

SUPREME COURT OF THE STATE OF NEW YORK
NEW YORK COUNTY

PRESENT: JOAN M. KENNEY
J.S.C. Justice

PART 8

Vullo, MARIA T.

INDEX NO. 452041-16

American Medical AND Life Insurance Company

MOTION DATE

MOTION SEQ. NO. 221

The following papers, numbered 1 to 10, were read on this motion to/for

Notice of Motion/Order to Show Cause - Affidavits - Exhibits No(s) 1-10

Answering Affidavits - Exhibits No(s)

Replying Affidavits No(s)

Upon the foregoing papers, it is ordered that the motion is granted in its entirety. The relief sought in the Petition is granted as per the terms of the attached Order.

MOTION/CASE IS RESPECTFULLY REFERRED TO JUSTICE FOR THE FOLLOWING REASON(S):

Dated: 12/21/16

JOAN M. KENNEY J.S.C.

- 1. CHECK ONE: CASE DISPOSED (checked), NON-FINAL DISPOSITION
2. CHECK AS APPROPRIATE: MOTION IS: GRANTED, DENIED, GRANTED IN PART, OTHER
3. CHECK IF APPROPRIATE: SETTLE ORDER, SUBMIT ORDER, DO NOT POST, FIDUCIARY APPOINTMENT, REFERENCE

At IAS Part 8 of the Supreme Court of the State of New York, County of New York, at the courthouse located at 71 Thomas Street, New York City, New York, on the 21st day of December, 2016.

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----X

In the Matter of

Index No. 452041/2016

the Application of

ORDER

Maria T. Vullo, Superintendent of Financial Services of the State of New York, for an order to take possession and liquidate the business and affairs of

AMERICAN MEDICAL AND LIFE
INSURANCE COMPANY.

-----X

Maria T. Vullo, Superintendent of Financial Services of the State of New York ("Superintendent"), having moved this Court by order to show cause ("Order to Show Cause") for an order placing American Medical and Life Insurance Company ("AMLI") into liquidation, appointing the Superintendent and her successors in office as liquidator ("Liquidator") of AMLI, and directing the Liquidator to take possession of the property of AMLI and to liquidate its business and affairs, and upon reading and filing the petition of the Superintendent, duly verified on October 14, 2016 (the "Petition"), the affidavit of James Regalbuto, sworn to on October 14, 2016, and the exhibits and schedules annexed thereto, this Court finds that:

without opposition
JMK

JOAN M. KENNEY
J.S.C.

1. AMLI is insolvent within the meaning of New York Insurance Law ("Insurance Law") § 1309(a); and

2. AMLI should be placed into liquidation under Insurance Law Article 74 because:
(i) AMLI's board of directors unanimously consented to the entry of an order of liquidation; (ii) AMLI is insolvent; and (iii) AMLI has been found, after examination, to be in such condition that its further transaction of business will be hazardous to its policyholders, creditors or the public.

NOW, on motion of the Honorable Eric T. Schneiderman, Attorney General of the State of New York, it is hereby

ORDERED as follows:

1. The relief requested in the Petition for an order of liquidation ("Order") is granted;
2. The Superintendent and her successors in office are appointed Liquidator of AMLI;
3. The Liquidator is directed to take possession of AMLI's property and liquidate AMLI's business and affairs in accordance with Insurance Law Article 74;
4. The Liquidator is vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in this Order and with title to AMLI's property, contracts, rights of action, and all of its books and records, wherever located, as of the date of entry of this Order;
5. The Liquidator may deal with the property and business of AMLI in AMLI's name or in the name of the Liquidator;
6. All persons and entities are permanently enjoined and restrained from wasting the assets of AMLI, and are permanently enjoined and restrained, except as authorized by the Liquidator, from transacting AMLI's business or disposing of AMLI's property;
7. All persons and entities are permanently enjoined and restrained from interfering with the Liquidator or this proceeding, obtaining any preferences, judgments, attachments or other liens, making any levy against AMLI, its assets or any part thereof, and commencing or prosecuting any actions or proceedings against the Liquidator, AMLI, the New York Liquidation Bureau, or their present or former employees, attorneys or agents, relating to this proceeding or the discharge of their duties under Insurance Law Article 74 in relation thereto;

8. The Liquidator is vested with all rights in AMLI's contracts and agreements, however described, and is permitted to, in her discretion, reject any executory contracts to which AMLI is a party, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of rejection;
9. Any bank, savings and loan association, other financial institution, or any other entity or person, that has on deposit or in its possession, custody, or control any of AMLI's funds, accounts (including escrow accounts), or assets shall immediately, upon the Liquidator's request and direction: (a) turn over custody and control of such funds, accounts or assets to the Liquidator; (b) transfer title of such funds, accounts or assets to the Liquidator; (c) change the name of such accounts to the name of the Liquidator; (d) transfer funds from such bank, savings and loan association or other financial institution; and (e) take any other action reasonably necessary for the proper conduct of the liquidation proceeding;
10. All persons or entities having property, papers (including attorney work product and documents held by attorneys), and/or information, including, but not limited to, insurance policies, underwriting data, reinsurance policies, claims files (electronic or paper), software programs, and/or bank records owned by, belonging to, or relating to AMLI shall preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over, and deliver such property and/or information to the Liquidator;
11. The Liquidator is authorized, permitted, and allowed to sell, assign, or transfer any and all stocks, bonds, or other securities at the best price reasonably obtainable at such times and upon such terms and conditions as, in her discretion, she deems to be in the best interest of the creditors of AMLI, and is further authorized to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers, and assignments, without the further approval of this Court;
12. All existing insurance policies of AMLI will be cancelled as of 12:01 a.m. local time on the date that is 180 days after the entry of this Order;
13. The date that is nine months after the entry of this Order is established as the bar date by which all claims by any claimant against AMLI or its insureds (other than the Liquidator's claim or the claims of the Life Insurance Guaranty Corporation of New York, including those described in Insurance Law Section 7713(d), for administrative expenses (collectively, "Administrative Claims")), and all supporting documentation evidencing such claims, must actually be received by the Liquidator (the "Bar Date"), and all claims and supporting documentation served upon the Liquidator after the Bar Date are time-barred;
14. The Liquidator is authorized, in her discretion, to refrain from adjudicating claims other than Administrative Claims or policyholder claims unless and until (a) she reasonably believes that adjudication of such claims would be in the best interests

of the estate; or (b) it is certain that the AMLI estate will have sufficient assets to pay claims of such class;

15. Immunity is extended to the Superintendent in her capacity as Liquidator of AMLI, her successors in office, the New York Liquidation Bureau, and their agents and employees, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of this Court, or in the performance of their duties pursuant to Insurance Law Article 74;
16. The Liquidator may at any time make further application to this Court for such further and different relief as she sees fit;
17. The Liquidator shall serve a copy of this Order by overnight delivery upon: (a) Sydney Tucker Taylor, President, American Medical and Life Insurance Company, 299 Park Avenue, 6th Floor, New York, New York 10171; (b) each policyholder as shown on AMLI's books and records under AMLI policies that, to the best of the Liquidator's knowledge, remain in force as of the date of entry of this Order; and (c) any person or entity who or that timely filed and served papers in opposition to the relief sought;
18. The Liquidator shall provide notice of this Order to all creditors, claimants, and interested persons by: (i) publication of notice of this Order, in a form substantially similar to the one attached hereto as Annex A, in *Insurance Advocate*, for two consecutive publication periods, commencing within 30 days of entry of this Order; and (ii) posting this Order on the Internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> within 15 days after the entry of this Order;
19. This Court shall retain jurisdiction over this matter for all purposes;
20. The caption for this proceeding is hereby amended as follows:

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----X
In the Matter of

the Liquidation of


AMERICAN MEDICAL AND LIFE
INSURANCE COMPANY.

-----X

21. All further papers in this proceeding shall bear the above amended caption.

ENTER

12/21/16



L.S.C.

ANNEX A

[Form of Notice of Liquidation Order]

NEW YORK LIQUIDATION BUREAU
110 WILLIAM STREET
NEW YORK, NEW YORK 10038
(212) 341-6400

To all persons or entities interested in the affairs of
AMERICAN MEDICAL AND LIFE INSURANCE COMPANY

Notice is Hereby Given:

Maria T. Vullo, Superintendent of Financial Services of the State of New York (“Superintendent”), has been appointed by an order (the “Order”) of the Supreme Court of the State of New York, County of New York (“Court”), entered on _____, 2016, as the liquidator (the “Liquidator”) of American Medical and Life Insurance Company (“AML”) and, as such, has been: (i) directed to take possession of AML’s property and liquidate AML’s business and affairs in accordance with New York Insurance Law (“Insurance Law”) Article 74; and (ii) vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in the Order and with title to AML’s property, contracts, rights of action, and all of its books and records, wherever located, as of the date of entry of the Order. The Liquidator has, pursuant to Insurance Law Article 74, appointed David Axinn, Special Deputy Superintendent (the “Special Deputy”), as her agent to carry out her duties as Liquidator. The Special Deputy carries out his duties through the New York Liquidation Bureau (“Bureau”), 110 William Street, New York, New York 10038. The Order provides that:

- I. The Liquidator is permitted to deal with the property and business of AML in AML’s name or in the name of the Liquidator;
- II. All persons and entities are permanently enjoined and restrained from wasting the assets of AML, and all persons are permanently enjoined and restrained, except as authorized by the Liquidator, from transacting AML’s business or disposing of AML’s property;
- III. All persons and entities are permanently enjoined and restrained from interfering with the Liquidator or the proceeding, obtaining any preferences, judgments, attachments, or other liens, making any levy against AML, its assets or any part thereof, and commencing or prosecuting any actions or proceedings against the Liquidator, AML, or the New York Liquidation Bureau, or their present or former employees, attorneys or agents, relating to the proceeding or the discharge of their duties under Insurance Law Article 74 in relation thereto;
- IV. The Liquidator is vested with all rights in AML’s contracts and agreements, however described, and the Liquidator is permitted to, in her discretion, reject any executory contracts to which AML is a party, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of rejection;
- V. Any bank, savings and loan association, other financial institution, or any other entity or person, that has on deposit or in its possession, custody, or control any of AML’s funds, accounts (including escrow accounts), or assets shall immediately, upon the Liquidator’s request and direction: (a) turn over custody and control of such funds, accounts or assets to the Liquidator; (b) transfer title of such funds, accounts or assets to the Liquidator; (c) change the name of such accounts to the name of the Liquidator; (d) transfer funds from such bank, savings and loan association or other financial institution; and (e) take any other action reasonably necessary for the proper conduct of the liquidation proceeding;

- VI. All persons or entities having property, papers (including attorney work product and documents held by attorneys) and/or information, including, but not limited to, insurance policies, underwriting data, reinsurance policies, claims files (electronic or paper), software programs and/or bank records owned by, belonging to or relating to AMLI shall preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over and deliver such property and/or information to the Liquidator;
- VII. The Liquidator is authorized, permitted, and allowed to sell, assign or transfer any and all stocks, bonds, or other securities at the best price reasonably obtainable at such times and upon such terms and conditions as, in her discretion, she deems to be in the best interest of the creditors of AMLI, and is further authorized to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers and assignments, without the further approval of the Court;
- VIII. All existing insurance policies of AMLI will be cancelled as of 12:01 a.m. local time on the date that is 180 days after the entry of the Order;
- IX. The date that is nine months after the entry of the Order is established as the bar date by which all claims by any claimant against AMLI or its insureds (other than the Liquidator's claim or the claims of the Life Insurance Guaranty Corporation of New York, including those described in Insurance Law Section 7713(d), for administrative expenses (collectively, "Administrative Claims")), and all supporting documentation evidencing such claims, must actually be received by the Liquidator (the "Bar Date"), and all claims and supporting documentation served upon the Liquidator after the Bar Date are time-barred;
- X. The Liquidator is authorized, in her discretion, to refrain from adjudicating claims of any class other than Administrative Claims or policyholder claims unless and until (a) she reasonably believes that adjudication of such claims would be in the best interests of the estate or (b) it is certain that the AMLI estate will have sufficient assets to pay claims of such class;
- XI. Immunity is extended to the Superintendent in her capacity as Liquidator of AMLI, her successors in office, the New York Liquidation Bureau, and their agents and employees, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of the Court, or in the performance of their duties pursuant to Insurance Law Article 74;
- XII. AMLI is insolvent within the meaning of Insurance Law § 1309(a);
- XIII. The Liquidator may at any time make further application to the Court for such further and different relief as she sees fit;
- XIV. The Court shall retain jurisdiction over this matter for all purposes.
- XV. All communications relating to AMLI and to the liquidation proceeding thereof should be addressed to:

New York Liquidation Bureau
110 William Street, 15th Floor
Attention: General Counsel

New York, New York 10038
(212) 341-6400

A copy of the Order may be viewed at <http://www.nyfb.org>. To the extent there are any discrepancies between this notice and the Order, then the verbiage of the Order controls.

MARIA T. VULLO
Superintendent of Financial Services of
the State of New York as Liquidator of
American Medical and Life Insurance
Company

DAVID AXINN
Special Deputy Superintendent
and Agent of the Liquidator