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ANGIE SPARKS, Clerk of District Court
By STEVE EMGE Deputy Clerk

MONTANA FIRST JUDICIAL DISTRICT COURT
LEWIS AND CLARK COUNTY

IN THE MATTER OF THE LIQUIDATION
OF MONTANA NONPROFIT
ASSOCIATION GROUP BENEFIT TRUST,
a Self-Funded Multiple Employer Welfare
Arrangement,

Respondent.

Cause No. BDV 2020-1853

ORDER COMMENCING LIQUIDATION
AND APPOINTING LIQUIDATOR

The Office of the Montana State Auditor, Commissioner of Securities and Insurance (CSI), by and through counsel of record, filed an uncontested petition for liquidation of the Montana Nonprofit Association Group Benefit Trust, a self-funded Multiple Employer Welfare Arrangement (Respondent), and for appointment of the CSI as the liquidator.

WHEREAS, the CSI has provided this Court with evidence sufficient to support the conclusion that Respondent has failed to maintain the level of reserves as are required by Mont. Code Ann. § 33-35-209, and has consented to the entry of an order commencing liquidation based on the same;

WHEREAS, sufficient grounds exist for the issuance of such an order pursuant to § 33-35-209, MCA, Mont. Admin. R. 6.6.5701 and 6.6.5702;

In the Matter of the Liquidation of the MNAGBT, a Self-Funded MEWA
Order Commencing Liquidation and Appointing Liquidator

WHEREAS, a formal hearing on the CSI's uncontested petition is not necessary due to Respondent's consent to liquidation and waiver of a hearing on the uncontested petition:

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED:

1. The Respondent has failed to maintain the level of reserves as are required by § 33-35-209, MCA.
2. A liquidation proceeding is commenced against the Respondent under § 33-2-1301, MCA, et seq., that are made applicable to a self-funded MEWA under § 33-35-209, MCA, and Mont. Admin. R. 6.6.5701(1), et seq.
3. The CSI, and any successor to the CSI in office, is appointed as the Liquidator of the Respondent. Mont. Code Ann. § 33-2-1342(1).
4. The CSI as the Liquidator shall take possession of the assets of the Respondent and administer them under the general supervision of this Court. Mont. Code Ann. § 33-2-1342(1).
5. The CSI as the Liquidator is vested with the title to all the property, contracts, rights of action, and all the books and records of the Respondent, wherever located. Mont. Code Ann. § 33-2-1342(1).
6. The filing or recording of the liquidation order with the clerk of the district court and the clerk and recorder of the county in which the Respondent's principal office or place of business is located shall impart the same notice as a deed, bill of sale, or other evidence of title duly filed or recorded with that clerk and recorder would have imparted. Mont. Code Ann. § 33-2-1342(1).
7. Effective as of the date of this Order, and except as provided in §§ 33-2-1343 and 33-2-1366, MCA, the rights and liabilities of the Respondent and its creditors, policyholders, shareholders, members, and all other persons interested in the Respondent's estate are fixed. Mont. Code Ann. § 33-2-1342(2).

8. Within 120 days from the date of this Order, the CSI as the Liquidator shall provide this Court with an initial accounting of the estate of the Respondent. The Liquidator shall further provide an accounting thereafter to this Court at least semi-annually. Mont. Code Ann § 33-2-1342(5), MCA.

9. As soon as practicable but not more than 180 days from the date of this Order, the CSI as the Liquidator shall make a report to this Court setting forth the reasonable value of the assets of the Respondent; the Respondent's probable total liabilities; the probable aggregate amount of the assessment necessary to pay all claims of creditors and expenses in full, including expenses of administration and costs of collecting the assessment; and a recommendation as to whether or not an assessment should be made and in what amount, pursuant to § 33-2-1360, MCA, and Mont. Admin. R. 6.6.5708(1).

10. The CSI as the Liquidator is authorized to appoint a special deputy to act for him regarding the liquidation, who shall serve at the CSI's pleasure, and who shall have all the powers of the Liquidator. The CSI shall determine the special deputy's reasonable compensation and defray the costs so incurred through reimbursement from the estate of the Respondent. If the CSI appoints a special deputy, the CSI shall file a Notice of Appointment of Special Deputy Liquidator with this Court. Further, the CSI is authorized to employ such personnel as necessary to assist in the liquidation, fix reasonable compensation for such personnel with the approval of this Court, and defray the costs so incurred through reimbursement from the Respondent. Mont. Code Ann. § 33-2-1345(1).

11. The CSI as the Liquidator is vested with the authority to hold hearings, subpoena witnesses to compel their attendance, administer oaths, examine any person under oath, and compel any person to subscribe to the person's testimony after it has been correctly reduced to writing and

in connection with the hearings require the production of any books, papers, records, or documents that the Liquidator considers relevant to the inquiry. Mont. Code Ann. § 33-2-1345(1).

12. The CSI as the Liquidator shall collect all debts and money due and claims belonging to the Respondent, wherever located, and take all actions necessary to this end, including, all acts necessary to collect, conserve, and protect the Respondent's assets and property, including selling, compounding, compromising, or assigning debts for collection purposes on terms and conditions that the Liquidator considers best; and to pursue any creditor remedies available to enforce the Liquidator's claims. Mont. Code Ann. § 33-2-1345(1).

13. The CSI as the Liquidator may enter into contracts necessary to carry out this Order, and to affirm or disavow any contracts to which the Respondent is a party. Mont. Code Ann. § 33-2-1345(1).

14. The CSI as the Liquidator may continue to prosecute and institute in the name of the Respondent or in the Liquidator's own name any and all suits and other legal proceedings, in this state or elsewhere; abandon the prosecution of claims that the Liquidator considers unprofitable to pursue further; prosecute any action that may exist in behalf of the creditors, members, policyholders, or shareholders of the Respondent against any officer of the Respondent or any other person; and assert all defenses available to the Respondent as against third persons. Mont. Code Ann. § 33-2-1345(1).

15. In addition to the foregoing, the CSI is vested with all other powers and duties as the Liquidator under §§ 33-2-1342 and 33-2-1345, MCA, not previously referenced, and with such other powers and duties as this Court may deem necessary and proper for the liquidation of the Respondent. Mont. Code Ann. § 33-2-1345(2).

16. All actions and proceedings against the Respondent are hereby enjoined and full faith and credit shall be given by the courts, whether in this state or elsewhere, to this Order. Further, no action at law or equity may be brought against the Respondent, the CSI, or any special deputy, within this state or elsewhere, upon issuance of this Order. Mont. Code Ann. § 33-2-1348(1).

17. The requirement under § 33-2-1363, MCA, for the CSI as the Liquidator to submit a proposal to disburse assets to a guaranty association or foreign guaranty association is waived as inapplicable because state insurance insolvency guaranty funds are not available for a self-funded multiple employer welfare arrangement. Mont. Code Ann. § 33-35-307 and Mont. Admin. R. 6.6.5703.

18. The Respondent, its trustees, officers, directors, agents, and employees, and all other persons having notice of these proceedings or this Order are prohibited from transacting any business of the Respondent or selling, transferring, destroying, wasting, encumbering, or disposing of any property or assets of the Respondent without prior written approval of the CSI as Liquidator or until further order of this Court. Mont. Code Ann. § 33-2-1309(1).

19. All banks, brokerage houses, agents, reinsurers, or other companies or persons having in their possession assets or records that are or may be the property of the Respondent are enjoined from disposing of, selling, wasting, encumbering, transferring, or destroying any such assets, property, or records of the Respondent. This prohibition includes, but is not limited to, property, books, or records pertaining to any transaction between the Respondent and any of the said parties. Mont. Code Ann. § 33-2-1309(1).

20. All actions and proceedings pending against any Respondent health plan policyholder or member, including any covered dependent, for unpaid claims are hereby stayed and

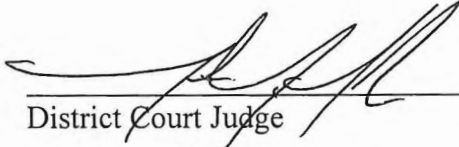
all persons and entities are hereby enjoined from commencing any actions or proceedings at law or equity against any Respondent health plan policyholder or member, including any covered dependents, for unpaid claims, except with the express written consent of this Court. Mont. Code Ann. §§ 33-2-1309(1) and 33-2-1345(2).

21. The Order of Supervision and Extension and Amendment of Order of Supervision shall be made public as part of these proceedings. Mont. Code Ann. § 33-2-1323.

22. Any officer, manager, director, trustee, owner, employee, insurance producer, or any other person with authority over or in connection with the Respondent's affairs shall cooperate with the CSI as the Liquidator in connection with this liquidation proceeding, and no person may obstruct or interfere with the CSI as the Liquidator in the conduct of this liquidation proceeding. Mont. Code Ann. § 33-2-1310.

23. All policies issued by the Respondent in effect at the time of issuance of this Order shall terminate upon issuance of this Order. Mont. Admin. R. 6.6.5707(1).

ENTERED this 5th day of November, 2020.


District Court Judge