

December 15, 2021 Notice of Legal Rights and Obligations

Subject: Notice of Liquidation – Aviation Alliance Insurance Company, Inc.

An Order to Liquidate Aviation Alliance Insurance Company, Inc., a Special Purpose Captive Insurance Company (“Aviation Alliance”), a Montana domiciled captive insurer with its principal office formerly at Missoula, MT, was entered by the Montana First Judicial District Court, Lewis and Clark County, on October 12, 2021, in Helena, Montana. The Order of Liquidation was entered under Mont. Code Ann. § 33-2-1342 and appointed Troy Downing, Commissioner of Securities and Insurance, Office of the Montana State Auditor, the Liquidator. Michael J. FitzGibbons has been appointed as Special Deputy Liquidator.

Under an Order of Liquidation (“Order”), the Liquidator is authorized and directed to forthwith take possession and control of the assets of Aviation Alliance and administer them under the general supervision of the Court. Pursuant to Mont. Code Ann. §§ 33-2-1342 and 33-2-1345, the Liquidator is directed to exercise any and all rights of Aviation Alliance in connection with any assets being held for the benefit of Aviation Alliance by any person or entity. The Liquidator is vested by operation of law with title to all of the property, contracts, and rights of action and all of the books and records of Aviation Alliance, wherever located, as of the entry of this Order of Liquidation and further succeeds to the title of all assets, claims and rights of the insurer.

Upon issuance of the Order, the rights and liabilities of Aviation Alliance and its creditors, shareholders, and all other persons interested in the estate shall become fixed as of the date of the entry of the Order except as provided in Mont. Code Ann. § 33-2-1366.

All persons or other legal entities shall pay all sums and premiums due Aviation Alliance in accordance with Mont. Code Ann. §§ 33-2-1345(1)(f) and 33-2-1362(1) and deliver any and all property of Aviation Alliance, personal or real, of every kind or nature, to the Liquidator or her designee.

Pursuant to Mont. Code Ann. § 33-2-1348(1), no action at law or equity whether in this state or elsewhere, may be brought against Aviation Alliance, or its Liquidator, nor shall any existing actions be maintained or further presented after issuance of the Order. The Liquidator may intervene in any pending action in order to protect Aviation Alliance at its expense.

The Liquidator may institute all actions and proceedings on behalf of Aviation Alliance subject to Mont. Code Ann. § 33-2-1345(1)(l). Mutual debts or credits between Aviation Alliance and another person in connection with this liquidation shall be subject to Mont. Code Ann. § 33-2-1359. Any amount recoverable by the Liquidator from reinsurers shall not be reduced as a result of this Order regardless of any provision in the reinsurance contract or other agreement pursuant to Mont. Code Ann. § 33-2-1361.

ATTENTION AGENTS: Every person who received notice of this Order pursuant to Mont. Code Ann. § 33-2-1346 and who represents Aviation Alliance as an agent shall, absent written waiver of this requirement by the Liquidator within fifteen days of such notice, give written notice of this Order by first class mail to the last address contained in the agent’s records to each policyholder or other person named in any policy issued through the agent by Aviation Alliance if such agent has a record of the address of the policyholder or other person. Such written notice shall include the name and address of Aviation Alliance, the name and address of the agent, identification of the policy impaired, and the nature of the impairment.

Notice by a general agent satisfies the notice requirement of this paragraph for any agents under contract to him or her. Each agent obligated to give notice pursuant to this paragraph shall file a report of compliance with the Liquidator. Any agent failing to give notice or file a report of compliance required by Mont. Code Ann. § 33-2-1347(2) for whom the Liquidator has not waived such requirement may be subject to the penalty provisions of Mont. Code Ann. § 33-2-1347(2).

All agents, brokers, premium finance companies or other persons, other than insureds, responsible for the payment of premiums shall be obligated to pay to the Liquidator any unremitted earned premium and all unearned commissions as of the date of the Order.

All insureds of Aviation Alliance are obligated to pay to the Liquidator all earned premium due as of the date of the Order.

Any person failing to comply with the provisions of Mont. Code Ann. § 33-2-1362 is subject to the penalties provided therein, including imposition of civil penalties by the Commissioner of not more than \$1,000 for each act in violation of said statute.

The Liquidator will be implementing a claims process and adopting a Proof of Claim form. Insureds of Aviation Alliance will be provided a Proof of Claim form for filing claims once this process has been implemented. Please keep the Liquidator informed of any changes of address.

If you have questions or need further information concerning the liquidation of Aviation Alliance, any inquiries may be directed to claimant services, Aviation Alliance Insurance Company, Inc. in Liquidation, 8701 E. Vista Bonita Dr., Ste. 200, Scottsdale, AZ 85255. The claimant service department is also available for inquiries at (480) 948-4351. The website, www.aaicinliquidation.com is also a source for news regarding the ongoing liquidation.