

MERRIMACK, SS

THE STATE OF NEW HAMPSHIRE

SUPERIOR COURT

In the Matter of the Liquidation of ACA Assurance

Docket No. 06-E-380

NOTICE OF MOTION AND OBJECTION PROCEDURES

REQUEST FOR COURT APPROVAL OF ALL REMAINING CLAIMS
DETERMINATIONS, SETTLEMENT AGREEMENTS, THE MANDATED RSA 402-C:35
REPORT, THE PROPOSED PLAN OF DISTRIBUTION AND THE DISTRIBUTION OF ASSETS OF
ACA ASSURANCE

NOTICE IS HEREBY GIVEN TO ALL INTERESTED PERSONS, INCLUDING POLICYHOLDERS AND OTHER CREDITORS OF ACA ASSURANCE, THAT A FILING HAS BEEN MADE WITH THE SUPERIOR COURT, MERRIMACK COUNTY, NEW HAMPSHIRE SEEKING AN ORDER WITH RESPECT TO THE FINAL DISPOSITION OF ALL REMAINING ASSETS OF ACA ASSURANCE IN LIQUIDATION. THE TOTAL REMAINING ASSETS ARE APPROXIMATELY \$450,000.

An Order of Liquidation (“Order”) 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. Pursuant to that Order, the Liquidator established April 22, 2012 as the final deadline/bar date for the filing of claims. Any claims filed after April 22, 2012 were considered unexcused late filed and were barred. The Order further provided that all persons having claims for policyholders assessments did not need to file Proofs of Claim with the Liquidator as such claims were deemed to have been filed with the liquidation estate for the full amount of all assessments imposed on ACA’s insurance policies and were accepted by the Liquidator as valid claims in the liquidation proceeding.

The Liquidator filed a Verified Motion (the “Claims Motion”) on July 3, 2014 pursuant to RSA 402-C:44, RSA 402-C:45 and RSA 402-C:46 for an order: (i) approving all remaining claim determinations in the amounts and priority classifications recommended by the Liquidator; (ii) approving certain settlement agreements; (iii) approving the determination of all policyholder assessment claims in full as valid Class IX priority claims; (iv) approving the Commissioner’s determination made pursuant to RSA 402-C:35; (v) approving the proposed application of funds (estimated to be approximately \$250,000) for the payment of the policyholder assessment claims of former ACA policyholders beginning at the 40% assessment level, with the effect of reducing the assessments exclusively on the pre-need policies to approximately 39% or 38%; (vi) approving the proposed plan of distribution; and (vii) approving the distribution of ACA’s remaining assets in accordance with the proposed plan of distribution.

On the same date, the Liquidator filed a Verified Motion (the “Notice Motion”) pursuant to RSA 402-C:44, RSA 402-C:45 and RSA 402-C:46 for an order: (i) authorizing notice to former ACA policyholders by means of publication rather than individual mailing; and (ii) establishing a deadline for the filing and service of any objections to the Claims Motion or Notice Motion.

The assets of the estate are extremely limited, and presently stand at approximately \$450,000. If the Notice Motion and Claims Motion are approved, the Liquidator will distribute these remaining assets in accordance with the priority classifications set forth in New Hampshire law and the Plan of Distribution as described in the Claims Motion. After taking into account administrative expenses (which fall within Class I, the highest priority class) and all other higher priority classifications, the Liquidator anticipates that there will be approximately \$250,000 remaining in the estate to pay policyholder assessment claims in Class IX (which is the lowest priority classification here). The Liquidator has proposed to distribute this \$250,000 beginning at the 40% level of assessment. Because only the pre-need policyholders were assessed at 40%, and because of the very limited assets available for distribution, **the effect of this proposal is that only former pre-need policyholders of ACA will receive a distribution from the estate** (and that distribution will only reduce the assessments on these policies to 39% or 38%).

A copy of the Claims Motion and the Notice Motion, including their exhibits, may be obtained from the New Hampshire Insurance Department's website: www.state.nh.us/insurance, or ACA's Website www.aca-assurance.org 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

Objections to the Claims Motion or Notice Motion, if any, must be filed with the Clerk of Court at the address below, and served upon (i) counsel for the Liquidator at their respective addresses shown below, and (ii) all other counsel of record (whose names and addresses may be obtained from the office of the Clerk), such that the Clerk of Court and all such counsel actually receive the objection on or before August 19, 2014 at 4:00 p.m., prevailing Eastern time.

If an objection to the Motion is timely filed with the Court, a hearing will be scheduled by the Court. Notice of any such hearing will be provided to the objecting party(ies) and counsel for the Liquidator and other counsel of record by mail. If no objection is timely filed with the Court, the Liquidator has requested that the Court issue an order approving the relief sought as reflected in the proposed order included as part of the Claims Motion.

Clerk of Court:

William McGraw, Clerk
Merrimack Superior Court
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P.O. Box 2880
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THIS NOTICE IS HEREBY PROVIDED BY ROGER A. SEVIGNY, INSURANCE COMMISSIONER OF THE STATE OF NEW HAMPSHIRE, AS LIQUIDATOR OF ACA ASSURANCE, AS OF THE DATE INDICATED BELOW.

Dated: July 14, 2014