

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

Raymond G. Farmer, as Director of the South
Carolina Department of Insurance,

Petitioner,

vs.

Consumers' Choice Health Insurance
Company,

Respondent.

IN THE COURT OF COMMON PLEAS

FOR THE FIFTH JUDICIAL CIRCUIT

C.A. No. 2016-CP-40-00034

**ORDER APPROVING LIQUIDATOR'S
FOURTH CLAIMS REPORT &
RECOMMENDATION & REVISIONS
TO SECOND CLAIMS REPORT &
RECOMMENDATION & REVISIONS
TO PROPOSAL FOR PAYMENT OF
SECOND INTERIM DISTRIBUTION**

This matter comes before the Court pursuant to the Liquidator's Fourth Claims Report and Recommendation and Revisions to Second Claims Report and Revisions to Recommendation Proposal for Interim Distribution and Application for Order Approving Same ("the Application") in accordance with S.C. Code Ann. § 38-27-620 (2015).

Attached as Exhibits A and B to the Application pertaining to Fourth Claims Report and Recommendation are schedules containing the names and addresses associated with a total of thirty-seven (37) claims, the recommended valuations for each claim and the priority class.

Attached as Exhibit C to the Application is a schedule containing the names and addresses of two claimants, this Court's previous allowed amounts pursuant to the Orders approving Liquidator's Second Claims Report and Recommendation and Proposal for Payment of Second Interim Distribution entered on July 2, 2020 and June 17, 2021, respectively, the revised permitted amounts and the priority class of each claim.

Also attached as Exhibit D to the Application is an Affidavit in support filed by the Special Deputy Liquidator.

Having reviewed the Application and Exhibits, including the Affidavit of the Special

Deputy Liquidator, the Court finds that the recommendations are in the interests of all claimants and other creditors in this matter. The Court also finds that the revisions are appropriate and necessary to clarify the record in this matter, will not alter any final claim determination, will not prejudice the rights of any claimant or other creditor, and are consistent with the best interests of the liquidation estate, claimants, creditors and the public.

IT IS THEREFORE ORDERED that pursuant to S.C. Code Ann. §§ 38-27-10 *et seq.*, the Fourth Claims Report and Recommendation is APPROVED, with actual distributions to be determined at a later time in accordance with S.C. Code Ann. §§ 38-27-610 & -630 (2015).

IT IS FURTHER ORDERED that pursuant to S.C. Code Ann. §§ 38-27-620 & -630 (2015), the Revisions to the Second Claims Report and the Revisions to Proposal for Payment of Second for Interim Distribution are APPROVED.

IT IS FURTHER ORDERED that if any additional factors hereafter come to the attention of the Liquidator or his Special Deputy that may require modification, the Liquidator shall promptly file an application to modify these claims.

AND IT IS SO ORDERED.

L. Casey Manning
Chief Administrative Judge
Fifth Judicial Circuit

August __, 2021
Columbia, South Carolina



Richland Common Pleas

Case Caption: Raymond G Farmer , plaintiff, et al vs Consumers Choice Health Insurance Company

Case Number: 2016CP4000034

Type: Order/Other

So Ordered

s/L. Casey Manning, 2061

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

Raymond G. Farmer, as Director of the South
Carolina Department of Insurance,

Petitioner,

vs.

Consumers' Choice Health Insurance
Company,

Respondent.

IN THE COURT OF COMMON PLEAS

FOR THE FIFTH JUDICIAL CIRCUIT

C.A. No. 2016-CP-40-00034

**LIQUIDATOR'S FOURTH CLAIMS
REPORT & RECOMMENDATION &
REVISIONS TO SECOND CLAIMS
REPORT & RECOMMENDATION &
REVISIONS TO PROPOSAL FOR
PAYMENT OF INTERIM DISTRIBUTION
& APPLICATION FOR ORDER
APPROVING SAME**

Comes now Petitioner Raymond G. Farmer, as Liquidator of the above-captioned insurance company (Consumers' Choice), by and through the undersigned counsel, files herewith his Fourth Claims Report and Recommendation, applies to the Court for an Order approving the Liquidator's undisputed claims determinations specified herein and, further, authorizing the Liquidator to revise certain recommended amounts reported in the Second Claims Report and Recommendation and the Proposal for Payment of Second Interim Distribution, filed on June 30, 2020 and May 20, 2021, respectively.

This application is made pursuant to the South Carolina Insurers Rehabilitation and Liquidation Act, S.C. Code Ann. §§ 38-27-10 *et seq.*, specifically, S.C. Code Ann. § 38-27-620(a) (2015), wherein the Liquidator is required to review all claims duly filed in the liquidation proceedings, make such further investigation as he deems necessary, and submit a claims report to the Court containing his claim recommendations.

In support of his report, recommendation, proposal and application, the Liquidator would respectfully show the following:

1. Between the entry of the Order of Liquidation on March 28, 2016 and December 31, 2016, the latter being the Claims Bar Date, the Liquidator issued eighty-seven thousand, seven-hundred thirty-six (87,736) Notices of Liquidation and Proof of Claim (POC) forms, with instructions to members, general creditors and other potential claimants and/or creditors of Consumers' Choice.

2. On April 25, 2016, notice of the liquidation was published in the Post & Courier, Greenville News, The State, The Sun and The Island Packet, all being newspapers of general circulation in Charleston, Greenville, Columbia, Myrtle Beach and Beaufort/Bluffton, informing interested parties of the liquidation proceedings and including contact information and instructions for the timely filing of a claim.

3. On or before the Bar Date of December 31, 2016, the Liquidator received five-hundred ninety-nine (599) valid, timely-filed POCs and twenty-three (23) late-filed POCs. An additional forty-nine (49) timely filed POCs were created by the Liquidator for:

- A) Various Providers attributable to certain members claims, whose claims are in excess of the South Carolina Life and Accident and Health Insurance Guaranty Association's \$300,000 limit and
- B) One Member's claim involve ongoing settlement discussions

Total timely filed POC's now amount to six hundred forty- eight (648). Late filed claims amount to twenty- three (23).

4. One-hundred fifty-four (154) claims were approved by this Court by Order entered July 24, 2017.

5. Six (6) claims were resolved by the Special Referee and his findings submitted to the Court, with the Court issuing Orders upholding the Special Referee's determinations on February 12, 2019, June 4, 2019, June 6, 2019, October 15, 2019, and February 11, 2020.

6. Four hundred twenty-five (425) claims were approved by this Court by Order entered on July 2, 2020.

7. Fifteen (15) claims were approved by this Court by Order entered June 17, 2021.

8. An additional thirty-seven (37) claims have now been adjudicated. There are only thirty-four (34) remaining POCs pending adjudication, and all are presently under evaluation. Notice of valuations, once determined, will be forwarded to these 34 remaining claimants via first class mail.

9. Attached hereto as Exhibit A and incorporated herein is a schedule listing the names and addresses associated with thirty-five (35) claims, referenced in paragraph 8 above, holding a priority class 2 claim as defined by S.C. Code Ann. § 38-27-610(2) (2015), the POC number assigned by the Liquidator, the class code and the valuation of the claim proposed by the Liquidator.

10. Attached hereto as Exhibit B and incorporated herein is a schedule listing the names and addresses of the two (2) remaining claimants, referenced in paragraph 8 above, whose class of claims are subordinate to class 2 as defined by S.C. Code Ann. § 38-27-610(2) (2015), the POC number assigned by the Liquidator, the valuation of the claim proposed by the Liquidator and the class code.

11. Pursuant the Orders of the Court entered on July 2, 2020 and June 17, 2021, the Liquidator paid authorized interim distributions to claimants in priority classes 6 and 8; however, Exhibit B to the Second Claims Report and Recommendation, submitted on June 30, 2020,

contained a typographical error with respect to the amounts to be paid to two class 6 claimants. The amounts that should have been listed in that Exhibit B, which is also the amount of the interim distributions that were actually paid to these two claimants, were the amounts that were set forth in the determination letters previously sent to the claimants by the Liquidator pursuant to S.C. Code Ann. § 38-27-580 (2015) and to which neither claimant maintained an objection, making those determinations final pursuant to the same Code section.¹ No claimant was prejudiced as a result of the typographical error.

12. The discrepancies between the two relevant amounts listed in the June 30, 2020 and May 20, 2021 submissions and the amounts actually paid by the Liquidator consistent with his earlier written determination letters were \$.01 and \$90.00, the latter on a claim valued at and paid by the Liquidator in the amount of \$30,010.67.

13. Attached hereto and incorporated by reference as Exhibit C is a Schedule listing the names and addresses of two (2) claimants, the class code as defined by S.C. Code Ann. § 38-27-610(2) (2015), the POC number, the amounts permitted by this Court by Orders entered July 2, 2020 and June 17, 2021, and the Liquidator's revised, or corrected, recommended amounts.

14. Exhibit C attached hereto corrects the typographical errors in the June 30, 2020 and May 20, 2021 filings and resolves the inadvertent conflict between the final determinations issued pursuant to S.C. Code Ann. § 38-27-580 (2015) and the later filings made pursuant to S.C. Code Ann. §§ 38-27-620 & -630 (2015), without prejudice to any claimant. The amounts in Exhibit C are the actual interim distributions to the two affected claimants, which match the amounts in the uncontested and final determination letters of the Liquidator and which constitute his actual

¹ This error carried over into Exhibit B to the Liquidator's May 20, 2021 Proposal for Payment of Second Interim Distribution; however, the actual distributions made were correct, matching the amounts in the uncontested written determinations.

recommendation to the Court.

15. In further support of this submission, attached hereto as Exhibit D and incorporated by reference herein is the affidavit of Michael J. FitzGibbons, Special Deputy Liquidator.

WHEREFORE, the Liquidator prays the Court issue an Order approving this Fourth Claims Report and Recommendation, with the actual distribution on unpaid claims to be determined at the appropriate time in accordance with S.C. Code Ann. §§ 38-27-610 & -630 (2015), specifically, approving his recommendations as set forth in Exhibits A & B and authorizing the revisions to the Second Claims Report and Recommendation and to the Proposal for Payment of Second Interim Distribution as proposed and set forth in Exhibit C, as well as such other relief as the Court deems just and proper.

August 13, 2021

Respectfully submitted,

/s/ Geoffrey R. Bonham
S.C. Bar No. 13058
Associate General Counsel
South Carolina Department of Insurance
P.O. Box 100105
Columbia, South Carolina 29202

Capitol Center
1201 Main Street, Suite 1000
Columbia SC 29201

Telephone: (803) 737-6200
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gbonham@doi.sc.gov

One of the Attorneys for the Liquidator

**Consumers' Choice Health Insurance Company in Liquidation
Fourth Claims Report
Exhibit A**

POC No.	Claimant Name	Address 1	Address 2	City	State	Zip	Class Code	Liquidator's Recommended Amount
3651600124	H.R.S.	2395 Colonial Drive		Columbia	SC	29203	2	285.99
3651600123	F.H. PC	PO Box 26809		Greenville	SC	29616	2	207.12
3651600122	M.U.H.A.	169 Ashley Ave Msc 332		Charleston	SC	29425	2	93,156.43
3651600120	IOD Inc.	PO Box 19072		Green Bay	WI	54307-9072	2	30.8
3651600119	U.M.A. of the M.U. of S.C. dba M.P.	171 Ashely Ave		Charleston	SC	29425	2	69.04
3651600116	P.R.	1519 Marion Street		Columbia	SC	29201	2	293.64
3651600115	P.R.	5 Richland Medical Park Dr.		Columbia	SC	29203	2	40,177.77
3651600114	P.H.H.C.	PO Box 7275		Columbia	SC	29202	2	1,481.35
3651600113	P.H.	5 Richland Medical Park Dr.		Columbia	SC	29203	2	2,977.48
3651600112	AHP A. of C.	127 Corporate Lane		Columbia	SC	29223	2	167.59
3651600111	C.A.A. PA	5 Medical Park Dr.		Columbia	SC	29203	2	1,801.00
3651600110	C.P.N. Inc	2711 Randolph Road, Uite 207		Charlotte	NC	28207	2	896.02
3651600109	C.H.C. PA	8 Medical Park Dr. Ste. 200		Columbia	SC	29203	2	213.16
3651600108	S.M. Corp.	1094 Ribaut Rd		Beaufort	SC	29902	2	115,500.00
3651600106	J.M.S.B.C., Inc.	9330 Medical Plaza Dr. FL 1		Charleston	SC	29406	2	1,345.88
3651600105	S.M.I. Svd LLC	809 82nd Parkway		Myrtle Beach	SC	29572	2	301.27
3651600104	H.C. A B. of P.	140 Professional Park Dr.		Conway	SC	29526	2	415.97
3651600103	G. S.S. A. LLC	920 Doug White Drive, Suite 210		Myrtle Beach	SC	29572	2	1,590.21
3651600101	D.P.P.	809 82nd Parkway		Myrtle Beach	SC	29573	2	339.10
3651600100	C.R.A. LLC	300 Singleton Ridge Road		Conway	SC	29526	2	51.75
3651600099	ACS P.C.P. SE PC	800 W Meeting Street		Lancaster	SC	29720	2	350.11
3651600035	C.I.B.H.	c/o Paul Jennings	150 Third Ave. South, Ste. 2800	Nashville	TN	37201	2	183.58
3651600034	C.I.-B.H.	c/o Paul Jennings	150 Third Ave. South, Ste. 2800	Nashville	TN	37201	2	183.58
3651600031	T.F.H.	c/o Paul Jennings	150 Third Ave. South, Ste. 2800	Nashville	TN	37201	2	160.30
3651600027	C.I.-B.H.	c/o Paul Jennings	150 Third Ave. South, Ste. 2800	Nashville	TN	37201	2	274.27
3651600026	T.F.H.	c/o Paul Jennings	150 Third Ave. South, Ste. 2800	Nashville	TN	37201	2	84.90
3651600020	C.F.M.	c/o Paul Jennings	150 Third Ave. South, Ste. 2800	Nashville	TN	37201	2	108.23
3651600019	G.S.H. & V.S.	c/o Paul Jennings	150 Third Ave. South, Ste. 2800	Nashville	TN	37201	2	38.93
3651600017	G.S.S.A. dba S.R.S.	c/o Paul Jennings	150 Third Ave. South, Ste. 2800	Nashville	TN	37201	2	-
3651600016	G.S.S.A. dba S.R.S.	c/o Paul Jennings	150 Third Ave. South, Ste. 2800	Nashville	TN	37201	2	204.07
3651600015	G.S.S.A. dba S.R.S.	c/o Paul Jennings	150 Third Ave. South, Ste. 2800	Nashville	TN	37201	2	-
3651600014	G.S.S.A. dba S.R.S.	c/o Paul Jennings	150 Third Ave. South, Ste. 2800	Nashville	TN	37201	2	-
3651600013	G.S.S.A. dba S.R.S.	c/o Paul Jennings	150 Third Ave. South, Ste. 2800	Nashville	TN	37201	2	430.52
3651600012	G.S.S.A. dba S.R.S.	c/o Paul Jennings	150 Third Ave. South, Ste. 2800	Nashville	TN	37201	2	430.52
3651600005	G.S.M.C.	c/o Paul Jennings	150 Third Ave. South, Ste. 2800	Nashville	TN	37201	2	581,507.24
Total								845,257.8

**Consumers' Choice Health Insurance Company in Liquidation
Fourth Claims Report
Exhibit B**

[illegible]

Consumers' Choice Health Insurance Company in Liquidation
Revisions to Third Claims Report
Exhibit C

POC No.	Claimant Name	Address 1	Address 2	City	State	Zip	Class Code	Court Allowed Amount per Second Claims Report	Liquidator's Revised Recommended Amount
1581600004	H.M.	c/o Taylor Silver	P.O. Box 528	Andrews	SC	29510	6	30,101.67	30,010.67
1401600010	G.M.	216 Redwood Drive		Easley	SC	29642	6	439.10	439.11

Exhibit D**STATE OF SOUTH CAROLINA****COUNTY OF RICHLAND**Raymond G. Farmer, as Director of the South
Carolina Department of Insurance,

Petitioner,

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Company,

Respondent.

**IN THE COURT OF COMMON PLEAS
FOR THE FIFTH JUDICIAL CIRCUIT**

C.A. No. 2016-CP-40-00034

**AFFIDAVIT OF MICHAEL J.
FITZGIBBONS IN SUPPORT OF
LIQUIDATOR'S FOURTH CLAIMS
REPORT & RECOMMENDATION &
REVISIONS TO SECOND CLAIMS
REPORT & RECOMMENDATION &
REVISIONS TO PROPOSAL FOR
PAYMENT OF SECOND INTERIM
DISTRIBUTION & APPLICATION FOR
ORDER APPROVING SAME**

Michael J. FitzGibbons, being first duly sworn, deposes and says as follows:

1. I am the Special Deputy Liquidator of Consumers' Choice Health Insurance Company. ("Consumers' Choice"). I was appointed to my position by the Liquidator, Raymond G. Farmer, Director of the South Carolina Department of Insurance.

2. I am over 21 years of age and suffer no legal disability.

3. By virtue of my appointment as Special Deputy Liquidator, I have been actively and personally involved in the liquidation of Consumers' Choice at all times since it was placed into liquidation, including the matters addressed in this Affidavit. My responsibilities as the Special Deputy Liquidator include supervision and oversight of and direct involvement in the liquidation process. I am familiar with the claims process and with the claims that have been filed. Therefore, I have personal knowledge of the matters addressed in this Affidavit.

4. The claims process has included the following components, all of which have been followed:

- a. Notice of Consumers' Choice's liquidation was given in accordance with S.C. Code Ann. § 38-27-410(a) (2015).

- b. In accordance with S.C. Code Ann. § 38-27-410(b) (2015), the notice specified that the last date to file a timely Proof of Claim (POC) with the Liquidator was December 31, 2016. Timely proofs of claim had to be postmarked no later than 5:00 P.M. Eastern Time, on such date.
- c. The Liquidator's POC forms are in compliance with S.C. Code Ann. § 38-27-550(a) (2015) and provided notice thereof in accordance with S.C. Code Ann. § 38-27-410(b) (2015).
- d. As the Special Deputy Liquidator, I have considered each of the thirty-seven (37) POCs subject to this Claims Report, in accordance with the requirements of Liquidation Act.
- e. I am administering the POC process. I continued the employment of certain of the Company's claim professionals in addition to continuing the engagement of the Company's third-party administrator to assist me in the adjudication of claims under policies for benefits incurred. I have charged these professionals retained with the responsibility to make recommendations to the Liquidator as to the validity, valuation, and priority of each POC. I then, as Special Deputy Liquidator on behalf of the Liquidator, approve or deny recommendations in whole or in part and submit the same to this Court for approval.
- f. Each and every POC subject to this Claims Report contains the necessary claim file documentation for the Liquidator's recommendation thereon.
- g. To the extent this Claims Report includes claims that were denied in whole or in part, notice of such denial complying with S.C. Code Ann. § 38-27-580(a) (2015) was provided to the affected claimants and either no timely objection was made by

the affected claimant, or the objection was resolved by mutual agreement.

- h. Between March 28, 2016, and December 31, 2016, I caused to be issued eighty-seven thousand, seven-hundred thirty-six (87,736) Notices of Liquidation and POC forms, with instructions to policyholders (members), general creditors, and/or other potential claimants and creditors of Consumers' Choice.
- i. On April 25, 2016, I caused to be published Notice of the liquidation in the Post & Courier, Greenville News, The State, The Sun and The Island Packet, all of which are newspapers of general circulation in Charleston, Greenville, Columbia, Myrtle Beach and Beaufort/Bluffton, informing interested parties of the liquidation proceedings and including contact information and instructions for the timely filing of a claim.

5. I am submitting this Affidavit in support of Liquidator's Fourth Claims Report & Recommendation & Revisions to Second Claims Report & Recommendation & Revisions to Proposal for Payment of Second Interim Distribution & Application for Order Approving Same ("Report, Recommendation, Proposal and Application").

6. On or before the Bar Date of December 31, 2016, I received six-hundred forty-eight (648) timely filed POCs and I received twenty-three (23) late-filed POCs.

7. As the Special Deputy Liquidator, I have now considered and valued each of the thirty-seven (37) POCs listed in Exhibits A and B to this Claims Report and two (2) claims listed in Exhibit C previously approved by this Court by Order entered July 2, 2020, now with corrected recommended amounts, in accordance with the requirements of the South Carolina Insurers Rehabilitation and Liquidation Act, S.C. Code Ann. §§ 38-27-10 *et seq.* Thirty-four (34) POCs are still under review.

8. Attached to the instant Report, Recommendation, Proposal and Application and incorporated by reference as Exhibit A is a listing of the names and addresses associated with thirty-five (35) claims with priority class 2 POCs as defined in S.C. Code Ann. § 38-27-610(2) (2015), the number assigned to each of these POCs, the class code and the agreed valuation of each of these claims now proposed as the Liquidator's recommendation pursuant to S.C. Code Ann. § 38-27-620 (2015).

9. Attached to the instant Report, Recommendation, Proposal and Application and incorporated by reference as Exhibit B is a listing of the names and addresses of two (2) POCs with a priority class subordinate to class 2 as defined in S.C. Code Ann. § 38-27-610(2) (2015), the number assigned to each of these POCs, the class code and the agreed valuation now proposed as the Liquidator's recommendation pursuant to S.C. Code Ann. § 38-27-620 (2015).

10. Pursuant the Orders of the Court entered on July 2, 2020 and June 17, 2021, I paid interim distributions to claimants in priority classes 6 and 8; however, Exhibit B to the Second Claims Report and Recommendation, submitted on June 30, 2020 pursuant to S.C. Code Ann. § 38-27-620 (2015), contained a typographical error with respect to the amounts to be paid to two class 6 claimants. The amounts that should have been listed in that Exhibit B, which is also the amount of the interim distributions that were actually paid to these two claimants, were the amounts that were set forth in the determination letters previously sent to the claimants by the Liquidator pursuant to S.C. Code Ann. § 38-27-580 (2015) and to which neither claimant maintained an objection, making those determinations final pursuant to the same Code section.¹ No claimant was prejudiced as a result of the typographical error.

¹ This error carried over into Exhibit B to the Liquidator's May 20, 2021 Proposal for Interim Distribution submitted pursuant to S.C. Code Ann. § 38-27-630 (2015); however, the actual distributions made were correct, matching the amounts in the uncontested written determinations.

11. The discrepancies between the two relevant amounts listed in the June 30, 2020 and May 20, 2021 submissions and the amounts actually paid by the Liquidator consistent with his earlier written determination letters were \$.01 and \$90.00, the latter on a claim valued at and paid by the Liquidator in the amount of \$30,010.67.

12. Attached to the instant Report, Recommendation, Proposal and Application and incorporated by reference as Exhibit C is a Schedule listing the names and addresses of two (2) claimants, the class code as defined by S.C. Code Ann. § 38-27-610(2) (2015), the POC number, the amounts permitted by this Court by Orders entered July 2, 2020 and June 17, 2021, and the Liquidator's revised, or corrected, recommended amounts.

13. Exhibit C to the instant Report, Recommendation, Proposal and Application corrects the typographical errors identified in Exhibit B to the previous June 30, 2020 and May 20, 2021 filings and resolves the inadvertent conflict between the determinations issued pursuant to S.C. Code Ann. § 38-27-580 (2015) and the later filings made pursuant to S.C. Code Ann. §§ 38-27-620 & -630 (2015), without prejudice the rights of any claimant. The amounts in Exhibit C are the actual interim distributions to the two affected claimants, which match the amounts in the uncontested determination letters of the Liquidator and which constitute his actual recommendation to the Court.

14. Actual distributions for unpaid claims will be determined and made at the appropriate time in accordance with S.C. Code Ann. §§ 38-27-610 & -630 (2015).

15. To the best of my knowledge and belief, the claims subject to this Report and Application are not subject to modification. If any additional factors hereafter come to my attention which may require any modification, such as third-party payments or releases of any such

claims, I will immediately notify the Liquidator, and he and/or I will promptly bring those matters to the attention of this Court.

FURTHER AFFIANT SAYETH NOT.



Michael J. FitzGibbons
Special Deputy Liquidator

SWORN to before me this 12th day of August 2021.



Notary Public for the State of Arizona
My commission expires 9/15/2022



SARAH E. ALEXANDER
Notary Public - Arizona
Maricopa Co. / #551135
Expires 09/15/2022