

Notice of Legal Rights and Obligations

Notice of Liquidation – ReliaMax Surety Company (Company)

On June 27, 2018 an Order of Liquidation (Order) concerning the Company, a South Dakota domiciled insurer with its principal office in Sioux Falls, South Dakota was entered by the Hughes County Circuit Court in Pierre, South Dakota, case number 32CIV18-125 (Court). The Order was entered under SDCL § 58-29B-42 and appointed Larry Deiter, Director of Insurance for the State of South Dakota, the Liquidator. Michael FitzGibbons has been appointed as Special Deputy Liquidator.

Under the Order, the Liquidator is authorized and directed to forthwith take possession and control of the assets of the Company and administer them under the general supervision of the Court. Pursuant to SDCL Ch. 58-29B, the Liquidator is directed to exercise any and all rights of the Company in connection with any assets being held for the benefit of the Company 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 the Company, wherever located, as of the entry of this Order and further succeeds to the title of all assets, claims and rights of the insurer.

The rights and liabilities of the Company and its creditors, shareholders, and all other persons interested in the estate became fixed as of the date of the entry of the Order except as provided in SDCL § 58-29B-43. The Liquidator exercises and is subject to all of the rights, powers and duties of a Liquidator under SDCL Ch. 58-29B et seq.

All persons or other legal entities shall pay all sums, including premiums, due the Company and deliver any and all property of the Company, personal or real, of every kind or nature, to the Liquidator or his designated representatives.

Please TAKE NOTE THAT all policies including bonds and other noncancelable business in effect at the time of issuance of the Order shall continue in force only for the lesser of:

- (1) a period of thirty days from the date of entry of the Order;
- (2) the expiration of the policy including bonds and other noncancelable coverage;
- (3) the date when the insured has replaced the insurance coverage with equivalent insurance with another insurer or otherwise terminated the policy; or
- (4) the Liquidator has effected a transfer of the policy obligation pursuant to SDCL § 58-29B-49(8).

Pursuant to SDCL § 58-29B-55, no action at law or equity whether in this state or elsewhere, may be brought against the Company, 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 the Company at the expense of the Company.

The Liquidator may institute all actions and proceedings on behalf of the Company subject to SDCL § 58-29B-56. Mutual debts or credits between the Company and another person in connection with this liquidation shall be subject to SDCL § 58-29B-86. Pursuant to SDCL § 58-29B-94, any amount recoverable by the Liquidator from reinsurers shall not be reduced as a result of the Order unless the reinsurance contract provides, in substance, that in the event of the insolvency of the ceding insurer, the reinsurance is payable under a contract reinsured by the reinsurer on the basis of reported claims allowed in the liquidation proceeding or proof of payment of the claim by a guaranty association, without diminution because of the insolvency of the ceding insurer.

ATTENTION AGENTS: The Liquidator has waived the requirements of SDCL § 58-29B-53 pursuant to SDCL § 58-29B-54. Insureds and other interested parties are being contacted directly by the Liquidator.

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 unpaid earned premium and all unearned commissions as of the date of the Order.

All insureds of the Company are obligated to pay to the Liquidator any earned premium due as of the date of the Order.

Any person failing to comply with the provisions of SDCL § 58-29B-95 is subject to the penalties provided per SDCL § 58-29B-96, including imposition of civil penalties by the South Dakota Director of Insurance of not more than \$1,000 for each act in violation of said statute.

The Liquidator will implement a claims process adopting a Proof of Claim form (POC). All insureds of the Company are being provided a POC for filing claims. Please keep the Liquidator informed of any changes of address. The bar date (last date to file a timely Proof of Claim) is December 31, 2018.

If you have questions or need further information concerning the liquidation of the Company, contact Claimant Services at:

ReliaMax Surety Company in Liquidation
Claimant Services
2300 East 54th Street North
Sioux Falls, SD 57104

Telephone: 605-444-4800

Website: www.ReliaMaxSuretyCompany.com