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## Family Health Hawaii, MBS, in Liquidation Frequently Asked Questions

**UPDATED**

### **Background**

On April 7, 2016, the Insurance Commissioner of the State of Hawaii (“the Commissioner”) was appointed as Liquidator of Family Health Hawaii (“FHH”), MBS, a Mutual Benefit Society, by State First Circuit Court Judge Karen T. Nakasone.

An Order of Liquidation was filed on April 7, 2016, pursuant to the provisions of the Insurers Supervision, Rehabilitation and Liquidation Act, Hawai‘i Revised Statutes, Chapter 431, Article 15, and Mutual Benefit Societies, Hawai‘i Revised Statutes, Chapter 432, Article 1, of the Hawai‘i Insurance Code. FHH was placed into Liquidation because the company was operating in a hazardous condition that posed a risk to the members and the creditors if the operations were to continue.

The Order authorized the Commissioner to take possession and control of FHH’s assets, books, and records, and to assume the powers of the company’s directors and officers for the protection of policy holders, creditors and the public.

FHH mailed a Notice of Liquidation to all policyholders notifying them that all policies would terminate, at the very latest, on May 6, 2016.

Proof of claims that will be submitted against the FHH Estate by policyholders, providers, employees, members, and general creditors will be reviewed and evaluated after the claims submission deadline. Each claim will be either admitted or denied against the FHH Estate and its assets. Claims will not be paid until all claims have been admitted or denied and a payout percentage is determined for the payment of all claims.

### **FHH – Employees of the Groups (Policyholders) Questions**

**1. Can I continue to have health insurance through FHH?**

No.

### **FHH - Employer (Groups) Questions**

**1. Our business has a renewal date in May 2016. Will our plan renew?**

No, unfortunately your plan is not renewable.

**2. 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 on the effective date of the liquidation.

Any payments made by the FHH, after the Liquidation date, must be made in accordance with § 431:15-326 of the Hawaii Revised Statutes. The Liquidator uses the “proof of claim” process to determine the appropriate class of claims submitted.

**3. How do I file a Proof of Claim?**

The Liquidator is in the process of establishing a “proof of claim” process for policyholders, providers, employers, members, employees and general creditor claims (non-policyholder claims). The Liquidator will also be determining the claims submission deadline.

For additional instructions on how to obtain and complete the proof of claim form, please check the website [www.familyhealthhawaii.com](http://www.familyhealthhawaii.com) after May 15, 2016.

### **FHH Provider Questions**

**1. Will I continue to be reimbursed for patients covered by FHH?**

Claims submitted by providers will be reviewed and evaluated after the claims submission deadline has passed. Each claim will be admitted or denied as a claim against the FHH Estate and its assets. Claims will not be paid until all claims have been admitted or denied and a payout percentage is determined for the payment of all claims.

Providers are not allowed to balance bill members for the contracted sums owed by FHH for services rendered during the contracted period. See, HRS Section 432:1-407(d).

For further information or questions, see <http://cca.hawaii.gov/ins/>.