

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 January 1, 2010 to June 30, 2010 (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.

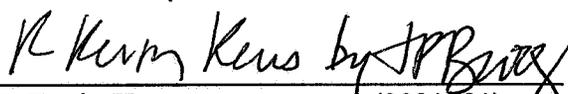
Since 2008, the Liquidator has made required changes in many areas aimed at preserving and utilizing estate assets for the benefit of the estate's creditors and substantially reducing and controlling costs. In particular, the Liquidator has taken steps to increase efficiencies in, and reduce costs associated with, the use of outside counsel and consultants. In 2009 and throughout 2010, 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.

For the reasons outlined above, the Liquidator respectfully requests the Court to approve the attached Statement of Receipts and Disbursements for the period January 1, 2010 to June 30, 2010, as set forth in the attached Exhibit A.

Respectfully submitted,

RICHARD CORDRAY
Attorney General State of Ohio

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


R. Kevin Kerns (0021781)
Richard W. Schuermann, Jr. (0032546)
Daniel J. Bennett (0079932)
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

January 1, 2010 to June 30, 2010

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, 2010

	Current Period 1/1/2010 TO 6/30/2010	CUMULATIVE FROM 11/06/02
Beginning Cash & Invested Assets (Note 1)	6,567,084.45	3,042,454.53
Receipts:		
Interest Income - net of interest paid on bonds (Note 2)	97,011.90	592,048.44
Reimbursement of Paid Claims	0.00	96,072.18
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 (Note 3)	30.76	19,702.39
Proceeds from Class Action Lawsuit	0.00	32,369.54
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
Proceeds from Settlement with Directors and Officers	0.00	4,500,000.00
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
Reimbursement of Prior Period Intercompany Expenses	0.00	124.12
Refund of General Operating Expenses	0.00	50.76
Other Income (Note 4)	289.58	34,238.56
Total Receipts	97,332.24	7,610,581.55
Disbursements:		
Compensation:		
Salaries (Note 5)	21,630.60	1,242,508.01
Employee Benefits (Note 6)	2,971.97	105,385.28
Payroll and Other Taxes (Note 7)	1,494.71	91,791.82
Professional Fees:		
Legal Fees (Note 8)	324.19	1,101,214.35
Consulting Fees and Other Outside Contracts (Note 9)	2,831.75	579,851.35
Tax Preparation and Audit Fees (Note 10)	864.82	55,705.54
Other Expenses of Administration of Company and its Property:		
Rent and Rent Items (Note 11)	10,378.53	270,883.06
Maintenance / Repair: Facility and FF & E (Note 12)	45.76	45,309.33
Travel and Travel Items (Note 13)	307.15	116,234.23
Postage, Freight, Telephone and Internet (Note 14)	253.08	76,694.26
Office Supply Expense (Note 15)	105.90	12,083.64
Data Processing (Note 16)	992.88	383,151.27
Banking and Investment Expense (Note 17)	810.44	2,427.43
Warehouse Consolidation Project Expenses	0.00	13,542.47
Moving and Relocation Costs	0.00	2,235.81
Other Expenses (Note 18)	356.23	155,757.15
All Other Disbursements:		
Return Overpayment of Premium	0.00	10,971.23
Federal Income Tax (Note 19)	(882.18)	97,924.35
Payment to ACLIC for Deposit made in Error	0.00	15,259.28
Total Disbursements	42,485.83	4,378,929.86
Recovery of Statutory Deposit (Certificate of Deposit) OH	0.00	378,754.65
Security Amortization for the Period	(86,128.18)	(117,058.19)
Ending Cash & Invested Assets (Note 1)	6,535,802.68	6,535,802.68

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, 2010 THROUGH JUNE 30, 2010**

SCHEDULE A

Beginning Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 12/31/09	6,567,084.45
Decrease in Cash and Invested Assets (Unencumbered)	<u>(31,281.77)</u>
Actual Decrease in Cash and Invested Assets (Unencumbered)	(31,281.77)
Non Cash Assets (Encumbered) Amortization of Premium/Discount	<u>0.00</u>
Ending Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 06/30/10	<u><u>6,535,802.68</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, 2010 THROUGH JUNE 30, 2010

Note 1	<u>Cash and Invested Assets</u>	Beginning Balance 12/31/09	Ending Balance 06/30/10
	Unencumbered Cash & Invested Assets		
	Cash	35,147.16	15,371.67
	Bonds at Amortized Value (US Treasury Note)	4,673,043.74	4,586,915.56
	JP Morgan Funds - Money Market	<u>1,858,893.55</u>	<u>1,933,515.45</u>
	Total Unencumbered Cash & Invested Assets	<u>6,567,084.45</u>	<u>6,535,802.68</u>
	Encumbered Non Cash Assets	<u>0.00</u>	<u>0.00</u>
	Total Encumbered Non Cash Assets	<u>0.00</u>	<u>0.00</u>
	Total Cash and Invested Assets and Non Cash Assets	<u>6,567,084.45</u>	<u>6,535,802.68</u>
Note 2	<u>Interest Income - net of interest paid on bonds</u>		
	Interest on Bonds	96,390.00	
	Interest Paid on Bonds	0.00	
	Interest on Money Market Funds	621.90	
	Total Interest Income	<u>97,011.90</u>	
Note 3	<u>Proceeds from Sale of Furniture and Equipment</u>		
	Proceeds from Sale of Furniture and Computer Equipment	30.76	
	Total Proceeds from Sale of Furniture and Equipment	<u>30.76</u>	
Note 4	<u>Other Income</u>		
	Misc Income - In Re Pharmaceutical Industry - Distribution Settlement	289.58	
	Total Other Income	<u>289.58</u>	
Note 5	<u>Salaries</u>		
	Chief Deputy Liquidator	2,717.28	
	Deputy Liquidators	5,362.46	
	Employee Salaries	13,550.86	
	Total Salary Expense	<u>21,630.60</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, 2010 THROUGH JUNE 30, 2010

Note 6 **Employee Benefits**

Salaries 401K Employer Contribution	467.37	
Employee Insurance Benefits	2,011.87	*
Employee Related Expense - Other	492.73	
	<u>2,971.97</u>	
Total Employee Benefits Expense	<u>2,971.97</u>	

*This amount may have increased over the last period (or prior periods) due to increased staff hours associated with planning for the distribution and closure of the estate and due to changes in COBRA mandated by The American Recovery and Reinvestment Act of 2009, which reduced the cost of the COBRA health insurance premium remitted by eligible former employees. The reduced cost of COBRA results in an initial higher payment of COBRA premiums by the employer, subject to a later credit on their payroll FICA tax.

Note 7 **Payroll and Other Taxes**

Workers' Compensation Insurance	57.34	
State Unemployment Tax	150.17	
Federal Unemployment Tax	70.70	
FICA Tax	1,216.50	*
	<u>1,494.71</u>	
Total Payroll and Other Tax Expense	<u>1,494.71</u>	

*This amount may have fluctuated over the last period (or prior periods) due to increased staff hours associated with planning for the distribution and closure of the estate and due to changes in COBRA mandated by The American Recovery and Reinvestment Act of 2009, which reduced the cost of the COBRA health insurance premium remitted by eligible former employees. The reduced cost of COBRA results in an initial higher payment of COBRA premiums by the employer, subject to a later credit on their payroll FICA tax.

Note 8 **Legal Fees**

Attorney General Contracted Legal Fees

Kegler, Brown, Hill & Ritter	285.00	
Carlille Patchen & Murphy LLP	23.84	
	<u>308.84</u>	

Attorney General Contracted Legal Expenses

Kegler, Brown, Hill & Ritter	15.35	
	<u>15.35</u>	
Total Legal Fees & Expenses	<u>324.19</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, 2010 THROUGH JUNE 30, 2010

Note 9	<u>Consulting Fees and Other Outside Contracts</u>	
	1099 Connection - Governmental Reporting	1.39
	ADP- Payroll Processing Fees	99.40
	Aktion Associates - IT Consult	291.91
	Thoroughbred Technologies - IT Consult	17.28
	RASP Consulting Inc - IT Consultant	2,421.77
	Total Consulting Fees and Other Outside Contracts	<u><u>2,831.75</u></u>
Note 10	<u>Tax Preparation and Audit Fees</u>	
	Schneider Downs & Co Inc - Tax & Audit Fees	831.87
	Schneider Downs & Co Inc - Tax & Audit Expenses	32.95
	Total Tax Preparation and Audit Fees / Expenses	<u><u>864.82</u></u>
Note 11	<u>Rent and Rent Items</u>	
	Rent on Leased Properties	8,954.59
	Furniture, Fixtures, & Equipment Rent	1,404.17
	Trash and Recycling	19.77
	Total Rent and Rent Items	<u><u>10,378.53</u></u>
Note 12	<u>Maintenance / Repair: Facility and FF & E</u>	
	Facility and FF & E - Repairs and Maintenance	45.76
	Total Maintenance / Repair: Facility and FF & E	<u><u>45.76</u></u>
Note 13	<u>Travel and Travel Items</u>	
	Travel/Accommodation-Transportation	269.74
	Travel Expenses and Meals	37.41
	Total Travel and Travel Items	<u><u>307.15</u></u>
Note 14	<u>Postage, Freight, Telephone, and Internet</u>	
	Postage	44.33
	Express and Freight	5.04
	Telephone & Fax	124.71
	Internet - Internet Access	79.00
	Total Postage, Freight, Telephone, and Internet	<u><u>253.08</u></u>
Note 15	<u>Office Supply Expense</u>	
	Office Supplies	105.90
	Total Office Supply Expense	<u><u>105.90</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, 2010 THROUGH JUNE 30, 2010

Note 16	<u>Data Processing</u>	
	Computer Maintenance	230.43
	Computer Supplies	49.66
	Software Exp - Purch/Maint	712.79
	Total Data Processing Expense	<u>992.88</u>
Note 17	<u>Banking & Investment Expense</u>	
	Banking & Investment Expense	810.44
	Total Banking & Investment Expense	<u>810.44</u>
Note 18	<u>Other Expenses</u>	
	Training & Seminars	35.23
	Insurance Building Liability	288.01
	Registration & Dues	20.86
	FF& E and IT - Non Capitalized Purchases	11.99
	Misc Expense	0.14
	Total Other Expenses	<u>356.23</u>
Note 19	<u>Federal Income Tax</u>	
	2008 Federal Income Tax Refund from Original \$100K Estimate	<u>(882.18)</u>
	Total Federal Income Tax	<u>(882.18)</u>