

CoOpportunity Health Liquidation General Information

1. What is Liquidation?

Liquidation is the court ordered closing of CoOpportunity Health due to the company being insolvent. Iowa Insurance Commissioner Nick Gerhart is, by statute, appointed as the liquidator of the company. When a company is liquidated the Liquidator gathers the company's assets and determines liabilities of the company. The Liquidator then develops a plan to distribute the company's assets according to law. We expect CoOpportunity Health to be placed into liquidation as of February 28, 2015. The Iowa and Nebraska Guaranty Associations then take over payment of claims up to a limit set forth by statute.

2. What does this mean if I have a health insurance policy with CoOpportunity Health?

- Individuals and employer groups who have health insurance through CoOpportunity have two options:
 - Individuals and employer groups are strongly encouraged to find coverage with another insurance company and then cancel their policy with CoOpportunity Health as soon as possible. You have until the end of open enrollment, which ends February 15, 2015, to enroll in another plan which will be effective March 1, 2015, to avoid a gap in any Marketplace financial assistance, or
 - Individuals and employer groups may keep their insurance policy for a short period of time but those policies will be cancelled and/or nonrenewed as allowed by applicable law. Under Iowa law the [Iowa Life & Health Insurance Guaranty Association](#) will ensure, subject to statutory limitations on coverage, that the original health insurance policy with CoOpportunity will continue to be honored for Iowa residents until cancelled or nonrenewed as long as the premiums continue to be paid. Under Nebraska law, the Nebraska Life & Health Insurance Guaranty Association will do the same for Nebraska residents. However, under both Iowa and Nebraska law, the policy will be subject to some additional restrictions and limitations, including a limit in benefits to \$500,000 per individual on the policy. Individuals will lose access to advanced premium tax credits and cost sharing subsidies from the Marketplace after the liquidation order is entered. Furthermore, group policies will be cancelled within 30-45 days following the liquidation order if not replaced earlier and individual policies will be cancelled/nonrenewed no later than the end of this year if not replaced earlier.

3. What is a Life & Health Insurance Guaranty Association?

In Iowa, the Guaranty Association is composed of all insurers licensed to sell life insurance, accident and health insurance, and individual annuities in the state of Iowa. In Nebraska, the Guaranty Association is similarly comprised of life, annuity and health insurers. In the event that a member insurer is found to be insolvent and is ordered to be liquidated by a court, the Guaranty Association will provide protection (up to the limits specified in the Guaranty Association Act; in this case, \$500,000 per individual) to Iowa and Nebraska residents who are holders of life and health insurance policies and individual annuities with the insolvent insurer. Specifically, when a member insurer is found to be insolvent and is ordered liquidated, a special deputy receiver takes over the insurer under court supervision and processes the insurer's assets and liabilities through a legal proceeding known as "liquidation". The task of servicing the insolvent insurance company's policies and providing coverage to policyholders who are eligible for Guaranty Association protection becomes the responsibility of the Iowa and Nebraska Guaranty Associations until the policies are replaced or cancelled or benefits provided reach the guaranty association statutory limit. The protection provided by the Iowa Guaranty Association is based on Iowa law and the language of the insolvent company's policies at the time of insolvency. The protection provided by the Nebraska Guaranty Association is based on Nebraska law and the language of the insolvent company's policies at the time of the liquidation. If you have questions regarding the guaranty associations or your coverage options, you may contact:

- The Iowa Life & Health Insurance Guaranty Association at info@ialifega.org; or
- The Nebraska Life & Health Insurance Guaranty Association at info@nelifega.org

4. What if my claims exceed the amount of coverage provided by the guaranty association?

If a guaranty association administers claims against the policy and the benefit limits are reached, any claim in excess of that limit may be submitted as a policyholder-level claim against the estate of the failed insurance company, and the contract holder may receive distributions as the company's assets are liquidated as directed by the liquidator.