

November 12, 2020 Notice of Legal Rights and Obligations

Subject: Notice of Liquidation – Montana Nonprofit Association Group Benefit Trust, a Self-Funded Multiple Employer Welfare Arrangement

An Order to Liquidate Montana Nonprofit Association Group Benefit Trust, a Montana domestic self-funded Multiple Employer Welfare Arrangement (“MNAGBT”), with its principal office in Helena, Montana, was entered by the Montana First Judicial District Court, Lewis and Clark County, on November 5, 2020, in Helena, Montana. The Order of Liquidation was entered under Mont. Code Ann. § 33-2-1342 and appointed Matthew M. Rosendale, Commissioner of Securities and Insurance, Office of the Montana State Auditor, the Liquidator. Michael J. FitzGibbons has been appointed as Special Deputy Liquidator.

Under the Order of Liquidation (“Order”), the Liquidator is authorized and directed to forthwith take possession and control of the assets of MNAGBT 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 MNAGBT in connection with any assets being held for the benefit of MNAGBT 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 MNAGBT, 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 trust.

Upon issuance of the Order, the rights and liabilities of MNAGBT 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 MNAGBT in accordance with Mont. Code Ann. §§ 33-2-1345(1)(f) and 33-2-1362(1) and deliver any and all property of MNAGBT, personal or real, of every kind or nature, to the Liquidator or her designee.

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 MNAGBT, 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 MNAGBT at its expense.

All actions and proceedings pending against any MNAGBT 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 for unpaid claims, except with the express written consent of the Court upon issuance of the Order and pursuant to Mont. Code Ann. §§ 33-2-1309(1) and 33-2-1345(2).

The Liquidator may institute all actions and proceedings on behalf of MNAGBT subject to Mont. Code Ann. § 33-2-1345(1)(l). Mutual debts or credits between MNAGBT 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.

Pursuant to Mont. Code Ann. § 33-2-1362(1)(a), all insurance producers, agents, brokers, premium finance companies or other persons, other than insureds, responsible for the payment of premiums shall be obligated to pay any unpaid premium for the full policy term due at the time of the declaration of

insolvency, whether earned or unearned, to the Liquidator and all unearned commissions as of the date of the Order. Pursuant to Mont. Code Ann. § 33-2-1362(1)(b), all members of MNAGBT 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 interested parties of MNAGBT 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 MNAGBT, any inquiries may be directed to:

Claimant services
Montana Nonprofit Association Group Benefit Trust
8701 E. Vista Bonita Dr., Ste. 200
Scottsdale, AZ 85255

The claimant service department is also available for inquiries at (480) 948-4351 or mnagbtclaims@fitzgibbonsco.com.

For court filings, financial statements and other documents and information about the ongoing liquidation visit our website at www.mnagbt.com.