

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

161 JUN 26 2009

Elizabeth J. White
CLERK OF THE MARION CIRCUIT COURT

**PRELIMINARY LIST OF MSIC'S ASSETS
AND RECOMMENDATION REGARDING ASSETS**

Indiana Insurance Commissioner Carol Cutter, as Liquidator of Medical Savings Insurance Company ("MSIC"), files with the Court a Preliminary List of MSIC's Assets and Recommendation Regarding Assets.

1. On February 26, 2009, the Court entered an Order of Liquidation, including a finding of insolvency, as against MSIC.

2. Pursuant to Ind. Code 27-9-3-13, a liquidator is to file a list of the insurer's assets within 120 days of an order of liquidation being entered. Attached hereto as Exhibit A is a Preliminary List of MSIC's Assets as of June 19, 2009. This list may be subject to modification based on additional information hereafter discovered by the Liquidator as the liquidation of MSIC proceeds.

3. Pursuant to Ind. Code 27-9-3-32, within 120 days of a final determination of insolvency of an insurer, a liquidator is to file a proposal to disburse assets, from time to time as those assets become available, to guaranty associations that have obligations based upon the

insolvency of that insurer. However, that statute also provides that if the Liquidator determines there are insufficient assets to disburse to guaranty associations, the Liquidator is to file a statement setting forth the reasons for this determination.

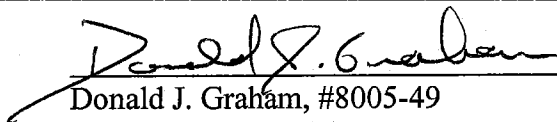
4. As confirmed by the information set forth on Exhibit A, the amount of liquid assets held under the control and direction of the Liquidator as of June 19, 2009, was Nine Hundred Seventy Four Thousand Two Hundred Thirty One and 36/100 Dollars (\$974,231.36). The majority of the other MSIC assets reflected on Exhibit A, are held as statutory or special deposits by the insurance departments or commissioners in certain states in which MSIC was licensed to do business.¹ The Liquidator has contacted each of the states regarding these deposits, but as of this filing the special or statutory deposits have not been released to the possession and control of the Liquidator.

5. Given the level of anticipated Class 1 administrative claims to be incurred in this insolvency, the Liquidator does not believe that the MSIC estate is in a position to disburse assets to the guaranty associations, unless and until the Liquidator receives possession and control of a significant portion of the assets currently being held as statutory or special deposits.

WHEREFORE, the Liquidator respectfully requests that the Court accept the Preliminary List of MSIC Assets attached hereto as Exhibit A, which is filed in accordance with Ind. Code 27-9-3-13, and also approve the Liquidator's recommendation, pursuant to Ind. Code 27-9-3-32, that the MSIC estate currently does not have possession and control of sufficient assets to make an early access distribution to guaranty associations.

¹ As noted on Exhibit A, the restricted assets also include limited funds still held in the HSA custodial account. The Liquidator continues with efforts to contact the remaining HSA account holders to arrange for the withdrawal or transfer of their funds consistent with prior Orders of this Court.

Respectfully submitted,



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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing has been deposited in the U.S. Mail, first class postage prepaid, this 26th day of June, 2009, addressed to the following:

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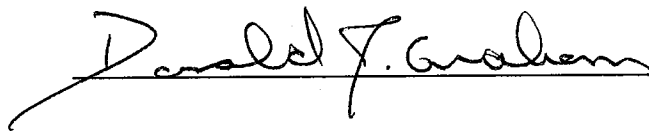


EXHIBIT A

**Medical Savings Insurance Company in Liquidation
Preliminary Statement of Assets
At 06/19/09**

General Assets	\$ 974,231.36	\$ 974,231.36
Restricted Assets		
HSA Custodial Account	\$ 236,288.90	
Supporting HSA Liabilities of	\$ (209,767.25)	
Pledged Bonds - Amortized Value	\$ 2,210,785.99	
Pledged Money Market	<u>765,000.00</u>	
Total Restricted Assets	<u>\$ 3,002,307.64</u>	<u>\$ 3,002,307.64</u>
Total Known Assets		<u><u>\$ 3,976,539.00</u></u>