

19TH JUDICIAL DISTRICT COURT FOR THE PARISH OF EAST BATON ROUGE

NUMBER: 485,605

STATE OF LOUISIANA

DIVISION:

J. ROBERT WOOLEY, AS ACTING COMMISSIONER OF INSURANCE  
FOR THE STATE OF LOUISIANA  
VERSUS  
GULF SOUTH HEALTH PLANS, INC.

FILED: \_\_\_\_\_

\_\_\_\_\_  
DEPUTY CLERK

CONSENT ORDER FOR THE WIND UP OF THE AFFAIRS OF A HEALTH  
MAINTENANCE ORGANIZATION

IN CONSIDERATION of the voluntary wind up of Gulf South Health Plans, Inc., ("Gulf South") and the Court considering the consent of the parties hereto and being satisfied from the allegations therein and finding that the defendant named herein is an insurer as defined in and under Louisiana law and that the interests of creditors, enrollees, subscribers, members, policyholders, and the public will probably be endangered by delay, and the Court finding that the law and the evidence is in favor of granting the relief prayed for herein,

IT IS ORDERED, ADJUDGED AND DECREED that Gulf South be and it hereby is placed under the direction and control of the Commissioner of Insurance for the State of Louisiana, his successors and assigns in his office and his agents, designees, and/or employees (the "Commissioner"), subject to the further written orders of this Court.

IT IS ORDERED, ADJUDGED AND DECREED that the Commissioner be and hereby is immediately vested with the authority to enforce, for the benefit of the enrollees and subscribers of Gulf South, contract performance by any provider or other third party who contracted with Gulf South.

IT IS ORDERED, ADJUDGED AND DECREED that the Commissioner may permit such further operation of Gulf South as he may deem necessary.

IT IS ORDERED, ADJUDGED AND DECREED that all authority of all officers, directors, and managers of Gulf South is hereby subject to the Commissioner until further written order of this Court.

IT IS ORDERED, ADJUDGED AND DECREED that Gulf South shall not engage in any advertising or solicitation whatsoever. Furthermore, the Commissioner may permit as he deems necessary further operation of Gulf South as he may find to be in the best interests of enrollees and subscribers of Gulf South, to the end that enrollees and subscribers of Gulf South will be afforded the

greatest practical opportunity to obtain continuing health care coverage without further liability to the enrollee and subscriber.

IT IS ORDERED, ADJUDGED AND DECREED that Gulf South, and its respective officers, directors, shareholders, subscribers, enrollee, agents, attorneys, servants, employees, and all those acting in concert with or in participation with them or subject to their control, and all other persons or entities who have access to control or possession of the property, assets and affairs of Gulf South be and hereby are enjoined further, as follows:

- (1) from disposing of or encumbering any of the property or assets of Gulf South.
- (2) from disposing of any records or other documents belonging to Gulf South or relating to the business and affairs of Gulf South.
- (3) from the transaction of any business by, for, or on behalf of or relating to Gulf South, including, but not limited to:
  - a) the writing, issuance, or renewal of any insurance policy and/or certificate of coverage, binder, or endorsement to an existing policy or certificate.
  - b) the incurring of any debt or liability of Gulf South, except with the concurrence of the Commissioner until further written order of this Court.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that all individuals and entities are enjoined from instituting or taking further action in any suit or proceeding against Gulf South, the Commissioner in his capacity as administrative regulator of Gulf South, Gulf South's parent company (only to the extent it is sought to be held liable for the obligations of Gulf South), any affiliates, subsidiaries, insurers, officers, directors, representatives, agents, employees, or attorneys of the Commissioner, Gulf South and its parent company (only to the extent they or any one of them is sought to be held liable for the obligations of Gulf South), its estate and assets, and its subscribers and enrollees and from making any levy or seizure against Gulf South or its estates and assets while under the regulation of the Commissioner until further written order of this Court.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that,

until further written order of this Court, all suits, proceedings, and seizures against Gulf South and/or its respective enrollees/subscribers are hereby stayed in order to prevent the obtaining of any preference, judgment, seizure, levy, or lien, and to preserve the property and assets of Gulf South, including, but not limited to, suits and proceedings where:

- a. Gulf South is a party;

- b. A subscriber and/or enrollee or any other person who is named as a party to the litigation or claims coverage under any subscriber agreement issued or assumed by Gulf South;
- c. The litigation involves or may involve the adjudication of liability or determines any possible rights or obligations of any enrollee and/or subscriber or person as to any subscriber agreement issued or assumed by Gulf South, or determines any possible future liability of Gulf South with regard to any subscriber agreement issued or assumed by Gulf South;
- d. Gulf South would otherwise be obligated to provide a defense to any party in any court pursuant to any subscriber agreement issued or assumed by Gulf South;
- e. Where the ownership, operations, management and/or control of Gulf South is at issue; and
- f. Any party is seeking to create, perfect or enforce any preference, judgment, attachment, lien or levy against Gulf South or its assets or against any subscriber and/or enrollee of Gulf South.

IT IS FURTHER ORDERED that any action in any suit or proceeding against the Commissioner in his capacity as administrative regulator of Gulf South and/or the Attorney General of the State of Louisiana in his capacity as attorney for the Commissioner in his capacity as administrative regulator of Gulf South, and their representatives, agents, employees, or attorneys, when acting in accordance with the Wind Up Plan and/or as administrative regulator of Gulf South shall be barred.

IT IS FURTHER ORDERED that all contracts between Gulf South and any and all persons or entities providing services to Gulf South and its enrollees and subscribers ("Providers") remain in full force and effect and that all Providers be and hereby are ordered to maintain the agreed upon contract rates for services provided to Gulf South and its enrollees and subscribers, until further order of this Court.

IT IS FURTHER ORDERED that all Providers of Gulf South be and they hereby are enjoined from seeking to collect and/or collecting any amounts, claimed as payment for services rendered to Gulf South, its enrollees and subscribers, from any enrollee and/or subscriber of Gulf South.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the provisions of LSA-R.S. 22:250.32 (C) and 22:250.33 (C) with respect to the late payment adjustment equal to one


percent of the amount due be and hereby are suspended until further order of this Court.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Wind Up Plan submitted by the Commissioner herewith be and hereby is approved.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that sixty (60) days from the date of this Order be and hereby is established as the cut off date by which claims of enrollees, subscribers, providers and other creditors of Gulf South must be submitted and received by Gulf South (the "Claims Bar Date").

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the General Health System proposal for its contributions to the Wind Up Plan submitted to the Court be and hereby is recognized by the Court.

Baton Rouge, Louisiana, this 19<sup>th</sup> day of June, 2001.

  
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JUDGE

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DEPUTY CLERK OF COURT  
BY \_\_\_\_\_  
DOUG WELBORN  
CLERK OF COURT

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