

**IN THE CIRCUIT COURT OF PULASKI COUNTY, ARKANSAS
CIVIL DIVISION**

**ALAN McCLAIN, INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS**

PETITIONER

VS.

NO: 60CV-23-6619

**UNITED HOME INSURANCE COMPANY,
AN ARKANSAS DOMICILED COMPANY**

RESPONDENT

AMENDED ORDER OF LIQUIDATION WITH LIMITED RESERVATION

The Court, based upon the pleadings filed and the evidence presented, finds it is necessary to amend the Court's prior Order of Liquidation with Limited Reservation ("Liquidation Order") entered on November 14, 2023 and finds as follows;

1. The Court has jurisdiction over this matter and venue is proper in this Court.
2. Alan McClain, Insurance Commissioner for the State of Arkansas (Petitioner), filed his Motion/Petition for Liquidation ("Motion") on November 3, 2023.
3. The Petitioner filed this original action on September 5, 2023 seeking an Injunction and the Appointment of a Receiver regarding United Home Insurance Company ("UHIC"), an AR domestic insurance company for purposes of rehabilitation.

4. On September 6, 2023, this Court entered a Permanent Injunction and Agreed Order Appointing Receiver for Rehabilitation (“Order”).

5. The Order appointed the Petitioner as Receiver (“Receiver”) and designated Mr. Michael E. Surguine as the Deputy Receiver.

6. Mr. Surguine has reviewed certain books and records of the UHIC, including the accounts at various banks in AR.

7. The officers and employees of UHIC have cooperated with the Receiver to date, but the amount of claims, both loss claims and claims by customers for refunds of premiums after policy cancellation, have exceeded what was anticipated by UHIC.

8. Although UHIC has assets, some of which have been liquidated to pay claims and others which can be liquidated, it has become clear to the Receiver, that the present claims and future claims against UHIC will exceed the assets of UHIC.

9. UHIC is no longer issuing policies and its financial condition is hazardous to current policyholders, creditors and/or the public.

10. Based on the facts and evidence presented, the Court finds that UHIC is an insolvent insurer and pursuant to ACA 23-68-106 and 107, and other relevant statutes, sufficient cause exists for UHIC to be converted from a rehabilitation proceeding to a liquidation, subject to the limited reservation related to certain AR policies, as set forth below.

11. This Order of Liquidation, as amended, and the specific finding that UHIC is an insolvent insurer, shall activate the guaranty funds in Arkansas and

the other states in which UHIC wrote insurance. The Receiver and Deputy Receiver are authorized to; give notice to policy holders of this liquidation and UHIC's insolvency; cancel policies within 30 days; provide notice to policy holders regarding submission of claims and payment of claims through the applicable guaranty funds; and, take such action as may be necessary to see that claims against UHIC are processed and paid pursuant to the statutes, rules and regulations of the applicable property and casualty guaranty funds related to this insolvent insurer.

12. The September 6, 2023 Order is incorporated herein as if set forth word for word, with the express clarification that the provisions, requirements and obligations set forth therein shall apply in UHIC's liquidation. Further, to the extent any clarification is needed, the Receiver and Deputy Receiver are authorized to take such action as necessary to complete the liquidation of UHIC. Such action includes, but is not limited to, that set forth in paragraph 11 above, taking possession and control of all assets of UHIC or UHIC's subsidiaries and to market, sell and liquidate them in a commercially reasonable manner as the Receiver or Deputy Receiver deem appropriate. To the extent any questions exist, the Petitioner may file a motion seeking court approval of such transactions.

13. The Receiver and Deputy Receiver have been advised of a proposal that involves approximately 9,300 Arkansas homeowner policies of UHIC, with a coverage amount of \$175,000 or less, which, if accepted, could reduce the claims against UHIC and the Arkansas guaranty fund. The proposal has the potential to allow the estimated 9,300 Arkansas policy holders to maintain uninterrupted

homeowners' coverage, in a market that is limited and, in some cases, not available for replacement policies.

14. Pending further order of this Court, the 9,300 policies of UHIC as of Nov. 9, 2023, as described in more detail in paragraph 13 above, shall remain in rehabilitation, allowing the Receiver and the AR Insurance Department additional time to determine if this proposal is acceptable. No notice of liquidation or cancellation of these policies of UHIC shall be given at this time. Once that decision is made to accept or reject the proposal, the Petitioner may file such additional motions as may be necessary seeking approval of the transaction or to have these approximate 9,300 policies brought within the liquidation proceeding.

IT IS SO ORDERED.

Honorable Herbert T Wright
Pulaski Co. Circuit Judge

Dated: _____

Prepared by:

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So Ordered

A handwritten signature in black ink, appearing to read "Herb Wright", written over a horizontal line.

Honorable Herbert T Wright