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CLERK OF SUPERIOR COURT
SUPERIOR COURT OF N.J.
MERCER COUNTY
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IN THE MATTER OF THE LIQUIDATION
OF MIIX INSURANCE COMPANY

:SUPERIOR COURT OF NEW JERSEY

:CHANCERY DIVISION

:GENERAL EQUITY PART

:MERCER COUNTY

:DOCKET NO.: C-86-04

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:ORDER

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This matter having been opened to the Court upon the motion of Mazie Slater Katz & Freeman, LLC, attorneys for the Commissioner of Banking and Insurance of the State of New Jersey, in his capacity as Liquidator (the "Liquidator") of the Estate (the "Estate") of MIIX Insurance Company ("MIIX") for an Order granting permission to make a final distribution of MIIX's assets and for other relief relating to the termination of the liquidation of the Estate, and the Court having considered the Certification of Deputy Liquidator Kenneth A. Watson submitted in support of this motion, any opposing papers and the argument of counsel and for good cause shown;

IT IS ON THIS 10th day of April 2015;

ORDERED that:

1. The proposed final distribution payout schedule for MIIX attached hereto as Exhibit "D" is hereby approved.

2. The Liquidator shall establish a reserve in the amount of \$500,000 for the Estate's future administrative fees and expenses which will be incurred to complete the remainder of the liquidation of MIIX.

3. The Liquidator shall distribute the sum of \$4,639,694 to the respective guaranty associations of the various states as set forth in Exhibit "D", p. 4, representing 100% of their overhead expenses.

4. The Liquidator shall distribute the sum of \$22,160,306 to the respective guaranty associations as set forth in Exhibit "D", p. 4 hereto representing 22.5% of their claims.

5. Any surplus remaining in the Estate (after satisfaction of the administrative fees and expenses in making the distributions set forth in paragraphs two, three and four above) shall be paid to the respective guaranty associations on a pro rata basis if practical.

6. Payment by the Liquidator shall be complete upon the mailing of the Estate's check to the claimant at the claimant's last known address. If a payment is returned and, after reasonable inquiry, the whereabouts of any claimants are unknown, a cumulative total of such amounts will be remitted to the New Jersey Unclaimed Property Trust Fund and shall constitute complete payment to all such claimants.

7. The Liquidator is hereby authorized to transfer any unclaimed payments to the New Jersey Unclaimed Property Trust Fund. The trustees of the New Jersey Unclaimed Property Trust Fund shall escheat all abandoned funds and other abandoned assets of the Estate, pursuant to the provisions of the New Jersey Uniform Unclaimed Property Act, N.J.S.A. 46:30B-1, et. seq., and the comparable law of other applicable states.

8. If and in the event that the Liquidator receives additional assets of the Estate after the date of the final distribution of the Estate's assets as provided for herein, the Liquidator shall, distribute such assets on a pro rata basis to the respective guaranty associations, after the payment of any associated administrative expenses of the Estate. The Liquidator may establish a de minimis level of recovery to ensure that the administrative costs associated with distribution are minimized while distributions to the guaranty associations are maximized. If the Liquidator determines that the distribution of such assets would be uneconomical and otherwise impractical, the Liquidator shall escheat such assets to the New Jersey Unclaimed Property Trust Fund, after adjustments for any associated administrative expenses of the Estate.

9. Upon entry of this Order, the Liquidator is hereby authorized to destroy all of the Estate's policy and claims files, as well as the Estate's human resources, accounting and data processing records, except for such records as the Estate may require to effect the distribution of assets approved by this Order and prepare the final accounting to be filed with this Court.

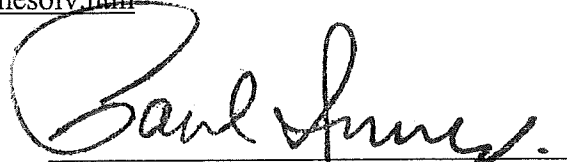
10. Upon compliance with this Order, and the filing with this Court of a final accounting showing performance of same, the Liquidator, the Deputy Liquidator and their agents, attorneys, employees and other representatives are discharged and released from any and all further liability arising out of the liquidation of MIIX, and this liquidation proceeding will be terminated without need of any further Court Order.

11. The New Jersey Commissioner of Banking and Insurance, or any successor in office as Commissioner as Liquidator, may take any and all additional actions he/she deems

advisable for the administration and termination of the MIIX Estate without need for further applications before this or any other Court.

12. A copy of this Order shall be served upon all interested parties within 10 days of the date hereof. The Department of Banking and Insurance of the State of New Jersey shall also post a copy of this Order on the following website:

http://wwwstate.nj.us/dobi/division_insurance/finesolv.htm


HON. PAUL INNES, P.J.Ch.

unopposed

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Guaranty Association Payout Schedule

Actual Expenses

		I	II	III
		<u>Indemnity</u>	<u>ALAE</u>	<u>Overhead</u>
1	NJ	\$59,705,609	\$8,485,116	\$1,485,955
2	PA	7,668,144 *	3,329,030	1,489,010
3	MA	3,567,685	1,350,435	383,165
4	CT	1,744,200	909,210	103,820
5	KY	130,000	85,266	10,634
6	IL	495,000	722,034	675,862
7	MD	374,800	80,706	149,436
8	OH	188,500	58,387	257,427
9	TX	1,020,000	274,733	63,249
10	MI	200,000	17,352	19,902
11	DC	-	2,492	14
12	MO	-	-	1,220
Total		\$75,093,938	\$15,314,761	\$4,639,694

*Adjustment for \$100,000 claim payment made to Reading Hospital by the Deputy Liquidator.

Note: Cash available on the balance sheet is \$27.3 million, less a holdback of \$500,000 for expenses and contingencies, resulting in a distribution of \$26.8 million. Overhead of \$4.6 million, paid at 100%, leaves \$22.2 million available for a prorated distribution.

Guaranty Association Payout Schedule

Reserve Expenses*

		IV	V	VI
		<u>Indemnity</u>	<u>ALAE</u>	<u># of Open Claims</u>
1	NJ	\$6,105,000	\$483,832	13
2	PA	1,030,001	170,281	13
3	MA	-	5,266	0
4	CT	-	6,820	0
5	KY	-	1,751	0
6	IL	100,000	79,860	2
7	MD	-	-	0
8	OH	-	-	0
9	TX	-	-	0
10	MI	-	-	0
11	DC	-	-	0
12	MO	-	-	0
		<u>\$7,235,001</u>	<u>\$747,810</u>	<u>28</u>

*For cases still open and active.

Guaranty Association Payout Schedule

Actual Plus Reserves

		VII	VII	IX	X	XI
		<u>Indemnity</u>	<u>ALAE</u>	<u>Total Indemnity plus ALAE</u>	<u>Overhead</u>	<u>Grand Total</u>
1	NJ	\$65,810,609	\$8,968,948	\$74,779,557	\$1,485,955	\$76,265,512
2	PA	8,698,145	3,499,311	12,197,456	1,489,010	13,686,466
3	MA	3,567,685	1,355,701	4,923,386	383,165	5,306,551
4	CT	1,744,200	916,030	2,660,230	103,820	2,764,050
5	KY	130,000	87,017	217,017	10,634	227,651
6	IL	595,000	801,894	1,396,894	675,862	2,072,756
7	MD	374,800	80,706	455,506	149,436	604,942
8	OH	188,500	58,387	246,887	257,427	504,314
9	TX	1,020,000	274,733	1,294,733	63,249	1,357,982
10	MI	200,000	17,352	217,352	19,902	237,254
11	DC	-	2,492	2,492	14	2,506
12	MO	-	-	-	1,220	1,220
		\$82,328,939	\$16,062,571	\$98,391,510	\$4,639,694	\$103,031,204

Guaranty Association Payout Schedule

Payout Calculation

		XII	XIII	XIV	XV
		<u>Ind+ALAE Ratio</u>	<u>Ind+ALAE Total</u>	<u>Overhead at 100%</u>	<u>Total Payout</u>
1	NJ	75.9%	\$16,901,110	\$1,485,955	\$18,387,065
2	PA	12.5%	2,679,378	1,489,010	4,168,388
3	MA	5.0%	1,112,746	383,165	1,495,911
4	CT	2.7%	601,245	103,820	705,065
5	KY	0.2%	49,049	10,634	59,683
6	IL	1.4%	315,715	675,862	991,577
7	MD	0.5%	102,950	149,436	252,386
8	OH	0.3%	55,800	257,427	313,227
9	TX	1.3%	292,626	63,249	355,875
10	MI	0.2%	49,124	19,902	69,026
11	DC	0.0%	563	14	577
12	MO	0.0%	-	1,220	1,220
		<u>100.0%</u>	<u>\$22,160,306</u>	<u>\$4,639,694</u>	<u>\$26,800,000</u>