

NYSCEF DOC. NO. 7

RECEIVED NYSCEF: 12/12/2014

At IAS Part 424 of the Supreme Court of the State of New York, County of New York, at the courthouse located at 111 Centre St., New York, New York, on the 9th day of December 2014.

PRESENT:

HON. Nancy Barron, J.S.C.
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In the Matter of

Index No. 452836/2014

the Application of

ORDER TO SHOW CAUSE

Benjamin M. Lawskey, 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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Based on the verified petition ("Verified Petition") of Benjamin M. Lawskey, Superintendent of Financial Services of the State of New York ("Superintendent"), duly verified on October 9, 2014, the supporting Affidavit of Stephen J. Wiest, Deputy Bureau Chief of the Health Bureau at the New York State Department of Financial Services, dated October 8, 2014, and the exhibits attached thereto, and it appearing that the relief sought should be granted;

NOW, on motion of Eric T. Schneiderman, Attorney General of the State of New York, attorney for the Superintendent, and after due deliberation having been had thereon;

LET Cigna Healthcare of New York, Inc. ("Cigna"), show cause before this Court at IAS Part 42 Room 1121B thereof, at the Courthouse located at 111 Centre St. in the County, City and State of New York, on the 21st day of January, 2015, at 11³⁰ o'clock a.m., or as soon thereafter as counsel can be heard ("Return Date"), why an order, in the form of Exhibit 1 to the Verified Petition, should not be made, pursuant to Article 74 of the New York Insurance Law

("Insurance Law"), *inter alia*: (1) appointing the Superintendent, and his successors in office, as Liquidator of Cigna; (2) directing the Liquidator to take possession of Cigna's property and to liquidate Cigna's business and affairs; (3) vesting title to all of Cigna's property, contracts and rights of action and all of its books and records, wherever located, with the Liquidator and his successors; (4) permitting the Liquidator to deal with the property and business of Cigna in Cigna's name or in the name of the Liquidator; (5) granting the injunctions provided for in Insurance Law Section 7419(a), permanently enjoining and restraining all persons from wasting the assets of Cigna, and permanently enjoining and restraining all persons, except as authorized by the Liquidator, from transacting Cigna's business (including the issuance of insurance policies) or disposing of Cigna's property; (6) granting the injunctions provided for in Insurance Law Section 7419(b), permanently enjoining and restraining all parties from interfering with the Liquidator or this proceeding, obtaining any preferences, judgments, attachments or other liens, making any levy against Cigna, its assets or any part thereof, or commencing or prosecuting any actions or proceedings against the Liquidator, Cigna, 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; (7) vesting all rights in Cigna's contracts and agreements, however described, with the Liquidator, 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; (8) requiring that 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 Cigna'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/or (e) take any other action reasonably necessary for the proper conduct of the liquidation proceeding; (9) requiring that 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 Cigna 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; (10) authorizing, permitting and allowing the Liquidator 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 Cigna; 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; (11) authorizing the Liquidator to pay, without further order of this Court, the actual and necessary expenses incurred by the Liquidator in the administration of Cigna's liquidation; (12) establishing the date that is one year after the entry of the order placing Cigna into liquidation as the bar date by which all claims by any claimant against Cigna 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; (13) extending immunity to the Superintendent in his capacity as Liquidator of Cigna 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; (14) granting such other and further relief as the Court may deem proper and just;

AND, sufficient cause having been shown therefor, let service of a copy of this order to show cause and the papers upon which it is granted be made by: (i) certified mail, return receipt requested, upon Cigna's designated agent for service of process, 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; and (2) posting on the internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org>; and let such service be made at least 15 days prior to the Return Date, and such service shall be deemed good and sufficient service; and it is hereby

ORDERED, that all answering papers and supporting documentation ("Answering Papers") be served on the Superintendent so as to be received at least seven days prior to the Return Date, and that service on the Superintendent shall be made by first class mail or overnight carrier at the following addresses:

Office of the Attorney General
120 Broadway
New York, NY 10271
Attention: Rosalie Hronsky

New York Liquidation Bureau
110 William Street
New York, New York 10038
Attention: General Counsel

and Answering Papers shall be submitted to this Court at IAS Part 724 at the Courthouse located at 111 Centre St New York, New York, on or before the Return Date; and it is further

ORDERED, that any person or entity that fails to serve Answering Papers as provided herein shall be deemed to have waived any objections to the relief sought in the Petition and

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

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

shall be barred from raising objections in this or any other proceeding concerning the matters set forth herein; and it is further

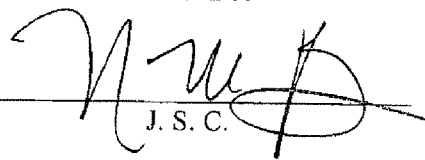
ORDERED, that any person or entity that has served Answering Papers as provided herein shall be deemed to have waived any objections that are not set forth in the Answering Papers; and it is further

ORDERED, that pending the determination of this motion, Cigna, its officers, directors, shareholders, members, trustees, agents, servants, employees, policyholders, attorneys and managers, and all other persons are hereby restrained from obtaining preferences, judgments, attachments or other liens, or making any levy or commencing or prosecuting any actions or proceedings against Cigna or its assets; and it is further

ORDERED, that pending the determination of this motion, all actions or proceedings against Cigna and all actions or proceedings in which Cigna is obligated to defend a party are stayed; and it is further

ORDERED, that pending the determination of this motion, Cigna, its officers, directors, shareholders, members, trustees, agents, servants, employees, policyholders, attorneys, managers, and all other persons are restrained from wasting the assets of Cigna, or, except as authorized by the Superintendent, from transacting Cigna's business (including the issuance of new insurance policies) or disposing of Cigna's property.

ENTER


J. S. C.

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

DEC 22 2014

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

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In the Matter of

Index No.

the Application of

VERIFIED PETITION

Benjamin M. Lawskey, 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.

-----X

Benjamin M. Lawskey, Superintendent of Financial Services of the State of New York (the "Superintendent") respectfully petitions this Court for an order in the form of Exhibit 1 annexed hereto, appointing the Superintendent and his successors in office as liquidator ("Liquidator") of Cigna Healthcare of New York, Inc. ("Cigna"), and directing the Liquidator to liquidate the business and affairs of Cigna on the ground that Cigna's Board of Directors unanimously consented to the entry of an order of liquidation pursuant to New York Insurance Law ("Insurance Law") Article 74.

Background

1. As set forth in 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 ("Wiest Aff."), which is submitted herewith in support of this petition, Cigna, a for-profit health maintenance organization ("HMO"), was originally incorporated in the State of New York as Total Health HMO, Inc. ("Total Health") on April 24, 1985 and was issued a certificate of authority on or about July 30, 1986 pursuant to the provisions of Article 44 of the New York Public Health Law. Wiest Aff. ¶ 2. On March 8, 1991, Total Health adopted the name Cigna Healthplan of New York, Inc., which was then changed to Cigna Healthcare of New York, Inc.

in September 1993. Wiest Aff. ¶ 3. Cigna was not certified to provide managed care for health insurance in any other state. Wiest Aff. ¶ 4.

2. Cigna's certificate of authority permitted Cigna to operate as an HMO and provide health care services in the five boroughs of New York City, as well as in Nassau, Suffolk, Orange, Putnam, Rockland, and Westchester counties. Wiest Aff. ¶ 5. An HMO is an organization that provides or arranges managed care for health insurance on behalf of its members and acts as a liaison with health care providers (hospitals, doctors, etc.). Wiest Aff. ¶ 5.

3. Healthsource, Inc. is Cigna's immediate parent corporation, and its ultimate parent corporation is Cigna Corporation. Wiest Aff. ¶ 6. Cigna does not have any subsidiaries. Wiest Aff. ¶ 7.

4. Beginning in 2004, Cigna experienced a steady decline in membership. As a result, Cigna submitted a Plan of Withdrawal ("Plan") to the New York State Department of Health and the New York State Insurance Department.¹ The Plan called for the termination of Cigna's memberships. Wiest Aff. ¶ 8.

5. Cigna stopped renewing memberships as of December 31, 2009, and has not had members since March 31, 2010. Wiest Aff. ¶ 8.

6. On March 4, 2014, Cigna's board of directors unanimously passed a resolution consenting to the entry of an order of liquidation pursuant to Insurance Law Article 74. Wiest Aff. ¶ 9 and Exhibit A.

7. Cigna's statutory office is located at 140 East 45th Street, New York, New York 10017. Wiest Aff. ¶ 10.

¹ The New York State Department of Financial Services has succeeded the New York State Insurance Department.

Grounds for Liquidation

8. Under Insurance Law Section 7404, the Superintendent may apply for an order directing the Superintendent to liquidate the business of an insurer if sufficient grounds exist pursuant to Insurance Law Section 7402.

9. Insurance Law Section 7402(*l*) provides that an insurer may be placed into liquidation if the majority of its directors, shareholders, or members consent to liquidation.

10. Based upon the unanimous consent of Cigna's board of directors to the entry of an order of liquidation through a resolution dated March 4, 2014, Cigna should be placed into liquidation.

Relief Requested

11. In light of the foregoing, I respectfully request that the Court issue an order of liquidation, *inter alia*: (a) appointing the Superintendent, and his successors in office, as Liquidator of Cigna; (b) directing the Liquidator to take possession of Cigna's property, to liquidate Cigna's business and affairs; and (c) vesting title to all of Cigna's property, contracts, rights of action and all of its books and records, wherever located, with the Liquidator and his successors.

12. I further respectfully request that, in accordance with Insurance Law Section 7405(a), the Court permit the Liquidator to deal with the property of Cigna in Cigna's name or in the name of the Liquidator.

13. I further respectfully request that the Court grant the injunctions provided for by Insurance Law Section 7419. Under Section 7419(a) the Court may issue an injunction permanently enjoining and restraining the insurer, its officers, directors, shareholders, members, trustees, agents, servants, employees, policyholders, attorneys, managers, and all other persons from wasting the assets of Cigna, and, except as authorized by the Liquidator, from transacting Cigna's business (including the issuance of insurance policies) or disposing of Cigna's property.

Under Section 7419(b), the Court may issue such other permanent injunctions or orders as it deems necessary to prevent interference with the Liquidator or this proceeding, or the commencement or prosecution of any actions or proceedings (a) against the Liquidator, Cigna, or the New York Liquidation Bureau, the organization that carries out the duties of the Liquidator, or their present or former employees, attorneys, or agents, with respect to this proceeding or the discharge of their duties under Article 74 in relation thereto or (b) to assert preferences, judgments, attachments, liens, or any levy against Cigna, its assets or any part thereof.

14. I further respectfully request that, in accordance with Insurance Law Section 7405, the Court vest all rights in Cigna's contracts and agreements, however described, with the Liquidator, 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.

15. I further respectfully request that the Court order that 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 Cigna'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; or (e) take any other action reasonably necessary for the proper conduct of the liquidation proceeding.

16. I further respectfully request that the Court order that 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 Cigna 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.

17. I further respectfully request that in accordance with Insurance Law Section 7405, the Court authorize, permit and allow the Liquidator 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 Cigna, and further authorize 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 the Court.

18. I further respectfully request that the Court authorize the Liquidator to pay, without further order of this Court, the actual and necessary expenses incurred by the Liquidator in the administration of Cigna's liquidation. Pursuant to Insurance Law Section 7434, the Liquidator recommends and seeks court approval for distributions made by a domestic estate in liquidation. Distributions are made in accordance with the priority scheme set forth in Insurance Law Section 7434. The actual and necessary costs and expenses of administration incurred by the Liquidator are considered a class one claim under Insurance Law Section 7434, and are therefore given the highest priority in terms of payment.

19. I further respectfully request that the Court establish the date that is one year after the entry of the order placing Cigna into liquidation as the bar date ("Bar Date") by which all claims by any claimant against Cigna or its insureds, other than the Liquidator's claim for administrative expenses, including all evidence supporting such claims, must actually be received by the Liquidator. The establishment of a Bar Date is in accordance with Insurance Law Section 7417, which vests courts with authority to grant such relief as the nature of the case and the interests of policyholders, creditors or the public may require. The Bar Date will enable

the Liquidator to determine the total amount and actual number of claims eligible to share in a potential distribution of estate assets.

20. I further respectfully request that the Court order that the Superintendent as Liquidator of Cigna and his successors in office, the New York Liquidation Bureau, and their agents and employees, be granted immunity from 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. The Liquidator acts in a “judicial and private” capacity under the supervision of the Court pursuant to Article 74 of the Insurance Law. *See Dinallo v. DiNapoli*, 9 N.Y.3d 94, 103 (2007).

21. In accordance with Insurance Law Section 7417, this proceeding is being commenced by order to show cause.


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

WHEREFORE, it is respectfully requested that an order be made and entered pursuant to Article 74 of the Insurance Law: (1) appointing the Superintendent, and his successors in office, as Liquidator of Cigna; (2) directing the Liquidator to take possession of Cigna’s property and to liquidate Cigna’s business and affairs; (3) vesting title to all of Cigna’s property, contracts and rights of action with the Liquidator and his successors; (4) permitting the Liquidator to deal with the property and business of Cigna in Cigna’s name or in the name of the Liquidator; (5) granting the injunctions provided for in Insurance Law Section 7419(a), permanently enjoining and restraining all persons from wasting the assets of Cigna, and permanently enjoining and restraining all persons, except as authorized by the Liquidator, from transacting Cigna’s business (including the issuance of insurance policies) or disposing of Cigna’s property; (6) granting the injunctions provided for in Insurance Law Section 7419(b), permanently enjoining and restraining all parties from interfering with the Liquidator or this proceeding, obtaining any preferences, judgments, attachments or other liens, making any levy against Cigna,

its assets or any part thereof, or commencing or prosecuting any actions or proceedings against the Liquidator, Cigna, 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; (7) vesting all rights in Cigna's contracts and agreements, however described, with the Liquidator, 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; (8) requiring that 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 Cigna'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/or (e) take any other action reasonably necessary for the proper conduct of the liquidation proceeding; (9) requiring that 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 Cigna 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; (10) authorizing, permitting and allowing the Liquidator 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 Cigna, 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; (11) authorizing the Liquidator to pay, without further order of this Court, the actual and necessary expenses incurred by the Liquidator in the administration of Cigna's liquidation; (12) establishing the date that is one year after the entry of the order placing Cigna into liquidation as the Bar Date by which all claims by any claimant against Cigna 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; (13) extending immunity to the Superintendent in his capacity as Liquidator of Cigna 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; and (14) granting such other and further relief as the Court may deem proper and just.

Dated: New York, New York
October 9, 2014



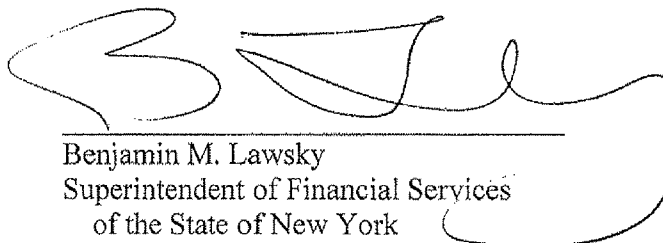
Benjamin M. Lawskey
Superintendent of Financial Services
of the State of New York

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

Benjamin M. Lawskey, being duly sworn, deposes and says:

That he is the Superintendent of Financial Services of the State of New York and that he executed the foregoing petition; that he is acquainted with the facts therein stated; that he knows the contents of the petition and that the same is true to his own knowledge, except as to the matters therein stated to be alleged upon information and belief and that as to those matters he believes them to be true.

Deponent says that the sources of information and the grounds of his belief as to the matters stated in said petition to be alleged upon information and belief are the records of the New York State Department of Financial Services and the affidavit of Stephen J. Wiest, Deputy Bureau Chief of the Health Bureau, sworn to on October 8, 2014, in support of the verified petition.


Benjamin M. Lawskey
Superintendent of Financial Services
of the State of New York

Sworn to before me this
9th day of October, 2014

Martha A. Lees
Notary Public

MARTHA A. LEES
Notary Public, State of New York
No. 02LE6129105
Qualified in Kings County
Commission Expires 06/2017

EXHIBIT 1

[Form of Liquidation Order]

At IAS Part ____ of the Supreme Court of the State of New York, County of New York, at the courthouse located at _____, New York, New York, on the ____ day of _____, 2014.

P R E S E N T:

HON. _____, J.S.C
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In the Matter of

Index No.

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.
-----X

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. (“Cigna”) and directing the Liquidator to take possession of the property of Cigna 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. Cigna 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. CIGNA was certified to operate as an HMO under the provisions of Article 44 of the New York Public Health Law;

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

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

5. Cigna 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 Cigna, to liquidate its business and affairs, and be vested with title to all of Cigna’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 Cigna.
3. The Liquidator is directed to take possession of Cigna’s property and liquidate Cigna’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 Cigna’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 Cigna in Cigna's name or in the name of the Liquidator.
6. All persons are permanently enjoined and restrained from wasting the assets of Cigna and all persons are permanently enjoined and restrained, except as authorized by the Liquidator, from transacting Cigna's business (including the issuance of insurance policies) or disposing of Cigna'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 Cigna, its assets or any part thereof, or commencing or prosecuting any actions or proceedings against the Liquidator, Cigna, 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 Cigna'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 Cigna'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 Cigna 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 Cigna, 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 Cigna'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 Cigna 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 Cigna 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 Cigna 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 Cigna.

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

-----X

In the Matter of

the Liquidation of

CIGNA HEALTHCARE OF NEW YORK, INC.

-----X

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

E N T E R

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. ("Cigna") and, as such, has been: (i) directed to take possession of Cigna's property and liquidate Cigna'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 Cigna'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 Cigna in Cigna's name or in the name of the Liquidator.
- II. All persons are permanently enjoined and restrained from wasting the assets of Cigna and all persons are permanently enjoined and restrained, except as authorized by the Liquidator, from transacting Cigna's business (including the issuance of insurance policies) or disposing of Cigna'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 Cigna, its assets or any part thereof, or commencing or prosecuting any actions or proceedings against the Liquidator, Cigna, 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 Cigna'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 Cigna'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 Cigna 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 Cigna, 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 Cigna'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 Cigna 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 Cigna 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 Cigna 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 Cigna 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.

only those that have been tested and found to be safe and effective. The only way to ensure that a product is safe and effective is to test it thoroughly before it is marketed. The FDA has a long history of regulating medical products, and it has a strong commitment to protecting the public health. The FDA has a strong commitment to protecting the public health, and it has a long history of regulating medical products. The FDA has a strong commitment to protecting the public health, and it has a long history of regulating medical products.

Index No.

AFFIDAVIT

X

Stephen J. Wiest, being duly sworn, deposes and says:

2. Cigna, a for-profit health maintenance organization (“HMO”), was originally incorporated in the State of New York as Total Health HMO, Inc. (“Total Health”) on April 24, 1985 and was issued a certificate of authority on or about July 30, 1986 pursuant to the provisions of Article 44 of the New York Public Health Law.

3. On March 8, 1991, Total Health adopted the name Cigna Healthplan of New York, Inc., which was then changed to Cigna Healthcare of New York, Inc. in September 1993.

4. Cigna was not certified to provide managed care for health insurance in any other state.

5. Cigna's certificate of authority permitted Cigna to operate as an HMO and provide health care services in the five boroughs of New York City, as well as in Nassau, Suffolk, Orange, Putnam, Rockland, and Westchester counties. An HMO is an organization that provides or arranges managed care for health insurance on behalf of its members and acts as a liaison with health care providers (hospitals, doctors, etc.).

6. Healthsource, Inc. is Cigna's immediate parent corporation, and its ultimate parent corporation is Cigna Corporation.

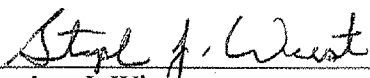
7. Cigna does not have any subsidiaries.

8. Beginning in 2004, Cigna experienced a steady decline in membership. As a result, Cigna submitted a Plan of Withdrawal ("Plan") to the New York State Department of Health and the New York State Insurance Department.¹ The Plan called for the termination of Cigna's memberships. As such, Cigna stopped renewing memberships as of December 31, 2009 and it has not had members since March 31, 2010.

9. On March 4, 2014, Cigna's board of directors unanimously passed a resolution consenting to the entry of an order of liquidation pursuant to Insurance Law Article 74, which is attached as Exhibit A.

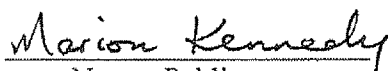
¹ The New York State Department of Financial Services has succeeded the New York State Insurance Department.

10. Cigna's statutory office is located at 140 East 45th Street, New York, New York
10017.



Stephen J. Wiest
Deputy Bureau Chief
Health Bureau

Sworn to before me this
9th day of October, 2014



Notary Public

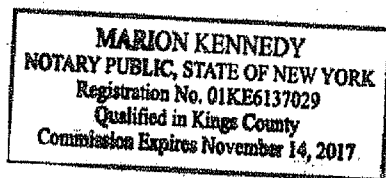


EXHIBIT A

David Goldberg
Vice President
Cigna Healthcare of New York, Inc.



900 Cottage Grove Road
C6ACC
Hartford, CT 06152
Telephone 860-226-7987
david.goldberg@cigna.com

March 4, 2014

Honorable Benjamin M. Lawskey
Superintendent of Financial Services
New York State Department of Financial Services
One State Street
New York, New York 10004

Dear Mr. Lawskey:

Pursuant to the authority vested in me by the Board of Directors of Cigna HealthCare of New York, Inc. (the "Company"), I hereby confirm that the Company consents to the entry of an order of liquidation pursuant to Article 74 of the New York Insurance Law. The Company also consents to the Superintendent filing an application for such order in the Supreme Court of the State of New York, County of New York, at any time after March 4, 2014.

Attached hereto is a certified copy of the resolutions of the Board of Directors which authorized the undersigned to make this consent.

Cigna HealthCare of New York, Inc.

By: _____

Name: David Goldberg

Title: Vice President

Attachment

CIGNA HEALTHCARE OF NEW YORK, INC.

RESOLUTION

Upon motion duly made, seconded and carried the following resolutions were adopted by the unanimous affirmative vote of the directors present at the time of the vote at a duly called meeting of the board with a quorum being present:

RESOLVED, that the corporation by action of an appropriate officer, consents to the entry of an Order of Liquidation for Cigna Healthcare of New York, Inc., and it is further

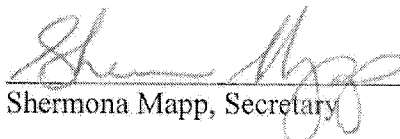
RESOLVED, that the corporation consents to said proceeding being brought in the Supreme Court of the State of New York, County of New York, at any time after March 4, 2014, and it is further

RESOLVED, that the Secretary is authorized to certify a copy of such resolutions as having been adopted by this board in accordance with this resolution and the Secretary is hereby directed to affix a copy thereof to these minutes, and it is further

RESOLVED, that the Vice President be and hereby is authorized and directed to execute and deliver to the Superintendent such further documents as may be necessary or desirable to carry out the purpose and intent of the foregoing resolutions.

I have compared the foregoing with the resolutions adopted by the board of directors of Cigna Healthcare of New York, Inc. at a special meeting held via telephone conference call, a quorum being present on this 4th day of March, 2014, as recorded in the minute book of said company, and I hereby certify that the same is a true, correct and complete copy thereof and that the same has not been rescinded or modified.

Dated: March 4, 2014


Shermona Mapp, Secretary