

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, SS.

SUPREME JUDICIAL COURT
FOR SUFFOLK COUNTY
NO.

LINDA L. RUTHARDT, as she is)
 COMMISSIONER OF INSURANCE of the)
 COMMONWEALTH OF MASSACHUSETTS,)
)
 Plaintiff,)
 v.)
)
 NEW ENGLAND FIDELITY INSURANCE)
 COMPANY,)
)
 Defendant.)

**INJUNCTION AND ORDER
APPOINTING RECEIVER**

This matter came before the Court upon a verified complaint praying for an injunction and order appointing receiver to which the defendant did not object. Upon consideration thereof, it is ORDERED, ADJUDGED AND DECREED, UNTIL FURTHER ORDER OF THIS COURT, that:

1. Linda L. Ruthardt, as the Commissioner of Insurance of the Commonwealth of Massachusetts, and her successors in office ("Commissioner"), is hereby appointed as the Receiver of New England Fidelity Insurance Company ("New England Fidelity") for the purposes of conservation and rehabilitation pursuant to G.L. c. 175, § 180B.

2. The Commissioner, as Receiver, is directed to take immediate control of the property and assets of New England Fidelity and to administer them under the general supervision of this Court.

3. Kevin J. McAdoo is hereby appointed as Special Deputy Receiver of New England Fidelity, pursuant to G.L. c. 175, § 179.

4. New England Fidelity, its directors, officers, employees and agents are hereby enjoined from further proceeding with New England Fidelity's business, except upon the order or direction of the Receiver or Special Deputy Receiver.

5. To the full extent of the jurisdiction of the Court and the comity to which the orders of the Court are entitled, all persons are hereby enjoined and restrained from instituting or continuing to prosecute any suit, action or other proceeding against New England Fidelity, its directors, officers, employees or agents, or against the Commissioner as Receiver; or from executing or issuing or causing the execution or issuance of any writ, process, summons, attachment, subpoena, replevin, execution or other proceeding for the purpose of impounding or taking possession of or interfering with any property owned by or in the possession of New England Fidelity, or owned by it

and in the possession of any of its directors, officers, employees or agents, or owned by it and in the possession of the Commissioner as Receiver.

6. Pursuant to G.L. c. 175, § 179 and § 180B, the Commissioner, as Receiver, is authorized to employ or to continue to employ such special counsel, including counsel in other jurisdictions, and consultants as she deems necessary, and to fix and pay or to continue to fix and pay the compensation of such special counsel and consultants and all other necessary expenses of taking possession of New England Fidelity and of conducting this proceeding out of its funds or assets as appropriate.

7. The Commissioner, as Receiver, is hereby authorized to cancel all of New England Fidelity's policies of insurance presently in effect, such cancellations to be effective ninety days after notice to the policyholder. The Receiver shall use the form of cancellation notice attached hereto as Exhibit "A".

8. The letter attached hereto as Exhibit "B" is hereby approved to provide notice of the appointment of the Receiver to policyholders.

9. The Commissioner, as Receiver, is directed to report to the Court with recommendations for further action within thirty days of this order.

10. The Commissioner, as Receiver, is authorized to take such other action as she deems appropriate to effectuate the purposes of this order.

11. The Court retains jurisdiction to issue such further orders as may be appropriate.

By the Court (_____, J.)

Entered: September ____, 2000

Exhibit "B"

September __, 2000

To the policyholders of
New England Fidelity Insurance Company:

I have been appointed Receiver of New England Fidelity Insurance Company ("New England Fidelity"), pursuant to an Order of the Massachusetts Supreme Judicial Court for Suffolk County entered on September __, 2000. New England Fidelity did not object to my appointment. Since its records reflect that you hold a policy issued by New England Fidelity, Massachusetts law requires that I notify you of this step. (You may receive more than one copy of this letter if you have more than one New England Fidelity policy.)

I have concluded that New England Fidelity is in hazardous financial condition and that a receivership proceeding is necessary to protect the interests of New England Fidelity's policyholders and other creditors.

In light of New England Fidelity's financial condition, all policies in force are being cancelled on ninety days notice. New England Fidelity will not be renewing any policies either. You should contact your agent to learn how to make arrangements for insurance with another company. No penalty will be applied if you choose to replace your policy before its cancellation or expiration. We have recorded information which you may access by calling the Division's Consumer Help Line at (617) 521-7777.

Sincerely,

Linda L. Ruthardt,
Commissioner of Insurance, as
Receiver of New England
Fidelity Insurance Company

Exhibit "A"

Notice of Cancellation

[Date]

[Name]

[Address]

Policy No.:

Dear Policyholder:

As noted in my letter of September __, 2000, I was appointed Receiver of New England Fidelity Insurance Company ("New England Fidelity") on September __, 2000 for the purposes of conservation and rehabilitation. By its order entered September __, 2000, the Massachusetts Supreme Judicial Court for Suffolk County approved the cancellation of all insurance policies issued by New England Fidelity.

THIS LETTER WILL SERVE AS NOTICE THAT THE CAPTIONED INSURANCE POLICY IS HEREBY CANCELED EFFECTIVE AS OF 12:01 A.M. ON [NINETY DAYS FROM NOTICE]. YOU SHOULD CONTACT YOUR INSURANCE AGENT OR BROKER TO REPLACE YOUR INSURANCE COVERAGE.

Sincerely,

Linda L. Ruthardt,
Commissioner of Insurance, as
Receiver of New England
Fidelity Insurance Company

cc: Lienholder (if any)