

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

IN THE MARION CIRCUIT COURT
CAUSE NO. 49C01-0811-MI-053358

CAROL CUTTER, as the Insurance)
Commissioner of the Department of Insurance)
of the State of Indiana,)
)
Petitioner,)
)
v.)
)
MEDICAL SAVINGS INSURANCE COMPANY,)
)
Respondent.)

FILED

(228) AUG 20 2009

Elizabeth D. White
CLERK OF THE MARION CIRCUIT COURT

ORDER EXTENDING STAY AS TO CLAIMS AGAINST MSIC POLICYHOLDERS

This matter came before the Court on the Status Report as to Provider Claims and Motion to Extend Stay as to Claims Against MSIC Policyholders ("Status Report/Motion"), as filed August 10, 2009 by Indiana Insurance Commissioner Carol Cutter, in her capacity as Liquidator of Medical Savings Insurance Company ("MSIC"). Pursuant to the Court's Order of August 18, 2009, a hearing on the Status Report/Motion was scheduled and held in open Court on August 20, 2009.

Having considered the Status Report/Motion, all arguments and other information presented at the hearing and being fully advised, the Court finds that:

a) On February 26, 2009, this Court entered both an Order of Liquidation against MSIC and an Order Approving Rehabilitator's Recommendations Concerning Liquidation Procedures, Claims and Notices ("Procedures Order"). The Procedures Order specifically included, in part, a six month stay (to and including August 26, 2009), enjoining the pursuit of litigation or other collection efforts against MSIC Insureds. See Procedures Order Section 3(f);

b) On July 6, 2009, this Court entered an Order Approving Clarification of Liquidation Procedures Claims and Notices (“Clarification Order”);

c) The Order of Liquidation, Procedures Order, Clarification Order and all other Orders previously entered in this proceeding remain in full force and effect, although the Court now finds that the Liquidator, in conjunction with the Guaranty Associations, should continue with the procedures set forth in Section 3(a), 3(b) and 3(c) of the Procedures Order and further finds it is reasonable, appropriate and necessary to extend the stay and injunction set forth in Section 3(f) of the Procedures Order for an additional six (6) months;

d) Extending the current stay as to litigation and collection is necessary and appropriate to expedite and avoid interference with the liquidation proceedings, to avoid waste of MSIC assets, to facilitate the ongoing discussion with Providers, to allow the appropriate guaranty associations to make prompt payment to Providers when settlements are reached as to outstanding claims and to avoid undue prejudice to the MSIC Insureds;

e) The Liquidator has authority to request and the Court has authority to grant the extension of the stay and injunctive relief, in accordance with Ind. Code 27-9-1-4;

f) This Court has sole and exclusive jurisdiction to hear and decide all claims against MSIC and sole and exclusive jurisdiction to decide all issues involving the coverage and interpretation of MSIC Policies.

IT IS, THEREFORE, ORDERED, ADJUDGED AND DECREED that:

(1) The Liquidator, in conjunction with the Guaranty Associations, shall continue with the procedures set forth in Section 3(a), 3(b) and 3(c) of the Procedures Order.

(2) In order to avoid inference with the Liquidator and the liquidation proceeding while discussion are ongoing with Providers and to avoid actions which might lessen the value of MSIC’s assets or prejudice the rights of MSIC’s Insureds, the Court hereby STAYS AND

ENJOINS all of the following for an additional six (6) months, to and including February 26, 2010:

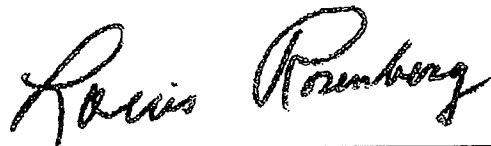
- all lawsuits, arbitrations and collection efforts against MSIC Insureds (including contacting the MSIC Insureds, credit reporting agencies or any third party regarding or relating to the claims to be addressed as set forth in the Procedures Order and all practices listed in 15 U.S.C. § 1692(f)), whether brought or initiated by Providers, their employees, counsel, bill collection agencies or other Provider representatives;
- the obtaining of any preference, judgment, attachment, garnishment or lien as against any MSIC Insured or their property or assets; and
- the levying of execution against any MSIC Insured or their property or assets.

(3) The only exceptions to the stay and injunction as set forth in paragraph (2) above, are as follows:

- (a) If the statute of limitation applicable to a Provider's claim against an MSIC Insured will expire prior to February 26, 2010, the Provider may file and serve a lawsuit against the MSIC Insured prior to the expiration of that statute so as to preserve its rights, but all further actions and proceedings regarding that lawsuit, once filed, shall be stayed and enjoined through February 26, 2010 as set forth in paragraph (2) above;
- (b) To the extent that a claim must be asserted against an MSIC Insured in order to satisfy conditions for coverage from a guaranty association, the stay and injunction set forth in paragraph (2) above does not preclude the assertion of such claim, subject to the above restrictions;
- (c) Nothing contained in this Order shall in any way limit or impair the rights and/or ability of a guaranty association or an insurer to bill for or collect the premiums due for insurance coverage; and
- (d) To the extent that a settlement is reached as between the Liquidator, a guaranty association and a Provider, consistent with the Procedures Order and Clarification Order, yet one or more of the MSIC Insureds for whom settlement payments are made have not yet paid to the Provider his or her deductible or policy payments that the MSIC Insured previously received directly from MSIC (prior to the company being placed into Rehabilitation/Liquidation), the stay and injunction shall not prevent the Provider from pursuing collection of such deductibles or direct payments in amounts specifically referenced in the applicable Settlement Agreement and/or Release.

(4) Extension of the stay and injunction for an additional six (6) months as set forth in paragraph (2) above, will not otherwise prejudice or impair the rights of the Providers or the MSIC Insureds to the extent of separate contracts which may exist between the Providers and the MSIC Insureds.

Dated: August 20, 2009



JUDGE, Marion Circuit Court

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All counsel known to the Liquidator who are currently representing Hospitals in lawsuits previously filed against MSIC and/or MSIC Insureds.