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State of California, in his capacity as the
Liquidator of SeeChange Health Insurance
Company*

No Fee Pursuant to Gov't Code, § 6103

FILED *u*
Superior Court of California
County of Los Angeles

MAR 24 2017

Sherri R. Carter, Executive Officer/Clerk
By Isabel Arellanes, Deputy
Isabel Arellanes

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CENTRAL CIVIL WEST COURTHOUSE**

INSURANCE COMMISSIONER OF THE
STATE OF CALIFORNIA,

Applicant,

v.

SEECHANGE HEALTH INSURANCE
COMPANY,

Respondent.

Case No. BS152302
Assigned to Hon. Maren Nelson

**INSURANCE COMMISSIONER'S
THIRD STATUS REPORT ON THE
LIQUIDATION OF SEECHANGE
HEALTH INSURANCE COMPANY AND
REQUEST FOR APPROVAL OF
LIQUIDATION COSTS; DECLARATION
OF JOSEPH HOLLOWAY**

Status Conference
Date: April 28, 2017
Time 9:00 a.m.
Place: Central Civil West Courthouse
Department 307
600 South Commonwealth Avenue
Los Angeles, California 90005

Action Filed: November 18, 2014

FILED

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00242017

1 TO HON. MAREN NELSON, SEECCHANGE HEALTH INSURANCE COMPANY, AND
2 ALL OTHER INTERESTED PARTIES:

3 The Insurance Commissioner of the State of California (the “Commissioner” or
4 “Liquidator”), in his capacity as the liquidator of SeeChange Health Insurance Company
5 (“SeeChange”), hereby submits the following status report setting forth, for the Court and all
6 interested parties: (i) an overview of the liquidation process, (ii) the Liquidator’s actions taken to
7 marshal assets of the estate, and (iii) anticipated steps toward completing the orderly and
8 efficient liquidation of SeeChange.

9 **OVERVIEW OF THE LIQUIDATION PROCESS**

10 **I. THE CONSERVATION ORDER AND THE LIQUIDATION ORDER**

11 SeeChange was a California domestic insurance company licensed to transact life,
12 accident, and health insurance. Its primary business was to provide value-based commercial
13 group and individual health coverage. SeeChange is wholly owned by SeeChange Health
14 Management Company, Inc., a Delaware corporation.

15 SeeChange was not profitable. It reported losses in 2012 and 2013, of \$19,345,256 and
16 \$37,766,179, respectively. On or about November 12, 2014, SeeChange filed its Quarterly
17 Statement with the Commissioner stating that, as of September 30, 2014, it had admitted assets
18 of \$23,357,058 and liabilities of \$22,149,297, with a reported paid-in capital and surplus of
19 \$1,207,761, which meant that SeeChange was “impaired” under the Insurance Code.¹ Based in
20 part on SeeChange’s impaired condition, on November 18, 2014, the Commissioner initiated this
21 case by filing a petition and application for appointment of a conservator. On November 19,
22 2014, the Court entered the *Stipulated Order Appointing Conservator and Restraining Order*,
23 which appointed the Commissioner as conservator of SeeChange.

24
25 _____
26 ¹ Insurance Code section 988 defines “impaired” as a “financial situation in which the
27 assets of an insurer are less than the sum of the insurer’s minimum required capital, minimum
28 required surplus and all liabilities as determined in accordance with the requirements for the
preparation and filing of the annual statement of an insurer.”

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1 On December 31, 2014, the Commissioner, acting as SeeChange's conservator, filed his
2 *Notice of Application and Application for Liquidation Order and Supplemental Injunctive Relief*,
3 which attached evidence of SeeChange's insolvency. On January 28, 2015, the Court granted
4 the application and entered the *Liquidation Order*. The *Liquidation Order* found that SeeChange
5 was insolvent and directed the Commissioner, as liquidator, "to liquidate and wind up the
6 business of SeeChange and to act in all ways and exercise all powers necessary for the purpose
7 of carrying out this Order and the liquidation provisions of the Insurance Code, Insurance Code
8 sections 1010 *et seq.*" (Liquidation Order ¶ 1.)

9 **II. ROLE OF THE COURT AND THE COMMISSIONER IN THE LIQUIDATION PROCESS**

10 Generally, sections 1010 through 1062 of the Insurance Code govern conservation and
11 liquidation proceedings against insolvent insurers domiciled in California.² Under these
12 provisions, the Commissioner has the power to operate, winds-down, liquidate, and distribute the
13 assets of an insolvent insurer to ensure the "orderly and equitable distribution of the assets of an
14 insolvent insurer" to those entitled to share in those assets. (*In re Title USA Corp.* (1996) 36
15 Cal.App.4th 363, 372.)

16 As the Liquidator, the Commissioner acts as a "trustee for the benefit of all creditors and
17 other persons interested in the estate of the person against whom the proceedings are pending."
18 (Ins. Code, § 1057.) The Commissioner, as liquidator, is vested with "broad powers" to conduct
19 the liquidation process in the manner that he determines to be in the best interests of
20 policyholders and creditors. (*Commercial Nat. Bank v. Superior Court* (1993) 14 Cal.App.4th
21 393, 402, as modified on denial of reh'g (Apr. 16, 1993).)

22 The Court also plays a vital role in the process. In addition to assisting the Liquidator in
23 enforcing the various injunctions set forth in the Liquidation Order (which injunctions were
24 specifically authorized by the Insurance Code), the Court:

25 ~
26 ² There are additional provision elsewhere in the Insurance Code. For example,
27 California has adopted the Uniform Insurers Rehabilitation Act for insurers domiciled in other
28 states. (Ins. Code, §§ 1064.1-1064.12.)

- 1 • acts as the arbiter of disputed claims (Ins. Code, § 1032);
- 2 • approves the compensation of deputies, clerks and assistants (Ins. Code, § 1035);
- 3 • approves the compensation of outside counsel employed to assist in the liquidation
- 4 (Ins. Code, § 1036);
- 5 • may approve compromises of any claims by or against the insurance company (Ins.
- 6 Code, § 1037, subd. (c));
- 7 • authorizes the acquisition or disposition of property in excess of \$20,000 (Ins.
- 8 Code, § 1037, subd. (d)); and
- 9 • permits, under certain conditions, the investment of funds in excess of \$100,000
- 10 (Ins. Code, § 1037, subd. (g)).

11 Moreover, as the liquidation progresses, the Court may also be required to resolve collection
12 matters either by an order to show cause or by adversary complaint filed in this proceeding.
13 (See, e.g., *Gillespie v. California Standard Indemnity Co.* (1989) 212 Cal.App.3d 1351.) Finally,
14 the Liquidator may apply for authority or for orders designed to allow the efficient economic
15 liquidation of SeeChange. This Status Report aids the Court's oversight of the Liquidator and
16 gives any interested parties an opportunity to raise any objections to the Liquidator's proposed
17 course of action. This is the Liquidator's third status report.

18 **III. THE CONSERVATION & LIQUIDATION OFFICE.**

19 In order to ensure an orderly liquidation, an insurance company in liquidation may be
20 operated and managed by the Commissioner. (See Ins. Code, §§ 1010, 1037.) The Liquidator
21 may employ people, utilize and update computers and facilities, contract with vendors and
22 professionals and do the many other things described below to perform the necessary tasks to
23 marshal assets and pay claims. (See, e.g., Ins. Code., § 1035.) To meet these goals
24 administratively, the Liquidator uses the services of the Commissioner's Conservation and
25 Liquidation Office ("CLO") and certain former employees of SeeChange. These services are
26 supplemented by specialized vendors, contractors and consultants. The Liquidator also employs
27 a number of professionals (including outside counsel). The CLO is an administrative service
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1 entity created by the Commissioner to administer the estates of insurers undergoing conservation
2 or liquidation in California. Upon obtaining a conservation or liquidation order, the
3 Commissioner generally delegates his statutory administrative duties over the insurer to the CLO
4 and/or to special deputy insurance commissioners, pursuant to section 1035 of the Insurance
5 Code. The CLO now performs any necessary functions for the liquidation of SeeChange on
6 behalf of the Liquidator.

7 **LIQUIDATOR'S REPORT OF ACTIVITIES IN 2016**

8 **I. COMPLETION OF WIND-DOWN OF SEECHANGE'S ACTIVITIES**

9 SeeChange's home office was located in Calabasas, California. The Liquidator entered
10 into a settlement agreement with SeeChange's Calabasas landlord to allow SeeChange to remain
11 in its offices from the liquidation date through June 30, 2015 and for the landlord to forego filing
12 a proof of claim against the estate in exchange for the landlord retaining their security deposit.
13 In June of 2015, the Liquidator closed the home office of SeeChange in Calabasas, California
14 and transferred all operational functions to the CLO in San Francisco.

15 **II. GUARANTY FUND PAYMENTS**

16 For several months prior to the filing of this case, SeeChange had been notifying its
17 policyholders that the company would cease issuing new or renewal insurance policies.
18 SeeChange management, working under the regulatory supervision of the Department of
19 Insurance, implemented an orderly transition of all of SeeChange's in-force insurance business
20 to other insurance carriers. Effective January 1, 2015, Seechange had no policies in force.

21 The cancellation or transition of SeeChange's in-force business left only pending policy
22 claims at the date of the Order of Liquidation. Once the Court entered its Liquidation Order with
23 a finding that SeeChange was insolvent, the individual statewide life and health insurance
24 guaranty associations (the "**Guaranty Associations**") were obligated to pay the claims of
25 SeeChange's policyholders. (See, e.g., Ins. Code, § 1067.07, subd. (b).) The Liquidator
26 coordinates with the Guaranty Associations through the National Organization of Life and
27 Health Insurance Guaranty Associations ("**NOLGHA**"). After the Court entered its Liquidation
28

1 Order, the Liquidator worked to transition all claims to be administered by NOLGHA and paid
2 by the specific state Guaranty Association. As a result of paying the claims, the Guaranty
3 Associations subrogate to the policyholders' rights against SeeChange. Generally, these
4 subrogated claims receive priority treatment, subordinate only to expenses of administration of
5 the liquidation. (Ins. Code, § 1033, subd. (a).)

6 The Commissioner is informed that the Guaranty Associations in the following states
7 paid a total of \$19,901,246.45 from the date of liquidation through December 31, 2016:

8	Arizona	14,289.85
9	California	17,700,512.20
10	Colorado	2,002,894.58
11	Florida	4,806.08
12	Idaho	1,906.15
13	Illinois	19,047.61
14	Indiana	29,791.59
15	Iowa	335.58
16	Kansas	3,229.35
17	Kentucky	31.47
18	Maryland	3,520.62
19	Michigan	3,994.73
20	Missouri	119.46
21	Nebraska	897.70
22	Nevada	10,096.33
23	North Dakota	213.34
24	Ohio	53.60
25	Oklahoma	6,845.04
26	Tennessee	1,116.45

1	Virginia	5,024.36
2	Wisconsin	<u>92,520.36</u>
3	Total	\$19,901,246.45

4 **III. SEECHANGE PROOF OF CLAIM PROCESS**

5 The Liquidation Order provides that “The rights and liabilities of claimants, policyholders,
6 shareholders, members and all other persons interested in the assets of SeeChange are fixed as of
7 the date of entry of this Order.” (Liquidation Order, ¶ 28.) It also provides that any party with
8 rights against SeeChange may assert those rights only through a proof of claim:

9 Any and all claims against SeeChange – including without limitation those
10 claims which in any way affect or seek to affect any of the assets of SeeChange,
11 wherever or however such assets may be owned or held – must be filed no later
12 than December 31, 2015 (the “Claims Bar Date”) in accordance with the
13 provisions of Insurance Code sections 1010 et seq. (including without limitation
14 Insurance Code section 1023). **The claim must be timely filed on the form
provided by the Liquidator, together with proper proofs thereof, and must
be supplemented with 1023(f).** As provided in Insurance Code section 1024,
any claims not filed by the Claims Bar Date shall be conclusively deemed forever
waived and no action may be maintained thereon.

15 (Liquidation Order, ¶ 29, emphasis added.)

16 The Court established December 31, 2015 as a bar date for proofs of claim bar date. The
17 Liquidator mailed 3,113 proofs of claim to policyholders, providers, brokers, employees and
18 other creditors. The proof of claim notice was also published in three California newspapers
19 shortly after the liquidation order was issued. Proof of service of the notices to creditors was filed
20 with the Court. In response to the notice, 154 creditors executed and returned their proofs of
21 claim. The total stated value of the returned proofs of claim is \$28,911,183.42. This amount
22 includes claims filed by state guaranty associations based on the amount of policyholder claims
23 that have been statutorily funded. All filed proofs of claim are in the process of being adjudicated
24 by the Liquidator. Parties who are dissatisfied to the adjudication of their claims may seek relief
25 from this Court under section 1032. However, it is not anticipated that there will be any
26 distributions beyond payment to priority creditors (which are, primarily, the Guarantee
27 Associations).

1 **IV. CLAIM OF CENTERS FOR MEDICARE & MEDICAID SERVICES**

2 The major challenge the estate faced was the adjudication of the claim from the Centers for
3 Medicare and Medicaid Services (“CMS”). The claim (over \$4 million) is based on the Risk
4 Adjustment Program and Transitional Reinsurance requirements under the Federal Affordable
5 Care Act (“ACA”). CMS asserted its claim as a priority claim under the Federal Priority Statute,
6 31 U.S.C. § 3713, and asserts that such claims are entitled to first-priority treatment.

7 On July 19, 2016, the Liquidator made determinations on the claim, including classifying
8 the ACA claim as a Class 3 claim. (Ins. Code, § 1033, subd. (a)(3) [claims having preference
9 under federal law].) On August 26, 2016, the U.S. Department of Justice filed an Application for
10 Order to Show Cause with this Court seeking postpone of further action on the Liquidator’s
11 determination of CMS’s ACA claim. Thereafter, CMS and the United States determined not to
12 challenge the Liquidator’s classification of CMS’s ACA claims and stipulated with the
13 Liquidator to resolve CMS’s proof of claim and to withdraw its application. The stipulation was
14 approved by the Court on November 4, 2016.

15 **V. DECEMBER 31, 2016 BALANCE SHEET**

16 The following is the December 31, 2016 balance sheet prepared by the Liquidator and
17 currently subject to routine audit by the California Department of Finance:

18 **641 SeeChange Ins. Co.**

19 **STATEMENT OF ASSETS AND LIABILITIES**
20 **As of December 31, 2016**

21 (unaudited)

22 **ASSETS**

23 Cash and cash equivalents:
24 Unrestricted 52,886
25 Participation in pooled investments, at market 8,708,641
26 Accrued investment income 23,893
27 Other receivable 78,347

28 Total ASSETS 8,863,767

LIABILITIES

Claims against policies, including guaranty
associations (Class 2) 19,751,811

1 All other claims (Class 7) 4,565,424

2 Total LIABILITIES 24,317,235

3 NET ASSETS (DEFICIENCY) (15,453,469)

4
5 **REMAINING ACTIVITIES OF LIQUIDATOR**

6 The Liquidator continues to bill and collect reinsurance from the SeeChange's reinsurers in
7 accordance with their contracts. All reinsurance claims must be submitted for reimbursement by
8 April 30, 2016 in accordance with the requirements of the contracts. The Liquidator believes,
9 with the contingency noted below, that the SeeChange insolvency *can* be closed in 2017. The
10 main two activities over the next twelve months will be the determination of valid proofs of claim
11 and the final billing of reinsurance and collection. Once these items can be completed, a plan to
12 disburse assets and a closing budget for the estate can be determined.

13 With the resolution of CMS's ACA claim, the Liquidator has since requested a federal
14 release from the U.S. Department of Justice of any potential federal claims against the
15 SeeChange estate and believes the release may be issued by summer 2017. If the federal release
16 is timely received, the Liquidator anticipates closing the estate by December 31, 2017.

17 **REQUEST FOR APPROVAL OF FEES**

18 The following is an accounting of all fees and expenses incurred and paid from January 1,
19 2016 through December 31, 2016 as part of administering the liquidation of SeeChange in the
20 total amount of \$294,926 as detailed below:

21

	Fees and Expense as of Date of Liquidation	Outside Attorney Fees and Professional Fees	DOI Legal and DOJ Legal	Administrative Office Expense	Allocated Expenses/CLO Direct Hours	Total Expenses by Month
24	January 2016	\$ 14,814	\$ 205	\$ 875	\$ 27,414	\$ 43,308
25	February 2016	\$ 9,523	\$ -	\$ 30	\$ 20,437	\$ 29,898
26	March 2016	\$ 11,463	\$ 88	\$ 1,023	\$ 20,894	\$ 33,467
27	April 2016	\$ 8,949	\$ 1,828	\$ 63	\$ 19,616	\$ 30,456

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Fees and Expense as of Date of Liquidation	Outside Attorney Fees and Professional Fees	DOI Legal and DOJ Legal	Administrative Office Expense	Allocated Expenses/CLO Direct Hours	Total Expenses by Month
May 2016	\$ 21,726	\$ 640	\$ 10	\$ 17,507	\$ 39,883
June 2016	\$ 10,613	\$ -	\$ 10	\$ 14,578	\$ 25,202
July 2016	\$ 1,890	\$ 513	\$ 820	\$ 19,351	\$ 22,573
August 2016	\$ 1,529	\$ -	\$ 11	\$ 13,006	\$ 14,545
September 2016	\$ 1,408	\$ 365	\$ 11	\$ 11,328	\$ 13,111
October 2016	\$ 1,326	\$ 8,775	\$ 10	\$ 10,012	\$ 20,123
November 2016	\$ 1,988	\$ 322	\$ 10	\$ 9,055	\$ 11,385
December 2016	\$ 583	\$ 5,075	\$ 18	\$ 5,208	\$ 10,883
Total Expense by Service	\$ 85,521	\$ 17,810	\$ 2,889	\$ 188,406	\$ 294,926

As noted above, Insurance Code section 1035 authorizes the Liquidator to employ the CLO to handle the business of the insolvent insurers. Section 1035 also authorizes the Liquidator to be reimbursed for all administration costs from the assets of the estate:

The costs of employing special deputy commissioners, clerks, and assistants appointed to carry out this article, and all expenses of taking possession of, conserving, conducting, liquidating, disposing of, or otherwise dealing with the business and property of that person under this article, shall be fixed by the commissioner, subject to the approval of the court, and shall be paid out of the assets of that person to the department.

(Ins. Code, § 1035, subd. (a).) Insurance Code section 1036 similarly authorizes the Liquidator to employ and to compensate legal counsel with the Court's approval.

The Liquidator is vested with substantial discretion to conduct the liquidation of an insolvent insurer subject to the limitation "that the exercise of discretion be neither arbitrary nor improperly discriminatory." (See *In re Executive Life Ins. Co.* (1995) 32 Cal.App.4th 344, 356

1 [citing *Carpenter v. Pacific Mut. Life Ins. Co.* (1937) 10 Cal.2d 307, 329].) His decisions to pay
2 administrative expenses in the ordinary course are reviewed by the Court on an abuse of
3 discretion standard:

4 The Commissioner is a public officer designated as the steward for the funds of
5 the insolvent insurer whose estate he or she administers. The Commissioner's
6 initial determination necessarily requires adequately detailed information
7 describing the work performed, by whom it was performed, the time spent and
8 when it was spent, and the rate and amount billed, unless an approved contract
9 specifies a different basis of compensation. ... The Commissioner should possess
10 sufficient information to be able to determine from the billings any excessive or
11 duplicative charges, and seek clarification and correction where appropriate

12 To obtain court approval for payment of the fees deemed appropriate, the
13 Commissioner must supply the court with adequate information to permit
14 intelligent evaluation of the basis for the Commissioner's determination. The
15 court must be satisfied that the Commissioner has performed his duty to protect
16 the interests of the estate. It is not required by statute, nor is it practical, for the
17 court to undertake a detailed review of the invoices before approving payment.
18 The Commissioner must, however, be ready to provide whatever documentation
19 the court may find necessary in determining the propriety of the Commissioner's
20 request that payment be approved.

21 (*Id.*, at p. 358 [affirming the trial court's approval of payment legal fees under Insurance Code
22 section 1036].)

23 The standards for approval of the fees and costs have been met. The professionals
24 employed for the liquidation of SeeChange provided the Liquidator invoices that describe in
25 detail the tasks performed, the person who performed the work, and the time expended on each
26 task. Invoices are reviewed by the Liquidator's staff who are familiar with the work performed
27 and are approved for payment only to the extent they comply with CLO guidelines and are
28 reasonable, necessary, accurate and appropriate. As described in the attached Declaration of
Joseph Holloway submitted herewith, through his staff, the Liquidator carefully managed all fees
and expenses to ensure that they were reasonable and necessary considering the circumstances
and exigencies of this case. Accordingly, the Liquidator respectfully requests that the Court
approve the payment of the fees and expenses.

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CONCLUSION

Consistent with his obligations and authority set forth in under the Liquidation Order, the Liquidator is conducting a diligent and efficient liquidation of SeeChange. Thus, based on this Report, the Liquidator respectfully requests that the Court enter the proposed order lodged concurrently herewith, approve the fees and costs described herein, and set a continued status conference to take place in approximately 12 months.

Dated: March 24, 2017

Respectfully Submitted,

XAVIER BECERRA
Attorney General of California



LISA W. CHAO
Supervising Deputy Attorney General
*Attorneys for Insurance Commissioner of the
State of California, in his capacity as the
Liquidator of SeeChange Health Insurance
Company*

DECLARATION OF JOSEPH HOLLOWAY

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DECLARATION OF JOSEPH HOLLOWAY

I, Joseph Holloway, hereby declare as follows:

1. I am over 18 years old. I have personal, first-hand knowledge of the facts set forth in this declaration. If called upon to testify to the facts below, I would and could competently do so. I make this declaration in support of the *Insurance Commissioner's Third Status Report on the Liquidation of SeeChange Health Insurance Company and Request for Approval of Liquidation Costs* (the "**Third Liquidation Report**").

2. Under Paragraph 3 of the Court's *Liquidation Order* entered on January 28, 2015 (the "**Liquidation Order**"), the Court appointed Insurance Commissioner Dave Jones to serve as Liquidator of SeeChange Health Insurance Company ("**SeeChange**"). In that paragraph the Court appointed me to serve as the on-site Liquidation Manager for SeeChange. I also served as the on-site Conservation Manager for SeeChange during the period from November 19, 2014 through January 28, 2015.

3. I have a Bachelor of Arts degree in accounting from North Carolina State University and hold the designation of Certified Financial Examiner from the Society of Financial Examiners. From 1985 to 2005, I worked as an examiner, regulatory specialist, and chief forensic accountant for the North Carolina Department of Insurance. Since 2005, I have worked for the Insurance Commissioner's Conservation & Liquidation Office. I have over 25 years of experience working with insurance companies experiencing financial difficulties, including companies in supervision, conservation, rehabilitation, and liquidation.

4. As a result of my appointment as Liquidation Manager of SeeChange, I am knowledgeable of all of the steps taken by SeeChange and by the Liquidator to take possession of and manage SeeChange's assets and records, and otherwise to manage SeeChange in liquidation.

5. I have read the foregoing Third Liquidation Report and I believe that the facts set forth in the report are true.

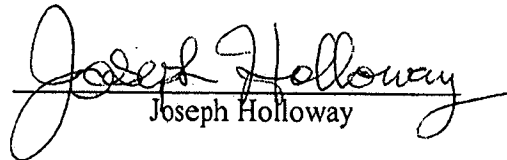
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1 6. Through his staff, the Liquidator prepared a statutory-basis balance sheet for
2 SeeChange for December 31, 2016. I supervised the preparation of the balance sheet and I
3 believe it is accurate. The balance sheet is accurately reproduced in the foregoing Third
4 Liquidation Report.

5 7. Pursuant to the authority vested in the Liquidator by the Liquidation Order, the
6 Liquidator retained professionals and incurred expenses necessary to allow him to perform all of
7 his duties and obligations. A monthly breakdown of all fees and expenses that the Liquidator
8 paid during 2016 is included in the foregoing Third Liquidation Report.

9 8. Through his staff, the Liquidator carefully managed and reviewed all expenses and
10 fees incurred, and approved those expenses only when they were reasonable and proper
11 considering the circumstances and exigencies of SeeChange's liquidation. If the Court
12 determines that it is necessary, I am ready to provide whatever documentation the Court may
13 find necessary in determining the propriety of the fees and expenses paid.

14 I declare under penalty of perjury under the laws of the State of California that the
15 foregoing is true and correct. Executed on this 23rd day of March, 2017 in San Francisco,
16 California.

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20 Joseph Holloway
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DECLARATION OF SERVICE BY E-MAIL and U.S. Mail

Case Name: **Insurance Commissioner of the State of California v. SeeChange Health Insurance Company**

No.: **BS152302**

I declare:

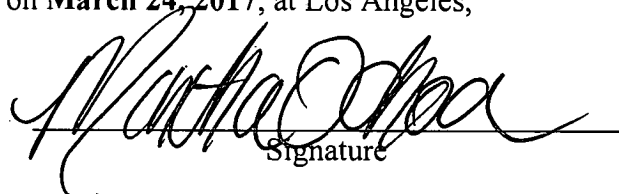
I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar, at which member's direction this service is made. I am 18 years of age or older and not a party to this matter. I am familiar with the business practice at the Office of the Attorney General for collection and processing of correspondence for mailing with the United States Postal Service. In accordance with that practice, correspondence placed in the internal mail collection system at the Office of the Attorney General is deposited with the United States Postal Service with postage thereon fully prepaid that same day in the ordinary course of business.

On **March 24, 2017**, I served the attached **INSURANCE COMMISSIONER'S THIRD STATUS REPORT ON THE LIQUIDATION OF SEECHANGE HEALTH INSURANCE COMPANY AND REQUEST FOR APPROVAL OF LIQUIDATION COSTS; DECLARATION OF JOSEPH HOLLOWAY** by transmitting a true copy via electronic mail. In addition, I placed a true copy thereof enclosed in a sealed envelope, in the internal mail system of the Office of the Attorney General, addressed as follows:

PLEASE SEE ATTACHED SERVICE LIST

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct and that this declaration was executed on **March 24, 2017**, at Los Angeles, California.

Martha Ochoa
Declarant


Signature

LA2014512962
52429234.doc

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SERVICE BY E-MAIL

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