

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
RECOMMENDATION TO BAR LATE
CLAIMS**

This matter comes before the Court pursuant to the Liquidator's Recommendation to Bar Late Claims and Application for an Order approving same. It appearing that this recommendation is in the interests of all claimants and other creditors in this matter, the Application is hereby approved.

IT IS THEREFORE ORDERED that to prevent prejudice to the proceedings or the waste of assets and to ensure the orderly administration and timely closing of this liquidation estate, any Proof of Claim received after the date of the execution of this Order shall be deemed denied and forever barred.

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

AND IT IS SO ORDERED.

Jocelyn Newman
Chief Administrative Judge
Fifth Judicial Circuit

February __, 2022
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

IT IS SO ORDERED.

Jocelyn Newman, Chief Judge for Administrative Purposes, Court of Common Pleas, 5th Judicial Circuit

STATE OF SOUTH CAROLINA
COUNTY OF RICHLAND

IN THE COURT OF COMMON PLEAS
FOR THE FIFTH JUDICIAL CIRCUIT

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

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

Petitioner,

**LIQUIDATOR'S RECOMMENDATION
TO BAR LATE CLAIMS AND
APPLICATION FOR ORDER
APPROVING SAME**

vs.

Consumers' Choice Health Insurance
Company,

Respondent.

Comes now Petitioner Raymond G. Farmer, as Liquidator of the above-captioned insurance company (Consumers' Choice), by and through the undersigned counsel, and files herewith his Recommendation to Bar Late Claims, and applies to this Court for an Order Approving the Liquidator's Recommendation to Bar Late Claims. In support of his Recommendation 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 Claims Bar Date, the Liquidator mailed eighty-seven thousand, seven-hundred thirty-six (87,736) Notices of Liquidation and Proof of Claim (POC) forms, with instructions to its creditors, including members, providers and general creditors and other potential claimants 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. In order to finalize this claim process, the Liquidator arranged for those creditors that failed to file a POC to be contacted and urged to make a filing. This process is now concluded.

4. On or before the Bar Date of December 31, 2016, the Liquidator received five hundred ninety-nine (599) valid, timely-filed POCs and fifty-six (56) late-filed POCs. An additional twenty-two (22) timely-filed POCs were created by the Liquidator for various providers attributable to certain members' claims, whose claims were in excess of the \$300,000 statutory limit on coverage of the South Carolina Life and Accident and Health Insurance Guaranty Association (SCLAHIGA).¹

5. Total timely-filed POC's now amount to six hundred twenty-one (621). Late filed claims amount to fifty-six (56).

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

7. Six (6) claims were resolved by the Special Referee and his findings submitted to the Court, on February 12, 2019, June 4, 2019, June 6, 2019, October 15, 2019, and February 11, 2020.

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

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

10. An additional thirty-seven (37) claims were approved by this Court by Order entered August 17, 2021.

¹ The Liquidator previously created fifty-three (53) POCs but have since withdrawn thirty-one (31) of these fifty-three (53) claims due to the SCLAHIGA's settlement with a Plan member and various providers to that member.

11. The remaining forty (40) claims are pending adjudication, and all are presently under evaluation. Notice of valuations, once determined, will be forwarded to these 40 claimants via first class mail.

12. It is the Liquidator's intention to close the Consumers' Choice liquidation proceedings in the second quarter of 2022.

13. The Liquidator at this time proposes and recommends to this Court that in order to prevent prejudice to the proceedings or the waste of assets and to ensure the orderly administration and timely closing of this liquidation, any POC filed on or after the date of the Order approving this Application be deemed denied and be forever barred.

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

WHEREFORE, the Liquidator prays the Court for an Order approving his Recommendation to Bar Late Claims, as well as such other relief as the Court deems just and proper.

February 14, 2022

Respectfully submitted,

/s/ Geoffrey R. Bonham
S.C. Bar No. 13058
Associate General Counsel
South Carolina Department of Insurance
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One of the Attorneys for the Liquidator

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

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

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AFFIDAVIT OF MICHAEL J. FITZGIBBONS IN SUPPORT OF LIQUIDATOR'S RECOMMENDATION TO BAR LATE CLAIMS AND 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. I submit this Affidavit in support of Liquidator's Recommendation to Bar Late Claims and Application for Order Approving Same (the "Application").

5. The claims process has included the following:

a. Notice of Consumers' Choice's liquidation was given in accordance with S.C. Code

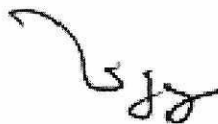
- Ann. § 38-27-410(a) (2015).
- b. In accordance with S.C. Code Ann. § 38-27-410(b) (2015), the notice specified that the last date to file a timely Proof of Claim (“POC”) with the Liquidator was at 5:00 pm EST on December 31, 2016.
 - c. The Liquidator’s POC forms are in compliance with S.C. Code Ann. § 38-27-550(a) (2015) and provided notice thereof in accordance with S.C. Code Ann. § 38-27-410(b) (2015).
 - d. 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), providers, general creditors, and/or other potential claimants or creditors of Consumers’ Choice.
 - e. 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, in an effort of informing all interested parties of the liquidation proceedings and including contact information and instructions for the timely filing of a POC.
 - f. In order to finalize this claim process, I had my staff contact those creditors that failed to file a POC, urging each to make a filing. This process is now concluded.
 - g. On or before the Bar Date of December 31, 2016, I received five-hundred ninety-nine (599) valid, timely-filed POCs.
 - h. I created an additional fifty-three (53) POCs for various providers attributable to certain members’ claims, whose claims were in excess of the \$300,000 statutory

limit on coverage of the South Carolina Life and Accident and Health Insurance Guaranty Association (“SCLAHIGA”), but have since withdrawn thirty-one (31) of these fifty-three (53) claims due to SCLAHIGA’s settlement with a Plan member and various providers to that member.

- i. Since the bar date, I have received fifty-six (56) POCs determined to be late-filed.
- j. Total timely-filed POC’s now amount to six hundred twenty-one (621). Late filed claims amount to fifty-six (56).

6. I recommend that in order to prevent prejudice to the proceedings or the waste of assets and to ensure the orderly administration and closing of this liquidation, that any POC filed after the execution date of the Order approving the Application be deemed denied and forever barred.

FURTHER AFFIANT SAYETH NOT.



Michael J. FitzGibbons
Special Deputy Liquidator

SWORN to before me this 14th day of February 2022.

Sarah E. Alexander
Notary Public for the State of Arizona
My commission expires 09/15/2022



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