

IN THE CIRCUIT COURT OF PULASKI COUNTY, ARKANSAS
SIXTEENTH DIVISION

JAY BRADFORD, INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS, IN HIS
CAPACITY AS RECEIVER OF IMERICA
LIFE AND HEALTH INSURANCE COMPANY

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Pat O'Brien Pulaski Circuit Clerk
CR01

PETITIONER

VS.

NO. CV 2009-7305

IMERICA LIFE AND HEALTH INSURANCE COMPANY,
AN ARKANSAS DOMICILED COMPANY

RESPONDENT

ORDER OF LIQUIDATION

On this day comes on to be heard the *Petition for Order to Show Cause, for Order to Terminate Rehabilitation, and for Order of Liquidation* filed by Jay Bradford, Insurance Commissioner for the State of Arkansas ("Receiver"). Receiver appeared by and through his Deputy Receiver and attorney, Steve A. Uhrynowycz. The Court, being well and sufficiently advised in the premises, finds and concludes as follows:

1. The Receiver is the duly appointed Insurance Commissioner for the State of Arkansas and was appointed Receiver of Imerica Life and Health Insurance Company ("Imerica") by Order of this Court entered on November 18, 2009.
2. Imerica is insolvent. Pursuant to Ark. Code Ann. §23-68-106 (1), (9), and (11) and §23-68-107, and pursuant to the *Confidential Consent Agreement and Order* attached as Exhibit A to the *Petition for the Appointment of Receiver and for Permanent Injunction*, the rehabilitation of Imerica should be terminated and Imerica should be liquidated.
3. The rehabilitation of Imerica is hereby terminated, it is hereby ordered that Imerica be liquidated, and Receiver is hereby appointed Liquidator of Imerica.

4. Receiver shall liquidate the business and assets of Imerica and deal with Imerica's business and assets in Receiver's own name as Receiver or in the name of Imerica as determined by the Receiver, and shall give notice to all creditors who may have claims against Imerica to present such claims at a time and in a manner determined by Receiver and approved by this Court.

5. As of November 18, 2009, Receiver is vested by operation of law with the title to all property, contracts, rights of action, and all books and records of Imerica, wherever located, and Receiver has the right to recover the same and reduce the same to possession.

6. Receiver is hereby granted all powers and authority under any and all statutes and under the common law of Arkansas authorizing the appointment of a receiver, and particularly all of the powers granted in Ark. Code Ann. §23-68-101, et seq., and as representative of Imerica, its policyholders, claimants and creditors, to recover any assets of Imerica, including claims or causes of action belonging to, or that may be asserted by, Imerica against any other person or entity with respect to that person's or entity's dealings with Imerica.

7. Receiver is authorized and directed to file, prosecute and defend or settle any cause of action or causes of action heretofore filed or which may hereafter be filed by or against Imerica deemed by Receiver to be necessary to protect Imerica, its policyholders, claimants or creditors.

8. Receiver is authorized and directed to conduct the business of Imerica in liquidation, to administer the operations of Imerica, to continue the verbal agreement Imerica currently has with its former parent as to Imerica's use of and access to computer equipment, hardware and software, to enter into or continue in effect contracts with third party providers as Receiver shall deem necessary or desirable to complete an orderly liquidation of Imerica, and to

employ and authorize the compensation of legal counsel, accountants, financial examiners, managers, clerks and such assistants as Receiver deems necessary and to pay from the funds or assets of Imerica administrative expenses of the receivership estate.

9. Steve A. Uhrynowycz is hereby appointed Deputy Liquidator of Imerica.

10. Receiver is authorized to supervise, dismiss or exclude from the offices of Imerica any or all of the employees, officers, managers, owners, and/or directors of Imerica, and to employ such necessary employees and managers as he deems necessary, and to pay their salaries, benefits and related reasonable and necessary fees out of the funds or assets of Imerica.

11. Receiver is authorized to receive, collect, control, open, and review all mail addressed in any manner to Imerica.

12. Receiver is authorized to take possession of the offices of Imerica, to take possession of and remove all property, assets, equipment, books and records which relate to or are connected with the business of Imerica or which belong to or are in the possession of Imerica to such place as Receiver determines may be convenient or necessary for the efficient and orderly administration of the liquidation of Imerica, and to make arrangements with depository institutions to ensure Imerica checks outstanding at liquidation will be honored for payment.

13. Imerica, its affiliates, officers, owners, directors, agents, employees, attorneys, representatives, stockholders, third party administrators, adjusters, policyholders, managers, associates, creditors and any others acting in concert with them are hereby enjoined from:

a) Doing, operating or conducting Imerica's business of insurance or any other business of Imerica except as authorized by Receiver or by order of this Court;

b) Wasting, disposing of, using, transferring, selling, assigning, canceling, hypothecating or concealing, in any manner, any books, records, money, accounts,

stocks, bonds, assets, notes, equipment, funds, accounts receivables, policies of insurance or other property of Imerica, wherever situated, including any claims or causes of action, owned by in the possession of or claimed by Imerica;

c) Disposing of any account, debt, deposit, share account, trust account, or any other asset the enjoined and restrained party may own, owe to, or hold for the benefit of Imerica, or any account held individually, jointly or severally for Imerica, whether such account, debt, deposit, share account, trust account, or any other asset is owned or held in the name of or for the benefit of Imerica, or under any other name;

d) Removing from the jurisdiction of this Court, or from Imerica's place of business, any office equipment, furniture, fixtures, books, records or other property, of any kind or nature, wherever located, including but not limited to that which has been acquired, purchased or paid for by Imerica;

e) Interfering in any way with the lawful acts of Receiver, or with these proceedings and from commencing or prosecuting any action or appeal, including but not limited to arbitration, or from obtaining any preference, judgment, attachment, garnishment or other lien, or the making of any levy or execution against Imerica, its assets or any part thereof and from asserting any claims against Imerica, or against the Receiver, except by doing so in the liquidation proceedings herein pursuant to notice from Receiver to file claims against Imerica;

14. All banks, savings and loan associations, credit unions, any other depository institution and all other persons, firms, corporations, associations, or other legal entities are hereby enjoined from:

a) Disposing of, using, releasing, transferring, withdrawing, allowing to be withdrawn or concealing in any manner, any property or asset of Imerica, or from disposing of any account, debt, deposit, share account, trust account, or any other asset the enjoined and restrained party may own, owe or hold in the name of or for the benefit of Imerica, or any account, debt, share account, trust account or any other asset, whether owned or held individually, jointly or severally for Imerica, except as authorized by the Receiver or by order of this Court;

b) Transacting the business of Imerica in any manner except as authorized by the Receiver or by order of this Court;

c) Interfering, in any way, with the lawful acts of the Receiver, or with these proceedings, and from commencing or prosecuting any action or appeal, including but not limited to arbitration, or from obtaining any preference, judgment, attachment, garnishment, execution or other lien, or the making of any levy against Imerica, its assets or any part thereof, and from asserting any claim against Imerica, or against the Receiver, except by doing so in the liquidation proceedings herein pursuant to notice from Receiver to file claims against Imerica;

d) Doing anything, directly or indirectly, to prevent the Receiver from gaining access to, acquiring, examining or investigating any books, documents or records concerning Imerica, its affairs or assets, regardless of the name under which such assets, documents or records may be filed or wherever such books, documents or records may be found, such books, documents and records to include but not be limited to, records of banks, savings and loan associations, trust companies, or any other persons, firms, corporations, associations, depositories or other legal entities, as well as bank accounts,

or any other assets into which have been transferred, deposited, or placed, funds or other assets belonging to or payable to Imerica, or to which Imerica may have claim or title regardless of under what name such bank accounts, debts, deposits, share accounts, safe deposit boxes, trust accounts or other assets may be held;

e) Disposing of, converting, dissipating, or concealing in any manner any of the assets, books, property, records or reports of Imerica;

f) Failing, after demand from Receiver, to immediately surrender to Receiver or his designee all property, assets, books and records of Imerica.

15. Receiver is authorized to consult with, exchange and deliver any and all information to, and cooperate with the life and health insurance guaranty associations in those states where Imerica is licensed, and to promote the orderly and efficient liquidation of Imerica and the discharge of the statutory obligations of the affected insurance guaranty associations.

16. The Policy Services Agreement among the Receiver, the National Organization of Life and Health Insurance Guaranty Associations, and its Participating Member, attached to the Petition as "Exhibit B" is hereby approved.

IT IS SO ORDERED this 3RD day of May, 2010.

Cleen K. Brantley

CIRCUIT JUDGE

A TRUE COPY CERTIFIED THIS
Order of Liquidation

PAT O'BRIEN
CIRCUIT COUNTY CLERK

DEPUTY CLERK

Prepared by:

Steve A. Uhrynowicz

Steve A. Uhrynowicz, 82162

Deputy Receiver and Attorney for Receiver BY _____

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