

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF SOUTH CAROLINA  
COLUMBIA DIVISION**

RAYMOND G. FARMER, *as Director of the  
South Carolina Department of Insurance*, and  
THE SOUTH CAROLINA DEPARTMENT  
OF INSURANCE,

Plaintiffs,

v.

JESSICA K. ALTMAN, *as Rehabilitator of  
Senior Health Insurance Company of  
Pennsylvania*, PATRICK H. CANTILO, *as  
Special Deputy Rehabilitator of Senior Health  
Insurance Company of Pennsylvania*, and  
SENIOR HEALTH INSURANCE  
COMPANY OF PENNSYLVANIA,

Defendants.

Case No. 3:21-cv-00097-MGL

**JOINT REPORT OF PARTIES ON RESULTS OF MAY 17, 2021 HEARING ON  
THE SECOND AMENDED REHABILITATION PLAN**

Pursuant to the June 9, 2021 Order of the Court, Plaintiffs Raymond G. Farmer and the South Carolina Department of Insurance and Defendants Senior Health Insurance Company of Pennsylvania in Rehabilitation, Jessica K. Altman, and Patrick H. Cantilo, by and through the undersigned counsel, hereby submit their joint report as to the results of the hearing on the Second Amended Rehabilitation Plan commenced in the Commonwealth Court of Pennsylvania on May 17, 2021.

1. On May 3, 2021, the Rehabilitator filed a Second Amended Rehabilitation Plan in the rehabilitation proceedings involving Senior Health Insurance Company of Pennsylvania.
2. On Monday, May 17, 2021 through Friday, May 21, 2021, the Commonwealth Court of Pennsylvania conducted a hearing on that Plan.

3. At the conclusion of the hearing, the Rehabilitator made an oral motion “for judgment in the nature of a directed verdict on the issue of the [R]ehabilitator’s right to effect policy modifications otherwise known as the “issue state rate approval option“ and “the opt-out offer thereunder.” (Transcript of Hearing pp. 981 & 991.)

4. The Commonwealth Court verbally granted the motion without elaborating on its reasoning, and instructed counsel for the intervenor State Insurance Regulators that “[y]ou may make your case in your post-hearing filing on why the Court should reconsider that motion grant.” (Transcript of Hearing pp. 995-996.)

5. On June 1, 2021, the intervenor State Insurance Regulators filed with the Commonwealth Court an Application to Reconsider Order Granting Rehabilitator’s Oral Motion Regarding Issue State Rate Approval Option.

6. The Rehabilitator is filing today a response in opposition to that Application to Reconsider Order Granting Rehabilitator’s Oral Motion Regarding Issue State Rate Approval Option.

7. As of this date, the Commonwealth Court has not ruled on the intervenor State Insurance Regulators’ June 1 Application.

8. As of this date, the Commonwealth Court has not issued a verbal or written decision regarding the approval or disapproval of the Second Amended Rehabilitation Plan.

9. The participants in the Pennsylvania proceedings are preparing post-hearing briefs at the request of the Court, and that briefing is scheduled to conclude on June 28, 2021.

10. Although the parties maintain their respective positions as set forth in their prior written submissions to this Court, until the Commonwealth Court issues a written order, the parties agree that is difficult to gauge what effect the May 17-21, 2021 proceedings may have on the instant dispute.

Respectfully submitted,

COZEN O'CONNOR <u>s/ Tracy L. Eggleston</u> Fed ID # 689 One Wells Fargo Center 301 South College St., Suite 2100 Charlotte, NC 28202 <a href="mailto:teggleston@cozen.com">teggleston@cozen.com</a> (704) 376-3400  <i>Attorney for Defendants Jessica K. Altman,  Insurance Commissioner of the  Commonwealth of Pennsylvania, as Statutory  Rehabilitator for Senior Health Insurance  Company of Pennsylvania, Patrick H.  Cantilo, as Special Deputy Rehabilitator of  Senior Health Insurance Company of  Pennsylvania, and Senior Health Insurance  Company of Pennsylvania</i>	<u>s/ Geoffrey R. Bonham</u> Associate General Counsel Fed ID # 5279  S.C. Department of Insurance P.O. Box 100105 Columbia, SC 29202-3105  Email: <a href="mailto:gbonham@doi.sc.gov">gbonham@doi.sc.gov</a> Telephone: 803-737-6200 Fax: 803-737-6229  <i>Attorney for Plaintiffs</i>
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