

SAMPLE DEED OF TRUST

THIS INDENTURE, made this _____ day of _____, in the year _____, between: (name of the MCO _____), a corporation organized under the laws of New York (hereinafter called the "Company"), and (name of bank or trust company located in New York State), a corporation organized under the laws of _____ (hereinafter called the "Trustee"):

WITNESSETH:

WHEREAS, under and pursuant to the provision of Section 98-1.11(f) of the Regulations of the New York State Health Department (10 NYCRR 98-1) a Managed Care Organization is required to maintain in the State of New York trusteed assets for the security of all its enrollees and the enrollee's health care service claim obligations and to appoint a trustee of such assets;

THEREFORE, to ensure that the laws and regulations of the State of New York shall be fully complied with:

KNOW ALL MEN BY THESE PRESENT

FIRST: The Company has appointed _____ (Bank or Trust Company), a Corporation having trust powers as its lawful Trustee.

SECOND: The Trustee and its lawfully appointed successors is and are authorized and shall have power to receive such securities and property as the Company from time to time may transfer or remit to or vest in said Trustee or place in such Trustee's hands or under said Trustee's control, and to hold, invest, reinvest, manage and dispose of the same for the uses and purposes and in the manner and according to the provisions contained herein.

THIRD: Legal title to such securities and property and their proceeds shall be vested in the Trustee and its lawfully appointed successors, who shall hold the same as a fund in trust for the Company's enrollees and the enrollee's health care service claim obligations.

FOURTH: All such trusteed assets at all times shall be maintained as a trust fund, separate and distinct from all other assets, and shall be continuously kept within the State of New York.

FIFTH: The Trustee is authorized and empowered with the general or specific written direction of the Board of Directors of the Company to sell or collect any security or property in the said trust fund, and to invest and reinvest the proceeds thereof in such securities or property as are or may be from time to time permitted by the laws of the State of New York, and subject to the limitations therein contained.

SIXTH: Subject to the approval required by the NINTH paragraph hereof, the Trustee is authorized and empowered, with written direction as provided in paragraph FIFTH hereof, to furnish funds, securities or other property out of such trust fund (a) for the payment of moneys due to enrollees; (b) for the payment of enrollees health care service obligations, or (c) for remittance or transfer to the Company.

SEVENTH: The Trustee shall continuously maintain a record at all times sufficient to identify the assets of the trust fund and shall no later than April 30th of each year furnish a statement to the Superintendent of Insurance of the State of New York, and the Commissioner of Health of the State of New York, identifying the assets that are held in trust as of the thirty-first day March of such year, including the estimated fair market value of such assets.

EIGHTH: The Trustee is authorized and empowered, with the written direction as provided in paragraph FIFTH hereof, to pay or deliver any or all income, earnings, dividends (except stock dividend) or interest accumulations of the securities or property of such trust fund to such Company and accept receipt therefor.

NINTH: No withdrawal of any assets of such trust fund other than as specified in paragraph EIGHTH hereof shall be made or permitted by the Trustee without the written approval of the Superintendent of Insurance of the State of New York, except as follows:

- (a) For the purposes of substituting other assets permitted by law and at least equal in market value to those withdrawn, upon any general or specific written direction of the Company.
- (b) For the purposes of transferring such assets to the Superintendent of Insurance of the State of New York as the official liquidator or rehabilitator pursuant to an order of a court of competent jurisdiction.

TENTH: The Trustee may resign, by written resignation, effective not less than ninety (90) days after receipt by the Company, and the Company may remove the Trustee at any time, without assigning any cause therefor, provided that no such resignation or removal shall be effective until a successor Trustee has been appointed and has qualified and such appointment has been approved the Superintendent of Insurance of the State of New York. In case of a vacancy caused by such a resignation or removal of a Trustee, or for any other cause, the Company shall appoint a new Trustee, and all of the powers of the Trustee named herein shall survive and continue in the successor trustee, and every new trustee shall succeed to, take and have all the estate, rights and powers which belonged to or were held by its predecessor, and be charged with like obligations as was its predecessor. But the Trustee shall not be liable nor responsible for any loss to its said trust fund unless the same be caused by its neglect or willful malfeasance.

ELEVENTH: The Company may at any time hereafter modify or vary the trusts, conditions and powers herein before declared, imposed or conferred in such manner as it shall deem fit and as shall be according to law, provided the rights of its enrollees shall not thereby be

affected or impaired. No such modification or variation shall be effective unless approved in writing by the Superintendent of Insurance of the State of New York.

TWELFTH: The Trustee may accept a certificate or other writing signed as provided in paragraph FIFTH hereof as prima facie evidence of any of the following: (a) that the securities or properties mentioned in any such certificate or other writing comply with the limitations imposed by Section 98-1.11(f) of the Regulations of the New York State Department of Health (10 NYCRR 98-1) and (b) that the securities and properties mentioned in such certificate or other writing are of the market value specified therein.

THIRTEENTH: The Trustee hereby accepts the trust above created and declared upon the terms above expressed and signifies its acceptance thereof by joining in execution of these presents.

This deed of trust and all amendments thereto shall not be effective unless approved in writing by the Superintendent of Insurance of the State of New York.

This Indenture shall take effect on the day on which it is approved by the Superintendent of Insurance of the State of New York and is filed in his office.

IN WITNESS WHEREOF, the company has caused this instrument to be signed by its President and attested by its Secretary and its corporate seal to be affixed, at this day of , , and the Trustee as evidencing its acceptance of the trust hereby created, has caused this Instrument to be signed by its Trust Officer and attested by its Secretary, at NY, this day of

BY: _____

ATTEST: _____

BY: _____

ATTEST: _____