

DAVID Y. IGE
GOVERNOR

SHAN S. TSUTSUI
LT. GOVERNOR



CATHERINE P. AWAKUNI COLÓN
INTERIM DIRECTOR

GORDON I. ITO
INSURANCE COMMISSIONER

STATE OF HAWAII
INSURANCE DIVISION
DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS
P. O. BOX 3614
HONOLULU, HAWAII 96811-3614
335 MERCHANT STREET, ROOM 213
HONOLULU, HAWAII 96813
PHONE NO: (808) 586-2790
FAX NO: (808) 586-2806
cca.hawaii.gov/ins

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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. The proof of claims submission deadline is December 15, 2016. 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.

1. 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 Hawai'i Revised Statutes. The Liquidator uses the "proof of claim" process to determine the appropriate class of claims submitted.

2. How do I file a Proof of Claim?

On June 6, 2016, the Liquidation Court approved the Proof of Claim form and Proof of Claim Instructions pursuant to Hawai'i Revised Statutes § 431:15-326.

If you believe you have a claim against FHH, please follow the Proof of Claim Instructions and submit your completed Proof of Claim form, along with any and all supporting documents, to the Liquidator through the options provided. Failure to provide sufficient evidence supporting your claim is grounds for denial. Only Proof of Claim forms received by the Liquidator on or before **December 15, 2016** will be considered for payment.

3. Where can I submit a Proof of Claim?

1. Mail:

Family Health Hawaii, MBS (In Liquidation)
ATTN: Proof of Claim
P.O. Box 1350
Honolulu, HI 96807-1350

2. Scan and Email:

fhh@hawaii.rr.com

3. Fax:

(808) 536-7349

4. What are the next steps after I submit a Proof of Claim?

Once all claims have been allowed, disallowed, or estimated, the Liquidator will seek Liquidation Court approval to begin making distributions in accordance with the priority structure set forth in Hawai'i Revised Statutes § 431:15-332.

Claimants will be sent a Notice of Determination after all claims have been reviewed.

For further information or questions, please email: fhh@hawaii.rr.com or call (844) 717-7334.