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**SR**  
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KARA B. HENDRICKS, ESQ.  
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*Counsel for Petitioner*

**EIGHTH JUDICIAL DISTRICT COURT  
CLARK COUNTY, NEVADA**

SCOTT J. KIPPER, COMMISSIONER OF  
INSURANCE, STATE OF NEVADA,  
  
Petitioner,  
  
vs.  
  
FRIDAY HEALTH PLANS OF NEVADA, INC.,  
  
Defendant.

CASE NO. A-23-871639-C  
DEPARTMENT 18  
  
**[NO HEARING REQUESTED]**  
  
**FOURTH STATUS REPORT**

Petitioner, SCOTT J. KIPPER, COMMISSIONER OF INSURANCE, STATE OF NEVADA as Receiver (“Commissioner” or “Receiver”) for FRIDAY HEALTH PLANS OF NEVADA, INC. (“Friday Health”), and Ellingson & Associates, LLC, as Special Deputy Receiver (“SDR”), file this fourth quarterly Status Report (“Report”). Pursuant to this Court’s orders and NRS Chapter 696B, the Receiver makes this “true report[s] in summary form of the insurer’s affairs under the receivership and of progress being made in accomplishing the objectives of the receivership.” NRS 696B.290(7).

1 **I. INTRODUCTION AND BACKGROUND**

2 Friday Health is a Nevada-domiciled insurer offering life and health products and health  
3 insurance. In 2022, the Nevada Division of Insurance (“Division”) required Friday Health to infuse  
4 capital to increase its total capital and surplus.<sup>1</sup> Despite the infusion, Friday Health’s financial  
5 filings with the Division suggested that its capital was insufficient, and it was in financial distress.  
6 The Commissioner of Insurance thus initiated delinquency proceedings with Friday Health’s  
7 consent due to concerns about Friday Health’s financial condition.

8 On June 12, 2023, the Court entered an order, authorizing the Receiver to assume control  
9 over Friday Health and attempt rehabilitation (“Receivership Order”). Subsequent to the  
10 Receivership Order, the SDR worked to obtain records relating to Friday Health including  
11 information regarding policyholders, claims status, and the company’s financial records. Upon  
12 review of the same, the Receiver determined that Friday Health could not be rehabilitated as it was  
13 unable to meet financial obligations as they become due and continuing operations would result in  
14 further depletion of the limited remaining assets to the detriment of the company, policyholders,  
15 creditors and public. As a result, this Court entered an order on June 25, 2023, finding Friday  
16 Health to be insolvent and placing Friday Health into liquidation as of September 1, 2023.

17 **II. Receivership Administration**

18 **A. Liquidation, Policy Cancellation and Claims Processing**

19 As referenced in previous status reports, all Friday Health policies terminated on August 31,  
20 2023. Prior to the termination date, the SDR worked diligently to provide notice to those affected  
21 and provided resources to assist in finding replacement policies.  
22  
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24 <sup>1</sup> Friday Health is one of several related companies scattered across the United States offering health  
25 insurance, all of which are also in ongoing receivership due to financial inadequacy. As further detailed in  
26 the Petition for Appointment of Receiver and exhibits thereto, Friday Health is a subsidiary of Friday Health  
27 Plans Management Services Company, Inc. (“FHP Parent”), which is licensed as a non-resident third-party  
28 administrator in Nevada, and as a non-resident producer firm in Nevada. FHP Parent is a subsidiary of  
Friday Health Plans, Inc. (“FHP Ultimate Parent”), a Delaware company located in Colorado. FHP Parent  
and FHP Ultimate Parent have other “Friday Health Plan” insurance companies in other states, including  
Colorado, Texas, Georgia, Oklahoma, and North Carolina (collectively, “FHP Companies”). FHP Ultimate  
Parent operated the FHP companies which are all now subject to receivership proceedings.

1 On April 29, 2024, the Court issued an order Setting Claiming Filing Deadline and Granting  
2 Related Relief. The order set a formal claim administration process including a claims filing  
3 deadline of July 31, 2024. In the interim, the Nevada Life & Health Insurance Guaranty Association<sup>2</sup>  
4 (“Guaranty Association”) has been activated and is working closely with the SDR to pay Friday  
5 Health’s claims while providing coverage to Nevada's resident policyholders pursuant to the  
6 provisions of NRS 686C. As of March 31, 2024, the Guaranty Association has paid over 10,000  
7 health claims in the amount of \$10,422,985 and pharmacy benefits in the amount of \$1,486,000.  
8 The Guaranty Association has approximately 201 remaining claims to process. Providers continue  
9 to submit a small amount of claims and appeals on a daily basis.

10 **B. Assignment for the Benefit of Creditors**

11 Friday Health Plans Management Services Company, Inc. (“MSC”) provided all operational  
12 and management services to the various Friday Health plans pursuant to a management services  
13 agreement. The MSC Board of Directors and Officers retained and authorized consultants to  
14 redomesticate MSC to Delaware. MSC and its corporate parent Friday Health Plans, Inc.  
15 commenced an Assignment for the Benefit of Creditors proceeding in the Court of Chancery for  
16 the State of Delaware (“ABC Proceeding”). MSC ceased active operations on July 6, 2023, leaving  
17 the Receivers to reconstruct the network of vendor agreements and secure critical employees  
18 necessary to the continued operations of the estates. MSC violated its management services  
19 agreements to provide services to the Friday Health companies. MSC is attempting to dispose of  
20 assets belonging to the Friday Health estates in the ABC Proceeding in violation of multiple  
21 receivership court injunctions. Due to concerns regarding the scope of the ABC Proceeding and  
22 certain representations made therein regarding the control of assets that include Friday Health  
23 assets, the decision was made to work jointly with the other state receivers to contest the ABC

24 \_\_\_\_\_  
25 <sup>2</sup> The Guaranty Association is “a statutory entity created in 1973 when the Nevada legislature enacted the  
26 Nevada Life and Health Insurance Guaranty Association Act. The Guaranty Association is composed of all  
27 insurers licensed to sell life insurance, accident and health insurance, and individual annuities in the state of  
28 Nevada. In the event a member insurer is found to be insolvent and is ordered to be liquidated by a court,  
the Guaranty Association Act enables the Guaranty Association to provide protection (subject to the  
exclusions and limits spelled out in the Act) to Nevada residents who are holders of life and health insurance  
policies and individual annuities with the insolvent insurer.” [www.nvlifega.org](http://www.nvlifega.org)

1 action and collectively assert state receivership rights in the ABC Proceeding. This Court has  
2 granted the Receiver's motion to approve the rates of the Rosner Law Group.

3 A hearing on a motion to dismiss is currently scheduled in the ABC Proceeding for June  
4 2024. The SDR will update this Court on future developments in the ABC Proceeding that may  
5 impact this receivership.

### 6 **C. Reinsurance**

7 Friday Health participated in two reinsurance agreements. The SDR received notice from  
8 AXA France Vie of their attempt to avoid certain liabilities owed to Friday Health under the parties  
9 January 1, 2021, quota share reinsurance agreement. The SDR is currently evaluating the  
10 reinsurer's claims. The second reinsurance agreement with OdysseyRe is currently performing  
11 while both parties participate in commutation discussions.

### 12 **D. Receivership Assets and Liabilities**

13 The Receiver continues to gather information and evaluate Friday Health's assets and  
14 liabilities. The SDR worked diligently to obtain access to and control of Friday Health bank  
15 accounts. The SDR has prepared a liquidating balance sheet for submission to the Court. The  
16 liquidating balance sheet is an estimate of assets and liabilities. The SDR makes no representations  
17 or warranties. Cash on hand as of March 31, 2023, was \$5,083,751. *See, Exhibit A.*

18 Professional invoices for services and expenses have been reviewed and approved by the  
19 Receiver and paid in accordance with this Court's approved process and a summary of the same is  
20 attached hereto as **Exhibit B**. Copies of the invoices detailing the payments are being submitted  
21 for *in-camera* review. *See, Exhibit C.*

### 22 **E. Receivers Allocation of Common Costs**

23 As outlined above, MSC provided all operational and management services to the various  
24 Friday Health plans pursuant to a management services agreement including entering into all  
25 contracts with vendors. The Receivers had to develop a methodology for the continuation of services  
26 each vendor rendered prior to the receiverships. The SDR has reached an agreement with the  
27 Receivers for the Friday Health estates from Colorado, Georgia, North Carolina, and Oklahoma to  
28 fairly and equitably distribute common costs and assets for coordinated activities of the group.

1 Additionally, it is anticipated that the Guaranty Associations for the states of Colorado, Georgia,  
2 North Carolina, Nevada, Oklahoma and Texas will sign onto the agreement. Coordination and  
3 cooperation of the Receivers and Guaranty Associations was critical to ensure continuity of services  
4 necessary for the runoff of the various estates in addition to the equitable recovery and distribution  
5 of comingled assets. The Receivers have entered into runoff agreements with all vendors who were  
6 necessary for the successful runoff of the estates. The agreements obligate the Receivers only for  
7 post receivership services. All pre-receivership obligations will not be owed by the receivership  
8 estates. An account has been established by the parties to prefund expenses to be paid in accordance  
9 with the predetermined distribution methodology. The SDR has prefunded the account by  
10 contributing \$687,000.00 with the Oklahoma Receiver as administrator of the account. Friday  
11 Health of Nevada's total distribution to the common vendors at the end of the first quarter totaled  
12 \$97,159.11 and earned 3,227.66 in interest with a remaining balance in the prefunded account of  
13 \$593,068.55. A refund will be issued in the second quarter from the prefunded cost share account  
14 to the Nevada estate in the amount of \$575,000 as a result of modifications to the allocation  
15 methodology. Payments to the vendors will be allocated among each of the receivership estates and  
16 each estate will either owe its equal share of the amounts due certain vendors or will owe its  
17 percentage share of the fees based on metrics including number of insureds and claims. These  
18 metrics provide for the most cost efficient method of retaining vendors as Friday Health of Nevada  
19 had the fewest number of insureds. *See Exhibit D.*

20 ///

1 **III. CONCLUSION**

2 In compliance with NRS 696B and this Court’s instructions for status reports regarding  
3 Friday Health’s affairs, the Receiver submitted this Report and requests that the Court approve the  
4 Report and the actions taken by the Receiver.

5 DATED this 3<sup>rd</sup> day of June, 2024.

6 Respectfully submitted:

7 Scott D. Kipper, Commissioner of Insurance of  
8 the State of Nevada, in his Official Capacity as  
9 Statutory Receiver of Delinquent Domestic  
10 Insurer

11 By: /s/ Darren Ellingson  
12 Special Deputy Receiver, By Its Authorized  
13 Representative Darren Ellingson

14 Respectfully submitted by:

15 **GREENBERG TRAURIG, LLP**

16 /s/ Kara B. Hendricks

17 MARK E. FERRARIO, ESQ.

18 Nevada Bar No. 01625

19 KARA B. HENDRICKS, ESQ.

20 Nevada Bar No. 07743

21 JERRELL L. BERRIOS, ESQ.

22 Nevada Bar No. 15504

23 10845 Griffith Peak Drive, Suite 600

24 Las Vegas, Nevada 89135

1 **CERTIFICATE OF SERVICE**

2 Pursuant to Nev. R. Civ. P. 5(b)(2)(D) and E.D.C.R. 8.05, I certify that on this 3<sup>rd</sup> day of  
3 June 2024, I caused a true and correct copy of the foregoing ***Fourth Status Report*** to be filed with  
4 the Clerk of Court using the Odyssey e-FileNV Electronic Service system and served on all parties  
5 with an email address on record, pursuant to Administrative Order 14-2 and Rule 9 of the  
6 N.E.F.C.R.

7 On **June 3, 2024**, I served the within document(s):

8  via **FIRST CLASS MAIL**, by mailing a copy of the document(s) listed above to the  
9 person(s) at the e-mail address(es) set forth below.

10 Matthew Taylor  
11 701 S. Carson Street, Suite 200  
12 Carson, City, Nevada 89701

13 Steven L. Victor  
14 Senior Managing Director  
15 DEVELOPMENT SPECIALISTS, INC.  
16 10 S. LaSalle Street, Suite 3300  
17 Chicago, Illinois 60603  
18 Email: [SVictor@DSIConsulting.com](mailto:SVictor@DSIConsulting.com)

19 */s/ Andrea Lee Rosehill*  
20 \_\_\_\_\_  
21 An employee of Greenberg Traurig, LLP  
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# EXHIBIT A

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**Friday Health Plans of Nevada, Inc. in Liquidation**  
**Nevada Commissioner of Insurance as Receiver**  
**Statement of Affairs as of March 31, 2024**

<b>Assets</b>		<b>Estimated Realizable Value</b>
Cash		\$ 5,083,751
Investments at Fair Value		-
Premium Receivable, Net of AFDA	Note (4)	1,392,436
Prepaid Expenses -FHP, OK	Note (5)	682,735
Prepaid Network Rental Fee	Note (6)	2,000,000
Reinsurance Recoverable	Note (7)	14,100,987
Other Receivables	Note (8)	775,712
Due From Related Entity	Note (9)	1,705,511
Allowance for Unrecoverable Assets	Note (10)	(17,100,000)
<b>Total Assets</b>		<u><u>\$ 8,641,132</u></u>
<b>Liabilities</b>		
Class 1 (A) Administrative Claims	Note (11)	27,755
Class 1 (B) Loss Claims	Note (12)	12,000,000
Class 1 (C) Unearned Premium Claims	Note (13)	187,331
Class 1 (D) Federal Claims	Note (14)	10,149,711
Class 1 (E) State and Local Claims	Note (15)	588,391
Class 1 (G) General Creditor Claims	Note (16)	151,274
<b>Total Liabilities</b>		<u>\$ 23,104,462</u>
<b>Equity</b>		
Excess (Deficiency) of Assets over Liabilities	Note (17)	<u>\$ (14,463,330)</u>
<b>Total Liabilities and Equity</b>		<u><u>\$ 8,641,132</u></u>

The accompanying notes and schedules are an integral part of these financial statements

**UNAUDITED**

**Friday Health Plans of Nevada, Inc. in Liquidation**  
**Nevada Commissioner of Insurance as Receiver**  
**Statement of Receipts and Disbursements**  
**Period Ending March 31, 2024**

	For the Quarter Ended <u>3/31/2024</u>	Cumulative From September 1, 2023 - <u>12/31/2023</u>	Cumulative From September 1, 2023 - <u>3/31/2024</u>
<b>Cash Receipts</b>			
Net Premium Collections	48,583	1,207	49,790
Provider Refunds	33,163	9,824	42,987
Subrogation Recovery	6,524	47,131	53,655
APTC	-	-	-
Risk Adjustment Receipts	-	-	-
Pharmacy Rebate	1,963,475	-	1,963,475
Interest and Other Receipts	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Total Cash Receipts</b>	<u>2,051,744</u>	<u>58,162</u>	<u>2,109,906</u>
<b>Cash Disbursements &amp; Distributions</b>			
Health Care Expenses	-	(192,975)	(192,975)
Direct Expenses(Commissions, Exchanges fees & Premium Taxes)	-	-	-
Cost Share	136,000	551,000	687,000
Professional fees and Expenses	108,031	258,537	366,568
Other Operating expenses	1,443	154	1,597
	<hr/>	<hr/>	<hr/>
<b>Total Cash Disbursements</b>	245,473	616,716	862,190
<b>Distributions</b>			
Administrative Claims (Class 1 (A))	1,064	17,319	18,383
Loss Claims (Class 1(B))	-	-	-
Unearned Premiums Claims (Class 1 (C ))	-	-	-
Risk adjustments & Exchange Claims (Class 1 (D))	-	-	-
Premium Taxes & Unclaimed Property Claims (Class 1 (E ))	-	-	-
General Creditor Claims (Class 1 (G ))	-	-	-
Distribution to Guaranty Association	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Total Cash Distributed</b>	1,064	17,319	18,383
	<hr/>	<hr/>	<hr/>
<b>Total Cash Disbursements &amp; Distributions</b>	<u>246,537</u>	<u>634,035</u>	<u>880,573</u>
<b>Net Increase (Decrease) in Cash</b>			
	<u>1,805,207</u>	<u>(575,873)</u>	<u>1,229,333</u>
<b>Cash and Cash Equivalents, Beginning of the Period</b>			
	<u>3,278,544</u>	<u>3,854,417</u>	<u>3,854,417</u>
<b>Cash and Cash Equivalents, Ending Period</b>			
	<u>5,083,751</u>	<u>3,278,544</u>	<u>5,083,750</u>

**Friday Health Plans of Nevada, Inc. in Liquidation**  
**Nevada Commissioner of Insurance as Receiver**  
**Notes to Financial Statements**

Dated March 31, 2024

**1. Estate Information:**

Friday Health Plans of Nevada, Inc. ('FHP-NV) was a health organization domiciled in Nevada that was placed into rehabilitation on June 12, 2023 and liquidation on September 1, 2023. As a result of the Liquidation all policies were terminated as of August 31, 2023.

**2. Basis of Presentation:**

The accompanying financial statements have been prepared on a modified cash basis of accounting. Assets are stated at their estimated realizable values, while liabilities are stated at their full estimated values and are adjusted as evaluated, and or paid. The Receiver makes no representations or warranties regarding the accuracy of the information and amounts.

**3. Unaudited:**

The accompanying financial statement have not been audited by an independent certified public accountant and no opinion is expressed on their compliance with the general accepted accounting principles.

**4. Premium Receivable :**

Premium receivable represents amounts due for Advance Premium Tax Credit ("APTC") from Center for Medicare & Medicaid Services (CMS). The Receiver has estimated these amounts from information available to, known, or estimated by the Receiver as of the date of these financial statements.

**5. Prepaid Expenses:**

Prepaid Expenses represent the net amount paid to Friday Health Plans of Oklahoma for the initial Run-Off FHP Cost Share Agreement funding reduced by incurred expenses since the date of Receivership.

6. Prepaid Network Rental Agreement

Agreement entered on September 14, 2022 between FHP-NV and Hometown Health Providers Insurance Company, Inc. ("Hometown Health") for Network Rental and Repricing Services.

7. Reinsurance Receivables

Reinsurance receivables represent amounts due from the Odyssey Re and AXA France Vie.

8. Other Receivables:

Other receivables represent approximately \$ .8 million from provider receivables.

9. Due from Related Entities.

Amounts Due from Related Entity includes the amount due from FHP-NV Parent and Affiliates. Current amounts are based on amounts reported by FHP-NV.

10. Allowance for Unrecoverable Assets

Allowance for Unrecoverable Assets is a general reserve estimated by the Receiver for assets that may not be recovered at statement value.

11. Administrative Claims Class 1 (A)

Amounts outstanding for services through March 31, 2024 are as follows

Ellingson & Associates, LLC	\$15,965
Examination Resources, LLC	\$11,790
Total	<u>\$27,755</u>

12. Policyholder and Guaranty Association Claims - Class 1 (B)

Amounts include an estimate of potential amounts recorded as the date of these financial statements. These amounts were not derived from actuarial professionals or analysis. The Receiver has estimated these amounts from information available to, known, or estimated by the Receiver as of the date of these financial statements.

Loss Claims Payable to GA	\$11,908,985
Unpaid Loss Claims	\$91,015
Total	<u>\$12,000,000</u>

13. Policyholder and Guaranty Association Claims - Class 1 (C)

Amounts include an estimate of potential amounts recorded as the date of these financial statements. These amounts were not derived from actuarial professionals or analysis. The Receiver has estimated these amounts from information available to, known, or estimated by the Receiver as of the date of these financial statements.

Unearned Premiums

\$187,331

14. Federal Claims Class 1 (D)

Amounts include an estimate of potential amounts recorded as the date of these financial statements for Risk Adjustment Payables for the 2023 year. These amounts were not derived from actuarial professionals or analysis. The Receiver has estimated these amounts from information available to, known, or estimated by the Receiver as of the date of these financial statements.

15. State and Local Claims Class 1 (E)

Amounts include an estimate of potential amounts recorded as the date of these financial statements.

16. General Claims Class 1 (G)

Class 1 (G) General claims represent amounts the Company owes to all other vendors and creditors vendors and creditors. These represent Class 1 (G) claims for priority of distributions pursuant to N.V. NRS 696B.420. It is anticipated the assets of the estate will not be sufficient to pay these claims.

17. Excess (Deficiency) of Assets over Liabilities:

The excess or (deficiency) represents the estimated realizable value of assets after deducting the current estimate of liabilities. This excess or (deficiency) does not take into consideration any estimates for future administrative costs to liquidate the estate or costs to pursue or litigate claims against others.

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# EXHIBIT B

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**Exhibit B**

Professional invoices for services and expenses have been reviewed and approved by the Receiver and paid in accordance with this Court’s approved process and a summary of the same is set forth below.

	<b>January</b>	<b>February</b>	<b>March</b>
Greenberg Traurig, LLP		\$1,669.50	\$1,882.50
Examination Resources	\$5,895.00	\$4,398.40	\$8,625.00
Ellingson & Associates	\$19,025.00	\$12,905.00	

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EXHIBIT C

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submitted *in camera*



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# EXHIBIT D

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NEVADA'S PAID EXPENSES (THROUGH 03/2024)

Vendor	Total Cost Share
Adobe, Inc.	2,857.59
Arctic Wolf/ANM	1,414.78
Atlassian	4.13
BOK	11.07
CenturyLink	81.27
City of Alamosa	57.07
Consensus Cloud Solutions (eFax)	35.84
Dialpad	7,667.74
DocuSign, Inc.	9.13
Elevate Digital	171.31
FAIR Health	6,002.79
FedEx	0.90
HealthEdge	2,989.68
Inovalon	18,212.05
Jade Communications	44.03
Lumen (CenturyLink)	7.18
Mission Cloud	6,164.16
Pitney Bowes Purchase Power	18.69
Propio LS, LLC	27.10
TeamSupport LLC	94.92
The Rosner Law Group	12,503.04
TK Elevator Corporation	9.12
UST Administration (SOW1)	14,110.00
UST Administration (SOW2)	11,093.27
UST Appeals and Grievances (SOW2)	4,564.75
UST Billing and Enrollment/Broker (SOW2)	4,933.55
XcelEnergy	43.44
Zenwork	1,650.00
Zipari	2,380.50
Vendor Total	<u>97,159.11</u>

NEVADA CONTRIBUTIONS

Contribution Date	Amount
1/17/2024	136,000.00
9/18/2023	551,000.00
Contribution Total	<u>687,000.00</u>

Interest Earned	Amount
10/2023 Interest	250.35
11/2023 Interest	455.97
12/2023 Interest	346.67
01/2024 Interest	227.89
02/2024 Interest	245.54
03/2024 Interest	1,701.24
Interest Total	<u>3,227.66</u>

**Net Contribution** 593,068.55