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ATTORNEYS FOR PETITIONER

**IN THE DISTRICT COURT OF SHAWNEE COUNTY, KANSAS
DIVISION 15**

VICKI SCHMIDT,)	
COMMISSIONER OF)	
INSURANCE,)	
<i>In her Official Capacity</i>)	
)	
Petitioner,)	Case No. 2023 CV 494
)	
vs.)	
)	
MutualAid eXchange)	
)	
Respondent.)	

THIRD CLAIMS REVIEW REPORT

COMES NOW Commissioner of Insurance, Vicki Schmidt, in her capacity as Liquidator (“**Liquidator**”) of MutualAid eXchange (“**MAX**”), by and through counsel, and pursuant to K.S.A. § 40-3642, presents to this Court the Liquidator’s Third Claims Review Report.

On August 22, 2023, this Court entered a Judgment, Decree and Order of Liquidation with Finding of Insolvency (the “**Liquidation Order**”) against MAX. The Liquidation Order and the Kansas Insurers Supervision, Rehabilitation and Liquidation Act, K.S.A. §§ 40-3605 et seq.(the “**Act**”), set forth the claim adjudication procedures, and the Liquidation Order set the deadline for filing Proofs of Claim as August 23, 2024 (the “**Bar Date**”).

Liquidator’s First and Second Claims Review Reports

On October 21, 2024, this Court issued a Journal Entry, ordering that the Liquidator’s recommendations set forth in Revised Exhibit A to the Liquidator’s First Claims Review Report, as set forth in the record of the October 8, 2024 hearing, were approved.

On December 6, 2024, the Liquidator submitted her Second Claims Review Report, recommending the disposition of 25 additional Proofs of Claim and reconsideration of two Proofs of Claim. On December 23, 2024, the Court entered its Order in the form of a Journal Entry approving the Liquidator’s recommendations as set forth in the record of the December 18, 2024 hearing.

Liquidator’s Third Claims Review Report

The Liquidator, by and through the Special Deputy Receivers (“**SDRs**”), has reconsidered six Proofs of Claim previously allowed as contingent, and has completed her investigation of six additional Proofs of Claim.

Reconsiderations:

Six State Insurance Guaranty Associations submitted POCs, which the Liquidator initially allowed as contingent. MAX did not transfer any unearned premium or policy claims to these six State Insurance Guaranty Associations. Accordingly, none of them incurred any expense nor made any claim payments. The Liquidator has therefore reconsidered these POCs and recommends denial, as follows:

POC #	Filed By	Address	Recommend	Amount Allowed
1-00250	Oregon Insurance Guaranty Assoc	Oregon	Deny	\$0.00
1-00254	Colorado Insurance Guaranty Assoc	Colorado	Deny	\$0.00
1-00256	Idaho Insurance Guaranty Assoc	Colorado	Deny	\$0.00
1-00259	Washington Insurance Guaranty Assoc	Colorado	Deny	\$0.00
1-00260	Wyoming Insurance Guaranty Assoc	Colorado	Deny	\$0.00
1-00704	Georgia Insurers Insolvency Pool	Georgia	Deny	\$0.00

Review of Additional Proofs of Claim

The Liquidator reviewed three POCs that she recommends denying. Each POC sought policy benefits or unearned premiums (“UEP”). The Liquidator transferred these policy and UEP claims to the affected State Insurance Guaranty Associations, which paid the amount due or covered by the policies. Accordingly, the Liquidator recommends denying the following POCs:

POC #	Filed By	Address	Recommendation	Amount Allowed
1-00459	Larry Bontrager	Michigan	Deny	\$0.00
1-00559	Alexander Taylor	Michigan	Deny	\$0.00
1-00637	Julia Wencil	Minnesota	Deny	\$0.00

The Liquidator also completed her review of three other POCs where each claimant experienced losses under their policies that exceeded the statutory maximum paid by the affected State Insurance Guaranty Association. Accordingly, the Liquidator recommends allowing the amount covered by the policy that is in excess of the State Insurance Guaranty Association

statutory maximum. The Liquidator recommends allowing each POC as a priority Class 2 claim as follows:

POC #	Filed By	Address	Recommendation	Amount Allowed
1-00731	Brent Coy	Indiana	Allow in part	\$102,787.08
1-00786	Gary Waldman	Indiana	Allow in part	\$267,605.05
1-00797	Cassandra Shenigo	Pennsylvania	Allow	\$188,462.06

On December 23, 2024, the Court entered its Order approving a First Interim Distribution of MAX Estate assets in the amount of 20% of each allowed amount of Class 2 claims. The Liquidator requests the Court extend approval of the First Interim Distribution in the amount of 20% of each allowed amount for these three allowed Class 2 claims.

WHEREFORE, the Liquidator hereby requests that the Court approve her claim recommendations and extend approval of the First Interim Distribution in the amount of 20% of the allowed amount to POC #s 1-00731, 1-00786 and 1-00797.

Respectively submitted,

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