

IN THE COURT OF COMMON PLEAS  
FRANKLIN COUNTY, OHIO

Mary Taylor, 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 Patrick E. Sheeran

FILED  
COMMON PLEAS COURT  
FRANKLIN CO. OHIO  
2011 MAR -2 PM 2:39  
CLERK OF COURTS - CIV

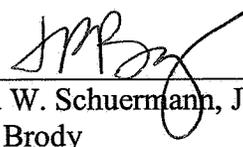
**MOTION FOR APPROVAL OF LIQUIDATOR'S PERIODIC ACCOUNTING  
FOR THE PERIOD OF JULY 1, 2010 TO DECEMBER 31, 2010**

Plaintiff, Mary Taylor in her capacity as Liquidator of Renaissance Health Plan, Inc. ("RHP"), moves this Court for an Order approving the Statement of Receipts and Disbursements of the Liquidator for the period July 1, 2010 to December 31, 2010, as set forth in the attached Exhibit A. The grounds in support of this Motion are set forth in the accompanying Memorandum in Support.

Respectfully submitted,

MIKE DEWINE  
Attorney General State of Ohio

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

By:   
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*Attorneys for Mary Taylor, in her capacity as  
Liquidator of Renaissance Health Plan, Inc.*

## 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, 2010 to December 31, 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.

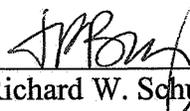
In the second half of 2010, the Liquidator made a final pro rata distribution of the remaining assets of RHP in the total amount of Six Million Four Hundred Fifty Five Thousand Three Hundred Fifty Nine and 88/100 Dollars (\$6,455,359.88) to Classes 1, 2, 3, 4 and 5 on their allowed claims pursuant to this Court's October 18, 2010 order. The Liquidator plans to file an application requesting that this Court enter a final closing order pursuant to R.C. 3903.46 and related sections, discharge the Liquidator, and close this liquidation estate and terminate this case on or about March 31, 2011.

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, 2010 to December 31, 2010, as set forth in the attached Exhibit A.

Respectfully submitted,

MIKE DEWINE  
Attorney General State of Ohio

By Outside Counsel:  
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*Attorneys for Mary Taylor, in her capacity as  
Liquidator of Renaissance Health Plan, Inc.*

**EXHIBIT A**

**July 1, 2010 to December 31, 2010**

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, 2010

	Current Period 7/1/2010 TO 12/31/2010	Year to Date 1/1/2010 TO 12/31/2010	CUMULATIVE FROM 11/06/02
<b>Beginning Cash &amp; Invested Assets (Note 1)</b>	<b>6,535,802.68</b>	<b>6,567,084.45</b>	<b>3,042,454.53</b>
Receipts:			
Interest Income - net of interest paid on bonds (Note 2)	97,249.86	194,261.76	689,298.30
Reimbursement of Paid Claims	0.00	0.00	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	30.76	19,702.39
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	0.00	0.00	50.76
Voided Class 2 & 5 Final Distribution Checks (Note 3)	16,092.62	16,092.62	16,092.62
Other Income (Note 4)	1,088.10	1,377.68	35,326.66
Total Receipts	114,430.58	211,762.82	7,725,012.13
Disbursements:			
Compensation:			
Salaries (Note 5)	34,488.40	56,119.00	1,276,996.41
Employee Benefits (Note 6)	5,588.60	8,560.57	110,973.88
Payroll and Other Taxes (Note 7)	3,520.56	5,015.27	95,312.38
Professional Fees:			
Legal Fees (Note 8)	2,352.25	2,676.44	1,103,566.60
Consulting Fees and Other Outside Contracts (Note 9)	7,085.06	9,916.81	586,936.41
Tax Preparation and Audit Fees (Note 10)	5,584.45	6,449.27	61,289.99
Other Expenses of Administration of Company and its Property:			
Rent and Rent Items (Note 11)	12,468.82	22,847.35	283,351.88
Maintenance / Repair: Facility and FF & E (Note 12)	74.07	119.83	45,383.40
Travel and Travel Items (Note 13)	348.36	655.51	116,582.59
Postage, Freight, Telephone and Internet (Note 14)	757.68	1,010.76	77,451.94
Office Supply Expense (Note 15)	116.46	222.36	12,200.10
Data Processing (Note 16)	131.86	1,124.74	383,283.13
Banking and Investment Expense (Note 17)	1,117.52	1,927.96	3,544.95
Warehouse Consolidation Project Expenses	0.00	0.00	13,542.47
Moving and Relocation Costs	0.00	0.00	2,235.81
Other Expenses (Note 18)	1,486.77	1,843.00	157,243.92
All Other Disbursements:			
Return Overpayment of Premium	0.00	0.00	10,971.23
Federal Income Tax	0.00	(882.18)	97,924.35
Final Distribution to Class 2 Loss/LAE Claimants (Note 19)	587,539.75	587,539.75	587,539.75
Final Distribution to Class 3 Federal Government Claim (Note 20)	50,000.00	50,000.00	50,000.00
Final Distribution to Class 4 Employees (Note 21)	6,522.59	6,522.59	6,522.59
Final Pro Rata Distribution to Class 5 General Creditors (Note 22)	5,811,294.97	5,811,294.97	5,811,294.97
Payment to ACLIC for Deposit made in Error	0.00	0.00	15,259.28
Total Disbursements	6,530,478.17	6,572,964.00	10,909,408.03
Recovery of Statutory Deposit ( Certificate of Deposit ) OH	0.00	0.00	378,754.65
Security Amortization for the Period	(50,915.56)	(137,043.74)	(167,973.75)
<b>Ending Cash &amp; Invested Assets (Note 1)</b>	<b>68,839.53</b>	<b>68,839.53</b>	<b>68,839.53</b>

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 DECEMBER 31, 2010**

**SCHEDULE A**

<b>Beginning Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 06/30/10</b>	<b>6,535,802.68</b>
<b>Decrease in Cash and Invested Assets (Unencumbered)</b>	<b><u>(6,466,963.15)</u></b>
<b>Actual Decrease in Cash and Invested Assets (Unencumbered)</b>	<b>(6,466,963.15)</b>
<b>Non Cash Assets (Encumbered) Amoritization of Premium/Discount</b>	<b><u>0.00</u></b>
<b>Ending Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 12/31/10</b>	<b><u><u>68,839.53</u></u></b>

RENAISSANCE HEALTH PLAN, INC., IN LIQUIDATION  
LIQUIDATION DATE NOVEMBER 6, 2002  
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD JULY 1, 2010 THROUGH DECEMBER 31, 2010

<b>Note 1</b>	<b><u>Cash and Invested Assets</u></b>	<b>Beginning Balance 06/30/10</b>	<b>Ending Balance 12/31/10</b>
<b>Unencumbered Cash &amp; Invested Assets</b>			
	Cash	15,371.67	43,464.22
	Bonds at Amortized Value (US Treasury Note)	4,586,915.56	0.00
	JP Morgan Funds - Money Market	<u>1,933,515.45</u>	<u>25,375.31</u>
	<b>Total Unencumbered Cash &amp; Invested Assets</b>	<b><u>6,535,802.68</u></b>	<b><u>68,839.53</u></b>
<b>Encumbered Non Cash Assets</b>			
		<u>0.00</u>	<u>0.00</u>
	<b>Total Encumbered Non Cash Assets</b>	<b><u>0.00</u></b>	<b><u>0.00</u></b>
	<b>Total Cash and Invested Assets and Non Cash Assets</b>	<b><u>6,535,802.68</u></b>	<b><u>68,839.53</u></b>
<b>Note 2</b>	<b><u>Interest Income - net of interest paid on bonds</u></b>		
	Interest on Bonds	96,390.00	
	Interest on Money Market Funds	859.86	
	<b>Total Interest Income</b>	<b><u>97,249.86</u></b>	
<b>Note 3</b>	<b><u>Voided Class 2 &amp; 5 Distribution Checks</u></b>		
	Class 2 Final Distribution - Loss/LAE Claimants	3,934.60	
	Class 5 Final Distribution - General Creditors	<u>12,158.02</u>	
		<b><u>16,092.62</u></b>	
<b>Note 4</b>	<b><u>Other Income</u></b>		
	Misc Income - In Re Pharmaceutical Industry - Distribution Settlement	1,088.10	
	<b>Total Other Income</b>	<b><u>1,088.10</u></b>	
<b>Note 5</b>	<b><u>Salaries</u></b>		
	Chief Deputy Liquidator	5,630.65	
	Deputy Liquidators	7,549.75	
	Employee Salaries	<u>21,308.00</u>	
	<b>Total Salary Expense</b>	<b><u>34,488.40</u></b>	

**RENAISSANCE HEALTH PLAN, INC., IN LIQUIDATION**  
**LIQUIDATION DATE NOVEMBER 6, 2002**  
**NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**  
**FOR THE PERIOD JULY 1, 2010 THROUGH DECEMBER 31, 2010**

**Note 6**      **Employee Benefits**

Salaries 401K Employer Contribution	692.42
Employee Insurance Benefits	4,232.57 *
Employee Related Expense - Other	663.61
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Total Employee Benefits Expense	<b><u><u>5,588.60</u></u></b>

\*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	44.94
State Unemployment Tax paid on Liquidation Employees	0.64
State Unemployment Tax paid on Class 4 & 5 Employee Claims	435.22
Federal Unemployment Tax paid on Class 4 & 5 Employee Claims	128.95
FICA Tax paid on Class 4 & 5 Employee Claims	1,233.13
FICA Tax paid on Liquidation Employees	1,677.68 *
	<hr/>
Total Payroll and Other Tax Expense	<b><u><u>3,520.56</u></u></b>

\*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	2,260.00
Carlile Patchen & Murphy LLP	25.75
	<hr/>
	2,285.75

**Attorney General Contracted Legal Expenses**

Kegler, Brown, Hill & Ritter	66.50
	<hr/>
	66.50
	<hr/>
Total Legal Fees & Expenses	<b><u><u>2,352.25</u></u></b>

RENAISSANCE HEALTH PLAN, INC., IN LIQUIDATION  
LIQUIDATION DATE NOVEMBER 6, 2002  
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD JULY 1, 2010 THROUGH DECEMBER 31, 2010

<b>Note 9</b>	<b><u>Consulting Fees and Other Outside Contracts</u></b>	
	ADP- Payroll Processing Fees	130.35
	RASP Consulting Inc - IT Consultant	6,954.71
	Total Consulting Fees and Other Outside Contracts	<u>7,085.06</u>
<b>Note 10</b>	<b><u>Tax Preparation and Audit Fees</u></b>	
	Schneider Downs & Co Inc - Tax & Audit Fees	5,584.45
	Total Tax Preparation and Audit Fees / Expenses	<u>5,584.45</u>
<b>Note 11</b>	<b><u>Rent and Rent Items</u></b>	
	Rent on Leased Properties - Columbus Office Space	7,121.21
	Rent on Leased Properties - 1450 Dublin Rd Warehouse	1,633.71
	Rent on Leased Properties - Fireproof Records Center	2,808.38
	Rent - Other - National City Safety Deposit Box	6.20
	Furniture, Fixtures, & Equipment Rent	875.65
	Trash and Recycling	23.67
	Total Rent and Rent Items	<u>12,468.82</u>
<b>Note 12</b>	<b><u>Maintenance / Repair: Facility and FF &amp; E</u></b>	
	Facility and FF & E - Repairs and Maintenance	74.07
	Total Maintenance / Repair: Facility and FF & E	<u>74.07</u>
<b>Note 13</b>	<b><u>Travel and Travel Items</u></b>	
	Travel/Accommodation-Transportation	302.99
	Travel Expenses and Meals	45.37
	Total Travel and Travel Items	<u>348.36</u>
<b>Note 14</b>	<b><u>Postage, Freight, Telephone, and Internet</u></b>	
	Postage	425.38
	Express and Freight	76.26
	Telephone & Fax	117.93
	Internet - Internet Access	138.11
	Total Postage, Freight, Telephone, and Internet	<u>757.68</u>
<b>Note 15</b>	<b><u>Office Supply Expense</u></b>	
	Office Supplies	116.46
	Total Office Supply Expense	<u>116.46</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, 2010 THROUGH DECEMBER 31, 2010

<b>Note 16</b>	<b><u>Data Processing</u></b>	
	Computer Supplies	28.88
	Software Exp - Purch/Maint	102.98
	Total Data Processing Expense	<u>131.86</u>
<b>Note 17</b>	<b><u>Banking &amp; Investment Expense</u></b>	
	Banking & Investment Expense	1,117.52
	Total Banking & Investment Expense	<u>1,117.52</u>
<b>Note 18</b>	<b><u>Other Expenses</u></b>	
	Insurance Building Liability-Commercial Package Premium Refund	(10.89)
	Registration & Dues	4.00
	Professional Liability Insurance	1,281.43
	FF& E and IT - Non Capitalized Purchases	15.98
	Books & Periodicals	10.11
	Contract Printing and Copying ( Projects )	186.28
	Misc Expense - Petty Cash Refund	(0.14)
	Total Other Expenses	<u>1,486.77</u>
<b>Note 19</b>	<b><u>Final Distribution to Class 2 Loss/LAE Claimants</u></b>	
	Final Distribution Class 2 Loss/LAE Claimants	587,539.75
	(Distribution Percentage 100.0000%)	<u>587,539.75</u>
<b>Note 20</b>	<b><u>Final Distribution to Class 3 - Federal Government Claim</u></b>	
	Final Distribution Class 3 - Federal Government Claim	50,000.00
	(Distribution Percentage 100.0000%)	<u>50,000.00</u>
<b>Note 21</b>	<b><u>Final Distribution to Class 4 - Employee Claims</u></b>	
	Final Distribution Class 4 - Employee Claims	6,522.59
	(Distribution Percentage 100.0000%)	<u>6,522.59</u>
<b>Note 22</b>	<b><u>Final Pro Rata Distribution to Class 5 - Employee Claims &amp; General Creditors</u></b>	
	Final Distribution Class 5 - Employee Claims	9,746.78
	Final Distribution Class 5 - General Creditors	5,801,548.19
	(Distribution Percentage 49.6233%)	<u>5,811,294.97</u>