

To: Consumers' Choice Health Insurance Company Providers
From: Michael J. FitzGibbons, Special Deputy Receiver
Re: Consumers' Choice Health Insurance Company aka Consumers' Choice Health Plan
Date: January 15, 2016

We are writing because our records indicate that you are or have been a provider of health care services ("Provider") to members, enrollees, or policyholders (collectively, "Members") of Consumers' Choice Health Plan ("Consumers' Choice" or "CCHP"). CCHP is now in receivership.

This writing outlines how the Receivership affects you as Providers of Consumers' Choice. Be advised, the Receiver or Special Deputy Receiver will routinely post information to the Consumers' Choice website at <http://www.cchpsc.org/>. You are also welcome to call or email at any time using the contact information at the bottom of this correspondence.

CONSENT ORDER OF RECEIVERSHIP

The Director of Insurance for the State of South Carolina ("Director") filed a petition for the commencement of Receivership proceedings on January 4, 2016. On January 8, 2016, the Richland County Court of Common Pleas issued a Consent Order placing Consumers' Choice into Receivership for the purposes of rehabilitation. The Consent Order appointed Raymond G. Farmer, the Director, as the Receiver and Michael J. FitzGibbons as the Special Deputy Receiver. Mr. FitzGibbons will direct the day to day operations of Consumers' Choice during Receivership. The petition, Consent Order, all official communications and other pertinent documents related to the Receivership of Consumers' Choice are posted on the CCHP website (www.cchpsc.org).

In summary, the Consent Order, does the following:

- Appoints the Director as Receiver for the purposes of Receivership and Mr. FitzGibbons as the Special Deputy Receiver;
- Vests title to all assets in the Receiver; and
- Stays the transfer of property, waste of assets and accounts, levy of execution and prosecution of any actions or proceedings against Consumers' Choice, including actions against Members, and any other threatened or contemplated action that might lessen the value of Consumers' Choice assets or prejudice the rights of its policyholder members, beneficiaries or creditors or interfere with the orderly administration of the Receivership.

Importantly, this action stays all litigation and collections proceedings pending or contemplated by you as a Provider against Consumers' Choice Members for any unpaid claims liabilities owed by CCHP until further notice.

The purpose of this stay is to ensure an orderly claims adjudication process by the Receiver. However, it does not relieve CCHP Members of their continued responsibility for any cost

sharing imposed under their CCHP health insurance coverage, including any applicable deductibles, co-pays, or coinsurance. CCHP Members will also continue to be responsible for uncovered health care services rendered by you and other Providers.

TEMPORARY MORATORIUM ON PROVIDER PAYMENTS

It is likely the Special Deputy Receiver will impose a temporary moratorium on Provider payments while he conducts an in-depth financial analysis of Consumers' Choice. If necessary, the Special Deputy Receiver will ask the South Carolina Life and Accident and Health Insurance Guaranty Association (SCLAHGA) to fund covered claims in accordance with their statutory obligations.

Please visit our website regularly for updates on the progress of the Consumers' Choice Receivership.

Thank you for your patience and cooperation.

CONSUMERS' CHOICE HEALTH INSURANCE COMPANY, IN RECEIVERSHIP

<http://www.cchpsc.org/>

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