

IMPORTANT NOTICE: The following Frequently Asked Questions and answers are intended to provide consumers and other stakeholders an overview regarding the liquidation of Friday Health Insurance Company (“FHIC”). CANTILO & BENNETT, L.L.P., as Special Deputy Receiver of FHIC, reserves the right to provide updated and new information that may affect the interests of FHIC. **Nothing herein constitutes a binding legal statement by the Commissioner of Insurance of the State of Texas, the Special Deputy Receiver, the Texas Life and Health Insurance Guaranty Association (“TLHIGA”), or their representatives. Nor are the statements contained herein intended as legal advice or complete legal descriptions of the events or matters to which they relate. The material provided herein is offered only for general information. For full legal information, interested parties should review the source documents and applicable legal authorities.**

FREQUENTLY ASKED QUESTIONS

Q1. Is FHIC still in business?

A. No. On March 23, 2023, FHIC was placed into liquidation in a receivership proceeding in Texas. A District Court in Travis County, Austin, Texas (the “Court” or “Receivership Court”) issued an order (the “Liquidation Order”) finding FHIC was insolvent, placing it into Liquidation, and appointing the Commissioner as Receiver. The Commissioner appointed CANTILO & BENNETT, L.L.P. as the Special Deputy Receiver of FHIC.

Please note: The receivership only applies to Texas policies. Other affiliated entities issued policies in Colorado, Georgia, Nevada, North Carolina, and Oklahoma. The Texas Liquidation Order does not apply to your policy if it was issued in Colorado, Georgia, Nevada, North Carolina, or Oklahoma.

Q2. What is a receivership?

A. A receivership is a court proceeding in which the Texas Commissioner of Insurance (“the Commissioner”) seeks to take over a troubled insurance company in order to liquidate it. In a receivership, the Commissioner becomes the Receiver of the insurance company. The Commissioner typically appoints a Special Deputy Receiver (“SDR”). The SDR then becomes responsible for the day-to-day administration of the company to liquidate it and pay creditors. The SDR acts under the supervision of the Receiver. Additionally, once placed into liquidation, TLHIGA generally becomes responsible for policy administration and processing and payment of outstanding claims under the Texas policies issued by FHIC – subject to the statutes, rules, and regulations applying to TLHIGA.

Please note: The receivership only applies to Texas policies. Other affiliated entities issued policies in Colorado, Georgia, Nevada, North Carolina, and Oklahoma. The Texas Liquidation Order does not apply to your policy if it was issued in Colorado, Georgia, Nevada, North Carolina, or Oklahoma.

Q3. What is the Texas Life and Health Insurance Guaranty Association?

A. TLHIGA is a non-profit legal entity created in 1973 by the Texas Legislature to provide protection for the insurance policy benefits of policyholders when their Texas-licensed life and health insurance company is found to be insolvent and ordered liquidated by a court. For more information about TLHIGA, visit its web site at <https://www.txlifega.org>.

Q4. Why was FHIC placed into liquidation?

A. This action was initiated in order to protect policyholders, claimants, creditors, and the public from harm which might be caused by FHIC's continued operation. The Receivership Court found that FHIC does not have sufficient assets to cover its liabilities. As FHIC will not be able to pay all policy claims as they come due, continuing operations would increase substantially the risk of loss to policyholders, claimants, creditors, and the public.

Q5. What is the status of my FHIC policy?

A. Most policies issued by FHIC, have already terminated or the policyholders have been notified of the date their policy will terminate. If you are uncertain regarding the status or your policy, please contact FHIC at 844-451-4444.

Q6. Should policyholders keep paying premiums?

A. Yes. Failure to pay any billed policy premiums in full and on time may cause your policy to terminate, and you will lose your benefits, including any benefits that might have been available from TLHIGA.

Q7. What if I do not find replacement coverage before the policy termination date?

A. If you have not begun looking for replacement coverage, you should do so immediately. Failure to obtain replacement coverage means you will be uninsured until you obtain new coverage. You will not have coverage for any loss that occurs during that period.

Q8. Can I renew, make changes, or add coverage to my FHIC coverage?

A. No renewal or new policies will be issued.

Q9. What if I have a new claim?

A. For the time being, all new claims should be reported to FHIC as usual by calling 844-451-4444, Monday-Friday 8AM – 8PM CT and 7AM – 7PM MT. or mail to the following:

Friday Health Insurance Company, Inc.
c/o Smart Data Solutions
P.O. Box 21594
Eagan, MN 55121

Policyholders DO NOT need to submit any additional documentation beyond the normal claim submissions for the TLHIGA to process their claims. There may be a delay initially in the payment of claims because of the transition to receivership. Policyholders with claims that may exceed TLHIGA's statutory coverage limit will be notified by the SDR of any possible claim against the assets of the FHIC receivership estate. New and existing claims may be covered by TLHIGA. For more information about TLHIGA, visit its web site at <https://www.txlifega.org>.

Q10. What should I do if I currently have a claim check that was issued for a claim on a FHIC policy?

A. If you have a claim or benefits payment check issued on a claim on an FHIC policy in your possession, you should cash the check or deposit it with your bank.

Q11. What if I have an unpaid claim? Is my claim covered by a guaranty association?

A. TLHIGA will provide coverage for all eligible FHIC (Texas) policyholders (most of whom will be Texas residents), subject to the lesser of their policy limits or the statutory limit of \$500,000 for any one individual. For more information about TLHIGA, please visit its web site at <https://www.txlifega.org>.

Q12. What if my claim is not covered by TLHIGA?

A. All claims against FHIC that are not covered in whole or in part by TLHIGA should be submitted to the SDR in the Proof of Claim (“POC”) process. This includes claims that are related to insurance policies but denied coverage by TLHIGA including claims arising under No Surprises laws, including Independent Dispute Resolutions (“IDRs”) (see Q13). It also includes claims for goods or services provided to FHIC that are not related to insurance policies. If a POC is approved, it may be payable from FHIC’s available funds. The SDR cannot predict when or if there will be funds available to pay any approved POCs. **For more information about the POC process and other important updates please visit <https://fridayhealthtxsdr.com/>.**

Q13. How are IDRs handled?

A. TLHIGA does not provide coverage for claims arising from reimbursement disputes (IDRs) under the Texas and federal No Surprises laws, whether the dispute is submitted on the Texas Department of Insurance (TDI) IDR portal, the federal CMS IDR portal, or the Friday Health Plans portal. Pending IDRs will remain pending and a POC will need to be filed with the SDR. Please see Q12.

Q14. How does the POC process work?

A. The Receivership Court will approve a POC form and instructions and set a claims filing deadline. Once the POC form and deadline are approved by the Receivership Court, the SDR will provide notice of the POC deadline to known creditors, publish notice in newspapers, and post the POC form and instructions on the SDR web site. **More information about the POC process and other important updates will be posted at <https://fridayhealthtxsdr.com/>.**

Q15. How do I keep up with what is going on in the receivership?

A. All pleadings filed in the FHIC estate, as well as relevant notices, will be posted on the SDR’s web site <https://fridayhealthtxsdr.com/>.

Q16. Whom should I contact for additional information regarding the SDR or with questions regarding FHIC?

- A. CANTILO & BENNETT, L.L.P.
Special Deputy Receiver
Friday Health Insurance Company, in Liquidation
11401 Century Oaks Terrace, Suite 300
Austin, Texas 78758
(512) 478-6000 Telephone
(512) 404-6550 Fax
<https://fridayhealthtxsdr.com/>
info@FridayHealthTXSDR.com

Q17. Whom should I contact for additional information regarding the TLHIGA?

- A. TEXAS LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION
(512) 476-5101
(800)-982-6362
(512) 472-1440 Fax
http: www.txlifega.org
FHIC@txlifega.org