

STATE OF MICHIGAN  
CIRCUIT COURT FOR THE 30TH JUDICIAL CIRCUIT  
INGHAM COUNTY

KEN ROSS, COMMISSIONER OF THE  
OFFICE OF FINANCIAL AND INSURANCE  
REGULATION,

Petitioner,

No. 10-397-CR

v

HON. WILLIAM E. COLLETTE

AMERICAN COMMUNITY MUTUAL  
INSURANCE COMPANY,

Respondent.

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Assistant Attorney General  
Attorney for Petitioner  
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**EX PARTE ORDER APPROVING PAYMENT OF  
CLAIM OF THE NATIONAL ORGANIZATION OF LIFE AND HEALTH  
GUARANTY ASSOCIATIONS**

At a session of said Court held in the  
Circuit Courtrooms for the  
County of Ingham, State of Michigan  
on the 8<sup>th</sup> day of August, 2013.

PRESENT: HONORABLE WILLIAM E. COLLETTE, CIRCUIT COURT JUDGE

**WHEREAS**, R. Kevin Clinton, Director of the Michigan Department of Insurance and Financial Services<sup>1</sup> and duly appointed Rehabilitator of American Community Mutual Insurance Company (the “Rehabilitator”), has filed an Ex Parte Petition for Approval to Pay Claim of the National Organization of Life and Health Insurance Guaranty Associations (the “Ex Parte Petition”); and

**WHEREAS**, the Rehabilitation Order entered by this Court on April 8, 2010 provides that “[a]mong his plenary powers provided by law, the Rehabilitator shall have full power to direct and manage American Community . . . and to deal in totality with the property and business of” the company; and

**WHEREAS**, MCL 500.8114(4) and the Rehabilitation Order authorize the Rehabilitator take such action as he considers necessary or appropriate to reform or revitalize American Community; and

**WHEREAS**, the Rehabilitation Order further provides that all Creditor claims against American Community are within the exclusive jurisdiction of this Court and will be determined, resolved, paid, and/or discharged, in whole or in part, according to the terms and conditions approved by the Court; and

**WHEREAS**, after marshaling all the assets of American Community and reviewing the company’s books and records, the Rehabilitator has determined that there are sufficient assets available to pay the claim submitted by the National

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<sup>1</sup> Pursuant to Executive Order No. 2013-1 effective March 18, 2013, the Michigan Office of Financial and Insurance Regulation (“OFIR”) was renamed the Michigan Department of Insurance and Financial Services (“DIFS”) and all the authority, powers, duties, functions, and responsibilities of the former Commissioner of OFIR were transferred to the newly-created position of the Director of DIFS.

Organization of Life and Health Insurance Guaranty Associations (“NOLHGA”) arising from pre- and post-Rehabilitation work that NOLHGA and its hired consultants performed relative to the American Community rehabilitation; and

**WHEREAS**, the total amount that the Rehabilitator seeks approval to pay on the NOLHGA claim, which is entitled to Class 2 priority, is \$198,000, the payment of which will not significantly impact the rehabilitation and will leave adequate reserve funds to pay all other currently-accrued policyholder and Creditor claims and all anticipated future policyholder and Creditor claims (with the exception of the \$30 million in claims owed to American Community’s Surplus Noteholders); and

**WHEREAS**, the Rehabilitator and Special Deputy Rehabilitator have determined that payment of \$198,000 to resolve and discharge the NOLHGA claim is necessary and appropriate for the effective and efficient administration of this rehabilitation proceeding and will assist in providing the maximum protection to creditors, policyholders, and the public;

**NOW, THEREFORE, IT IS HEREBY ORDERED** that the Court APPROVES the Ex Parte Petition and authorizes the Rehabilitator’s payment of the NOLHGA claim in the total amount of \$198,000;

**IT IS FURTHER ORDERED** that due to the difficulty and prohibitive cost associated with providing personalized notice of the Ex Parte Petition and this Order to all parties with an interest in this matter, the Court authorizes, approves, and/or ratifies the Rehabilitator’s service of the Ex Parte Petition and this Order by

posting electronic copies on the DIFS website, [www.michigan.gov/difs](http://www.michigan.gov/difs), under the section "Who We Regulate" and the subsection "American Community Mutual." The Court finds that service in this manner is reasonably calculated to give interested parties actual notice of these proceedings and is otherwise reasonable under the circumstances.

**IT IS SO ORDERED.**

A handwritten signature in black ink, appearing to read "W. E. Collette", written over a horizontal line.

Honorable William E. Collette  
Circuit Court Judge