

On July 31, 2008, by order of the Supreme Court, State of New York (the "Court"), MDNY Healthcare, Inc. ("MDNY") was placed into liquidation ("Liquidation Order") and the Superintendent of Insurance of the State of New York was appointed liquidator ("Liquidator"). A copy of the Liquidation Order is available on this web site.

All claims against MDNY must be presented to the Liquidator by December 1, 2008. If you have already submitted your claim to MDNY, please do not resubmit it to the Liquidator. All claims previously submitted to MDNY will be considered timely filed claims. If you have a new claim, please forward the appropriate Health Insurance Claim Form to:

The New York Liquidation Bureau  
Creditor Claims Dept.  
Fifth Floor  
123 William Street  
New York, NY 10038

Providers should be aware that the last possible date of enrollment of MDNY subscribers was May 31, 2008. Claims for dates of service after this date will be returned and not deemed a claim in this proceeding.

All providers should also be aware that they are prohibited from pursuing subscribers for reimbursement and/or collections. This is a violation of the contractual "No Balance Billing" provisions stated within the MDNY provider agreements. A subscriber may only be billed directly for services which, in accordance with the terms of the participation agreement, are determined as the subscriber's responsibility.

Additionally, the Order of Liquidation states that "in accordance with [New York] Insurance Law Section 4307(d), no individual subscriber or enrollee shall be liable to any health care provider ("Provider") for any monies related to services covered by MDNY and no Provider shall collect or attempt to collect from any individual subscriber or enrollee monies related to services covered by MDNY or maintain any action against an individual subscriber or enrollee to collect such monies."

All legitimate claims will be reviewed by the Liquidator and a Notice of Determination ("NOD") with the Liquidator's recommendation to either allow or disallow the submitted claim(s) will be issued to you. The NOD will advise the course of action available to you in the event you object to the Liquidator's determination. All recommendations are subject to the Court's approval.

Claims that are allowed by the Court will share in any distributions made by the Liquidator. Distributions shall be made pro-rata from the remaining assets of MDNY. The Liquidator has begun the process of marshalling assets and assessing liabilities and shall recommend that the Court authorize the distribution of assets once the liabilities and assets have been sufficiently determined. We cannot, at this time, predict when any such distributions will be made.

Please be advised that any distribution of assets will be made in accordance with priorities set forth in New York Insurance Law Article 74 as set forth below:

- Class One Expenses and Costs incurred by the Liquidator;
- Class Two All Policy Claims including claims of the Federal, State and Local Governments, Third Party, Unearned Premiums, NY Security Fund and Guaranty Associations but excluding claims arising under reinsurance contracts;

- Class Three Claims of the Federal Government except those under Class Two;
- Class Four Salary Claims (for services rendered within one year before commencement of rehabilitation, liquidation or conservation and not to exceed \$1,200) and Unemployment Insurance Claims;
- Class Five Claims of state and local governments except those under Class Two;
- Class Six General Creditor Claims including claims arising under reinsurance contracts;
- Class Seven Claims filed late (deferred) and any other claims other than those under Class Eight or Nine;
- Class Eight Section 1307 (Shareholder) loans;
- Class Nine Shareholder Claims.

If you have any questions, please contact the New York Liquidation Bureau at (212) 341-6809 or via e-mail at [mdny@nylb.org](mailto:mdny@nylb.org). We will make every effort to respond to your inquiries as soon as possible.