

SUPREME COURT OF THE STATE OF NEW YORK
NEW YORK COUNTY

HON. NANCY M. BANNON
J.S.C.

PART 47

PRESENT: _____

Justice
Case: Benjamin M. Lawsky
-v-
Cigna Health Case of N.Y.

INDEX NO. 452836/14
MOTION DATE _____
MOTION SEQ. NO. 01

The following papers, numbered 1 to _____, were read on this motion to/for _____
Notice of Motion/Order to Show Cause — Affidavits — Exhibits _____ | No(s). _____
Answering Affidavits — Exhibits _____ | No(s). _____
Replying Affidavits _____ | No(s). _____

Upon the foregoing papers, it is ordered that this motion is granted per the attached Order.

MOTION/CASE IS RESPECTFULLY REFERRED TO JUSTICE FOR THE FOLLOWING REASON(S):

Dated: 1/21/15

Nancy M. Bannon, J.S.C.
HON. NANCY M. BANNON

- 1. CHECK ONE: CASE DISPOSED NON-FINAL DISPOSITION
- 2. CHECK AS APPROPRIATE: MOTION IS: GRANTED DENIED GRANTED IN PART OTHER
- 3. CHECK IF APPROPRIATE: SETTLE ORDER SUBMIT ORDER
- DO NOT POST FIDUCIARY APPOINTMENT REFERENCE

At IAS Part 42 of the Supreme Court of the State of New York, County of New York, at the courthouse located at 111 Centre Street, New York, New York, on the 21st day of January, 2014.

P R E S E N T:

HON. NANCY BANNON, J.S.C

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In the Matter of

Index No. 452836/2014

the Application of

ORDER OF LIQUIDATION

Benjamin M. Lawsky, Superintendent of Financial Services of the State of New York, for an order to take possession and liquidate the business and affairs of

CIGNA HEALTHCARE OF NEW YORK, INC.

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Benjamin M. Lawsky, Superintendent of Financial Services of the State of New York (“Superintendent”), having moved this Court by order to show cause (“Order to Show Cause”) for an order appointing the Superintendent and his successors in office as liquidator (“Liquidator”) of Cigna Healthcare of New York, Inc. (“CHNY”) and directing the Liquidator to take possession of the property of CHNY and to liquidate its business and affairs, and upon reading and filing the petition of the Superintendent, duly verified on October 9, 2014, the affidavit of Stephen J. Wiest, Deputy Bureau Chief of the Health Bureau at the New York State Department of Financial Services, sworn to on October 8, 2014, and the exhibits annexed thereto, this Court finds that:

1. CHNY was incorporated in the State of New York as a health maintenance organization (“HMO”) on or about April 24, 1985 and was issued a certificate of authority on or about July 30, 1986;

2. CHNY was certified to operate as an HMO under the provisions of Article 44 of the New York Public Health Law;

3. CHNY’s statutory office is located at 140 East 45th Street, New York, New York 10017;

4. On March 4, 2014, CHNY’s board of directors unanimously passed a resolution consenting to the entry of an order of liquidation pursuant to Insurance Law Article 74;

5. CHNY is subject to the Insurance Law and, in particular, to Article 74 thereof;

6. It is in the best interest of all persons concerned that, based upon Article 74 of the Insurance Law, the Superintendent should be appointed Liquidator and directed to take possession of the property of CHNY, to liquidate its business and affairs, and be vested with title to all of CHNY’s property, contracts and rights of action; and

NOW, on motion of the Honorable Eric T. Schneiderman, Attorney General of the State of New York, 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 his successors in office are appointed Liquidator of CHNY.
3. The Liquidator is directed to take possession of CHNY’s property and liquidate CHNY’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 CHNY’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 CHNY in CHNY's name or in the name of the Liquidator.
6. All persons are permanently enjoined and restrained from wasting the assets of CHNY and all persons are permanently enjoined and restrained, except as authorized by the Liquidator, from transacting CHNY's business (including the issuance of insurance policies) or disposing of CHNY's property.
7. All parties are permanently enjoined and restrained from interfering with the Liquidator or this proceeding, obtaining preferences, judgments, attachments or other liens, making any levy against CHNY, its assets or any part thereof, commencing or prosecuting any actions or proceedings against the Liquidator, CHNY, or 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 Article 74 in relation thereto.
8. The Liquidator is vested with all rights in CHNY's contracts and agreements, however described, unless the Liquidator expressly terminates such contracts or agreements, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of termination.
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 CHNY's funds, accounts (including escrow accounts) or assets shall immediately, upon the Liquidator's request and direction: (i) turn over custody and control of such funds, accounts or assets to the Liquidator; (ii) transfer title of such funds, accounts or assets to the Liquidator; (iii) change the name of such accounts to the name of the Liquidator; (iv) transfer funds from such bank, savings and loan association or other financial institution; and/or (v) 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, insurance policies, underwriting data, reinsurance policies, claims files (electronic or paper), software programs and/or bank records owned by, belonging to or relating to CHNY 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 his discretion, he deems to be in the best interest of the creditors of CHNY, and further authorizing the Liquidator 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 Liquidator is authorized to pay, without further order of this Court, the actual and necessary expenses incurred by the Liquidator in the administration of CHNY's liquidation.
13. The date that is one year after the entry of this Order is established as the bar date by which all claims by any claimant against CHNY or its insureds, other than the Liquidator's claims for administrative expenses, including all evidence supporting such claims, must actually be received by the Liquidator.
14. Immunity is extended to the Superintendent in his capacity as Liquidator of CHNY and his 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. Any distribution of assets shall be in accordance with the priorities set forth in Insurance Law Article 74.
16. In accordance with Insurance Law Section 7432(b), all claims against CHNY must be presented to the Liquidator within four months of the date of entry of this Order.
17. The Liquidator may at any time make further application to this Court for such further and different relief as he sees fit.
18. The Liquidator shall serve a copy of this Order upon: CT Corporation System, 111 Eighth Avenue, 13th Floor, New York, NY 10011, and Cigna Healthcare of New York, Inc., David Goldberg, Vice President, 140 East 45th Street, New York, New York 10017, by overnight delivery or by certified mail.
19. The Liquidator shall provide notice of this Order to all creditors, claimants and interested persons by: (i) publication of notice of this Order in *The New York Post*, once a week for two consecutive weeks, commencing within thirty days of entry of this Order in a form substantially similar to the one attached hereto as Exhibit A; and (ii) posting this Order on the internet web page maintained by the Bureau at <http://www.nylb.org> within 15 days after the entry of this Order.
20. Such notice shall inform all creditors, claimants and other interested persons that this Order has been entered.
21. The notice prescribed in decretal paragraphs 18 and 19 hereof is sufficient notice to all persons interested in CHNY.

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

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

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

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In the Matter of

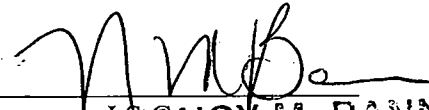
the Liquidation of

CIGNA HEALTHCARE OF NEW YORK, INC.

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

ENTER



HON. NANCY M. BANNON
J.S.C.

EXHIBIT A

[Form of Notice]

NEW YORK LIQUIDATION BUREAU
110 WILLIAM STREET
NEW YORK, NEW YORK 10038
(212) 341-6755

To all persons or entities
interested in the affairs of
CIGNA HEALTHCARE OF NEW YORK, INC.
Notice is Hereby Given:

Benjamin M. Lawsky, 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, New York County ("Court"), entered on _____, 2014, as the liquidator (the "Liquidator") of Cigna Healthcare of New York, Inc. ("CHNY") and, as such, has been: (i) directed to take possession of CHNY's property and liquidate CHNY'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 CHNY'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 Scott D. Fischer, Acting Special Deputy Superintendent of Insurance (the "Acting Special Deputy"), as his agent to carry out his duties as Liquidator. The Acting Special Deputy carries out his duties through the New York Liquidation Bureau, 110 William Street, New York, New York 10038. The Order provides:

- I. The Liquidator may deal with the property and business of CHNY in CHNY's name or in the name of the Liquidator.
- II. All persons are permanently enjoined and restrained from wasting the assets of CHNY and all persons are permanently enjoined and restrained, except as authorized by the Liquidator, from transacting CHNY's business (including the issuance of insurance policies) or disposing of CHNY's property.
- III. All parties are permanently enjoined and restrained from interfering with the Liquidator or this proceeding, obtaining preferences, judgments, attachments or other liens, making any levy against CHNY, its assets or any part thereof, or commencing or prosecuting any actions or proceedings against the Liquidator, CHNY, or 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 Article 74 in relation thereto.
- IV. The Liquidator is vested with all rights in CHNY's contracts and agreements, however described, unless the Liquidator expressly terminates such contracts or agreements, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of termination.
- 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 CHNY's funds, accounts (including escrow accounts) or assets shall immediately, upon the Liquidator's request and direction: (i) turn over custody and control of such funds, accounts or assets to the Liquidator; (ii) transfer title of such funds, accounts or assets to the Liquidator; (iii) change the name of such accounts to the name of the Liquidator; (iv) transfer funds from such bank, savings and loan association or other financial institution; and/or (v) 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, insurance policies, underwriting data, reinsurance policies, claims files (electronic or paper), software programs and/or bank records owned by, belonging to or relating to CHNY 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 his discretion, he deems to be in the best interest of the creditors of CHNY, 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 Liquidator is authorized to pay, without further order of the Court, the actual and necessary expenses incurred by the Liquidator in the administration of CHNY's liquidation.
- IX. The date that is one year after the entry of the Order is the bar date by which all claims by any claimant against CHNY or its insureds, other than the Liquidator's claims for administrative expenses, including all evidence supporting such claims, must actually be received by the Liquidator.
- X. Immunity is extended to the Superintendent in his capacity as Liquidator of CHNY and his 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. Any distribution of assets shall be in accordance with the priorities set forth in Insurance Law Article 74.
- XII. In accordance with Insurance Law Section 7432(b), all claims against CHNY must be presented to the Liquidator within four months of the date of entry of this Order.
- XIII. The Liquidator may at any time make further application to the Court for such further and different relief as he sees fit.
- XIV. The court shall retain jurisdiction over this matter for all purposes.
- XV. All communications relating to CHNY and to the Liquidation Proceeding thereof should be addressed to:

New York Liquidation Bureau
110 William Street, 15th Floor
New York, New York 10038
(212) 341-6400

BENJAMIN M. LAWSKY
Superintendent of Financial Services of
the State of New York as Liquidator
of Cigna Healthcare of New York, Inc.

SCOTT D. FISCHER
Acting Special Deputy Superintendent
and Agent for the Superintendent as
Liquidator of Cigna Healthcare of New York, Inc.