

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF WESTCHESTER

-----x    **Index No.: 54964/2018**

**AFFIRMATION**

In the Matter of

the Liquidation of

TOUCHSTONE HEALTH HMO, INC.

-----x  
Melvin Browning, an attorney licensed to practice law in the State of New York, affirms under penalty of perjury as follows:

1. I am an attorney employed by the New York Liquidation Bureau, the organization that acts as the staff of Maria T. Vullo, Superintendent of Financial Services of the State of New York (“Superintendent”) as liquidator (“Liquidator”) of Touchstone Health HMO, Inc. (“Touchstone”), and submit this affirmation, upon information and belief based upon my review of the files maintained by my office and conversations I have had, in support of the Liquidator’s motion for an order (i) approving a procedure for judicial review of the Liquidator’s classification and adjudication of claims in this proceeding (“Adjudication Procedure”) and (ii) appointing a referee (“Referee”) to hear and take evidence on issues raised by the Liquidator’s determinations and claimants’ objections, and to report thereon.

2. By this Court’s order, entered on May 14, 2018, (the “Liquidation Order”), Touchstone was placed into liquidation under Article 74 of the New York Insurance Law (the “Liquidation Proceeding”) and the Liquidator was vested with all powers and authority expressed or implied by New York Insurance Law (“Insurance Law”) Article 74 and directed to liquidate Touchstone’s business and affairs in accordance with those statutes. A copy of the

Liquidation Order is annexed hereto as Exhibit A. The Liquidator is responsible for, among other things, the handling of claims against the estate<sup>1</sup>.

3. Claims against the estate fall into one of the categories, known as classes of claim, as set forth in New York Insurance Law Section 7434, and are summarized below:

Class One – Administrative Claims

Claims with respect to the actual and necessary costs and expenses of administration incurred by the Liquidator;

Class Two – Policy Claims and Related Costs

All claims under policies including claims of the federal, state or local government for losses incurred, third-party claims, claims for unearned premiums, and all claims of the security fund guaranty associations, but excluding claims arising under reinsurance contracts;

Class Three – Federal Government Claims

Claims of the federal government, except those stated above in Class two;

Class Four – Employee Claims

Claims for wages owing to employees of an insurer for services rendered within one year before the commencement of the proceeding, not exceeding one thousand two hundred dollars to each employee and claims for unemployment insurance contributions required by Article 18 of the New York Labor Law;

Class Five – State and Local Government Claims

Claims of state and local governments, except those stated above in Class two;

Class Six – General Creditor Claims

Claims of general creditors, including, but not limited to, claims under reinsurance contracts;

Class Seven – Late Filed Claims

Claims filed late or any other claims other than claims under Class eight or Class nine below;

Class Eight – Section 1307 Loans

Claims for advanced or borrowed funds made pursuant to Insurance Law Section 1307; and

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<sup>1</sup> It does not appear that there are policyholder claims against Touchstone that could trigger the Property/Casualty Insurance Security Fund or other state insurance guaranty funds.

Class Nine – Shareholder Claims

Claims of shareholders or other owners in their capacity as shareholders.

4. Once claims are classified, the Liquidator advises claimants of the classification. A copy of the template letter to be used by the Liquidator is attached hereto as Exhibit B (“Classification Letter”). When claims are adjudicated, the Liquidator reviews each claim and determines the amount to be allowed or disallowed. A notice of determination (“NOD”) is then issued to the claimant, which is subject to objection under the Adjudication Procedure. Templates of the NODs for allowance and disallowance are attached hereto as Exhibit C.

**THE ADJUDICATION PROCEDURE**

5. The Adjudication Procedure is as follows:
- a) This Adjudication Procedure shall apply to disputes arising out of the issuance of a Classification Letter and/or NOD to a claimant.
  - b) References to “claimant” shall mean those individuals or entities with the legal standing to maintain a claim against Touchstone. Nothing contained herein shall or shall be deemed to confer standing upon any individual or entity or expand any right of an individual or entity under applicable law or any provision of an insurance policy or contract.
  - c) The Liquidator shall serve either or both a Classification Letter and NOD, as the case may be, on each claimant with a claim timely filed or deemed timely filed in the liquidation proceeding. Service of the Classification Letter and/or NOD will be made by first class mail, or such other form of communication as may have been agreed to by the Liquidator and the claimant in writing, to the claimant’s last known address, and if a representative, such as an attorney or broker, submits a claim on a claimant’s behalf, to the address of such representative. The Classification Letter and NOD may also be copied to such individuals or entities as may be required by law or as may be deemed advisable in the reasonable opinion of the Liquidator.
  - d) The Classification Letter advises each claimant of the following:
    - i. The Liquidator’s determination of the specific class of claim under Insurance Law Section 7434 in which the claim falls;
    - ii. No further action by the claimant is required if the claimant accepts the Liquidator’s recommendation as set forth in the Classification Letter;

- iii. The claimant has the right to object to the Classification Letter, and may do so by serving a written objection on the Liquidator within sixty (60) days after the date of mailing of the Classification Letter, as set forth in the Classification Letter;
  - iv. If the claimant makes a timely written objection, the Liquidator will contact the claimant to attempt to resolve the objection. If the objection cannot be resolved and the claimant requests a hearing, then the Liquidator will contact the claimant and the court-appointed Referee to initiate a pre-hearing conference;
  - v. The court-appointed Referee will hear and report to the Court on the validity of the claimant's unresolved objections; and
  - vi. Either the claimant or the Liquidator may petition the Court supervising the Touchstone liquidation proceeding ("Supervising Court"), on notice, for an order confirming or denying the Referee's report.
- e) The NOD advises each claimant of the following:
- (i) The Liquidator's determination of the specific class of claim under Insurance Law Section 7434 in which the claim falls;
  - (ii) The Liquidator's recommendation that the claim be allowed and the amount of the recommended allowance, or that the claim be disallowed, in whole or in part, and the reason therefor;
  - (iii) No further action by the claimant is required if the claimant accepts the Liquidator's recommendation as set forth in the NOD;
  - (iv) The claimant has the right to object to the NOD, and can do so by serving a written objection on the Liquidator within sixty (60) days after the date of mailing the NOD, as expressly set forth in the NOD;
  - (v) Unless the claimant objects, the Liquidator's recommendation in the NOD will be presented to this Court for approval and the claimant's right to share in a distribution of assets, if any, pursuant to Insurance Law Section 7434, will be fully and finally determined;
  - (vi) If the claimant makes a timely written objection, the Liquidator will contact the claimant to attempt to resolve the objection and, if resolved, will seek allowance of the agreed upon amount of the claim. If the objection cannot be resolved and the claimant requests a hearing, then the Liquidator will contact the claimant and the court-appointed Referee to initiate a pre-hearing conference;

- (vii) The court-appointed Referee will hear and report to the Court on the validity of the claimant's unresolved objections; and
  - (viii) Either the claimant or the Liquidator may petition the Supervising Court, on notice, for an order confirming or denying the Referee's report.
- f) The Liquidator shall move, ex-parte, at least seventy-five (75) days (or a lesser period if agreed upon by the claimant) after the date of the NOD, for an order approving the Liquidator's recommendations for adjudication of all claims for which no objections are timely received.
  - g) In the event that a claimant requests a hearing, the Liquidator will contact the claimant in writing at the address set forth on the Classification Letter or NOD (or such other address as the claimant has provided to the Liquidator in writing for the purpose of providing communication in respect of such Classification Letter or NOD) to schedule a pre-hearing conference. If the claimant fails to request an adjournment of the pre-hearing conference in writing at least five (5) business days prior to the pre-hearing conference and the claimant fails to show up for the pre-hearing conference, then the claimant's objection to the Classification Letter or NOD is forfeited and the Classification Letter or NOD is deemed accepted.
  - h) If a claimant fails to take the steps necessary to have its objection heard, the court-appointed Referee may issue a dismissal of the objection and deem the Classification Letter or NOD to be accepted.
  - i) The Liquidator may settle objections in her sole discretion, at any time, without the necessity of receiving a report from the Referee; however, any settlement above \$25,000 is subject to approval by this Court, in accordance with New York Insurance Law Section 7428(b).
  - j) In the event the Liquidator fails to timely meet any of the time periods set for mailing or delivering a notice required by the Order, it shall not affect the validity of the denial/determination but shall entitle the party that did not receive timely notice to toll its further obligations under the Adjudication Procedure until it receives the required notice.

#### **THE APPOINTMENT OF A REFEREE**

6. The Liquidator respectfully requests that this Court appoint a Referee to hear and take evidence on objections raised by claimants in accordance with the Adjudication Procedure

and to report the Referee's findings to the Supervising Court. Either the claimant or the Liquidator may petition this Court, on notice, for an order confirming or denying the Referee's report.

7. The Liquidator further respectfully requests that the Referee be paid an hourly rate of \$200 as a loss adjustment expense of the Touchstone estate.

8. In addition, in order to reduce administrative expenses, the Liquidator respectfully requests that the Referee be directed to conduct all hearings at the place of business of the Superintendent of Financial Services as Liquidator of Touchstone, currently located at 110 William Street, Borough of Manhattan, City, County and State of New York.

#### **MISCELLANEOUS**

9. The Liquidator also requests that this Court issue the accompanying Order to Show Cause approving: (i) a return date ("Return Date") for a hearing ("Hearing") on the application to be held before this Court at least forty-five (45) days after the date of issuance of the Order to Show Cause; (ii) the form of notice to be given to Touchstone's policyholders, creditors and others interested in the affairs of Touchstone regarding the application and the Hearing ("Notice"), a copy of which is attached hereto as Exhibit D; and (iii) the method of service of the Notice, i.e., by: (a) posting the Notice, Order to Show Cause and its supporting papers on the Internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> at least fifteen (15) days before the Return Date; and (b) publication in the *New York Post*, or a publication of similar circulation, commencing within fifteen (15) days following entry of the Order to Show Cause, such service shall be deemed good and sufficient service.

10. There has been no previous application for the relief requested herein.

WHEREFORE, it is respectfully requested that this Court enter an order: (i) approving the Adjudication Procedure, and (ii) appointing a Referee to hear and take evidence on issues raised by the Liquidator's determinations and claimants' objections, and to report thereon, and grant the Liquidator such other and further relief as is just and proper.

Dated: New York, New York  
November 16, 2018

By: Melvin Browning  
Melvin Browning

Index No. 54964

Year 2018

SUPREME COURT OF THE STATE OF NEW YORK COUNTY OF WESTCHESTER

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In the Matter of

the Liquidation of

TOUCHSTONE HEALTH HMO, INC.

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**ORDER TO SHOW CAUSE AND AFFIRMATION FOR AN ORDER  
APPROVING THE PROCEDURE FOR THE LIQUIDATOR'S ADJUDICATION  
OF CLAIMS AND APPOINTMENT OF A REFEREE**

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**JOHN PEARSON KELLY**

Attorney for Superintendent of Financial Services of the State of New York as Liquidator

*Office and Post Office Address, Telephone*

New York Liquidation Bureau  
180 Maiden Lane  
New York, NY 10038-4925  
(212) 341-6755  
Fax (212) 233-0461

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**ATTORNEY CERTIFICATION**

The undersigned, an attorney admitted to practice in the courts of New York State, certifies that, upon information, belief and reasonable inquiry, the contentions in the above referenced document(s) are not frivolous.

Dated: November 16, 2018  
New York, New York

  
Melvin Browning

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NOTICE OF ENTRY

that the within is a (*certified*) true copy of a  
duly entered in the office of the clerk of the within named court on the      day of      20

NOTICE OF SETTLEMENT

that an order  
settlement to the HON.

of which the within is a true copy will be presented for  
one of the judges of the within named court, at  
20      at

Dated:

, on

Yours, etc.

**JOHN PEARSON KELLY**

Attorney for Superintendent of Financial  
Services of the State of New York as  
Liquidator

*Office and Post Office Address, Telephone*

New York Liquidation Bureau  
180 Maiden Land  
New York, NY 10038-4925  
(212) 341-6755  
Fax (212) 233-0461



## **EXHIBIT A**

At the Supreme Court of the State of New York, County of Westchester, at the courthouse located at 111 Martin Luther King Boulevard, White Plains, New York, on the 11th day of MAY, 2018.

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF WESTCHESTER

In the Matter of  
the Application of

Index No. 54964/2018  
(Giacomo, W.J., J.S.C.)  
ORDER

Maria T. Vullo, Superintendent of Financial Services of the State of New York, for an order to take possession and liquidate the business and affairs of

TOUCHSTONE HEALTH HMO, INC.

Maria T. Vullo, Superintendent of Financial Services of the State of New York ("Superintendent"), having moved this Court by order to show cause for an order placing Touchstone Health HMO, Inc. ("Touchstone") into liquidation, appointing the Superintendent and her successors in office as liquidator ("Liquidator") of Touchstone, and directing the Liquidator to take possession of the property of Touchstone and to liquidate its business and affairs, and upon reading and filing the petition of the Superintendent, duly verified on March 8, 2018 (the "Petition"), the affidavit of Stephen J. Wiest, sworn to on February 27, 2018, and the exhibits annexed thereto, this Court finds that Touchstone should, on consent, be placed into liquidation under Insurance Law Article 74;

NOW, on motion of Barbara Underwood, Acting Attorney General of the State of New York, and after due deliberation having been had and no opposition having been filed, it is hereby

ORDERED as follows:

1. The relief requested in the Petition for an order of liquidation ("Order") is granted;
2. The Superintendent and her successors in office are appointed Liquidator of Touchstone;
3. The Liquidator is directed to take possession of Touchstone's property and liquidate Touchstone's business and affairs in accordance with Insurance Law Article 74;
4. The Liquidator is vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in this Order and with title to Touchstone's property, contracts, rights of action, and all of its books and records, wherever located, as of the date of entry of this Order;
5. The Liquidator may deal with the property and business of Touchstone in Touchstone's name or in the name of the Liquidator;
6. All persons and entities are permanently enjoined and restrained from wasting the assets of Touchstone, and are permanently enjoined and restrained, except as authorized by the Liquidator, from transacting Touchstone's business or disposing of Touchstone's property;
7. All persons and entities are permanently enjoined and restrained from interfering with the Liquidator or this proceeding, obtaining any preferences, judgments, attachments, or other liens, making any levy against Touchstone, its assets or any part thereof, and commencing or prosecuting any actions or proceedings against the Liquidator, Touchstone, the New York Liquidation Bureau, or their present or former employees, attorneys, or agents, relating to this proceeding or the discharge of their duties under Insurance Law Article 74 in relation thereto;
8. The Liquidator is vested with all rights in Touchstone's contracts and agreements, however described, and is permitted to, in her discretion, reject any executory contracts to which Touchstone is a party, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of rejection;
9. Any bank, savings and loan association, other financial institution, or any other entity or person, that has on deposit or in its possession, custody, or control any of Touchstone's funds, accounts (including escrow accounts), or assets shall immediately, upon the Liquidator's request and direction: (a) turn over custody and control of such funds, accounts, or assets to the Liquidator; (b) transfer title of such funds, accounts or assets to the Liquidator; (c) change the name of such accounts to the name of the Liquidator; (d) transfer funds from such bank, savings

and loan association, or other financial institution; and (e) take any other action reasonably necessary for the proper conduct of the liquidation proceeding:

10. All persons or entities having property, papers (including attorney work product and documents held by attorneys), and/or information, including, but not limited to, plans offered by Touchstone providing Medicare Advantage and Medicare Advantage Part D prescription drug coverage ("Plans"), underwriting data, any reinsurance policies, claims files (electronic or paper), software programs, and/or bank records owned by, belonging to, or relating to Touchstone shall preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over, and deliver such property and/or information to the Liquidator;
11. The Liquidator is authorized, permitted, and allowed to sell, assign, or transfer any and all stocks, bonds, or other securities at the best price reasonably obtainable at such times and upon such terms and conditions as, in her discretion, she deems to be in the best interest of the creditors of Touchstone, and is further authorized to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers, and assignments, without the further approval of this Court;
12. The date by which all claims against Touchstone, other than the Liquidator's claim for administrative expenses ("Administrative Claims"), and all evidence supporting such claims, must be submitted to the Liquidator (the "Bar Date") is the earlier of either: (a) the contractual deadline for the submission of claims established in a Plan or an agreement between Touchstone and a medical services provider for the provision of such services to beneficiaries under the Plans; or (b) the date that is six (6) months after the issuance of the order placing Touchstone into liquidation, and all claims submitted after the Bar Date are barred and discharged;
13. All claims against Touchstone submitted for the first time after the issuance of this Order, and all evidence supporting such claims, shall be filed on or before the Bar Date using the electronic portal for the submission of claims located on the website [www.nylbpc.org](http://www.nylbpc.org);
14. Immunity is extended to the Superintendent in her capacity as Liquidator of Touchstone, her successors in office, the New York Liquidation Bureau, and their agents and employees, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of this Court, or in the performance of their duties pursuant to Insurance Law Article 74;
15. The Liquidator may at any time make further application to this Court for such further and different relief as she sees fit;

16. The Liquidator shall serve a copy of this Order by overnight delivery upon: (a) Richard Lipeles, Chief Executive Officer, Touchstone Health HMO, Inc., One North Lexington Avenue, 12<sup>th</sup> Floor, White Plains, New York 10601; and (b) any person or entity that timely filed and served papers in opposition to the relief sought;

17. The Liquidator shall provide notice of this Order to all creditors, claimants, and interested persons by: (i) publication of notice of this Order, in a form substantially similar to the one attached hereto as Annex A, in the *New York Post*, once a week for two consecutive weeks, commencing within 30 days of entry of this Order; and (ii) posting this Order on the Internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> within 15 days after the entry of this Order;

18. This Court shall retain jurisdiction over this matter for all purposes;

19. The caption for this proceeding is hereby amended as follows:

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF WESTCHESTER


-----X  
In the Matter of

the Liquidation of

TOUCHSTONE HEALTH HMO, INC.  
-----X

20. All further papers in this proceeding shall bear the above amended caption.

ENTER

  
J.S.C.  
Hon. William J. Grecco, JSC

ANNEX A

[Form of Notice of Liquidation Order]

NEW YORK LIQUIDATION BUREAU  
110 WILLIAM STREET  
NEW YORK, NEW YORK 10038  
(212) 341-6400

To all persons or entities interested in the affairs of  
TOUCHSTONE HEALTH HMO, INC.

Notice is Hereby Given:

Maria T. Vullo, Superintendent of Financial Services of the State of New York ("Superintendent"), has been appointed by an order (the "Order") of the Supreme Court of the State of New York, County of Westchester ("Court"), entered on MAY 11, 2018, as the liquidator (the "Liquidator") of Touchstone Health HMO, Inc. ("Touchstone") and, as such, has been: (i) directed to take possession of Touchstone's property and liquidate Touchstone's business and affairs in accordance with New York Insurance Law ("Insurance Law") Article 74; and (ii) vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in the Order and with title to Touchstone's property, contracts, rights of action, and all of its books and records, wherever located, as of the date of entry of the Order. The Liquidator has, pursuant to Insurance Law Article 74, appointed David Axinn, Special Deputy Superintendent (the "Special Deputy"), as her agent to carry out her duties as Liquidator. The Special Deputy carries out his duties through the New York Liquidation Bureau ("Bureau"), 110 William Street, New York, New York 10038. The Order provides that:

- I. The Liquidator is permitted to deal with the property and business of Touchstone in Touchstone's name or in the name of the Liquidator;
- II. All persons and entities are permanently enjoined and restrained from wasting the assets of Touchstone, and all persons are permanently enjoined and restrained, except as authorized by the Liquidator, from transacting Touchstone's business or disposing of Touchstone's property;
- III. All persons and entities are permanently enjoined and restrained from interfering with the Liquidator or the proceeding, obtaining any preferences, judgments, attachments, or other liens, making any levy against Touchstone, its assets or any part thereof, and commencing or prosecuting any actions or proceedings against the Liquidator, Touchstone, or the New York Liquidation Bureau, or their present or former employees, attorneys, or agents, relating to the proceeding or the discharge of their duties under Insurance Law Article 74 in relation thereto;
- IV. The Liquidator is vested with all rights in Touchstone's contracts and agreements, however described, and the Liquidator is permitted to, in her discretion, reject any executory contracts to which Touchstone is a party, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of rejection;
- V. Any bank, savings and loan association, other financial institution, or any other entity or person, that has on deposit or in its possession, custody, or control any of Touchstone's funds, accounts (including escrow accounts), or assets shall immediately, upon the Liquidator's request and direction: (a) turn over custody and control of such funds, accounts, or assets to the Liquidator; (b) transfer title of such funds, accounts, or assets to the Liquidator; (c) change the name of such accounts to the name of the Liquidator; (d) transfer funds from such bank, savings and loan association, or other financial institution; and (e) take any other action reasonably necessary for the proper conduct of the liquidation proceeding;

- VI. All persons or entities having property, papers (including attorney work product and documents held by attorneys) and/or information, including, but not limited to, plans offered by Touchstone providing Medicare Advantage and Medicare Advantage Part D prescription drug coverage ("Plans"), underwriting data, any reinsurance policies, claims files (electronic or paper), software programs and/or bank records owned by, belonging to, or relating to Touchstone shall preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over, and deliver such property and/or information to the Liquidator;
- VII. The Liquidator is authorized, permitted, and allowed to sell, assign, or transfer any and all stocks, bonds, or other securities at the best price reasonably obtainable at such times and upon such terms and conditions as, in her discretion, she deems to be in the best interest of the creditors of Touchstone, and is further authorized to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers and assignments, without the further approval of the Court;
- VIII. The date by which all claims against Touchstone, other than the Liquidator's claim for administrative expenses ("Administrative Claims"), and all evidence supporting such claims, must be submitted to the Liquidator (the "Bar Date") is the earlier of: (a) the contractual deadline for the submission of claims established in a Plan or an agreement between Touchstone and a medical services provider for the provision of such services to beneficiaries under the Plans; or (b) the date that is six (6) months after the issuance of the Order, and all claims submitted after the Bar Date are barred and discharged;
- IX. All claims against Touchstone submitted for the first time after issuance of the Order, and all evidence supporting such claims, shall be filed on or before the Bar Date using the electronic portal for the submission of claims located on the website [www.nylbpoc.org](http://www.nylbpoc.org);
- X. Immunity is extended to the Superintendent in her capacity as Liquidator of Touchstone, her successors in office, the New York Liquidation Bureau, and their agents and employees, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of the Court, or in the performance of their duties pursuant to Insurance Law Article 74;
- XI. The Liquidator may at any time make further application to the Court for such further and different relief as she sees fit;
- XII. The Court shall retain jurisdiction over this matter for all purposes;
- XIII. All communications relating to Touchstone and to the liquidation proceeding thereof should be addressed to:

New York Liquidation Bureau  
110 William Street, 15<sup>th</sup> Floor  
Attention: General Counsel  
New York, New York 10038  
(212) 341-6400

- XIV. A copy of the Order may be viewed at <http://www.nylb.org>. To the extent there are any discrepancies between this notice and the Order, then the verbiage of the Order controls.



**MARIA T. VULLO**  
Superintendent of Financial Services of  
the State of New York as Liquidator of  
Touchstone Health HMO, Inc.

**DAVID AXINN**  
Special Deputy Superintendent  
and Agent of the Liquidator

## **EXHIBIT B**



## New York Liquidation Bureau

**Maria T. Vullo**  
Superintendent as Receiver

DATE

### Name & Address

Re: TOUCHSTONE HEALTH HMO, INC.  
Liquidator No.: -

Dear Sir or Madam:

On May 14, 2018, by order of the Supreme Court, State of New York, Touchstone Health HMO, Inc. was placed into liquidation and the Superintendent of Financial Services of the State of New York and her successors in office were appointed Liquidator and vested with title to all its assets and property.

As a claimant in the proceeding, we have assigned the above captioned liquidator number to your claim.

Please be advised that your claim is deemed a Class  claim, meaning each class before you must be paid in full before your claim will be considered for review and allowance.

Pursuant to New York Insurance Law Section 7434, the priority of distribution of claims shall be in accordance with the order in which each class of claims is set forth below:

- Class One** Claims with respect to the actual and necessary costs and expenses of administration incurred by the Liquidator.
- Class Two** All claims under policies including claims of the federal, state or local government for losses incurred, third-party claims, claims for unearned premiums, and all claims of the security fund guaranty associations, but excluding claims arising under reinsurance contracts.
- Class Three** Claims of the federal government, except those stated above in Class two.
- Class Four** Claims for wages owing to employees of an insurer for services rendered within one year before the commencement of the proceeding, not exceeding one thousand two hundred dollars to each

employee and claims for unemployment insurance contributions required by Article 18 of the New York Labor Law.

- Class Five** Claims of state and local governments, except those stated above in Class two.
- Class Six** Claims of general creditors, including, but not limited to, claims under reinsurance contracts.
- Class Seven** Claims filed late or any other claims other than claims under Class eight or Class nine below.
- Class Eight** Claims for advanced or borrowed funds made pursuant to Insurance Law Section 1307.
- Class Nine** Claims of shareholders or other owners in their capacity as shareholders.

We are currently marshalling assets and determining liabilities and cannot at this time predict if any assets will be available for distribution to Class \_\_\_\_\_ claimants.

It is suggested you provide us with any supporting documentation relative to your claim for evaluation at a future date, if assets permit.

Please refer to the above captioned liquidator number when corresponding with us regarding this matter.

If you accept the Liquidator's classification, you are not required to take any further action.

If you object to the Liquidator's classification, the Liquidator must receive your written objection(s) and all supporting documentation within 60 days after the date of mailing this letter by U.S. mail at the address below:

**Creditor and Ancillary Operations Division  
New York Liquidation Bureau  
180 Maiden Lane  
New York, NY 10038-3899  
Attn: Receiver Administration, 16th Floor**

If you make a timely written objection, the Liquidator will contact you to attempt to resolve the objection. If the objection cannot be resolved, and you request a hearing, the Liquidator will contact you and the court-appointed referee to initiate a pre-hearing conference. The referee will hear and report to the supervising court on the validity of your unresolved objection. Either you or the Liquidator may petition the supervising court, on notice, for an order to confirm or deny the referee's report.

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If you have any questions, please do not hesitate to contact me at 212-341-6592 or [cberardi@nylb.org](mailto:cberardi@nylb.org).

Very truly yours,

Cynthia Berardi  
Receiver Administration  
Creditor & Ancillary Operations

Name & Address

**ACKNOWLEDGEMENT OF RECEIPT**

\_\_\_\_ I hereby acknowledge receipt of the \_\_\_\_\_ Classification Letter as a claimant. By signing this Acknowledgement of Receipt, I understand and **agree** to the content of the Classification Letter.

\_\_\_\_ I object to the classification of my claim. My reason for objection is \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I request that Touchstone Health HMO, Inc. in Liquidation (“Touchstone”) mail future correspondence to:

\_\_\_\_ Same address as above  
\_\_\_\_ New address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

This Acknowledgement of Receipt must be completed, signed and returned to Touchstone.

Date \_\_\_\_\_

\_\_\_\_\_  
Claimant/Authorized Representative  
(Please Sign)

\_\_\_\_\_  
(Please Print Name)

## **EXHIBIT C**

Claimant Name  
Claimant Address  
Claimant Address  
Attn:

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF WESTCHESTER

-----X  
In the Matter of

Notice of Determination  
of Allowance

the Liquidation of

Index No.: 54964/2018

TOUCHSTONE HEALTH HMO, INC.  
-----X

Maria T. Vullo, Superintendent of Financial Services of the State of New York as liquidator (“Liquidator”) of Touchstone Health HMO, Inc. hereby gives notice that the claim set forth below has been examined and she will recommend to the Court that it be allowed in the amount set forth below. You will be entitled to share in distributions of assets, if any, pursuant to New York Insurance Law (“Insurance Law”) Article 74, to be made by the Liquidator based on the amount allowed.

If you accept the Liquidator’s recommendation, you are not required to take any further action. However, if you fail to disclose, in writing, to the Liquidator any payment you receive on this claim from any other source, the NOD is voidable and the amount allowed may be adjusted at the Liquidator’s discretion. The recommendation will be presented to the Supervising Court for approval and your rights, pursuant to Article 74 of the Insurance Law, will be fully and finally determined.

If you object to the Liquidator’s recommendation, the Liquidator must receive your written objection(s) and all supporting documentation within 60 days after the date of mailing the NOD by U.S. mail at the address below:

**Creditor and Ancillary Operations Division  
New York Liquidation Bureau  
180 Maiden Lane  
New York, NY 10038-4925  
Attn: Objection Unit, 14th Floor**

If you make a timely written objection, the Liquidator will contact you to attempt to resolve the objection. If the objection is resolved, the Liquidator will seek allowance of the agreed upon amount of the claim. If the objection cannot be resolved, and you request a hearing, the Liquidator will contact you and the court-appointed referee to initiate a pre-hearing conference. The referee will hear and report to the supervising court on the validity of your unresolved objection. Either



you or the Liquidator may petition the supervising court, on notice, for an order to confirm or deny the referee's report.

If you have any questions concerning this notice, you may contact Receiver Ops at (212) 341-6728 or [ReceiverOps@nylb.org](mailto:ReceiverOps@nylb.org).

Dated:  
New York, New York

Maria T. Vullo  
Superintendent of Financial Services  
of the State of New York  
as Liquidator of  
Touchstone Health HMO, Inc.

Claimant:  
Liq No.:  
Policy No.  
Claim No.  
Amount Allowed:

Notice of Determination and Acknowledgement

**ACKNOWLEDGMENT OF RECEIPT**

\_\_\_\_\_ I hereby acknowledge receipt of the [Date] Notice of Determination as a claimant. By signing this Acknowledgment of Receipt, I understand and **agree** to the content of the Notice of Determination.

\_\_\_\_\_ I hereby acknowledge receipt of the [Date] Notice of Determination as a claimant. By signing this Acknowledgment of Receipt, I understand and **object** to the content of the Notice of Determination. My reason for objection is \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I request the Superintendent of Financial Services of the State of New York as liquidator of Touchstone Health HMO, Inc. ("Liquidator") mail future correspondence to:

\_\_\_\_\_ Same address as above  
\_\_\_\_\_ New address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Acknowledgment of Receipt must be completed, signed and returned to the Liquidator in order to be eligible for future distributions, if any, as directed by the Supervising Court.

Date \_\_\_\_\_

\_\_\_\_\_  
Claimant  
(Please Sign)

\_\_\_\_\_  
(Please Print Name)

Claimant Name  
Claimant Address  
Claimant Address  
Attn:

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF WESTCHESTER

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In the Matter of

Notice of Determination  
of Disallowance

the Liquidation of

Index No.: 54964/2018

TOUCHSTONE HEALTH HMO, INC.

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Maria T. Vullo, Superintendent of Financial Services of the State of New York as liquidator ("Liquidator") of Touchstone Health HMO, Inc. hereby gives notice that the claim set forth below has been examined and that he will recommend to the Court that the claim be disallowed for the reason(s) set forth below.

If you accept the Liquidator's recommendation, you are not required to take any further action. The recommendation will be presented to the Supervising Court for approval and your rights, pursuant to Article 74 of the New York Insurance Law, will be fully and finally determined.

If you object to the Liquidator's recommendation, the Liquidator must receive your written objection(s) and all supporting documentation within 60 days after the date of mailing the NOD by U.S. mail at the address below:

**Creditor and Ancillary Operations Division  
New York Liquidation Bureau  
180 Maiden Lane  
New York, NY 10038-4925  
Attn: Objection Unit, 14th Floor**

If you make a timely written objection, the Liquidator staff will contact you to attempt to resolve the objection. If the objection is resolved, the Liquidator will seek allowance of the agreed amount of the claim. If the objection cannot be resolved, and you request a hearing, the Liquidator will contact you and the court-appointed referee to initiate a pre-hearing conference. The referee will hear and report to the supervising court on the validity of your unresolved objection. Either you or the Liquidator may petition the supervising court, on notice, for an order to confirm or deny the referee's report.

The Liquidator reserves the right to raise any other reasons in support of his denial of your claim(s) as further defenses arise during litigation.

If you have any questions concerning this notice you may contact Receiver Ops at (212) 341-6728 or [ReceiverOps@nylb.org](mailto:ReceiverOps@nylb.org).

Dated:  
New York, New York

Maria T. Vullo  
Superintendent of Financial Services  
of the State of New York  
as Liquidator of  
Touchstone Health HMO, Inc.

Claimant Name:  
Liq Claim No.:  
Policy No.  
Co. Claim No.  
Amount Recommended for Disallowance:  
Reason for Disallowance:

Claimant Name  
Claimant Address  
Claimant Address

Attn:  
Notice of Determination and Acknowledgement

**ACKNOWLEDGMENT OF RECEIPT**

\_\_\_\_\_ I hereby acknowledge receipt of the [Date] Notice of Determination as a claimant. By signing this Acknowledgment of Receipt, I understand and **agree** to the content of the Notice of Determination.

\_\_\_\_\_ I hereby acknowledge receipt of the [Date] Notice of Determination as a claimant. By signing this Acknowledgment of Receipt, I understand and **object** to the content of the Notice of Determination. My reason for objection is \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I request the Superintendent of Financial Services of the State of New York as liquidator of Touchstone Health HMO, Inc. mail future correspondence to:

\_\_\_\_\_ Same address as above

\_\_\_\_\_ New address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date \_\_\_\_\_

\_\_\_\_\_  
Claimant  
(Please Sign)

\_\_\_\_\_  
(Please Print)

## **EXHIBIT D**

**IN THE MATTER OF THE LIQUIDATION OF  
TOUCHSTONE HEALTH HMO, INC.  
Supreme Court County of Westchester  
Index No.: 54964/2018**

**NOTICE**

The Superintendent of Financial Services of the State of New York and her successors in office were appointed as liquidator (“Liquidator”) of Touchstone Health HMO, Inc. (“Touchstone”) and, as such, have been directed to take possession of Touchstone’s property and liquidate its business and affairs pursuant to Article 74 of the New York Insurance Law (“Insurance Law”). The Liquidator has, pursuant to Insurance Law Article 74, appointed David Axinn, Special Deputy Superintendent (“Special Deputy”), as her agent to liquidate the business of Touchstone. The Special Deputy carries out his duties through the New York Liquidation Bureau, 110 William Street, New York, New York 10038. The Liquidator has submitted to the Supreme Court of the State of New York, County of Westchester (“Court”) an application seeking an order: (i) approving a procedure for judicial review of the Liquidator’s classification and adjudication of claims in the Touchstone proceeding; and (ii) appointing a referee to hear and take evidence on issues raised by the Liquidator’s determinations and claimants’ objections and to report thereon.

A hearing is scheduled on the application on the \_\_\_\_ day of \_\_\_\_\_, 201\_\_, at :\_\_\_.m., before the Court at the Courthouse, 111 Martin Luther King Boulevard, Room \_\_\_, White Plains, New York (“Return Date”). If you wish to object to the application, you must serve a written statement setting forth your objections and all supporting documentation (“Answering Papers”) upon the Liquidator at least seven (7) days prior to the Return Date, and the original Answering Papers must be filed with the Court on or before the Return Date. Service on the Liquidator shall be made at the following address:

Superintendent of Financial Services of the State of New York as  
Liquidator of Touchstone Health HMO, Inc.  
180 Maiden Lane  
New York, New York 10038  
Attention: General Counsel

The application is available for inspection at the above address and on the website maintained by the New York Liquidation Bureau at <http://www.nylb.org>. In the event of any discrepancy between this notice and the documents submitted to Court, the documents control.

Requests for further information should be directed to the New York Liquidation Bureau, Creditor and Ancillary Operations Division, at (212) 341-6728 or [ReceiverOps@nylb.org](mailto:ReceiverOps@nylb.org).

Dated: \_\_\_\_\_, 2018

MARIA T. VULLO  
Superintendent of Financial Services of the State  
of New York as Liquidator of  
Touchstone Health HMO, Inc.