



## The State of New Hampshire Insurance Department

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**Roger A. Seigny**  
Commissioner

**Alexander K. Feldvebel**  
Deputy Commissioner

### Commissioner's Order Rehabilitation of ACA Assurance April 22, 2011 Lifting Moratorium on Pre-Need Policy Surrenders

On September 8, 2008, the Merrimack County Superior Court (Judge Mangones presiding) granted the Commissioner's Petition to Reopen Rehabilitation with respect to ACA Assurance ("ACA") (06-E-380) and on that date issued an Order Appointing Rehabilitator (the "Court Order"). The Court Order authorized the Commissioner, as Rehabilitator of ACA, to impose a moratorium upon loan and cash surrender rights under ACA policies, as follows:

"(k) The Commissioner is authorized to impose a moratorium upon loan and cash surrender rights under ACA policies, for such period and to such an extent as the Commissioner deems are necessary."

On September 9, 2008, the Commissioner issued an order imposing such a moratorium upon all loan and cash surrender rights under ACA policies, including all pre-need insurance policies, effective as of 9 a.m. EDT that day (the "Moratorium Order"). That moratorium applied to loan or cash surrender transactions involving all ACA policies, including policies issued in the United States and Canada, and the Moratorium has been in effect from that date until the date of this Order Lifting Moratorium on Pre-Need Surrenders (the "Lifting Order"). The portion of the Moratorium Order restricting loans on such ACA policies is not affected by today's Lifting Order and remains in full effect.

Effective as of January 31, 2011, the Commissioner, as Rehabilitator of ACA, entered into an assumption reinsurance agreement with respect to ACA's U.S. pre-need policies (the "Agreement") with Supreme Council of the Royal Arcanum, a Massachusetts domiciled fraternal benefit society ("Royal Arcanum"). Pursuant to the Agreement, the Commissioner and Royal Arcanum agreed that the Moratorium Order would be temporarily lifted with respect to surrenders of ACA's pre-need policies for at least 90 days prior to the closing date for the transactions contemplated by the Agreement.

Consistent with the authority granted to him under the Court Order, the Commissioner hereby orders that the Moratorium Order be temporarily lifted only

with respect to the surrender of ACA's U.S. pre-need policies, during the period from April 22, 2011 to the closing date of the Royal Arcanum Agreement (the "Surrender Period"). Any pre-need policy surrendered during the Surrender Period shall remain subject to all other obligations associated with such policy, including, but not limited to, the 40% assessment currently in place with respect to such policies.

The Special Deputy Commissioner for the Rehabilitation of ACA, Peter A. Bengelsdorf, and any other representatives of the New Hampshire Insurance Department are hereby severally authorized and instructed to take all steps necessary or advisable to implement the provisions of this Lifting Order.

So Ordered,

A handwritten signature in black ink, appearing to read "RAS" followed by a stylized flourish.

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Roger A. Sevigny  
Commissioner  
Rehabilitator of ACA Assurance  
April 22, 2011