIDATION
LIQUIDATION DATE NOVEMBER 6, 2002
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD JANUARY 1, 2006 THROUGH JUNE 30, 2006**

SCHEDULE A

Beginning Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 12/31/05	3,152,612.51
Decrease in Cash and Invested Assets (Unencumbered)	<u>(179,806.05)</u>
Actual Decrease in Cash and Invested Assets (Unencumbered)	(179,806.05)
Non Cash Assets (Encumbered) Amortization of Premium/Discount	<u>0.00</u>
Ending Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 06/30/06	<u><u>2,972,806.46</u></u>

RENAISSANCE HEALTH PLAN, INC. LIQUIDATION
LIQUIDATION DATE NOVEMBER 6, 2002
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD JANUARY 1, 2006 THROUGH JUNE 30, 2006

Note 1	<u>Cash and Invested Assets</u>	Beginning Balance 1/1/06	Ending Balance 06/30/06
Unencumbered Cash & Invested Assets			
	Cash	27,612.51	5,806.46
	Repurchase Agreements	3,125,000.00	2,967,000.00
	Bonds / T-Bill at Amortized Value	0.00	0.00
	Total Unencumbered Cash & Invested Assets	3,152,612.51	2,972,806.46
Encumbered Non Cash Assets			
		0.00	0.00
	Total Encumbered Non Cash Assets	0.00	0.00
	Total Cash and Invested Assets and Non Cash Assets	3,152,612.51	2,972,806.46
Note 2	<u>Interest Income</u>		
	Interest on Repos	68,498.77	
	Total Interest Income	68,498.77	
Note 3	<u>Reimbursement of Paid Claims</u>		
	Barberton Citizens Hospital	3,842.76	
	Total Reimbursement of Paid Claims	3,842.76	
Note 4	<u>Salaries</u>		
	Chief Deputy Liquidator	1,013.39	
	Deputy Liquidators	16,601.60	
	Employee Salaries	32,330.39	
	Total Salary Expense	49,945.38	
Note 5	<u>Employee Benefits</u>		
	Salaries 401K Employer Contribution	951.42	
	Employee Insurance Benefits	4,181.16	
	Employee Relations Other	37.24	
	Total Employee Benefits Expense	5,169.82	

RENAISSANCE HEALTH PLAN, INC., IN LIQUIDATION
LIQUIDATION DATE NOVEMBER 6, 2002
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD JANUARY 1, 2006 THROUGH JUNE 30, 2006

Note 6	<u>Payroll and Other Taxes</u>	
	Workers' Compensation Insurance	115.70
	State Unemployment Tax	248.77
	Federal Unemployment Tax	78.55
	FICA Tax	3,300.65
	Total Payroll and Other Tax Expense	<u><u>3,743.67</u></u>
Note 7	<u>Legal Fees</u>	
	<u>Special Counsel</u>	
	Kegler, Brown, Hill & Ritter	<u>77,182.00</u>
		77,182.00
	<u>Legal Counsel</u>	
	Kegler, Brown, Hill & Ritter	<u>60.39</u>
		77,242.39
	<u>Legal Expenses</u>	
	Kegler, Brown, Hill & Ritter	<u>1,887.75</u>
		1,887.75
	Total Legal Fees & Expenses	<u><u>79,130.14</u></u>
Note 8	<u>Consulting Fees and Other Outside Contracts</u>	
	ADP- Payroll Processing Fees	91.56
	DeWeese Consulting Inc. - Actuary	5,827.50
	David Hendrix - Consultant - Forensic Accountant	1,031.25
	Healthcare Consulting Benefits Review - Claim System Consultant	44,950.00
	Teksystems-EDP Consultants	348.62
	Veris Consulting	11,437.50
	William Stout - IT Consultant	284.25
	Total Consulting Fees and Other Outside Contracts	<u><u>63,970.68</u></u>
Note 9	<u>Rent and Rent Items</u>	
	Rent on Leased Properties	7,901.11
	Furniture, Fixtures, & Equipment Rent	1,141.37
	Utilities-Gas/Electric	1,809.95
	Janitorial Service	1,401.67
	Total Rent and Rent Items	<u><u>12,254.10</u></u>
Note 10	<u>Equipment Expense</u>	
	Furniture, Fixtures, & Equipment (Various)	321.61
	Total Equipment Expense	<u><u>321.61</u></u>

RENAISSANCE HEALTH PLAN, INC., IN LIQUIDATION
LIQUIDATION DATE NOVEMBER 6, 2002
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD JANUARY 1, 2006 THROUGH JUNE 30, 2006

Note 11 **Travel and Travel Items**

Travel/Accommodation-Transportation - Liquidation Office Employees	844.71
Travel Expenses and Meals - Liquidation Office Employees	73.18
Total Travel and Travel Items	<u>917.89</u>

Note 12 **Postage, Freight, Telephone, and Internet**

Postage	270.95
Express and Freight	47.70
Telephone & Fax	541.76
Internet	59.36
Total Postage, Freight, Telephone, and Internet	<u>919.77</u>

Note 13 **Office Supply Expense**

Office Supplies	218.57
Total Office Supply Expense	<u>218.57</u>

Note 14 **Data Processing**

Computer Maintenance	553.51
Computer Supplies	101.99
Computer Software Lease- Other	16.88
Computer Software Lease- DST Health Solutions, Inc. (fka - CSC Healthcare, Inc.)	23,608.75
Total Data Processing Expense	<u>24,281.13</u>

Note 15 **Other Expenses**

Training & Seminars	13.30
Insurance Building Liability	381.01
Registration & Dues	3.19
FF&E Non Capital	48.74
Books & Periodicals	41.82
Contract Printing	20.71
Collection & Bank Charges	1.53
Moving Expense	48.50
Temporary Help	10,619.43
Misc Expense	1.59
Investment Expenses	95.00
Total Other Expenses	<u>11,274.82</u>

EXHIBIT B

RENAISSANCE HEALTH PLAN, INC., IN LIQUIDATION
LIQUIDATION DATE NOVEMBER 6, 2002
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
CUMULATIVE FROM NOVEMBER 6, 2002 THROUGH DECEMBER 31, 2006

	Current Period 7/1/2006 TO 12/31/2006	Year to Date 1/1/2006 TO 12/31/2006	CUMULATIVE FROM 11/06/02
Beginning Cash & Invested Assets (Note 1)	2,972,806.46	3,152,612.51	3,042,454.53
Receipts:			
Interest Income (Note 2)	72,223.33	140,722.10	288,489.30
Reimbursement of Paid Claims	0.00	3,842.76	95,841.68
Premiums Collected	0.00	0.00	141,560.57
Reinsurance Recoveries	0.00	0.00	33,278.08
Unearned Commissions Collected	0.00	0.00	372.75
Proceeds from Sale of Furniture & Equipment	0.00	0.00	19,596.99
Proceeds from Class Action Lawsuit (Note 3)	6,560.50	6,560.50	26,588.03
Recovery of Preference Payments	0.00	0.00	2,000,000.00
Capitation Refunds	0.00	0.00	3,676.19
Proceeds from Cleveland Voided Payroll Checks	0.00	0.00	6,914.38
Reimbursements of Cobra Premium Payments	0.00	0.00	5,402.88
Salvage & Subrogation	0.00	0.00	55,329.53
Postage Refund	0.00	0.00	7,009.91
Tax Refunds	0.00	0.00	2,542.76
Recovery of Rx America Receivable - Akron City Health Systems	0.00	0.00	64,243.32
ACLIC Settlement Deposited in Error	0.00	0.00	15,259.28
Insurance Recovery - Theft of Computer \ Equipment (Note 6)	0.00	0.00	385.91
Other Income	0.00	0.00	33,933.71
Total Receipts	78,783.83	151,125.36	2,800,425.27
Disbursements:			
Compensation:			
Salaries (Note 4)	42,578.24	92,523.62	997,654.72
Employee Benefits (Note 5)	5,380.28	10,550.10	71,126.98
Payroll and Other Taxes (Note 6)	2,838.25	6,581.92	73,795.35
Professional Fees:			
Legal Fees (Note 7)	112,709.73	191,839.87	965,860.20
Consulting Fees and Other Outside Contracts (Note 8)	50,614.40	114,585.08	450,600.02
Tax Preparation and Audit Fees	13,849.00	13,849.00	13,964.75
Other Expenses of Administration of Company and its Property:			
Rent and Rent Items (Note 9)	12,971.72	25,225.82	188,139.06
Equipment Expenses (Note 10)	356.10	677.71	44,267.49
Travel and Travel Items (Note 11)	762.18	1,680.07	110,687.15
Postage, Freight and Telephone (Note 12)	1,946.34	2,866.11	72,826.33
Office Supply Expense (Note 13)	215.79	434.36	10,875.94
Data Processing (Note 14)	47,409.13	71,690.26	292,320.78
Other Expenses (Note 15)	3,332.43	14,607.25	146,658.47
All Other Disbursements:			
Return Overpayment of Premium	0.00	0.00	10,971.23
Payment to ACLIC for Deposit made in Error	0.00	0.00	15,259.28
Total Disbursements	294,963.59	547,111.17	3,465,007.75
Recovery of Statutory Deposit (Certificate of Deposit) OH	0.00	0.00	378,754.65
Ending Cash & Invested Assets (Note 1)	2,756,626.70	2,756,626.70	2,756,626.70

See Schedule A for Analysis of Increase in Cash and Invested Assets (Unencumbered)

**RENAISSANCE HEALTH PLAN, INC., IN LIQUIDATION
LIQUIDATION DATE NOVEMBER 6, 2002
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD JULY 1, 2006 THROUGH DECEMBER 31, 2006**

SCHEDULE A

Beginning Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 06/30/06	2,972,806.46
Decrease in Cash and Invested Assets (Unencumbered)	<u>(216,179.76)</u>
Actual Decrease in Cash and Invested Assets (Unencumbered)	(216,179.76)
Non Cash Assets (Encumbered) Amortization of Premium/Discount	<u>0.00</u>
Ending Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 12/31/06	<u><u>2,756,626.70</u></u>

RENAISSANCE HEALTH PLAN, INC., IN LIQUIDATION
LIQUIDATION DATE NOVEMBER 6, 2002
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD JULY 1, 2006 THROUGH DECEMBER 31, 2006

	Beginning Balance 7/1/06	Ending Balance 12/31/06
Note 1 <u>Cash and Invested Assets</u>		
Unencumbered Cash & Invested Assets		
Cash	5,806.46	5,626.70
Repurchase Agreements	2,967,000.00	2,751,000.00
Bonds / T-Bill at Amortized Value	0.00	0.00
Total Unencumbered Cash & Invested Assets	<u>2,972,806.46</u>	<u>2,756,626.70</u>
Encumbered Non Cash Assets		
	0.00	0.00
Total Encumbered Non Cash Assets	<u>0.00</u>	<u>0.00</u>
Total Cash and Invested Assets and Non Cash Assets	<u>2,972,806.46</u>	<u>2,756,626.70</u>
Note 2 <u>Interest Income</u>		
Interest on Repos	72,223.33	
Total Interest Income	<u>72,223.33</u>	
Note 3 <u>Proceeds from Class Action Lawsuit</u>		
Settlement - GlaxoSmithKline	3,731.10	
Settlement - Lupron Marketing & Sale	2,829.40	
Total Proceeds from Class Action Lawsuit	<u>6,560.50</u>	
Note 4 <u>Salaries</u>		
Chief Deputy Liquidator	2,504.42	
Deputy Liquidators	13,374.34	
Employee Salaries	26,699.48	
Total Salary Expense	<u>42,578.24</u>	
Note 5 <u>Employee Benefits</u>		
Salaries 401K Employer Contribution	1,051.64	
Employee Insurance Benefits	4,274.37	
Employee Relations Other	54.27	
Total Employee Benefits Expense	<u>5,380.28</u>	

RENAISSANCE HEALTH PLAN, INC. LIQUIDATION
LIQUIDATION DATE NOVEMBER 6, 2002
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD JULY 1, 2006 THROUGH DECEMBER 31, 2006

Note 6	<u>Payroll and Other Taxes</u>	
	Workers' Compensation Insurance	159.70
	State Unemployment Tax	14.49
	Federal Unemployment Tax	3.40
	FICA Tax	2,660.66
	Total Payroll and Other Tax Expense	<u><u>2,838.25</u></u>
Note 7	<u>Legal Fees</u>	
	<u>Special Counsel</u>	
	Kegler, Brown, Hill & Ritter	109,958.50
		<u>109,958.50</u>
	<u>Legal Counsel</u>	
	Kegler, Brown, Hill & Ritter	11.68
		<u>109,970.18</u>
	<u>Legal Expenses</u>	
	Kegler, Brown, Hill & Ritter	2,739.55
		<u>2,739.55</u>
	Total Legal Fees & Expenses	<u><u>112,709.73</u></u>
Note 8	<u>Consulting Fees and Other Outside Contracts</u>	
	ADP- Payroll Processing Fees	99.57
	Dave Hendrix-Consultant-Forensic Accountant	375.00
	Kim Burnside - POC Admin. Consultant	464.97
	Teksystems-EDP Consultants	587.54
	Veris Consulting	9,087.32
	Healthcare Consulting Benefits Review - Claim System Consultant	40,000.00
	Total Consulting Fees and Other Outside Contracts	<u><u>50,614.40</u></u>
Note 9	<u>Rent and Rent Items</u>	
	Rent on Leased Properties	8,305.90
	Rent - Other	5.38
	Furniture, Fixtures, & Equipment Rent	1,739.83
	Utilities-Gas/Electric	1,565.90
	Janitorial Service	1,354.71
	Total Rent and Rent Items	<u><u>12,971.72</u></u>

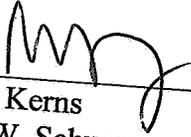
RENAISSANCE HEALTH PLAN, INC., LIQUIDATION
LIQUIDATION DATE NOVEMBER 6, 2002
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD JULY 1, 2006 THROUGH DECEMBER 31, 2006

Note 10	<u>Equipment Expense</u>	
	Furniture, Fixtures, & Equipment (Various)	356.10
	Total Equipment Expense	<u>356.10</u>
Note 11	<u>Travel and Travel Items</u>	
	Travel/Accommodation-Transportation - Liquidation Office Employees	684.99
	Travel Expenses and Meals - Liquidation Office Employees	77.19
	Total Travel and Travel Items	<u>762.18</u>
Note 12	<u>Postage, Freight, Telephone, and Internet</u>	
	Postage	1,445.49
	Express and Freight	31.95
	Telephone & Fax	402.37
	Internet	66.53
	Total Postage, Freight, Telephone, and Internet	<u>1,946.34</u>
Note 13	<u>Office Supply Expense</u>	
	Office Supplies	215.79
	Total Office Supply Expense	<u>215.79</u>
Note 14	<u>Data Processing</u>	
	Computer Maintenance	214.41
	Computer Supplies	151.99
	Computer Software Lease- Other	72.73
	Computer Software Lease- DST Health Solutions, Inc. (fka - CSC Healthcare, Inc.)	46,970.00
	Total Data Processing Expense	<u>47,409.13</u>
Note 15	<u>Other Expenses</u>	
	Training & Seminars	9.48
	Professional Liability Insurance	3,160.10
	FF&E Non Capital	30.68
	Books & Periodicals	117.76
	Contract Printing	12.44
	Collection & bank Charges	0.63
	Misc Expense	1.34
	Total Other Expenses	<u>3,332.43</u>

APPROVED:

MARC DANN
Attorney General State of Ohio

By Special Counsel:
KEGLER, BROWN, HILL & RITTER
A Legal Professional Association



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