

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

IN THE MARION CIRCUIT COURT

CAUSE NO. 49C01-1302-MI-004424

STEPHEN W. ROBERTSON, as Commissioner of)
the Department of Insurance of the State of Indiana)

Petitioner,)

v.)

NATIONAL ATTORNEYS' TITLE)
ASSURANCE FUND, INC.)

Respondent.)

FILED

36

AUG 20 2015

Myra A. Eldridge
CLERK OF THE MARION CIRCUIT COURT

FINAL ORDER OF LIQUIDATION AND DECLARATION OF INSOLVENCY

This matter came before the Court upon the Verified Petition for Liquidation ("Liquidation Petition") as to National Attorneys' Title Assurance Fund, Inc. ("NATAF"), filed by the Commissioner of the Department of Insurance of the State of Indiana ("Commissioner"), pursuant to Ind. Code § 27-9-3-6 (2) and Ind. Code § 27-9-3-7 (e), seeking entry of an Order of Liquidation of NATAF, a declaration of insolvency. and the Court having examined said Liquidation Petition and the Exhibits thereto, and having heard the evidence and arguments of counsel presented at the hearing on this Petition, held in this Court on 8-20, 2015, and being in all things duly advised, now Finds and Concludes that:

1. NATAF is an Indiana domiciled title insurance company, which is currently in rehabilitation proceedings before this Court.

2. This Court entered an Order of Rehabilitation of NATAF on April 2, 2013 ("Rehabilitation Order"). Pursuant to the Rehabilitation Order, the Commissioner, including his successors in office, was appointed as the Rehabilitator of NATAF ("Rehabilitator") pursuant to Ind. Code § 27-9-3.

3. NATAF operated as a bar-related title insurer that issued abstract and title insurance through its members who were practicing attorneys and attorney organizations in Indiana. NATAF's main office is located at 306 West Pike Street, Vevay, Indiana 47043, with area service offices located in Indianapolis and Evansville.

4. The Commissioner has found that NATAF is insolvent, and that further attempts to rehabilitate the company would be futile.

5. As shown on the February 28, 2015 balance sheet of NATAF, which is Exhibit A to the Liquidation Petition, NATAF's liabilities exceed its assets by approximately four hundred twenty seven thousand dollars (\$427,000.00).

6. There is no substantial source of projected income for NATAF. Current account receivables amount to approximately four thousand three hundred ninety dollars (\$4,390.00), as shown on Exhibit A to the Liquidation Petition.

7. Potential sources of asset recovery for NATAF are uncertain.

8. The liabilities of NATAF do not include the value of unknown claims that may be asserted against NATAF in the future.

9. Entry of a liquidation order will halt litigation under Ind. Code § 27-9-3-12, and bring adjudication of all existing claims within this receivership proceeding.

10. Under Ind. Code § 27-9-3-8, all policies of an insurer, other than life, health or annuity policies, terminate thirty (30) days after entry of an order of liquidation, in the absence of transfer of the policy obligations pursuant to reinsurance.

11. Claims under title insurance policies differ from other types of insurance policies in that the basis for the claim exists at the time of the issuance of the policy, rather than being

based on a future accident or other fortuity. A title policy insures against title defects existing, but undiscovered, at the time of transfer of the subject real estate, which result in a loss.

12. Cancellation of NATAF title policies under Ind. Code § 27-9-3-8 should not negate already existing but unknown claims of NATAF policyholders, which are brought within a reasonable claims period.

13. NATAF policyholders should be allowed to file proofs of claim for losses based on title defects already existing but unknown at the time of entry of an order of liquidation, within the period for proofs of claim to be filed.

14. NATAF should be liquidated for the protection of its policyholder claimants.

15. The Liquidation Petition should be granted, and all Exhibits thereto approved.

NOW THEREFORE, Having made said Findings and Conclusions, the Court now grants the Liquidation Petition, and approves said Exhibits. It is hereby ORDERED, ADJUDGED and DECREED that:

16. The Commissioner and his successors in office are appointed as Liquidator of NATAF, pursuant to Ind. Code 27-9-3 ("Liquidator").

17. The Liquidator is hereby bestowed with all authority and powers of a Liquidator, including but not limited to authority to:

(a) Appoint a special deputy to act for the Liquidator, and determine a reasonable compensation for that special deputy.

(b) Employ employees and insurance producers, legal counsel, actuaries, accountants, appraisers, consultants, and other personnel as the Liquidator considers necessary to assist in the liquidation.

(c) Fix the reasonable compensation of employees and insurance producers, legal counsel, actuaries, accountants, appraisers, and consultants.

(d) Pay reasonable compensation to persons appointed and defray from the funds or assets of the insurer all expenses of taking possession of, conserving, conducting, liquidating, disposing of, or otherwise dealing with the business and property of NATAF.

18. The Liquidator shall as soon as possible to take possession of the assets of NATAF and administer them under the general supervision of this Court.

19. The Liquidator is vested with title to all of the property, contracts, and rights of action and all of the books and records of NATAF, wherever located.

20. No action at law or equity may be brought against NATAF or the Liquidator, whether in Indiana or elsewhere, nor shall any existing actions be maintained or further presented. The rights and liabilities of NATAF's creditors, policyholders, shareholders, and all other persons interested in its estate are fixed as of the date of entry of this Order,

21. The Liquidator shall file accountings with this Court at six (6) month intervals.

22. The Liquidator shall send notice of this Order within sixty (60) days of its entry in the following manner:

(a) As to policyholders and other claimants, by first class mail, substantially in the form of Exhibits B and C.

(b) NATAF operated only in Indiana, and therefore no notice to other state insurance commissioners is required.

(c) There is no state guaranty association applicable to NATAF, so no notice to state guaranty associations is required.

(d) As to insurance producers of NATAF, by first class mail, substantially in the form of Exhibit D.

(e)) first-class mail to the secretary of state's office; and

(f) publication in a newspaper of general circulation in the county in which NATAF has its principal place of business and in all other locations the liquidator considers appropriate, Exhibit E.

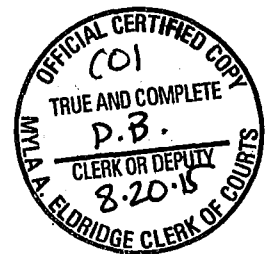
23. The Proof of Claim in substantially the form of Exhibit F to the Liquidation Petition is approved, and the Liquidator is directed to include it in the applicable mailings to be sent in accordance with paragraph 22 above. The Liquidator is also directed to provide a copy of the Proof of Claim to anyone who submits a written request therefor. The date after which the filing of claims against the estate of NATAF will be barred is May 1, 2017 ("Bar Date"). Any person or entity wishing to make a claim of any sort against NATAF shall mail a completed Proof of Claim form as directed in the Proof of Claim, by first-class United States mail, post-marked not later than May 1, 2017, as provided in Exhibit F.

The Court expressly determines that there is no just reason for delay and expressly directs entry of this order as a final judgment.

Dated: 8.20.15

Sheryl Lynch

JUDGE, Marion Circuit Court



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