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7 *Insurance Commissioner*
of the State of California

ENDORSED
FILED
San Francisco County Superior Court
JAN 31 2012
CLERK OF THE COURT
BY: GINA GONZALES
Deputy Clerk

Attorney General's Office
Copy

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 COUNTY OF SAN FRANCISCO
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13 **INSURANCE COMMISSIONER OF THE**
STATE OF CALIFORNIA,

14 Applicant,

15 v.

16
17 **MUNICIPAL MUTUAL INSURANCE**
COMPANY,

18 Respondent.
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Case No. CPF-07-507033

(Proposed)

**ORDER (1) APPROVING FINAL
REPORT AND ACCOUNTING; (2)
APPROVING THE ASSIGNMENT OF
REINSURANCE RECOVERABLES TO
THE CALIFORNIA INSURANCE
GUARANTEE ASSOCIATION; AND (3)
APPROVING A FINAL DISTRIBUTION
OF ASSETS OF MUNICIPAL MUTUAL
INSURANCE COMPANY**

20 Date: January 31, 2012
21 Time: 9:30 a.m.
22 Dept: 302
23 Judge: Hon. Harold E. Kahn
Trial Date: NONE
Action Filed: February 14, 2007

24 The matter of the application of the Insurance Commissioner of the State of California as
25 Liquidator of Respondent Municipal Mutual Insurance Company for this court's order
26 ("Application of Order") (1) approving the final report and accounting, (2) approving the
27 assignment of reinsurance recoverables to the California Insurance Guarantee Association, and
28 (3) approving a final distribution of assets of Municipal Mutual Insurance Company, came on

1 regularly for a hearing on January 31, 2012, in Department 302 of the above-entitled court, the
2 Honorable Harold E. Kahn, Judge Presiding. Joyce E. Hee, Supervising Deputy Attorney
3 General, appeared on behalf of applicant Insurance Commissioner of the State of California, as
4 Liquidator of Respondent Municipal Mutual Insurance Company ("MMIC"). There was no
5 opposition to the Insurance Commissioner's application.

6 The Court, having read and considered the Application for Order filed by the Insurance
7 Commissioner as Liquidator of MMIC, and good cause appearing therefore,

8 IT IS HEREBY ORDERED that:

- 9 1. The Insurance Commissioner's application is granted;
- 10 2. The Final Report and Account of Insurance Commissioner as Liquidator
11 for MMIC for the period from October 31, 2006 through September 30, 2011 is settled and
12 approved;
- 13 3. The Insurance Commissioner as Liquidator is authorized to retain the sum
14 of \$84,155 for payment of administrative expenses incurred by the Liquidator from and
15 after October 1, 2011 for administrative and closing costs, and the Liquidator is authorized
16 to pay any excess closing and administrative costs out of the funds appropriated for the
17 maintenance of the Department of Insurance. A report to the Court of the expenditure of
18 these funds shall not be required;
- 19 4. The Insurance Commissioner as Liquidator is authorized to enter into the
20 Assignment and Release Agreement with California Insurance Guarantee Association
21 ("CIGA") whereby all rights and entitlements of the reinsurance contract between MMIC
22 and ALEA North America Insurance Company are assigned to CIGA;
- 23 5. The Insurance Commissioner as Liquidator is authorized to distribute to
24 the one approved Class 2 claimant, CIGA, approximately \$4.8 million (this approximation
25 is based on any accrued income or losses resulting from a change in value of the pooled
26 assets);
- 27 6. The Insurance Commissioner as Liquidator is authorized to maintain all
28 records of Respondent MMIC for three years either in an imaged database or in hardcopy

1 format and thereafter the Liquidator is authorized to destroy all records of Respondent
2 except for those records necessary for examination by the Department of Finance or other
3 auditors of the Liquidator's books and records pursuant to Insurance Code section 1061;

4 7. The Insurance Commissioner as Liquidator is authorized to take any
5 action necessary to accomplish the purpose of this Order. The MMIC estate is closed, and
6 the Commissioner as Liquidator shall be discharged as Liquidator upon the filing of a
7 Declaration of Compliance.

8 IT IS SO ORDERED.

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10 Dated: JAN 31 2012

HAROLD KAHN

JUDGE OF THE SUPERIOR COURT

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