

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.

Christopher L. Kerr (P57131)
Jason R. Evans (P61567)
Assistant Attorneys General
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HINE BRYANTON
CLERK OF THE 30TH
JUDICIAL CIRCUIT COURT
INGHAM COUNTY CLERK

2011 AUG - 3 A 10:40

FILED

**EX PARTE ORDER APPROVING THE REHABILITATOR'S PLAN TO ENTER INTO
AN ASSUMPTION AND INDEMNITY REINSURANCE AGREEMENT WITH
BANKERS FIDELITY LIFE INSURANCE COMPANY
RELATIVE TO AMERICAN COMMUNITY MUTUAL INSURANCE COMPANY'S
MEDICARE SUPPLEMENT HEALTH INSURANCE POLICIES**

At a session of said Court held in the
Circuit Courtrooms for the
County of Ingham, State of Michigan
on the 30th day of August, 2011

PRESENT: HONORABLE WILLIAM E. COLLETTE, CIRCUIT COURT JUDGE

WHEREAS, R. Kevin Clinton,¹ the Commissioner of the Michigan Office of Financial and Insurance Regulation and duly appointed Rehabilitator of American Community Mutual Insurance Company (the "Rehabilitator") has filed an Ex Parte Petition for approval of the Rehabilitator's plan to enter into an assumption and indemnity reinsurance agreement with Bankers Fidelity Life Insurance Company ("Bankers Fidelity") relative to American Community's Medicare Supplement health insurance policies (the "Ex Parte Petition"); and

WHEREAS, MCL 500.8114(2) authorizes the Rehabilitator to take such action as he considers necessary or appropriate to reform or revitalize American Community, with the approval of the Court; and

WHEREAS, the Rehabilitator has determined that entering into an Assumption and Indemnity Reinsurance Agreement ("Agreement") with Bankers Fidelity is necessary and appropriate for the effective and efficient administration of this rehabilitation proceeding and will assist in providing the maximum protection to American Community's creditors, policyholders, and the public; and

WHEREAS, the Rehabilitator has determined that consistent with the Rehabilitation Order, the Agreement with Bankers Fidelity will also maintain, to the greatest extent possible, a continuity of health care services for American Community's Medicare Supplement policyholders;

NOW, THEREFORE, IT IS HEREBY ORDERED that the Court APPROVES the Rehabilitator's plan to enter into the Agreement with Bankers Fidelity in the form attached as Exhibit A to the Ex Parte Petition;

¹ Governor Snyder duly appointed R. Kevin Clinton to succeed Ken Ross as the Commissioner of OFIR effective April 18, 2011. Consequently, Commissioner Clinton became the Rehabilitator of American Community on that date.

IT IS FURTHER ORDERED that because time is of the essence in securing Court approval of the Agreement, and because the Agreement with Bankers Fidelity represents the only available offer relative to American Community's Medicare Supplement health insurance business that the Rehabilitator was able to finalize on competitive terms, the Court waives any hearing on the Ex Parte Petition and approves the Rehabilitator's plan to enter into the Agreement on an ex parte basis;

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 a general interest in the American Community rehabilitation, 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 OFIR website, www.michigan.gov/ofir, under the section "Who We Regulate," and the subsection "American Community." 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