

# Liquidation FAQs

## Oregon's Health CO-OP (OHC)

### What does liquidation mean?

An insurance company is ordered into liquidation when it no longer has the necessary cash and assets to meet its financial obligations. A state liquidation proceeding for insurance companies is similar in many ways to a federal bankruptcy proceeding for other types of companies. When a company is liquidated, the liquidator collects the remaining assets of the company, verifies the amount that the company owes and works through the court to pay the unpaid liabilities pursuant to a statutory priority scheme.

### What is the difference between Rehabilitation and Liquidation?

#### Brief Comparison of Rehabilitation to Liquidation

Rehabilitation	Liquidation
Special Deputy Receiver in charge.	Special Deputy Receiver in charge.
Financial activity through company.	Financial activity through Receiver's office.
Receiver takes possession of all company assets, including records.	Receiver takes possession of all company assets, including records.
Receiver investigates and collects all company assets.	Receiver investigates, collects and converts all company assets into cash.
Company pays claims.	A deadline for filing claims is established by court order. Claims are processed by the Receiver.
Payments based on court order.	Payments based on statutory priority scheme. A claims distribution is determined by the amount of available assets, if any, of the receivership estate. Claims are paid by class in order of the priorities set out in Section 734.360, Oregon Statute. Beginning with Class 1, all approved claims in a class must be paid in full before any payment is made to the next class. If there are insufficient funds to pay a class in full, all approved claims in that class are paid in equal pro rata shares.
Litigation against the company is stayed by court order.	Litigation against the company is permanently stayed by court order.
The Receiver returns the company to a sound financial condition and ends the rehabilitation or, when it is not possible to return the company to the marketplace, the Receiver converts the receivership to a liquidation proceeding and concludes the rehabilitation phase.	The Receiver will evaluate all claims filed in the receivership proceeding, issue checks, prepare a final accounting, and obtain a court order discharging it from further responsibilities and closing the receivership/liquidation proceeding.

## **Will provider and member claims continue to be paid?**

At the time of liquidation, provider claims payments will stop until after all proof of claims have been reviewed and all assets collected. Any payments will proceed upon the order of Circuit Court for the County of Marion.

Provider and member claims processed without payment will still result in the mailing of an Explanation of Benefits (EOB) to the member and Explanation of Payments (EOP) to providers. This will enable the provider to bill members for applicable co-payments, deductible amounts, co-insurance amounts and other member liability, if applicable.

**Please note that paragraph 7 of the court's order dated July 11, 2016, prohibits providers from billing members for payments that OHC is not able to pay due to being in receivership.** Should a provider attempt to bill a member for any amount owed by OHC or balance bill, it is a violation of the court order, and providers will be referred to the Oregon Department of Justice for follow-up.

## **How do I file a claim against the estate of OHC?**

To file a claim against the estate of OHC, you must complete a proof of claim form and file it with the Receiver by the claim filing deadline. The court ordered claim filing deadline is September 30, 2017.

In order for a claim against the estate of OHC to be considered timely-filed, completed proof of claim forms and completed W9 forms must be submitted and postmarked by Saturday, September 30, 2017.

## **What is a Proof of Claim?**

A Proof of Claim is a form used by the creditor to indicate the amount of the debt owed by the debtor (OHC) on the effective date of the liquidation.

## **What is the process for submitting a Proof of Claim form?**

The Receiver will mail proof of claim forms to all potential creditors in the very near future. When you receive the proof of claim form, follow the instructions that were sent with the form. We will also post additional FAQs relating to completion of the Proof of Claim form.

## **Can I file a proof of claim form in the OHC estate after the filing deadline? Will it be considered late-filed?**

Yes, you may file a proof of claim. However, any proof of claim form postmarked after September 30, 2017 will be processed as late-filed.

## **How do I obtain a proof of claim form?**

If you would like a proof of claim form, please contact the Receiver by emailing [customersupport@ohcoop.org](mailto:customersupport@ohcoop.org)

## **Do I need to notify OHC if my address changes?**

Yes. Please notify OHC of any address changes if you move during the Liquidation process. The Contact Information Change form is available at <http://www.ohcoop.org/forms/>

## **What is the timeframe for closing OHC?**

All Proof of Claim forms must be submitted by September 30, 2017. The length of the liquidation process is undetermined at this time.