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By LISA KALLIO Clerk of District Court
Deputy Clerk

**MONTANA FIRST JUDICIAL DISTRICT COURT
LEWIS AND CLARK COUNTY**

IN THE MATTER OF THE LIQUIDATION OF AVIATION ALLIANCE INSURANCE COMPANY, INC., a Special Purpose Captive Insurance Company, Respondent.	Cause No. DDV 2021-1016 LIQUIDATOR'S ACCOUNTING
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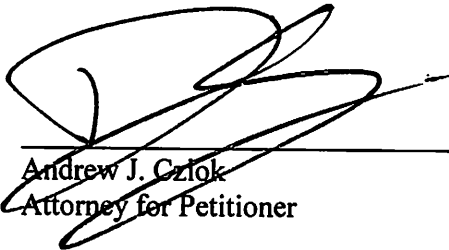
COMES NOW the Montana State Auditor, Commissioner of Securities and Insurance (Commissioner), in his role as the Court-ordered liquidator pursuant to section 33-2-1342, MCA, and submits the following accounting.

On October 12, 2021, the Court found Respondent Aviation Alliance Insurance Company, Inc. insolvent and ordered liquidation proceedings commenced. The Court also ordered the Commissioner to file with the Court a semi-annual accounting of Respondent's assets, liabilities, and all funds received or disbursed by the liquidator during the reporting period. On November 22, 2021, pursuant to his

authority under section 33-2-1345(1)(a), the Commissioner appointed Michael J. FitzGibbons as Special Deputy Litigator and filed Notice of such with the Court.

Pursuant to the Court's Order dated October 12, 2021, and his accounting obligations under section 33-2-1342(5), MCA, the Commissioner submits the attached Accounting, which is an excerpt from the full status report to the Commissioner by the Special Deputy Liquidator. (Exhibit A).

Respectfully submitted this 5 day of August 2022.



Andrew J. Cziok
Attorney for Petitioner

Aviation Alliance Insurance Company, Inc., in Liquidation
Balance Sheet
December 31, 2021 and June 30, 2022

	December 31, 2021	June 30, 2022
Assets		
Cash and cash equivalents	126,098	99,289
Total cash and investments	<u>126,098</u>	<u>99,289</u>
 Total assets	 <u>126,098</u>	 <u>99,289</u>
 Liabilities		
Loss and loss adjustment expense reserves	44,663	44,663
Premium tax	3,333	3,333
Other expenses	9,628	1,181
Total liabilities	<u>57,625</u>	<u>49,177</u>
 Capital and Surplus (Deficit)		
Common stock, contributed surplus and surplus notes	1,652,540	1,652,540
Unassigned funds	<u>(1,584,066)</u>	<u>(1,602,428)</u>
Total policyholders surplus (deficit)	<u>68,474</u>	<u>50,112</u>
 Total liabilities and surplus	 <u>126,098</u>	 <u>99,289</u>

Aviation Alliance Insurance Company, Inc., in Liquidation
Income Statement
Year Ended December 31, 2021 and Six Months Ended June 30, 2022

	Year Ended December 31, 2021	Six Months Ended June 30, 2022
Income		
Interest income	14	136
Total Income	14	136
Expenses		
Loss and LAE incurred	112,945	-
Underwriting expenses incurred	18,556	18,497
Total Expenses	131,500	18,497
Income (Loss) Before Taxes	(131,486)	(18,361)
Income Taxes Expense (Benefit)	-	-
Net Income (Loss)	(131,486)	(18,361)
 Beginning Net Worth	 199,960	 68,474
Net Income (Loss)	(131,486)	(18,361)
Ending Net Worth	68,474	50,112

Aviation Alliance Insurance Company, Inc., in Liquidation
Statement of Cash Receipts and Disbursements
October 12, 2021 to June 30, 2022

	2021	2022	ITD
	10-12 to 12-31	1-1 to 6-30	
Beginning cash and cash equivalents	126,267	126,098	126,267
Receipts			
Interest Income	14	136	149
Other	77	-	77
Total receipts	91	136	227
Disbursements			
Loss and loss adjustment expenses	-	-	-
Special Deputy Liquidator	-	18,237	18,237
Professional fees	-	-	-
Rent, rent items and utilities	-	560	560
Labor	-	5,042	5,042
Offices supplies, postage and printing	-	1,740	1,740
Bank Charges	17	-	17
Insurance	-	966	966
Other	243	400	643
Total disbursements	260	26,945	27,205
Net cash flows	(169)	(26,809)	(26,978)
Ending cash and cash equivalents	126,098	99,289	99,289