

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In Re: Senior Health Insurance : No. 1 SHP 2020
Company of Pennsylvania in :
Rehabilitation :

ORDER

AND NOW, this ____ day of June, 2021, the Court ORDERS as follows:

1. The deadline for Post-hearing memoranda, with proposed findings of fact, conclusions of law, and a recommendation to approve, disapprove or modify the Second Amended Rehabilitation Plan, is hereby CONTINUED with respect to Section VI.N of the Second Amended Plan until such time as the Court shall order.
2. The deadline for responsive memoranda is hereby CONTINUED with respect to Section VI.N of the Second Amended Plan until such time as the Court shall order.
3. The deadlines set in this Court's May 24, 2021, Scheduling Order shall otherwise remain in place, and all parties shall submit Post-hearing memoranda and responsive memoranda on all other matters on the dates set forth in that Scheduling Order.

MARY HANNAH LEAVITT, President Judge Emerita

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In Re: Senior Health Insurance : No. 1 SHP 2020
Company of Pennsylvania in :
Rehabilitation :

JOINT APPLICATION FOR RELIEF FROM SCHEDULING ORDER

Jessica K. Altman, Insurance Commissioner of the Commonwealth of Pennsylvania, in her capacity as the Statutory Rehabilitator (“Rehabilitator”) of Senior Health Insurance Company of Pennsylvania (“SHIP”), and Intervenor ACSIA Long Term Care, Inc.; Global Commission Funding LLC; LifeCare Health Insurance Plans, Inc.; Senior Commission Funding LLC; Senior Health Care Insurance Services, Ltd., LLP; and United Insurance Group Agency, Inc. (together, “Intervening Agents and Brokers”), hereby submit this Joint Application for Relief from Scheduling Order dated May 24, 2021, to continue the deadlines to address Section VI.N of the Second Amended Plan of Rehabilitation in Post-hearing memoranda or responsive Post-hearing memoranda. In support of that request, the Rehabilitator and the Intervening Agents and Brokers state as follows:

1. The Rehabilitator is seeking approval of the Second Amended Plan proposed by her for the rehabilitation of SHIP.
2. Section VI.N of the Second Amended Plan addresses the treatment of agent commissions.

3. The Intervening Agents and Brokers have objected to Section VI.N of the Second Amended Plan to the extent it purports to suspend the rights of the Intervening Agents and Brokers to receive certain commissions.

4. The Intervening Agents and Brokers do not otherwise oppose the Second Amended Plan of Rehabilitation, and no other parties intervened to address the issue of agent commissions.

5. The objections of the Intervening Agents and Brokers are unique to them and have no impact on any other objection or issue raised by another party in these proceedings as a reason to disapprove of or modify the Second Amended Plan.

6. The Court conducted a hearing on the Second Amended Plan on May 17, 2021, through May 21, 2021.

7. The Intervening Agents and Brokers participated in that hearing by brief argumentation, the presentation of evidence and cross-examination.

8. At the conclusion of the hearing, the Court encouraged all of the parties to engage in settlement discussions where possible.

9. Following the hearing, the counsel for the Rehabilitator and counsel for the Intervening Agents and Brokers opened such a dialogue in an effort to reach terms amenable to both parties for a negotiated settlement.

10. On May 24, 2021, while those discussions were ongoing, this Court entered a scheduling order directing all parties to file Post-hearing memoranda on or before June 14, 2021, and to file responsive memoranda on or before June 28, 2021 (“May 24 Scheduling Order”).

11. Following entry of the May 24 Scheduling Order, the Rehabilitator and the Intervening Agents and Brokers reached an agreement in principle to resolve the objections of the Intervening Agents and Brokers.

12. That agreement in principle was reached subject to agreeing to and executing a written settlement agreement and obtaining this Court’s approval to the extent necessary. The Rehabilitator and the Intervening Agents and Brokers expect that they can execute such an agreement and are hopeful that the Court will approve that agreement to the extent necessary.

13. The Rehabilitator and the Intervening Agents and Brokers have begun preparing that written agreement, but they will be unable to negotiate, complete, and execute that writing prior to June 14, 2021, the deadline for filing opening Post-hearing memoranda.

14. As a result, the Rehabilitator and the Intervening Agents and Brokers will be unable to obtain this Court’s approval over any settlement prior to June 14, 2021.

15. For these reasons, the Rehabilitator and the Intervening Agents and Brokers respectfully ask that the Court continue deadlines by which the parties must address Section VI.N of the Plan in Post-hearing Memoranda until the Court rules on the parties' forthcoming request for approval of the settlement, or, in the event the parties are unable to come to a final agreement, when the parties so inform the Court.

16. Counsel for the Rehabilitator and counsel for the Intervening Agents and Brokers have conferred with counsel for the Intervening Health Insurers, the only other parties to address this issue before or during the hearing, and the Intervening Health Insurers consent to the requested continuance.

WHEREFORE, the Rehabilitator and the Intervening Agents and Brokers jointly request that this Court continue the deadlines for any Post-hearing memoranda on the subject of Section VI.N of the Second Amended Plan, with the deadlines for Post-hearing memoranda remaining in place for all other issues.

[SIGNATURE PAGE TO FOLLOW]

Dated: June 11, 2021

Respectfully submitted,

For the Rehabilitator
/s/ Michael J. Broadbent
Dexter R. Hamilton
Michael J. Broadbent
Haryle Kaldis
COZEN O'CONNOR
One Liberty Place
1650 Market Street
Suite 2800
Philadelphia, PA 19103
(215) 665-2000

Leslie M. Greenspan
TUCKER LAW GROUP
Ten Penn Center
1801 Market Street, Suite 2500
Philadelphia, PA 19103

For the Intervening Agents & Brokers
/s/ Scott B. Galla
Scott B. Galla
Joseph M. Donley

CLARK HILL PLC
Two Commerce Square
2001 Market Street
Suite 2620
Philadelphia, PA 19103
(215) 850-8746

CERTIFICATE OF SERVICE

I, Michael J. Broadbent, hereby certify that on June 11, 2021, I caused to be served the foregoing Joint Application for Relief from Scheduling Order through the Court's PACFile system and on all parties listed on the Master Service List. In addition, I hereby certify that an electronic copy of the foregoing document will be posted on SHIP's website at <https://www.shipltc.com/court-documents>.

/s/ Michael J. Broadbent