DISTRICT COURT, CITY AND COUNTY OF DENVER, COLORADO 1437 Bannock Street Denver, CO 80202 **PETITIONER** MARGUERITE SALAZAR, in her official capacity as the Commissioner of Insurance of the State of Colorado, v. **RESPONDENT** COLORADO HEALTH CO-OP, a Colorado Domestic Insurance Company.	▲ **COURT USE ONLY** ▲
CYNTHIA H. COFFMAN, Attorney General Todd S. Larson, Senior Assistant Attorney General 11929* Karl D. Kaesemeyer, Senior Assistant Attorney General 38993* Ralph L. Carr Colorado Judicial Center 1300 Broadway, Floor Denver, CO 80203 Telephone: 720-508-6386 (Larson) 720-508-6402 (Kaesemeyer) E-Mail: todd.larson@coag.gov karl.kaesemeyer@coag.gov *Counsel of Record	Case No. 2015CV33680

UNOPPOSED MOTION FOR HEARING AND BRIEFING SCHEDULE CONCERNING WESTERN SLOPE HEALTH INSURANCE LLC'S PROOF OF CLAIM DETERMINATION OBJECTION

Petitioner Marguerite Salazar, Commissioner of Insurance for the State of Colorado ("Commissioner"), pursuant to this Court's Liquidation Order, hereby moves this Court, pursuant to § 10-3-538(2), to provide a briefing schedule to allow the parties to address the legal issue raised by Greg Neal, of Western Slope Health Insurance LLC ("Western Slope"), and to set a hearing to determine whether the Commissioner as the Liquidator of the Colorado Health Insurance Cooperative ("HealthOP") properly denied Western Slope's Proof of Claim ("POC"). As grounds therefor, the Liquidator states as follows:

1. Greg Neal is a resident insurance producer and the responsible producer for Western Slope.

2. A representative of the Petitioner has conferred with Mr. Neal regarding this request, and Mr. Neal concurs with this request.

3. On January 4, 2016, this Court appointed the Commissioner to serve as Liquidator of the HealthOP pursuant to § 10-3-517(1), C.R.S.

4. The Liquidator was granted the authority to employ Joseph B. Holloway of INS Consultants, Inc., acting as Receivership Supervisor, to assist in the Liquidation with all the powers of the Liquidator.[1]

5. On March 31, 2016, The HealthOP through the Liquidator mailed a POC form to all known, policy holders, general creditors, medical providers and insurance producers, and other persons ("claimants") having any claim or demand of any kind against the HealthOP, and direction on how file such claim. *See*, POC form attached hereto as **Exhibit 1**.

6. The POC form required each claimant to complete the form respond to the HealthOP by January 2, 2017, the claims bar date.

7. On April 21, 2016, the HealthOP received a POC from Mr. Neal. *See* Western Slope POC form attached hereto as **Exhibit 2**.

8. Western Slope's POC, claimed $526.44 for "unpaid commissions for November & December 2016." *See* **Exhibit 2**.

9. The Liquidator reviewed Western Slope's POC and determined pursuant to C.R.S. § 10-3-541, that Western Slope's POC falls within the Class 6 distribution.

10. C.R.S 10-3-541(1), states:

> The priority of distribution of claims from the insurer's estate shall be in accordance with the order in which each class of claims is set forth in this section. Every claim in each class shall be paid in full, or adequate funds shall be retained for such payment, before members of the next class receive any payment. No subclasses shall be established within any class. The order of distribution of claims shall be:
>
> (f) **Class 6**. Claims filed late and any other claims other than claims described in paragraph (h) of this subsection (1).[2]

11. The Liquidator has determined that the HealthOP will not have sufficient assets to pay Class 6 claims.

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[1] The term "Liquidator" is used herein to reference the Commissioner and Joseph B. Holloway.

[2] Paragraph (h) of subsection (1) provides: **Class 8**. Claims of shareholders or other owners in their capacity as shareholders.

12. On or about March 1, 2017, the Liquidator began mailing claims determination letters ("claim determinations") to claimants that filed POCs with the HealthOP. The last set of claim determinations were mailed on or about May 26, 2017.

13. The claims determination letters informed claimants of the:

a. Priority of distribution statutes, C.R.S. § 10-3-541;

b. Whether or not payment will be made on the claims; and

c. How to dispute a claim determination pursuant to C.R.S. § 10-3-538.

14. On April 7, 2017, the Liquidator mailed a claim determination to Western Slope informing Western Slope that Western Slope's claim was assigned a Class 6 claim under C.R.S. § 10-3-541, that the Liquidator does not anticipate making any payment or distribution on Western Slope's claim, and that Western Slope may object to the claim determination within 60 days. *See* POC determination letter attached hereto as **Exhibit 3**.

15. Western Slope timely mailed an objection to the claim determination on May 22, 2017. *See* Western Slope Objection attached hereto as **Exhibit 4**.

16. Pursuant to C.R.S. § 10-3-538(2):

> Whenever objections are filed with the liquidator and the liquidator does not alter the denial of the claim as a result of the objections, the liquidator shall ask the court for a hearing as soon as practicable and give notice of the hearing by first class mail to the claimant or the claimant's attorney and to any other persons directly affected, not less than ten days nor more thirty days before the date of the hearing. The matter may be heard by the court or by a court-appointed referee, who shall submit findings of fact along with a recommendation.

17. Based on the date of the last mailings of claim determinations, the Liquidator should have received all claim objections by July 26, 2017. To date, the Liquidator has received only one objection, that filed by Western Slope.

18. Western Slope does not set forth specific grounds for its objection, but does reaffirm that it is owed commissions. The Liquidator does not contest the basis or amount of the Western Slope's claim. Western Slope is an insurance broker to which the HealthOP owes commissions for HealthOP policies sold by Western Slope.

19. As a result, the only dispute is whether the commissions owed to Western Slope were properly determined by the Liquidator to be Class 6 priority pursuant to C.R.S. § 10-3-541. This issue appears to be purely legal in nature.

WHEREFORE, pursuant to C.R.S. § 10-3-538(2), the Liquidator requests that this Court provide a briefing schedule and set this matter for hearing.

DATED this 23rd day of August 2017.

CYNTHIA H. COFFMAN
Attorney General

TODD S. LARSON, 11929*
Senior Assistant Attorney General
KARL D. KAESEMEYER, 38993*
Senior Assistant Attorney General
Business & Licensing
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(720) 508-6402 (Kaesemeyer)
todd.larson@coag.gov
karl.kaesemeyer@coag.gov
*Counsel of Record
Attorneys for Division of Insurance

CERTIFICATE OF SERVICE

This is to certify that I have duly served this **UNOPPOSED MOTION FOR HEARING AND BRIEFING SCHEDULE CONCERNING WESTERN SLOPE HEALTH INSURANCE LLC'S PROOF OF CLAIM DETERMINATION OBJECTION** upon all parties by depositing copies of same in the United States mail, first-class postage prepaid, at Denver, Colorado, this 23rd day of August, 2017 addressed as follows:

Mr. Greg Neal
Western Slope Health Insurance LLC
11 West Victory Way, #202
Craig, CO 81625-2605

Jacqueline Barnes
OFFICE OF THE ATTORNEY GENERAL

PROOF OF CLAIM

Colorado Health Insurance Cooperative, Inc. ("Colorado HealthOP")
In Liquidation (the "Company")
8000 E Maplewood Ave., Bldg. 5, Ste. 200
Greenwood Village, CO 80111

District Court of the City and County of Denver
Case No. 2015CV33680

PLEASE READ ALL INSTRUCTIONS CAREFULLY BEFORE COMPLETING FORM

DEADLINE FOR FILING PROOF OF CLAIM IS January 2, 2017

Proof of Claim Number:

Part 1 *Person or Entity Making Claim (Claimant)*	
Claimant Name:	
Address 1:	Claimant Telephone:
Address 2:	Claimant E-Mail:
City: State: ZIP Code:	Social Security or Federal Tax ID No.:

Are you represented by an attorney? Yes or No , circle one
If yes, state your attorney's name, address and telephone number _____

Part 2 *Claim Information* — **Colorado HealthOP liabilities fixed as of January 4, 2016*

Type of Claim	Amount of Claim
☐ Policyholder	$ _____
☐ General Creditor	$ _____
☐ Medical Provider	$ _____
☐ Insurance Producer	$ _____
☐ Other	$ _____

Describe your claim: _____

Attach all supporting documentation to this form.

a. Have you received any payments on the claim for which you are filing this Proof of Claim from any source? ____If yes, specify the total amount received $ _____ and identify all sources: _____

b. Is this a secured claim? If yes, identify all security for this claim: _____

c. Is this claim the subject of legal action? If yes, list court and case number: _____
List all parties and their attorneys: _____

d. Is this claim contingent or unliquidated? If yes, explain: _____

e. Do you claim any right of priority of payment? If yes, please explain: _____

The undersigned subscribes and affirms as true under the penalties of perjury as follows: that he or she has read the foregoing Proof of Claim and knows the contents thereof; that this claim against the Company is justly owing to the Claimant; that the matters set forth and in any accompanying statements and supporting documents are true and correct; that no payment of or on account of the aforesaid claim has been received except as above stated; and that there are no setoffs, counterclaims, or defenses thereto except as above stated.

Claimant Signature _____ **Date Signed** _____

Print Name _____

Title or Official Capacity (if any) _____

Return your completed form to:

Colorado HealthOP
ATTN: Proof of Claim
8000 E Maplewood Ave.
Building 5, Suite 200
Greenwood Village, CO 80111

EXHIBIT 1

IMPORTANT NOTICE

If you change your address after filing your Proof of Claim you must provide us with your new address in order to receive any notification or payment that might be due.

PROOF OF CLAIM INSTRUCTIONS

1. The Proof of Claim must be typed or legibly printed in ink.

2. The Proof of Claim must have all items completed and questions answered. If an item is not applicable, indicate so by writing "N/A" in blank. Your Proof of Claim will be returned to you if any items are left blank. Please review the entire form for completion prior to mailing.

3. If you need additional space to fully answer any question, please do so on a separate sheet of paper and attach to your Proof of Claim.

4. You must attach to the Proof of Claim documents or evidence supporting your proof of loss. FAILURE TO PROVIDE SUFFICIENT DOCUMENTS OR EVIDENCE SUPPORTING YOUR CLAIM IS GROUNDS FOR DENIAL THEREOF.

5. You have an ongoing duty to supplement your Proof of Claim with supporting documentation as additional information is received. This requirement includes notice of any change of address.

6. The Proof of Claim must be signed by the Claimant who is named in Part 1, or by a representative of the Claimant who has knowledge of the matters set forth in the Proof of Claim and in any accompanying statement and supporting documents.

7. All Proofs of Claim must be postmarked no later than January 2, 2017. The Receiver is not responsible for undelivered mail.

8. The Receiver recommends that you keep a copy of the completed Proof of Claim for your records.

9. The Proof of Claim number should be attached to all future correspondence, amendments, or attachments to ensure proper identification.

GENERAL INFORMATION

After all claims have been allowed, disallowed or estimated, the Conservator will seek Court approval to begin making distributions to the approved claimants from the assets of the Company.

If you have any questions about the Proof of Claim procedure, you may call (720) 627-8900.

For more information, please visit visit www.rsgca.org and look in the 'Companies' section for Colorado Health Insurance Cooperative, Inc.

PROOF OF CLAIM

Colorado Health Insurance Cooperative, Inc. ("Colorado HealthOP")
In Liquidation (the "Company")
8000 E Maplewood Ave., Bldg. 5, Ste. 200
Greenwood Village, CO 80111

District Court of the City and County of Denver
Case No. 2015CV33680

PLEASE READ ALL INSTRUCTIONS CAREFULLY BEFORE COMPLETING FORM

DEADLINE FOR FILING PROOF OF CLAIM IS January 2, 2017

Proof of Claim Number: 74127

RECEIVED APR 21 2016

Part 1 Person or Entity Making Claim (Claimant)	BY:
Claimant Name: Greg Neal	
Address 1: 11 West Victory Way #202	Claimant Telephone: 970.824.1045
Address 2:	Claimant E-Mail: houseinthe Forest@egmail.com
City: Craig State: CO ZIP Code: 81625	Social Security or Federal Tax ID No.: 138.72.4807

Are you represented by an attorney? Yes or (No) circle one
If yes, state your attorney's name, address and telephone number _____

Part 2 Claim Information — *Colorado HealthOP liabilities fixed as of January 4, 2016

Type of Claim	Amount of Claim
☐ Policyholder	$
☐ General Creditor	$
☐ Medical Provider	$
☒ Insurance Producer	$ 526.44
☐ Other	$

Describe your claim: Unpaid Commissions for November & December 2016

Attach all supporting documentation to this form.
*See attached

a. Have you received any payments on the claim for which you are filing this Proof of Claim from any source? NO If yes, specify the total amount received $ _____ and identify all sources: _____

b. Is this a secured claim? If yes, identify all security for this claim: N

c. Is this claim the subject of legal action? If yes, list court and case number: N
List all parties and their attorneys: _____

d. Is this claim contingent or unliquidated? If yes, explain: N

e. Do you claim any right of priority of payment? If yes, please explain: N

The undersigned subscribes and affirms as true under the penalties of perjury as follows: that he or she has read the foregoing Proof of Claim and knows the contents thereof; that this claim against the Company is justly owing to the Claimant; that the matters set forth and in any accompanying statements and supporting documents are true and correct; that no payment of or on account of the aforesaid claim has been received except as above stated; and that there are no setoffs, counterclaims, or defenses thereto except as above stated.

Claimant Signature Greg Neal Date Signed 4-18-2016

Print Name Greg Neal

Title or Official Capacity (If any) _____

Return your completed form to:

Colorado HealthOP
ATTN: Proof of Claim
8000 E Maplewood Ave.
Building 5, Suite 200
Greenwood Village, CO 80111

EXHIBIT 2

04-18-2016

Greg Neal
Western Slope Health Insurance LLC
11 West Victory Way #202
Craig, CO 81625

Colorado HealthOP
Attn: Proof of Claim
8000 E Maplewood Ave.
Building 5, Suite 200
Greenwood Village, CO 80111

RE: Proof of Claim Number: 74127

Colorado Health OP:

I'm filing a Proof of Claim for unpaid commissions for the months of November & December 2015 in the amount of $ 526.44.
Attached are my Colorado HealthOP September and October commission statements listing my Book of Business. The attached business was active and paid in full through November and December 2015.

Small Group:

Optics Balzers: Two members @ 48.00.

Individual:

M.Wertheimer	608.74 @ 6% =	36.52
	355.36 @ 6% =	21.32
D. Dowling	469.94 @ 6% =	21.71
	1174.40 @ 6% =	70.46
J. Cordova	95.66 @ 6% =	5.73
	479.63 @ 6% =	28.77
D. Olson	207.56 @ 6% =	12.45
J. Smith	189.21 @ 6% =	11.35
	115.26 @ 6% =	6.91
	November	263.22
	December	263.22
Total Claim:		$526.44

Sincerely,
Greg Neal
Greg Neal

COLORADO HEALTH INSURANCE COOPERATIVE
AGENT'S STATEMENTS
09/23/2015

AGENT: COHOP20073 GREG NEAL SSN: 000-00-0000 EFT AGENT: E
11 W. VICTORY WAY 20
CRAIG CO 81625

GROUP NUMBER	ACCOUNT NUMBER	INSURED NAME OR EXPLANATION	CONTRACT NO.	TYPE	SUB	DESCRIPTION	MONTH PD TO	PREMIUM AMOUNT	CENSUS COUNT	RATE		COMMISSION
		SEPT COMM- OPTICS BLAZERS USA -2 MBRS										48.00
		TOTALS FOR ACCOUNT:							48.00			
COHOP	00100	M WERTHEIMER	00000	MED			09/15	608.74	1.00	6.00	%	36.52
COHOP	00100	M WERTHEIMER	00000	MED			10/15	608.74	1.00	6.00	%	36.52
COHOP	00100	M WERTHEIMER	00000	SUB			09/15	355.36	1.00	6.00	%	21.32
COHOP	00100	M WERTHEIMER	00000	SUB			10/15	355.36	1.00	6.00	%	21.32
COHOP	00100	G DOWLING	00000	MED			09/15	461.94	1.00	6.00	%	27.71
COHOP	00100	G DOWLING	00000	SUB			09/15	1174.40	1.00	6.00	%	70.46
COHOP	00100	J CORDOVA	00000	MED			09/15	95.66	1.00	6.00	%	5.73
COHOP	00100	J CORDOVA	00000	SUB			09/15	479.63	1.00	6.00	%	28.77
COHOP	00100	D OLSON	00000	MED			09/15	207.56	1.00	6.00	%	12.45
		TOTALS FOR ACCOUNT:						4347.39		260.80		
COHOP	00103	J SMITH	00000	MED			08/15	189.21	1.00	6.00	%	11.35
COHOP	00103	J SMITH	00000	SUB			08/15	115.26	1.00	6.00	%	6.91
		TOTALS FOR ACCOUNT:						304.47		18.26		

	AGENT ACCOUNT	TAXABLE INCOME
BALANCE FORWARD	0.00	0.00
FROM CREDIT/DEBIT TRANSACTIONS	48.00	48.00
FROM COMMISSION DETAIL	279.06	279.06
AMOUNT PAID OUT/TRANSFERRED	327.06-	327.06-
CURRENT BALANCE	0.00	0.00
YTD 1099 TAXABLE BALANCE		2,400.98

STATEMENT GROUP: COHOP26370

COLORADO HEALTH INSURANCE COOPERATIVE
AGENT'S STATEMENTS
10/21/2015

AGENT: COHOP20073 GREG NEAL SSN: 000-00-0000 EFT AGENT: E
11 W. VICTORY WAY 20
CRAIG CO 81625

GROUP NUMBER	ACCOUNT NUMBER	INSURED NAME OR EXPLANATION	CONTRACT NO.	TYPE	SUB	DESCRIPTION	MONTH PD TO	PREMIUM AMOUNT	CENSUS COUNT	RATE		COMMISSION
		OCT COMM -OPTICS BLAZERS USA - 2 MBRS										48.00
						TOTALS FOR ACCOUNT:			48.00			
COHOP	00100	G DOWLING	00000	MED			10/15	461.94	1.00	6.00	%	27.71
COHOP	00100	G DOWLING	00000	SUB			10/15	1174.40	1.00	6.00	%	70.46
COHOP	00100	J CORDOVA	00000	MED			10/15	95.66	1.00	6.00	%	5.73
COHOP	00100	J CORDOVA	00000	SUB			10/15	479.63	1.00	6.00	%	28.77
COHOP	00100	D OLSON	00000	MED			10/15	207.56	1.00	6.00	%	12.45
						TOTALS FOR ACCOUNT:	2419.19			145.12		
COHOP	00103	J SMITH	00000	MED			09/15	189.21	1.00	6.00	%	11.35
COHOP	00103	J SMITH	00000	SUB			09/15	115.26	1.00	6.00	%	6.91
						TOTALS FOR ACCOUNT:	304.47			18.26		

	AGENT ACCOUNT	TAXABLE INCOME
BALANCE FORWARD	0.00	0.00
FROM CREDIT/DEBIT TRANSACTIONS	48.00	48.00
FROM COMMISSION DETAIL	163.38	163.38
AMOUNT PAID OUT/TRANSFERRED	211.38-	211.38-
CURRENT BALANCE	0.00	0.00
YTD 1099 TAXABLE BALANCE		2,612.36

STATEMENT GROUP: COHOP26370

Regulatory Services Group

P.O. Box 26894
San Francisco, CA 94126-6894
415-676-2121
www.rsgca.org

April 7, 2017

Western Slope Health Insurance LLC
11 W Victory Way #20
Craig, CO 81625-2605

Re: Colorado Health Insurance Cooperative in Liquidation
Your POC No.: 74127

Dear Claimant:

This letter is being sent on behalf of the Colorado Insurance Commissioner who was appointed Liquidator for the Colorado Health Insurance Cooperative. Regulatory Services Group is the appointed representative for all liquidation proceedings.

When an insurer is placed into liquidation, the Liquidator must treat the company as an insolvent estate, and must determine the priority of debts to be paid from the remaining assets pursuant to Colorado statute.

Our records indicate that you filed a Proof of Claim (POC) in this Liquidation for commission fees. Colorado Revised Statutes § 10-3-541 governs the priority of payments in this liquidation process. Your claim was determined to be a Class 6 claim under the statute.

As the Liquidator of the Colorado Health Insurance Cooperative, we have determined that this insolvent company does not have sufficient assets to make any distribution to Class 6 claimants. Therefore, we do not anticipate making any payment or distribution on your claim.

Colorado Revised Statues § 10-3-538 provides:

Disputed claims.

(1) When a claim is denied in whole or in part by the liquidator, written notice of the determination shall be given to the claimant or the claimant's attorney by first class mail at the address shown in the proof of claim. Within sixty days after the mailing of the notice, the claimant may file objections with the liquidator. If no such filing is made, the claimant may not further object to the determination.

EXHIBIT
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(2) Whenever objections are filed with the liquidator and the liquidator does not alter the denial of the claim as a result of the objections, the liquidator shall ask the court for a hearing as soon as practicable and give notice of the hearing by first class mail to the claimant or the claimant's attorney and to any other persons directly affected, not less than ten days nor more than thirty days before the date of the hearing. The matter may be heard by the court or by a court-appointed referee, who shall submit findings of fact along with a recommendation.

Should you choose to object to this determination, you must file your objection within 60 days by written notice to:

Colorado Health Insurance Cooperative in Liquidation
Attn: Claims Department
PO Box 26894
San Francisco, CA 94126-6894

Sincerely,
Regulatory Services Group for
Colorado Health Insurance Cooperative in Liquidation

WESTERN SLOPE
HEALTH INSURANCE
LLC

May 22, 2017

Western Slope Health Insurance LLC
11 West Victory Way #202
Craig, CO 81625

Regulatory Services Group
P.O. Box 26894
San Francisco, CA 94126

Re: Colorado Health Insurance Cooperative in Liquidation
POC No: 74127

SECOND Letter of Objection

Dear Regulatory Services Group:

Be advised the following is a Letter of Objection.
Western Slope Health Insurance LLC objects to Regulatory Services Group's decision in regards to Proof of Claim No: 74127 dated 04-18-2016. At the time of the Colorado HealthOP liquidation-Western Slope Health Insurance LLC was in full compliance of the COLORADO HEALTHOP PRODUCER AGREEMENT DATED 07-23-2015; and POC No: 74127 was received in good order by Colorado Health Insurance Cooperative, Inc. ("Colorado HealthOP") in Liquidation (the "Company") prior to the January 2, 2017 deadline. As a result of being in full compliance and following issued protocol, payment for POC No: 74127 in the amount of $526.44 is expected in full.

Sincerely,

Western Slope Health Insurance LLC

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