



Eric R. Dinallo
Superintendent as Receiver

Mark G. Peters
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NEWS RELEASE

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FOR IMMEDIATE RELEASE
August 4, 2008

MDNY HEALTHCARE, LONG ISLAND HMO, PLACED IN LIQUIDATION

New York State Insurance Superintendent Eric R. Dinallo has been appointed Receiver of MDNY Healthcare, a Long Island based HMO. The New York Liquidation Bureau, acting on Mr. Dinallo's behalf, has taken over MDNY's operations.

The order of liquidation was approved on July 31 by New York Supreme Court Judge Alice Schlesinger. MDNY, which was founded in 1995 and has its headquarters in Melville, NY, has no remaining active enrollees.

At its peak enrollment, MDNY covered approximately 70,000 Nassau and Suffolk County residents. Due to its deteriorating financial condition, the company notified customers last November that their coverage would expire on May 31, 2008.

Under the New York Insurance Law, MDNY's enrollees had a window of 63 days after the expiration of their coverage to find coverage with other HMOs and avoid starting a new pre-existing condition waiting period. Other HMOs must accept individual and small group members without regard to their age, sex or health status.

The New York Liquidation Bureau is a crucial part of New York State's financial safety net, working to protect the interests of New Yorkers whose insurance companies have failed. It pays claims to policyholders and creditors, while seeking to maximize assets of the failed companies and to rehabilitate and restore them to the marketplace, when possible. The Bureau, which is self-funding, manages more than \$3.2 billion in assets.

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