

American Country Insurance Company, In Liquidation
American Service Insurance Company, In Liquidation

FREQUENTLY ASKED QUESTIONS

The following consists of the most frequently asked questions when an insurance company is placed into liquidation. These responses will assist you in replying to telephone calls regarding the liquidation of American Country Insurance Company (ACIC) and American Service Insurance Company (ASIC).

The daily claim activities for (ACIC) and (ASIC) were handled by Anchor Group Management, Inc., a managing general agent located in Schaumburg, IL. . **This liquidation pertains exclusively to American Country and American Service Insurance Company** (the liquidation proceedings **do not** involve claims arising under policies issued by (One Beacon Insurance or Global Liberty Insurance of New York).

ACIC has claims pending in 23 states and ASIC have claims pending in 29 states they are (listed on the following page under stay proceedings). ACIC and ASIC were licensed in each of these states and the state Guaranty Funds will review each of these claims in accordance with the laws of their state for potential coverage and payment.

Q. When were ACIC and ASIC put into liquidation?

A. Both companies were placed into liquidation on August 11, 2020 by order of the Circuit Court of Cook County, Chicago, IL – Case # 19 CH 07852 when the court entered an Agreed Order of Liquidation with a Finding of Insolvency against ACIC and ASIC.

Q. What is liquidation?

A. Liquidation is similar to a federal bankruptcy proceeding, but it is controlled by state law and takes place in state court rather than federal court. The Liquidator, acting under the supervision of the court that entered the liquidation order, collects the assets of ACIC and ASIC liquidated estate, reviews claims against the estate's assets, and. With the court's approval distributes estate assets on claims that have been approved by the court. The liquidation process can take a number of years.

Q. Why were ACIC and ASIC placed into liquidation?

A. ACIC and ASIC were placed into liquidation because the Court found both companies to be insolvent, and the company's sole shareholder consented to the entry of the Agreed Order of Liquidation with a Finding of Insolvency.

Q. What does it mean that ACIC and ASIC are insolvent?

A. Both companies were found to be insolvent because their liabilities are greater in amount than their assets, meaning that neither company was able to pay all of their respective liabilities in full.

Q. Who is the Liquidator?

A. According to the requirements of Illinois law, Illinois' Director of Insurance is the statutory Liquidator for ACIC and ASIC.

Q. What is the Office of the Special Deputy Receiver?

A. Acting pursuant to a power of attorney from the Liquidator, the Office of the Special Deputy Receiver assists in the day-to-day administration of ACIC and ASIC liquidations, together with all other Illinois insurance receivership proceedings.

Q. Will my claim be paid?

A. If you are a policyholder and a resident of a state that ACIC and ASIC were licensed to do business in, your state guaranty fund will review your claim for payment. Guaranty Funds are statutorily created associations established in each state to pay claims for insolvent insurance companies that were licensed in their state. Guaranty Fund protection is determined by the resident state of the ACIC and ASIC policyholder.

Guaranty Fund coverage is subject to certain statutory limits and exclusions contained in the various state laws creating the Guaranty Funds. These include a limit on the amount a Guaranty Fund can pay on a covered claim, and in no case will payments exceed the applicable policy limits. If you have questions about Guaranty Fund coverage applicable to your claim, you can find your Guaranty Fund's contact information by going to www.ncigf.org and then clicking on "Resources" and then "Links and Contacts". Please note that it will probably take approximately 60-90 days before your state Guaranty Fund is in a position to review your claim, so please be patient.

If you are a claimant pursuing a claim against an insured of ACIC or ASIC and your claim has not been paid, you might have coverage under your own insurance policy. Therefore, you must contact your insurance company and file a claim. Your insurance agent will be able to assist you.

If your claim is not fully covered by your state Guaranty Fund, then that part of your claim that is in excess of your Guaranty Fund's statutory limit of coverage will be reviewed by the Liquidator's staff only if your policy limit has not been exhausted and there is no applicable policy exclusion. A recommendation will be made that your claim be disallowed or allowed in an amount determined by the Liquidator. You will be given notice of the recommendation and will have an opportunity to object, if you so desire. Once the court supervising the liquidation enters an order approving a claim for allowance, a period of time will pass until the Liquidator will be able to make a court approved distribution on all claims approved arising under the ACIC or ASIC insurance policy.

Q. What if a policyholder or claimant want to file a new claim?

A. At this time, Anchor Group Management, Inc. will continue to receive notice of new losses on behalf of the Liquidator. You may call Anchor Group Management at 847-472-6700.

Q. Am I still insured?

A. If your policy was still in-force when the liquidation order was entered and your premium was paid, then your policy remains in-force and your coverage will terminate on the earlier of 30 days after the liquidation date or your policy's natural expiration date. During this period of continuing coverage, you should seek to procure replacement coverage. Contact your agent for assistance.

Q. Will I receive a premium refund?

A. If you paid premium for a period of time exceeding the date on which your policy was cancelled, then you will have a claim for the return of unearned premium. This claim will likely be covered by your state Guaranty Fund, though your recovery may be subject to a deductible (in which case the deductible will become a claim against the liquidation assets).

If a premium finance company paid your premium to the insurance company on your behalf, the claim for the return of unearned premium most likely belongs to your premium finance company.

For additional information regarding a potential premium refund, you may contact Paula Arroyo at 312-836-9722 or parroyo@osdchi.com. Your agent will also be a source for information.

Q. Does the liquidation order stop the prosecution of lawsuits?

A. If ACIC or ASIC is a defendant in the lawsuit, then the liquidation stops the further prosecution of the lawsuit and the claim needs to be pursued in the liquidation proceedings through the proof of claim process.

If an insured of ACIC or ASIC is the defendant, then the Guaranty Fund laws of most states impose a temporary stay on the litigation in order to allow the state Guaranty Fund to assume control over the defense of the lawsuit on behalf of the insured. The length of the temporary stay varies by state. Insurance defense attorneys will be contacted by a representative of their state Guaranty Fund regarding either their continued retention or the reassignment of the cases currently being handled by their firm.

Stay Proceedings:

ACIC *- ASIC ** - Both Companies ***

Alabama**	6 months
Arkansas **	120 days
Arizona **	6 months
Colorado**	60 days
Connecticut*	6 months
<u>District of Columbia***</u>	6 months
Florida **	6 months
<u>Georgia ***</u>	120 days
Idaho **	*
<u>Illinois ***</u>	120 days
<u>Indiana ***</u>	6 months

<u>Iowa</u> ***	*
<u>Kansas</u> ***	60 days
<u>Kentucky</u> ***	6 months
Louisiana **	6 months
Maryland **	60 days
Massachusetts *	6 months
<u>Michigan</u> ***	6 months
Minnesota *	6 months
Mississippi **	6 months
<u>Missouri</u> ***	*
Nebraska **	120 days
Nevada *	3 months
New Hampshire *	6 months
<u>New Jersey</u> ***	120 days
New Mexico **	6 months
<u>New York</u> ***	180 days
North Carolina *	120 days
Ohio **	6 months
Oklahoma *	6 months
Oregon **	60 days
<u>Pennsylvania</u> ***	90 days
Rhode Island	*
South Carolina **	90 days
Tennessee **	6 months
Texas *	6 months
Utah **	*
Virginia **	6 months
Washington **	180 days
West Virginia *	6 months
Wisconsin *	*

***May be stayed until the last day fixed by the court for the filing of timely claims, usually 18 months subsequent to the Liquidation date.**

