



**MEMORANDUM IN SUPPORT**

Plaintiff Mary Taylor, Superintendent of Insurance, State of Ohio, in her capacity as Liquidator (“the Liquidator”) of Acceleration National Insurance Company in Liquidation (“ANIC”) moves the Court for an Order approving the Release Agreement entered into by and between ANIC and the United States. A copy of the Release Agreement is attached hereto as Exhibit 1. The Release Agreement releases and discharges the Liquidator and the estate of ANIC from and any all liability under 31 U.S.C. § 3713(b), subject to the terms and conditions contained therein.

On February 28, 2001, this Court issued an order placing ANIC in liquidation pursuant to Chapter 3903 of the Ohio Revised Code and appointing the Ohio Superintendent of Insurance as the Liquidator. Since then, the Liquidator has reviewed the books and records of ANIC and has reviewed, valued and classified all but a couple remaining timely proofs of claims filed against the ANIC estate.

O.R.C. §3903.42 governs the priority of the distribution of claims from an insurer’s estate. Under the statute,

The priority of distribution of claims from the insurer’s estate shall be in accordance with the order in which each class of claims is set forth in this section. Every claim in each class shall be paid in full or adequate funds retained for such payment before the members of the next class receive any payment.

Among the various classes of claims established under O.R.C. § 3903.42, “Class 3” claims are limited to claims of the federal government. *See* OHIO REV. CODE ANN. § 3903.42(C) (2009). In the case of the estate of ANIC, one (1) blanket proof of claim in an unstated amount was filed by the federal government.

To facilitate distributions in and the ultimate closure of the ANIC estate, the Liquidator of

ANIC has entered into a Release Agreement with the United States, a copy of which is attached hereto, which release is expressly conditioned upon the approval of this Court. The Release Agreement provides for a release of the Liquidator and the ANIC estate from any and all liability under § 31 U.S.C. 3713(b), subject to the terms and conditions therein.

Therefore, the Liquidator of ANIC moves the Court for an Order approving the Release Agreement entered into by and between Acceleration National Insurance Company in Liquidation and the United States.

Respectfully submitted,  
MIKE DEWINE  
Attorney General of Ohio

By Special Counsel:  
CARLILE PATCHEN & MURPHY LLP

/s/ Scott R. Mergenthaler

Dennis J. Concilla (0012254)

[dconcilla@cpmlaw.com](mailto:dconcilla@cpmlaw.com)

Scott R. Mergenthaler (00122869)

[smergenthaler@cpmlaw.com](mailto:smergenthaler@cpmlaw.com)

366 East Broad Street

Columbus, Ohio 43215

Telephone: (614) 228-6135

Facsimile: (614) 221-0216

*Attorneys for Mary Taylor, in her capacity as Liquidator  
of Acceleration National Insurance Company*

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and accurate copy of the foregoing *Motion of the Liquidator for Approval of the Release Agreement Entered into between Acceleration National Insurance Company, in Liquidation and the United States* was served upon the following via Regular U.S. Mail, postage prepaid, and was also sent via email to [sharon.williams@usdoj.gov](mailto:sharon.williams@usdoj.gov), on this 6<sup>th</sup> day of March, 2012:

Sharon C. Williams  
Trial Attorney  
Department of Justice  
Civil Division  
1100 L Street, N.W., Room 10016  
Washington, D.C. 20005  
*Attorneys for The United States of America*

*/s/ Scott R. Mergenthaler*  
\_\_\_\_\_  
Scott R. Mergenthaler (00122869)

# Exhibit 1

## **RELEASE AGREEMENT**

In order to permit a distribution of the assets of the estate of Acceleration National Insurance Company (“Acceleration”), pursuant to the orders of the Court of Common Pleas of Franklin County, Ohio (“Court”), this Release Agreement is being executed by the United States and Lynda G. Loomis, Chief Deputy Liquidator of Acceleration (“Chief Deputy Liquidator”).

### **I. PARTIES**

The parties to this Release Agreement are the United States and the Chief Deputy Liquidator (collectively, the “Parties”).

### **II. RECITALS**

1. The Parties do not intend this Release Agreement to release any possible claims the United States may have or may acquire against anyone for tax, fraud (including, but not limited to, securities and pension benefit fraud), criminal liabilities, or liabilities and penalties to the United States arising under 42 U.S.C. § 1395y(b).

2. Except for the express terms of this Release Agreement, the Parties do not intend to create, enhance, diminish, defeat or otherwise affect such claims, if any, as the United States may have against the Chief Deputy Liquidator or the estate of Acceleration.

3. The Parties understand that this Release Agreement may be subject to the approval of the Court, which is supervising the liquidation of Acceleration.

4. The United States enters into this Release Agreement in reliance upon the representations of the Chief Deputy Liquidator contained in her affidavits dated January 25, 2011, December 13, 2011, and February 22, 2012, attached as Exhibits A-C to this Release Agreement (“Affidavits”).

### **III. AGREEMENT**

1. Except only for possible federal tax, fraud, criminal claims, or liabilities and penalties to the United States arising under 42 U.S.C. § 1395y(b), the United States hereby

releases and discharges the Chief Deputy Liquidator, Lynda G. Loomis, and the estate of Acceleration from any and all liability under 31 U.S.C. § 3713(b) in connection with the Acceleration liquidation.

2. Under the terms of this Release Agreement, the United States or its duly authorized representative shall have the right, prior to the destruction of Acceleration's records in accordance with the orders of the Court, during normal business hours, on a date and at a location agreed upon by the Parties, to inspect, and if it wishes, to copy at its own expense, such documents, books, and records of the estate, and of the Chief Deputy Liquidator, as shall be reasonably necessary to determine the existence and amount of claims the United States may have against the Acceleration estate, or to determine the Chief Deputy Liquidator's compliance with the terms of this Release Agreement. No documents, books, or records of the estate or Chief Deputy Liquidator may be destroyed unless notice is given to the United States of any motion filed with the Court requesting approval of the destruction. If the Chief Deputy Liquidator does not request approval from the Court, she must obtain prior written authorization from the United States before destruction of any documents, books, or records of the estate or Chief Deputy Liquidator.

3. Except for the express undertakings of the Chief Deputy Liquidator and the United States in this Release Agreement, nothing in this Release Agreement shall be construed

(a) to establish or perfect any claims, substantive rights, or procedural rights of the United States;

(b) to limit, restrict, diminish, or defeat any claims, substantive rights, or procedural rights of the United States;

(c) to establish or perfect any objections or defenses, substantive rights, or procedural rights of the Chief Deputy Liquidator; or

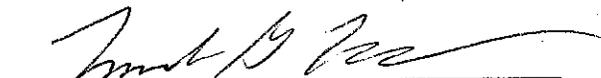
(d) to limit, restrict, diminish, or defeat any defenses, substantive rights, or procedural rights of the Chief Deputy Liquidator.

4. The Parties agree that this Release Agreement shall not be effective unless and until it is approved by the Court, if approval is required, and the time for appeals of any such approval has expired. The Parties further agree to cooperate with each other in seeking prompt approval of this Release Agreement from the Court, including but not limited to making the necessary witnesses available for testimony considered necessary or appropriate to provide the Court with an adequate record upon which to approve this Release Agreement.

Dated: 3/5/12

  
By: Sharon C. Williams  
Trial Attorney  
Civil Division  
Department of Justice  
Attorney for the United States

Dated: 3/5/2012

  
By: Lynda G. Loomis  
Chief Deputy Liquidator  
Acceleration National Insurance Company,  
In Liquidation

# Exhibit A

*Office of the Ohio Insurance Liquidator*

**Acceleration National Insurance Company  
(In Liquidation)**

50 W. Town Street, 3<sup>rd</sup> Floor, Ste. 350  
Columbus, Ohio 43215-4197

Telephone: 614-487-9200  
Facsimile: 614-487-9418

**AFFIDAVIT OF CHIEF DEPUTY LIQUIDATOR**

January 25, 2011

I, Lynda G. Loomis, in my capacity as Chief Deputy Liquidator of Acceleration National Insurance Company, having been so appointed by the Superintendent of the Ohio Department of Insurance in her capacity as Liquidator of Acceleration National Insurance Company, upon personal knowledge and information known to me or supplied to me by others upon whom I rely in my capacity as Chief Deputy Liquidator, make the following statement under oath:

1. Acceleration National Insurance Company (referred to as "ANIC" or "the company") was an Ohio domiciled insurance company incorporated on June 17, 1980, that was licensed to and wrote property and casualty insurance in Ohio. According to the Liquidator's records, ANIC stopped writing new policies on July 2, 1999, and began to non-renew all in-force policies upon expiration.
2. ANIC's federal tax identification number is 31-0989212. There are no outstanding IRS claims against ANIC.
3. ANIC was authorized to transact insurance business, operating under Ohio Revised Code Chapter 3941.
4. According to the Liquidator's records, ANIC wrote a variety of specialty products and programs and during 1996 and thereafter, ANIC primarily wrote specialty commercial auto coverages through several general agencies. These programs and ventures included: (1) USA Insurance Group, Inc.'s Transportation Insurance Specialists' auto liability coverages for long-haul trucking and small fleets of charter buses, trucks and limousines (the "TIS Program"); (2) Redland Insurance Company sharing arrangement regarding the TIS Program; (3) Countrywide Insurance Agency, Inc. commercial trucking business; and (4) American Underwriting Agency firearms dealers and crane rental business.
5. According to the Ohio Secretary of State's website, following its incorporation in June of 1980, the company operated under the name ACC Insurance Company ("ACC") until December 1980, when it merged with an Oklahoma corporation named Acceleration National Insurance Company. ACC was the surviving entity in the merger and it changed its name to Acceleration National Insurance Company.
6. At the time of its liquidation, ANIC had no subsidiaries.

7. Prior to its liquidation, ANIC was part of an insurance holding company system. ANIC's stock was wholly-owned by Accel International Corporation (federal tax identification number 31-0788334), an insurance holding company domiciled in the State of Delaware.
8. According to the Liquidator's records, Allegiance Insurance Managers, Ltd. (AIM) was a wholly-owned subsidiary of Accel International Corporation and managed the operations of ANIC from August 1999 until its liquidation. ANIC's records reflect that at some point in time, the precise time frame of which is unknown to me, that AIM was located at 75 West Street, Simsbury, CT 06070.
9. Prior to its liquidation, ANIC's Federal Income Tax return was consolidated with the following companies: Accel International Corporation; Acceleration Insurance Agency, Inc.; Acceleration Insurance Agency of Indiana, Inc.; Acceleration Insurance Agency of Pennsylvania, Inc.; Dublin International Limited; Randjill Group, Ltd.; Accelerated Management Corporation; and Accelerated Agency Group, Inc.
10. ANIC was licensed to do business in the States of Ohio, Alabama, Alaska, Arizona, Arkansas, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, New Mexico, New York, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin and Wyoming and the District of Columbia.
11. Prior to its liquidation, ANIC's principal operations were located at 75 West Street, Simsbury, CT 06070, and its Ohio office was located at 475 Metro Place North, Suite 150, Dublin, Ohio 43017. According to the Company's 1997 and 1998 statutory annual statements filed with the Ohio Department of Insurance, ANIC's administrative office and books and records were located at 12603 Southwest Freeway, Suite 315, Stafford, TX 77477.
12. ANIC's records reflect that at various points in time, the precise time frames of which are unknown to me, ANIC had office locations and/or claims management locations at the following addresses:

475 Metro Place North, Suite 150  
Dublin, Ohio 43017  
(1988 through 1998 Statutory home office)

ANIC, c/o Andrew Service Corp.  
41 South High Street  
1300 Huntington Center  
Columbus, OH 43215  
(1999 Statutory home office)

c/o Allegiance Claims Services  
3039 Premier Parkway, Ste. 100

Duluth, GA 30097

c/o Allegiance Insurance Managers, Ltd.  
75 West Street  
Simsbury, CT 06070

c/o Allegiance General Agency, LLC  
2621 W. Airport Freeway, Ste. 202  
Irving, TX 75062

c/o Transportation Insurance Specialists  
158 N. Harbor City Blvd.  
Melbourne, FL 32935

c/o IAS Claims Services  
10200 Richmond, Ste. 180  
Houston, TX 77042

c/o P.C. Group Marketing  
3039 Premier Parkway  
Duluth, GA 30097

13. On February 28, 2000, ANIC was found to be insolvent and ordered into liquidation proceedings pursuant to Ohio Revised Code Chapter 3903, under the jurisdiction of the Court of Common Pleas of Franklin County, Ohio. A copy of the ANIC Liquidation Order is attached as Exhibit A and hereby incorporated by reference into this Affidavit.
14. To the best of my information and belief, ANIC did not write policies or bonds for the benefit of the federal government or any of its agencies.
15. There was one (1) claim asserted in the ANIC liquidation proceeding by a federal agency, as follows:
  - Liq. No. 99015710, Claimant: U.S. Department of Justice (on behalf of all Government Agencies), asserting a "U.S. Govt. Blanket Claim" in an unstated amount per the February 12, 2002 letter to the Office of the Ohio Insurance Liquidator regarding ANIC. On February 20, 2009, the Liquidator issued a Determination of Claim Letter to the U.S. Department of Justice notifying them that the claim was determined to be a Class 3-level priority claim pursuant to Ohio Revised Code Section 3903.42(C) and that it was valued in the amount of zero (\$0.00) because the claim was not documented. *See* attached copy at Exhibit B.
  - The U.S. Department of Justice is still investigating the extent of government claims against ANIC, if any.

16. Prior to its liquidation, ANIC's records reflect that there were three claims of the federal government that were closed. The limited information available to the Liquidator is as follows:
  - a. Claim number 218 – The United States Government is listed as a claimant on this trucking claim. There is no indication as to what the loss was. The claim was closed prior to liquidation with no loss payment made. The insured name is McCormick Trucking Inc., and was located in Tennessee. The date of loss was July 4, 1996.
  - b. Claim number 1004 – The U.S. Government is listed as a claimant. There are no notes on the claims system as to any facts regarding the claim. A \$6,000 Bodily Injury payment was made prior to ANIC's liquidation, payment date of June 2, 1998, payee Gordon Berman. No additional loss payments were reported. The insured name is Burke Trucking out of Louisiana. The date of loss was March 25, 1997.
  - c. Claim number 7032 – The U.S. Marine Corps is listed as a claimant. The claim was paid and closed prior to ANIC's liquidation. A \$7015 loss payment was made on February 19, 1999, with the payee listed as General Services Administration, Region 6 Receivables. No loss details are listed on the claims system. The insured name is Maurice P. Shea, d/b/a J&M Fast Freight out of Nebraska. The date of loss was January 13, 1999.
17. There were no environmental claims against ANIC.
18. There are no open ancillary receiverships for ANIC.
19. As of the date of this affidavit, there are special deposits in the following states: Arizona in the amount of \$325,000.00 as of 12/31/2010; Georgia in the amount of \$32,416.77 as of 9/30/2010; and New Mexico in the amount of \$350,423.50 as of 12/31/2010.
20. The claims list for ANIC has been downloaded into a CD, a copy of which is provided with this Affidavit as Exhibit C, and hereby incorporated by reference into this Affidavit. The enclosed CD contains an excel spreadsheet listing of all Proofs of Claim issued by the Liquidator to persons who might have held a claim against ANIC. Column A contains the Liquidator Number assigned to the POC issued; Column B indicates the date that the POC was returned for filing in the ANIC estate (where it is blank, it means the POC was not returned and, thus, there is no claim); Columns C, D and E contain name information; Column F, G, H, I, and J contain address information.
21. A copy of the most recent Liquidator's financial statement and a copy of the last tax return for ANIC are attached hereto as Exhibits D and E and hereby incorporated by reference into this Affidavit.

The information contained in this affidavit is accurate and complete to the best of my knowledge.

  
\_\_\_\_\_  
Lynda G. Loomis  
Chief Deputy Liquidator  
Acceleration National Insurance Company, In Liquidation

State of Ohio            )  
County of Franklin    ) SS

Lynda G. Loomis, Chief Deputy Liquidator, personally appeared before me and subscribed the foregoing Affidavit in my presence on this 25<sup>th</sup> day of January 2011.

  
\_\_\_\_\_  
Notary Public



Dianne Ayers  
Notary Public, State of Ohio  
My Commission Expires 01-03-2016

# Exhibit B

*Office of the Ohio Insurance Liquidator*  
**Acceleration National Insurance Company**  
**(In Liquidation)**

50 W. Town Street, 3<sup>rd</sup> Floor, Ste. 350  
Columbus, Ohio 43215-4197

Telephone: 614-487-9200  
Facsimile: 614-487-9418

**SUPPLEMENTAL AFFIDAVIT OF CHIEF DEPUTY LIQUIDATOR**

December 13, 2011

I, Lynda G. Loomis, in my capacity as Chief Deputy Liquidator of Acceleration National Insurance Company, having been so appointed by the Superintendent of the Ohio Department of Insurance in her capacity as Liquidator of Acceleration National Insurance Company, upon personal knowledge and information known to me or supplied to me by others upon whom I rely in my capacity as Chief Deputy Liquidator, make the following statement supplementing my January 25, 2011 Affidavit under oath:

1. Acceleration National Insurance Company ("ANIC") was an Ohio domiciled insurance company incorporated on June 17, 1980, that was licensed to and wrote property and casualty insurance in Ohio and various other states. According to the Liquidator's records, ANIC stopped writing new policies on July 2, 1999, and began to non-renew all in-force policies upon expiration.
2. According to ANIC's annual statements filed with the State of Ohio Department of Insurance, ANIC's main line of business prior to its liquidation was the issuance of commercial auto coverage (truckers) policies that included coverage for certain tort liability of its insureds, as specified in the policies. Those policies generally included coverage for damages for bodily injury and personal injury protection including medical expenses as specified in the policies.
3. According to ANIC's annual statements filed with the State of Ohio Department of Insurance, ANIC also issued prior to its liquidation Medicare Supplement, major medical, hospitalization, cancer policies that included coverage for medical expenses as specified in the policies.
4. According to ANIC's annual statements filed with the State of Ohio Department of Insurance, ANIC also issued prior to its liquidation farmowners multiple peril, commercial multiple peril, inland marine, other liability (occurrence and claims made), aircraft, allied lines, and auto physical damage policies.
5. To my knowledge, ANIC did not issue group health plan policies.
6. I have no knowledge of the procedures ANIC followed from the date of its incorporation on July 1, 1980 until February 28, 2001 (the date the Franklin County, Ohio Common Pleas Court entered an Order appointing the Superintendent of the Ohio Department of Insurance as Liquidator) to determine whether the recipients of pre-liquidation payments by ANIC on

ANIC policies were 65 years of age or older, disabled, or otherwise entitled to benefits under the Medicare program.

7. To my knowledge, post liquidation, ANIC's Medicare Supplement, major medical, hospitalization, cancer policies were novated and assigned to Lyndon Insurance Company pursuant to a March 30, 2001 Court Order. As a result, there are no allowed claims in the ANIC liquidation arising under these policies and the Liquidator has not made, or will not make, any payments for coverage or claims under any of these policies.
8. Post liquidation, ANIC's commercial auto coverage (truckers) policies and its farmowners multiple peril, commercial multiple peril, inland marine, other liability (occurrence and claims made), aircraft, allied lines, and auto physical damage policies that were in force as of the February 28, 2001 liquidation date cancelled pursuant to Ohio statutes no later than March 30, 2001 (thirty days after the liquidation date). In general, post-liquidation payments on those policies were made by the insurance guaranty funds of the various states in which ANIC was licensed to conduct insurance business. The Liquidator pays post liquidation claims arising under those policies pre-cancellation only to the extent there is an allowed proof of claim in the ANIC liquidation case that has not been paid in full by an insurance guaranty association. There are only twenty-one (21) such proofs of claims in the ANIC liquidation.
9. There are only twenty-one (21) allowed proofs of claims or portions of proofs of claims arising under ANIC policies that were not covered (paid) in full by applicable insurance guaranty associations. An examination of the twenty-one (21) proofs of claims shows:
  - (a) One (1) of these proofs of claims is by a corporate policyholder for reimbursement of a pre-liquidation legal invoice. Thus, the proof of claim shows that the Liquidator's payment of this claim does not include payment of medical expenses or payment to any individual person who is 65 years of age or older, disabled, or otherwise entitled to benefits under the Medicare program.
  - (b) Ten (10) of these proofs of claims were subrogation claims filed on behalf of corporations (primarily other insurance companies) that made pre-liquidation settlements or other payments. Thus, the proof of claim shows that the Liquidator's payments of these claims are not made to any individual person who is 65 years of age or older, disabled, or otherwise entitled to benefits under the Medicare program. Moreover, indemnity payments are not reportable. *See MMSEA Section 111 Liability Insurance (Including Self-Insurance, No-Fault Insurance, and Worker's Compensation) User Guide*, Version 3.2 August 17, 2011, p. 31.
  - (c) One (1) of these proofs of claims was filed by a corporation exclusively for unreimbursed property damage arising out of a pre-liquidation collision caused by an ANIC insured driver. Thus, the proof of claim shows that the Liquidator's payment of this claim does not include payment of medical expenses or payment to any individual who is 65 years of age or older, disabled, or otherwise entitled to benefits under the Medicare program.

- (d) One (1) of these proofs of claims was filed by a law firm that represented an ANIC insured for unpaid post-rehabilitation legal fees. Thus, the proof of claim shows that the Liquidator's partial payment of this claim does not include payment of medical expenses or payment to any individual who is 65 years of age or older, disabled, or otherwise entitled to benefits under the Medicare program.
- (e) Eight (8) of these proofs of claims were filed on behalf of individuals and they are described as follows:

Liq. No. 29014949 – \$250 allowed claim for reimbursement of deductible paid by an individual claimant to his insurer (not ANIC) to trigger property damage coverage by his own insurer. No injuries or medical expenses claimed in the proof of claim.

Liq. No. 01013866 – \$50,000 allowed claim against an ANIC insured for legal fees, medical expenses and property damage.

Liq. No. 27014059 - \$278,914 allowed claim against an ANIC insured for legal fees, medical expenses and other damages.

Liq. No. 09016295 - \$2.4 million allowed claim against an ANIC insured for wrongful death.

Liq. Nos. 09016299 to 09012302 (*four (4) proofs of claim*) - \$1.1 million in allowed wrongful death claims by four beneficiaries of a decedent's estate against an ANIC insured.

The Liquidator is obtaining affidavits from each of these individual claimants in December, 2011, attesting that they are not Medicare beneficiaries or Medicare eligible. Going forward after January 1, 2012, the Liquidator's procedure will be to run the individual payee's names through DDE as the means of verifying whether the claimant is a Medicare recipient, and then report accordingly, rather than obtaining affidavits from the individual payees.

10. The Liquidator disclosed all known federal claims and all claimants and potential claimants in the ANIC liquidation case to the United States Department of Justice on January 25, 2011. Neither CMS nor the Department of Justice have documented their blanket proof of claim (Liq. No. 99015710) or otherwise informed the Liquidator that any of these claimants is 65 years of age or older, disabled, or otherwise entitled to benefits under the Medicare program based on their records.
11. On December 1, 2011, the Liquidator filed a motion in the ANIC Liquidation Case for court approval to make a second interim distribution to the above-described ANIC claimants whose proofs of claims or portions of proofs of claims arising under ANIC policies that were timely filed in the ANIC Liquidation case were not covered (paid) in full by applicable insurance guaranty associations. That motion was granted on December 5, 2011. Prior to filing the motion, the Liquidator supplied a list of all claimants and potential claimants in the ANIC liquidation case to the United States Department of Justice on January 25, 2011 and served the motion on the United States Department of Justice.

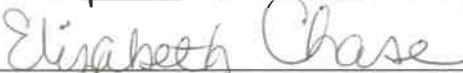
- 12. In this case, I do not believe that the Section 111 reporting requirements apply at this point in time to the Liquidator's post liquidation interim distributions approved by the Court in the ANIC Liquidation Case and made prior to October 1, 2011 or to ANIC's pre-liquidation claims payments due in part to the terms of the Revised Implementation Timeline set forth in the CMS Alert dated September 30, 2011 (attached). *See also MMSEA Section 111 Liability Insurance (Including Self-Insurance, No-Fault Insurance, and Worker's Compensation) User Guide, Version 3.2 August 17, 2011, p. 76, 77.*
- 13. The Liquidator will fully comply with all reporting requirements of 42 U.S.C. § 1395y(b)(7) and (8), and all program instructions issued thereunder (presently found at <http://www.cms.gov/MandatoryInsRep/>) by reporting reportable TPOCs pursuant to the TPOC Amounts, TPOC Dates (distribution dates) and Reporting Timelines set forth in the CMS Alert dated September 30, 2011 (attached) or any amendments thereto. The Liquidator intends to report any ANIC second interim distribution payments that were approved by the Court on December 5, 2011 in the Quarter and that are in excess of \$100,000 to Medicare beneficiaries beginning January 1, 2012 pursuant to the existing CMS Alert dated September 30, 2011.
- 14. The Liquidator has not reimbursed the United States pursuant to 42 U.S.C. § 1395y(b)(2)(B) for Medicare payments that were made by the Liquidator for items and services on behalf of Medicare beneficiaries whose medical care should have been paid for by ANIC or whose medical care was, or should have been, paid for pursuant to policies issued by ANIC. The reason for this is that the United States has not documented its blanket proof of claim and I am not otherwise aware that the Liquidator has made any such payments.
- 15. The Liquidator will not pay any portion of any proofs of claims filed in the ANIC liquidation except for the twenty-one (21) proofs of claims described in this affidavit and the claims of the insurance guaranty associations. All claims that the Liquidator will pay are delineated in the Liquidator's December 1, 2011 motion. At this time, the Liquidator plans to close the ANIC estate and ANIC liquidation case in 2012.

The information contained in this affidavit is accurate and complete to the best of my knowledge.

  
 \_\_\_\_\_  
 Lynda G. Loomis  
 Chief Deputy Liquidator  
 Acceleration National Insurance Company, In Liquidation

State of Ohio            )  
County of Franklin    ) SS

Lynda G. Loomis, Chief Deputy Liquidator, personally appeared before me and subscribed the foregoing Affidavit in my presence on this 13<sup>th</sup> day of December, 2011.

  
 \_\_\_\_\_  
 Notary Public

**ELIZABETH CHASE**

NOTARY PUBLIC, STATE OF OHIO

My commission expires: MY COMMISSION EXPIRES MAY 22, 2012

# Exhibit C

***Office of the Ohio Insurance Liquidator***  
**Acceleration National Insurance Company**  
**(In Liquidation)**

50 W. Town Street, 3<sup>rd</sup> Floor, Ste. 350  
Columbus, Ohio 43215-4197

Telephone: 614-487-9200  
Facsimile: 614-487-9418

**SECOND SUPPLEMENTAL AFFIDAVIT OF CHIEF DEPUTY LIQUIDATOR**

February 27, 2012

I, Lynda G. Loomis, in my capacity as Chief Deputy Liquidator of Acceleration National Insurance Company, having been so appointed by the Superintendent of the Ohio Department of Insurance in her capacity as Liquidator of Acceleration National Insurance Company, upon personal knowledge and information known to me or supplied to me by others upon whom I rely in my capacity as Chief Deputy Liquidator, make the following statements under oath:

1. I make this Second Supplemental Affidavit in further support of my December 13, 2011 Supplemental Affidavit, which supplemented my January 25, 2011 Affidavit, both of which are incorporated herein by reference, and the request for a Release Agreement from the United States.
2. Acceleration National Insurance Company ("ANIC") was ordered liquidated by the Common Pleas Court of Franklin County, Ohio on February 25, 2001. All in force policies at the time of liquidation were cancelled on or before March 30, 2001.
3. Coverage for General Liability arising under ANIC policies claims was limited by the various state guaranty association statutes and the ANIC Liquidation Estate was only exposed for settlements, judgments, and awards above the guaranty association coverage limit and within the policy limit and submitted on a timely proof of claim.
4. The Liquidator attempted to obtain affidavits from the individual claimants listed in paragraph 9 (e) of my December 13, 2011 Supplemental Affidavit attesting whether they are Medicare beneficiaries or Medicare eligible. All but two claimants have returned the affidavits. Additionally, the Liquidator ran all of the individual payee's names, social security numbers and dates of birth through DDE on January 31, 2012 as an additional means of verifying whether the claimant is a Medicare recipient.
  - a. The DDE system showed on January 31, 2012 that one claimant (Liq. No. 01013866) is a Medicare beneficiary. This claimant returned a questionnaire also stating that she is a Medicare beneficiary. According to the law firm representing the claimant, the claimant became Medicare eligible in 2005 when she turned age 50 because her husband died in 2003 and because of the disability payments that she was receiving due to his death. The law firm representing the claimant also informed the Liquidator that this 2005 Medicare eligibility date is after the claimant ceased receiving medical treatment in 1999 for injuries sustained in a 1998 automobile accident caused by an ANIC insured that is the subject of her

proof of claim in the ANIC Liquidation Case. The Liquidation Court approved the claimant's class 2 claim against the ANIC Liquidation Estate in the amount of \$50,000 on December 5, 2011. On December 5, 2011, the Liquidation Court also approved a partial interim distribution to this claimant in the amount of \$17,500. The Liquidator has reluctantly withheld payment of this and other approved distribution payments, several requests from this claimant, while the Liquidator awaits receipt of the Federal Release.

- 5. The Liquidator has not reimbursed the United States pursuant to 42 U.S.C. § 1395y(b)(2)(B) for any and all Medicare payments that were made for items and services on behalf of Medicare beneficiaries whose medical care should have been paid for by ANIC or whose medical care was, or should have been, paid for pursuant to policies issued by ANIC because I am not aware that the Liquidator has made any such payments.

The information contained in this affidavit is accurate and complete to the best of my knowledge.

  
Lynda G. Loomis  
Chief Deputy Liquidator  
Acceleration National Insurance Company, In Liquidation

State of Ohio            )  
County of Franklin    ) SS

Lynda G. Loomis, Chief Deputy Liquidator, personally appeared before me and subscribed the foregoing Affidavit in my presence on this 22 day of February, 2012.

  
Notary Public

**ELIZABETH CHASE**  
NOTARY PUBLIC, STATE OF OHIO  
~~MY COMMISSION EXPIRES MAY 22, 2012~~

My commission expires: \_\_\_\_\_