

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.

**EX PARTE ORDER APPROVING PAYMENT OF
SETTLEMENT AMOUNTS RESOLVING AGENT COMMISSIONS
UNDER CRITICAL ILLNESS INSURANCE POLICIES**

At a session of said Court held in the
Circuit Courtrooms for the
County of Ingham, State of Michigan
on the 10TH day of September, 2012.

PRESENT: HONORABLE WILLIAM E. COLLETTE, CIRCUIT COURT JUDGE

WHEREAS, R. Kevin Clinton, 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 to Pay Settlement Amounts Resolving Agent Commissions Under Critical Illness Insurance Policies (the "Ex Parte Petition"); and

WHEREAS, MCL 500.811 **authorizes** the Rehabilitator take such action as he considers necessary or appropriate to reform or revitalize American Community; and

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WHEREAS, 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 books and records of American Community, the Rehabilitator has determined that there are sufficient assets available to pay the settlement amounts resolving earned and future agent commissions arising under American Community's critical illness insurance policies; and

WHEREAS, the total amount payable for these critical illness agent commissions is \$4,292, 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 note holders); and

WHEREAS, the Rehabilitator has determined that payment of the settlement amounts resolving the critical illness agent commissions is an appropriate and necessary step in the ongoing process to reform and revitalize American Community;

NOW, THEREFORE, IT IS HEREBY ORDERED that the Court APPROVES the Ex Parte Petition and authorizes the Rehabilitator's payment of the settlement amounts resolving all unpaid agent commissions arising under American Community's critical illness insurance policies;

IT IS FURTHER ORDERED that the Rehabilitator may escheat the settlement amounts resolving the critical illness commissions of the three non-settling agents (Hoosier Insurance Services of Indianapolis, Indiana; Fermon Owens of Indianapolis, Indiana; and Brooke Life & Health Insurance of Overland Park, Kansas) to the respective unclaimed property divisions in the

States where those agents are located, and will notify Hoosier Insurance Services and Fermon Owens when this has occurred;

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 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.



Honorable William E. Collette
Circuit Court Judge