

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

Docket No. 217-2006-EQ-00380

In the Matter of the Liquidation of
ACA Assurance

LIQUIDATOR'S SECOND REPORT

I, Roger A. Sevigny, Commissioner of Insurance, as Liquidator ("Liquidator") of ACA Assurance ("ACA") hereby submit this second report on the liquidation of ACA, pursuant to RSA 402-C:25 and RSA 402-C:26, I(c).

1. Publication Notice. Publication Notice of the Order of Liquidation and the Claim filing Deadline, together with instructions on how to obtain proof of claim forms was made on December 5, 2012 in the following three (3) newspapers: The Union Leader, The Boston Globe and the Chronicle Telegraph – Quebec. A form of the publication notice is attached as Exhibit A.

2. Resignation of Directors. Letters of resignation were received from all seven (7) members of ACA's Board of Directors effective as of October 22, 2012, which is the date of written notice of the Clerk of the Court of the entry of ACA's Order of Liquidation ("Order").

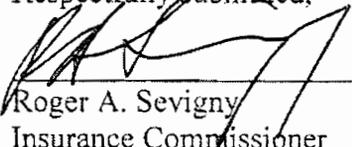
3. Proofs of Claim. Consistent with the terms of the Order and the Court's entry of the Order, the claim filing deadline in the ACA liquidation is April 22, 2013. As of January 7, 2013, nine (9) proofs of claim have been filed with the Liquidator:

4. Claim Determinations and Reports. The Liquidator is preparing for the process of determining proofs of claim. The Liquidator will file reports of claims and recommendations when a sufficient number of the claims have been determined and the 60-day period for objections has passed.

5. Financial Report. A copy of the unaudited November 30, 2012 statement of assets and liabilities, and receipts and disbursements for ACA is attached as Exhibit B to this report. The statement

reflects \$485,410 in assets under the Liquidator's direct control at November 30, 2012 and \$9,210 in operating disbursements from October 22, 2012 through November 30, 2012. ACA's sole asset on October 22, 2012 and on November 30, 2012 was the cash held at TD Bank. The ending cash balance at August 31, 2012, the last reporting date to the Court, was \$502,378, also held at TD Bank, and cash receipts and operating disbursements were \$2,222 and \$9,980, respectively, from September 1, 2012 to October 21, 2012.

6. Future Activity and Reports. The principal activities of the liquidation prior to the claim filing deadline will be answering any questions directed to the Liquidator in regard to the claim process, monitoring the claims which are submitted to the Liquidator, determining whatever proofs of claim are submitted in advance of the claim filing deadline, and marshaling any outstanding assets of the estate. In light of the limited assets of the estate and the low level of activity expected, the Liquidator requests that the Court specify that the Liquidator report to the Court at three month intervals pursuant to RSA 402-C:25.

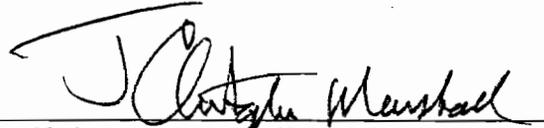
Respectfully submitted,


Roger A. Sevigny
Insurance Commissioner
As Liquidator of ACA Assurance

Dated: January 14, 2013

CERTIFICATE OF SERVICE

I, J. Christopher Marshall, do hereby certify that on January 15, 2013, I served a true copy of the foregoing upon the attached Service List, by first class mail, postage prepaid.

A handwritten signature in black ink, appearing to read "J. Christopher Marshall". The signature is written in a cursive style with a large initial "J" and "C".

J. Christopher Marshall, NH Bar #1619

SERVICE LIST

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NOTICE OF PUBLICATION ACA ASSURANCE ORDER OF L

NOTICE OF PUBLICATION ACA ASSURANCE Order of Liquidation placing ACA ASSURANCE ("ACA") in liquidation and appointing the New Hampshire Commissioner of Insurance as Liquidator was entered by the Superior Court for Merrimack County, New Hampshire on October 22, 2012. All persons having claims now or in the future against ACA, whether or not the amount of the claim is presently known, MUST file a Proof of Claim form with the Liquidator on or before the claim filing deadline of April 22, 2013. Proofs of Claim filed after the claim filing deadline will not be paid. Proof of Claim forms may be obtained by downloading the form from the New Hampshire Insurance Department website: www.state.nh.us/insurance, or by calling 1-800-347-0014 during regular business hours (Monday-Friday, 8:00 a.m. - 4:30 p.m., EDT), or by writing to: ACA Assurance in Liquidation 55 South Commercial Street Manchester, New Hampshire 03101

ACA Assurance In Liquidation
Statement of Assets and Liabilities, and Receipts and Disbursements

	October 22, 2012 to November 30, 2012	September 1, 2012 to October 21, 2012
Beginning Cash	\$ <u>494,620</u>	\$ <u>502,378</u>
Cash Receipts:		
Miscellaneous Income		2,222
Total Cash Receipts	<u> </u>	<u>2,222</u>
Cash Disbursements:		
Legal Expenses	5,203	5,858
Consultant and Outside Service Expenses	3,812	3,539
Bank Fees	195	202
Other Expenses		381
Total Cash Disbursements	<u>9,210</u>	<u>9,980</u>
 Excess of (Disbursements) Over Receipts	 <u>(9,210)</u>	 <u>(7,758)</u>
 Ending Cash	 \$ <u><u>485,410</u></u>	 \$ <u><u>494,620</u></u>

Note - Basis of Accounting

This financial statement is prepared using the modified cash basis of accounting which differs from accounting principles generally accepted in the United States. Only those assets that are within the possession of the Liquidator and other known amounts for which ultimate realization is expected to occur, primarily investments and cash, and certain receivables, are recorded. Only incurred but unpaid Class I (Administration Costs) liabilities, which are in a creditor class superior to all other classes, are presented in this financial statement.