

# American Mutual

INSURANCE COMPANIES  
In Liquidation

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May 11, 2005

**FILED**

MAY 16 2005

OFFICE OF  
WORKER'S COMPENSATION JUDGE  
HELENA, MONTANA

Montana Workers Compensation Court  
P.O. Box 537  
1625 11<sup>th</sup> Avenue  
Helena, Montana 59624-0537

Re: Dale Reesor v. Montana State Fund  
WCC No. 2002-0676

Dear Mr. Hunt:

This office is in receipt of the Summons and Notice of Attorney Fee Lien and I have read the Montana Supreme Court decision in Reesor v. Montana State Fund. For the reasons outlined below I respectfully request that you voluntarily dismiss both American Mutual Liability Insurance Company (AMLICO) and American Mutual Insurance Company of Boston (AMI) from these proceedings before the Workers Compensation Court for Montana.

AMLICO and AMI were declared insolvent and ordered liquidated by order of the Massachusetts Supreme Judicial Court for Suffolk County on March 9, 1989. The Order of Liquidation, Appointment of Permanent Receiver and Permanent Injunction, a copy of which I have enclosed, specifically provides in paragraph 6 that all suits against the companies are enjoined as well as the instituting or prosecuting of any suit, action or other proceeding against either company for the purpose of taking possession of or interfering with any property owned by the companies. Based on this language, we request dismissal of AMLICO and AMI from these proceedings.

Further, any claim adjusted by either AMLICO or AMI prior to its liquidation or after its liquidation but before cancellation of all policies for which coverage was afforded under an AMLICO/AMI policy in which benefits were terminated upon the claimant receiving or becoming eligible to receive social security retirement benefits would be the responsibility of the Montana Insurance Guaranty Association who became responsible for AMLICO/AMI claims upon their liquidation in 1989.

I am further informed that there is only one workers compensation claim in which the medical portion remains open. The indemnity portion was settled in 1993. Therefore, no exposure would seem to exist for either company or the Montana Insurance Guaranty Association.

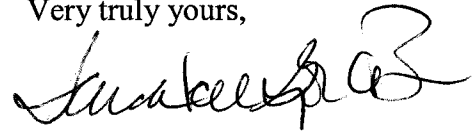
Page 2.

Montana Workers Compensation Court

By copy of this letter I am notifying the petitioner's attorney, Mr. Thomas J. Murphy of this request for dismissal.

I would appreciate hearing from you once you have had an opportunity to review this matter. Thank you.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Sandra MacGregor O'Brien".

Sandra MacGregor O'Brien  
Counsel

enclosure

Cc: Thomas J. Murphy, Esquire  
Murphy Law Firm  
P.O. Box 3226  
Great Falls, Montana 59403-3226

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, ss:

SUPREME JUDICIAL COURT  
FOR SUFFOLK COUNTY  
NO. 89-23

ROGER M. SINGER, as the  
Commissioner of Insurance of the  
Commonwealth of Massachusetts,  
Plaintiff,

ORDER OF  
LIQUIDATION,  
APPOINTMENT OF  
PERMANENT  
RECEIVER AND  
PERMANENT  
INJUNCTION

AMERICAN MUTUAL LIABILITY  
INSURANCE COMPANY, and AMERICAN  
MUTUAL INSURANCE COMPANY OF  
BOSTON,  
Defendants.

This case was filed on January 17, 1989 upon the Verified Complaint of Roger M. Singer, as the Commissioner of Insurance of the Commonwealth of Massachusetts, and a Motion for Preliminary Injunction and Appointment of Temporary Receiver (hereinafter referred to as Permanent Receiver). Upon consideration thereof, and with no objection from the defendants, a Preliminary Injunction and Order Appointing Temporary Receiver was entered by the Court on January 17, 1989. The Temporary Receiver on February 16, 1989 reported to

the Court his findings that the defendants were insolvent within the meaning of G.L. Chapter 175, Section 180C and he petitioned the Court, pursuant to said Section 180C for an Order of Liquidation, for his appointment as the Permanent Receiver, and for a permanent injunction. The Petition came to be heard on March 8, 1989 and upon consideration thereof, and the fact that the defendants do not object to the entry of this Order,

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED THAT:

1. The defendants are insolvent within the meaning of G.L. Chapter 175, Section 180C.
2. The proceeding initiated under G.L. Chapter 175, Section 6 are hereby terminated and the Commissioner is hereby appointed Permanent Receiver to liquidate the defendants as provided in and subject to G.L. Chapter 175, Section 180C, to take possession of, with the authority to transfer and control, the property, records, accounts, and effects of the defendants, to settle the affairs and distribute the assets of the defendants subject to such rules and orders as the Court or some Justice hereof may prescribe.
3. The defendants, their officers, agents, employees and attorneys are permanently enjoined and restrained from conducting, operating or proceeding with the defendants' business, from paying out any

of their monies or funds and from disposing of any of their assets except upon the order of the Permanent Receiver or until further order of this Court or some Justice thereof.

4. The Permanent Receiver is authorized to continue to employ and fix the compensation of the Tillinghast consulting firm.
5. The Permanent Receiver is authorized to continue to employ and to fix the compensation of the special deputies, counsel, clerks, and assistants for all expenses of taking of possession of each defendant and of conducting this proceeding, and to continue to pay such compensation and expenses out of the funds or assets of each defendant.
6. To the full extent of the jurisdiction of this Court, each defendant's policyholders, creditors, and all other persons claiming by, through, or under them are permanently enjoined and restrained from instituting or prosecuting any suit, action or other proceeding against either or both of the defendants, or against the Permanent Receiver, or from executing or issuing or causing the execution or issuance of any writ, process, summons, attachment, subpoenas, replevin, execution or other proceeding for the purpose of impounding or taking possession of or interfering with any property owned

by or in the possession of either of or both of the defendants, or owned by either or both of the defendants and in the possession of any such defendant's officers, agents or employees or owned by either or both of the defendants and in the possession of the Permanent Receiver.

7. The Permanent Receiver is authorized to employ, or continue the employment of, appropriate special or local legal counsel in all jurisdictions to represent the interests of each defendant and the Permanent Receiver, all upon such terms and conditions as the Permanent Receiver considers necessary, and to pay for such counsel out of the funds or assets of each defendant.
8. The Permanent Receiver is authorized, at his discretion, to engage, employ, retain and fix the compensation of and pay all other personnel as he may deem necessary.
9. The Permanent Receiver is authorized to transfer, invest, re-invest and otherwise deal with the assets and property, real and personal of the defendants so as to effectuate the liquidation of each defendant.
10. All policies of insurance issued by either defendant and in force as of the date of this Order shall be cancelled effective as of sixty days after the date of this Order, except for policies in such states

whose property/casualty guaranty funds would be obligated for a shorter period of time, in which case such policies shall be cancelled as of the applicable earlier date.

11. To the full extent of the jurisdiction of this Court, all parties to any suits in which either defendant was obligated on the date of this Order to defend a party insured by virtue of obligations under its insurance policies, shall be enjoined and restrained from proceeding with any such suit for a period of 180 days from the date of this Order.
12. The Permanent Receiver is authorized to take such further actions as he deems necessary and appropriate to effectuate the purposes of this Order.
13. All costs of this proceeding shall be taxed against the defendants.
14. The Permanent Receiver shall report to the Court within one hundred twenty days of the entry of this Order with a proposal to disburse the assets of each defendant in accordance with M.G.L. Chapter 175, Section 180C.
15. The Court retains jurisdiction to issue such further orders as may be necessary and appropriate.

By the Court (Nolan, J.)

(JMY)

Susan Miller

Assistant Clerk

Entered: ~~March 9, 1989~~

Assenting and waiving all  
rights of appeal:

Sandra MacGregor

Sandra MacGregor  
Assistant General Counsel  
American Mutual Liability  
Insurance Company and  
American Mutual Insurance  
Company of Boston