

August 24, 2016 Notice of Legal Rights and Obligations

Subject: Notice of Liquidation – CareConcepts Insurance, Inc., a RRG

An Order to Liquidate CareConcepts Insurance, Inc., a RRG (“CareConcepts”), a Montana domiciled captive insurer with its principal office formerly at Greenwich, CT, was entered by the Montana First Judicial District Court, Lewis and Clark County, on August 8, 2016, in Helena, Montana. The Order of Liquidation was entered under Mont. Code Ann. § 33-2-1342 and appointed Monica J. Lindeen, Commissioner of Securities and Insurance, Office of the Montana State Auditor, the Liquidator. Michael J. FitzGibbons has been appointed as Special Deputy Liquidator.

Under an Order of Liquidation (“Order”), the Liquidator is authorized and directed to forthwith take possession and control of the assets of CareConcepts and administer them under the general supervision of the Court. Pursuant to Mont. Code Ann. §§ 33-2-1342 and 33-2-1345, the Liquidator is directed to exercise any and all rights of CareConcepts in connection with any assets being held for the benefit of CareConcepts by any person or entity. The Liquidator is vested by operation of law with title to all of the property, contracts, and rights of action and all of the books and records of CareConcepts, wherever located, as of the entry of this Order of Liquidation and further succeeds to the title of all assets, claims and rights of the insurer.

Upon issuance of the Order, the rights and liabilities of CareConcepts and its creditors, shareholders, and all other persons interested in the estate shall become fixed as of the date of the entry of the Order except as provided in Mont. Code Ann. § 33-2-1366.

All persons or other legal entities shall pay all sums and premiums due CareConcepts in accordance with Mont. Code Ann. §§ 33-2-1345(1)(f) and 33-2-1362(1) and deliver any and all property of CareConcepts, personal or real, of every kind or nature, to the Liquidator or her designee.

Please TAKE NOTE THAT all policies in force at the time of issuance of the Order shall continue in force only for the lesser of:

- (a) a period of thirty days from the date of entry of the Liquidation Order;
- (b) the expiration of the policy coverage;
- (c) the date when the insured has replaced the insurance coverage with equivalent insurance in another insurer or otherwise terminated the policy; or
- (d) the Liquidator has effected a transfer of the policy obligation pursuant to Mont. Code Ann. § 33-2-1345(1)(h).

Pursuant to Mont. Code Ann. § 33-2-1348(1), no action at law or equity whether in this state or elsewhere, may be brought against CareConcepts, or its Liquidator, nor shall any existing actions be maintained or further presented after issuance of the Order. The Liquidator may intervene in any pending action in order to protect CareConcepts at its expense.

The Liquidator may institute all actions and proceedings on behalf of CareConcepts subject to Mont. Code Ann. § 33-2-1345(1)(l). Mutual debts or credits between CareConcepts and another person in connection with this liquidation shall be subject to Mont. Code Ann. § 33-2-1359. Any amount recoverable by the Liquidator from reinsurers shall not be reduced as a result of this Order regardless of any provision in the reinsurance contract or other agreement pursuant to Mont. Code Ann. § 33-2-1361.

ATTENTION AGENTS: Every person who received notice of this Order pursuant to Mont. Code Ann. § 33-2-1346 and who represents CareConcepts as an agent shall, absent written waiver of this requirement by the Liquidator within fifteen days of such notice, give written notice of this Order by first class mail to the last address contained in the agent's records to each policyholder or other person named in any policy issued through the agent by CareConcepts if such agent has a record of the address of the policyholder or other person. Such written notice shall include the name and address of CareConcepts, the name and address of the agent, identification of the policy impaired, and the nature of the impairment, including termination of coverage as described in Mont. Code Ann. § 33-2-1343, which provides in the pertinent part as follows:

- (1) All policies in effect at the time of issuance of the Order continue in force only for the lesser of:
 - (a) a period of thirty days from the date of entry of the liquidation order;
 - (b) the expiration of the policy coverage;
 - (c) the date when the insured has replaced the insurance coverage with equivalent insurance in another insurer or otherwise terminated policy;
 - (d) the Liquidator has effected a transfer of the policy pursuant to § 33-2-1345(1)(h).

Notice by a general agent satisfies the notice requirement of this paragraph for any agents under contract to him or her. Each agent obligated to give notice pursuant to this paragraph shall file a report of compliance with the Liquidator. Any agent failing to give notice or file a report of compliance required by Mont. Code Ann. § 33-2-1347(2) for whom the Liquidator has not waived such requirement may be subject to the penalty provisions of Mont. Code Ann. § 33-2-1347(2).

All agents, brokers, premium finance companies or other persons, other than insureds, responsible for the payment of premiums shall be obligated to pay to the Liquidator any unpaid earned premium and all earned premium of CareConcepts and all unearned commissions as of the date of the Order.

All insureds of CareConcepts are obligated to pay to the Liquidator any earned premium due as of the date of the Order.

Any person failing to comply with the provisions of Mont. Code Ann. § 33-2-1362 is subject to the penalties provided therein, including imposition of civil penalties by the Commissioner of not more than \$1,000 for each act in violation of said statute.

The Liquidator will be implementing a claims process and adopting a Proof of Claim form. All insureds of CareConcepts will be provided a Proof of Claim form for filing claims once this process has been implemented. Please keep the Liquidator informed of any changes of address.

If you have questions or need further information concerning the liquidation of CareConcepts, any inquiries may be directed to claimant services, CareConcepts Insurance, Inc., a RRG in Liquidation, 8701 E. Vista Bonita Dr., Ste. 200, Scottsdale, AZ 85255. The claimant service department is also available for inquiries at (480) 948-4351.