

MEMORANDUM IN SUPPORT

; This Motion is brought by the Liquidator requesting that this Court approve the Statement of Receipts and Disbursements of the Liquidator for the period July 1, 2009 to December 31, 2009 (the "Statement"). The Statement is described and set forth in the attached Exhibit A.

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 and pursuant to the Order of Liquidation and Ohio Revised Code Chapter 3903, the Liquidator undertakes to collect all debts and moneys due to RHP, and makes payment of necessary expenses. The Liquidation Order and R.C. 3903.21(A)(4) provide, 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 Exhibit A. 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.

Since 2008, the Liquidator has made required changes in many areas aimed at preserving and utilizing estate assets for the benefit of the estate's creditors and substantially reducing and controlling costs. In particular, the Liquidator has taken steps to increase efficiencies in, and reduce costs associated with, the use of outside counsel and consultants. In 2009, the Liquidator reduced outside counsel legal expenses in this estate by over 50% of the total expenditure for legal expenses in 2008, and reduced outside consultant expenses by approximately 20% of the 2008 consultant expenditure.

The Liquidator will continue to take steps to reduce and control costs and continue to investigate ways to improve efficiencies in the liquidation process and implement other procedures that are aimed at conserving estate assets for timely distributions to policyholders and creditors.

For the reasons outlined above, the Liquidator respectfully requests the Court to approve the attached Statement of Receipts and Disbursements for the period July 1, 2009 to December 31, 2009, as set forth in the attached Exhibit A.

Respectfully submitted,

RICHARD CORDRAY
Attorney General State of Ohio

By Outside Counsel:
KEGLER, BROWN, HILL & RITTER, CO. L.P.A.



R. Kevin Kerns (0021781)
Richard W. Schuermann, Jr. (0032546)
65 E. State Street, Suite 1800
Columbus, Ohio 43215
Telephone: (614) 462-5400

*Attorneys for Mary Jo Hudson, in her capacity as
Liquidator of Renaissance Health Plan, Inc.*

EXHIBIT A

July 1, 2009 to December 31, 2009

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, 2009

	Current Period 7/1/2009 TO 12/31/2009	Year to Date 1/1/2009 TO 12/31/2009	CUMULATIVE FROM 11/06/02
Beginning Cash & Invested Assets (Note 1)	6,655,778.78	6,817,404.63	3,042,454.53
Receipts:			
Interest Income - net of interest paid on bonds (Note 2)	(2,158.22)	13,503.05	495,036.54
Reimbursement of Paid Claims	0.00	39.10	96,072.18
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	74.64	19,671.63
Proceeds from Class Action Lawsuit	0.00	0.00	32,369.54
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
Proceeds from Settlement with Directors and Officers	0.00	0.00	4,500,000.00
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	0.00	0.00	385.91
Reimbursement of Prior Period Intercompany Expenses	0.00	0.00	124.12
Refund of General Operating Expenses (Note 3)	50.76	50.76	50.76
Other Income (Note 4)	0.48	0.48	33,948.98
Total Receipts	(2,106.98)	13,668.03	7,513,249.31
Disbursements:			
Compensation:			
Salaries (Note 5)	19,447.25	50,570.57	1,220,877.41
Employee Benefits (Note 6)	4,168.27	11,696.17	102,413.31
Payroll and Other Taxes (Note 7)	1,226.44	3,899.49	90,297.11
Professional Fees:			
Legal Fees (Note 8)	1,193.00	7,390.53	1,100,890.16
Consulting Fees and Other Outside Contracts (Note 9)	766.68	3,588.59	577,019.60
Tax Preparation and Audit Fees (Note 10)	5,629.17	16,933.17	54,840.72
Other Expenses of Administration of Company and its Property:			
Rent and Rent Items (Note 11)	8,878.82	20,696.68	260,504.53
Maintenance / Repair: Facility and FF & E (Note 12)	77.71	219.04	45,263.57
Travel and Travel Items (Note 13)	221.53	410.52	115,927.08
Postage, Freight, Telephone and Internet (Note 14)	187.13	512.43	76,441.18
Office Supply Expense (Note 15)	73.49	350.79	11,977.74
Data Processing (Note 16)	71.35	440.07	382,158.39
Banking and Investment Expense (Note 17)	1,293.37	1,616.99	1,616.99
Warehouse Consolidation Project Expenses (Note 18)	11,814.04	13,542.47	13,542.47
Moving and Relocation Costs	0.00	0.00	2,235.81
Other Expenses (Note 19)	1,802.56	2,384.16	155,400.92
All Other Disbursements:			
Return Overpayment of Premium	0.00	0.00	10,971.23
Federal Income Tax (Note 20)	(1,193.47)	98,806.53	98,806.53
Payment to ACLIC for Deposit made in Error	0.00	0.00	15,259.28
Total Disbursements	55,657.34	233,058.20	4,336,444.03
Recovery of Statutory Deposit (Certificate of Deposit) OH	0.00	0.00	378,754.65
Security Amortization for the Period	(30,930.01)	(30,930.01)	(30,930.01)
Ending Cash & Invested Assets (Note 1)	6,567,084.45	6,567,084.45	6,567,084.45

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, 2009 THROUGH DECEMBER 31, 2009**

SCHEDULE A

Beginning Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 06/30/09	6,655,778.78
Decrease in Cash and Invested Assets (Unencumbered)	<u>(88,694.33)</u>
Actual Decrease in Cash and Invested Assets (Unencumbered)	(88,694.33)
Non Cash Assets (Encumbered) Amoritzation of Premium/Discount	<u>0.00</u>
Ending Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 12/31/09	<u><u>6,567,084.45</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, 2009 THROUGH DECEMBER 31, 2009

Note 1	<u>Cash and Invested Assets</u>	Beginning Balance 06/30/09	Ending Balance 12/31/09
	Unencumbered Cash & Invested Assets		
	Cash	90,082.39	35,147.16
	Bonds at Amortized Value (US Treasury Note)	0.00	4,673,043.74
	JP Morgan Funds - Money Market	6,565,696.39	1,858,893.55
	Total Unencumbered Cash & Invested Assets	6,655,778.78	6,567,084.45
	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	6,655,778.78	6,567,084.45
Note 2	<u>Interest Income - net of interest paid on bonds</u>		
	Interest on Paid on Bonds	(6,355.38)	
	Interest on Money Market Funds	4,197.16	
	Total Interest Income	(2,158.22)	
Note 3	<u>Refund of General Operating Expenses</u>		
	Columbia Gas Refund	38.58 *	
	American Electric Power Refund	12.18 *	
	Total Refund of General Operating Expenses	50.76	
	*Refund of Utility Costs Due to Warehouse Consolidation		
Note 4	<u>Other Income</u>		
	Misc Income - FUTA Refund	0.48	
	Total Other Income	0.48	
Note 5	<u>Salaries</u>		
	Chief Deputy Liquidator	1,918.12	
	Deputy Liquidators	3,097.54	
	Employee Salaries	14,431.59	
	Total Salary Expense	19,447.25	

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Note 6	<u>Employee Benefits</u>	
	Salaries 401K Employer Contribution	400.56
	Employee Insurance Benefits	3,204.91
	Employee Related Expense - Other	562.80
	Total Employee Benefits Expense	<u><u>4,168.27</u></u>
Note 7	<u>Payroll and Other Taxes</u>	
	Workers' Compensation Insurance	130.95
	State Unemployment Tax	1.75
	Federal Unemployment Tax	0.29
	FICA Tax	1,093.45
	Total Payroll and Other Tax Expense	<u><u>1,226.44</u></u>
Note 8	<u>Legal Fees</u>	
	<u>Attorney General Contracted Legal Fees</u>	
	Kegler, Brown, Hill & Ritter	<u>1,167.50</u>
		1,167.50
	<u>Attorney General Contracted Legal Expenses</u>	
	Kegler, Brown, Hill & Ritter	<u>25.50</u>
		25.50
	Total Legal Fees & Expenses	<u><u>1,193.00</u></u>
Note 9	<u>Consulting Fees and Other Outside Contracts</u>	
	ADP- Payroll Processing Fees	88.89
	CentraComm - IT Consultants	20.97
	RASP Consulting Inc - IT Consultant	656.82
	Total Consulting Fees and Other Outside Contracts	<u><u>766.68</u></u>
Note 10	<u>Tax Preparation and Audit Fees</u>	
	Schneider Downs & Co Inc - Tax & Audit Fees	5,611.43
	Schneider Downs & Co Inc - Tax & Audit Expenses	17.74
	Total Tax Preparation and Audit Fees / Expenses	<u><u>5,629.17</u></u>

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Note 11	<u>Rent and Rent Items</u>	
	Rent on Leased Properties	7,982.50
	Rent - Other - NCB Safety Deposit Box	4.35
	Furniture, Fixtures, & Equipment Rent	855.07
	Utilities-Gas / Electric	14.91
	Trash and Recycling	21.99
	Total Rent and Rent Items	<u><u>8,878.82</u></u>
Note 12	<u>Maintenance / Repair: Facility and FF & E</u>	
	Facility and FF & E - Repairs and Maintenance	77.71
	Total Maintenance / Repair: Facility and FF & E	<u><u>77.71</u></u>
Note 13	<u>Travel and Travel Items</u>	
	Travel/Accommodation-Transportation	198.31
	Travel Expenses and Meals	23.22
	Total Travel and Travel Items	<u><u>221.53</u></u>
Note 14	<u>Postage, Freight, Telephone, and Internet</u>	
	Postage	21.49
	Express and Freight	0.83
	Telephone & Fax	90.54
	Internet - Internet Access	74.27
	Total Postage, Freight, Telephone, and Internet	<u><u>187.13</u></u>
Note 15	<u>Office Supply Expense</u>	
	Office Supplies	73.49
	Total Office Supply Expense	<u><u>73.49</u></u>
Note 16	<u>Data Processing</u>	
	Computer Maintenance	42.30
	Computer Supplies	29.05
	Total Data Processing Expense	<u><u>71.35</u></u>
Note 17	<u>Banking & Investment Expense</u>	
	Banking & Investment Expense	1,293.37
	Total Banking & Investment Expense	<u><u>1,293.37</u></u>

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Note 18	<u>Warehouse Consolidation Project Expenses*</u>	
	Liquidation Employees Travel Exp- Mileage Reimbursement (Various Employees)	6.90
	Storage - FRC Storage Fees	5,386.92
	Office Supplies - Boxes & Labels/Light Bulbs/Cleaning Supplies	52.44
	Trash & Recycling Expenses	5.85
	FRC - Pack & Pickup Expense / Remove & Reinstall Shelving	4,142.13
	Moving Expense (Truck rental/gas & Gordon Flesch)	7.33
	Maintenance/Repair - G. Williamson Painting & Carpet Cleaning	685.50
	Maintenance/Repair - G. Williamson Refund -Painting & Carpet Cleaning	(294.75)
	Iron Man Records Destruction Fees - (Court Approved Motion)	1,821.72
	Total Warehouse Consolidation Project Expenses	<u>11,814.04</u>

* To reduce administrative expenses and conserve estate assets for the benefit of policyholders and claimants, the Liquidator elected not to renew at 6/30/2009 three (3) warehouse leases. Rather, the Liquidator repaired and re-shelved the one (1) remaining warehouse to hold records required for the ongoing administration of the the liquidation proceedings. Simultaneously, the Liquidator undertook a review of all records stored in the four (4) warehouses to determine which records of the insolvent companies should be retained for future reference, which should be placed in offsite storage, and which were no longer useful. Pursuant to R.C. 3903.48, the Liquidator sought court orders from the courts supervising the liquidation proceedings to destroy records that were determined to be no longer useful. The Liquidator also moved approximately 100,000 boxes of records to Fireproof Records Center to be held until such time as they may be destroyed pursuant to records destruction schedules approved by the courts. The Liquidator estimates that the results of this warehouse consolidation will reduce overhead expenses attributable to the closed warehouse by approx. \$169,000/year and achieve more expeditious closing of an estate.

Note 19	<u>Other Expenses</u>	
	Training & Seminars	1.04
	Registration & Dues	9.65
	Professional Liability Insurance	1,724.96
	Storage Retrieval	11.20
	FF& E and IT - Non Capitalized Purchases	33.41
	Books & Periodicals	8.02
	Contract Printing and Copying (Projects)	13.98
	Misc Expense	0.30
	Total Other Expenses	<u>1,802.56</u>

Note 20	<u>Federal Income Tax</u>	
	2008 Federal Income Tax Refund from Original \$100K Estimate	(1,193.47)
	Total Federal Income Tax	<u>(1,193.47)</u>