

Insurance Insolvency & Liquidation Law

When insurance companies encounter financial difficulties that bring them under the supervision of state regulatory authorities, regulatory authorities turn to Zausmer to find legal solutions that are best for the policyholders, creditors, and the public.

Our attorneys have provided legal counsel to the receivers in some of the largest and most complex insurance delinquency proceedings in Michigan, involving well-known property, casualty, and health insurers. We have aggressively marshaled millions of dollars in assets for the benefit of claimants through litigation and negotiation, while also assisting in efficiently maintaining essential operations and executing an orderly wind-up or transition for the insurer.

Representing insurers undergoing rehabilitation or liquidation requires us to address a broad spectrum of issues, work that includes:

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| Litigation to recover misappropriated funds or contested assets | Contract negotiation, drafting, implementation and enforcement |
| Development and implementation of procedures for adjudicating claims | Recoveries under reinsurance policies |
| Interacting with state insurance regulators and guaranty associations | Interacting with accountants and tax counsel to assist in resolving tax issues |
| Defending the estate from intervention efforts by former management | Property tax litigation |
| Regulatory compliance | Litigation to protect the rights of former insureds |
| Real estate transactions and landlord-tenant matters | |

We're known for delivering results in this arena, and we're immensely proud of what we've achieved for our clients. Some of our accomplishments include:

Cadillac Insurance Company

This is one of the most complex insurance liquidation matters in the history of Michigan receivership law, and since 1989, we have served as counsel to Michigan's Insurance Commissioner in his capacity as receiver of Cadillac. In this role, we litigated matters in Michigan trial and appellate courts, including the Michigan Supreme Court, and in federal and state courts throughout the country to recover millions of dollars for the liquidation estate. We also assisted in designing and implementing a claims adjudication process that resulted in a policyholder recovery rate above 95%.

The Wellness Plan

We also served as counsel to the Insurance Commissioner as rehabilitator of this former health maintenance organization, which was successfully transitioned from an insurer to a network of clinics providing healthcare to underserved populations. The rehabilitation process also resulted in significant monetary recovery by physicians and hospitals that had provided medical care to HMO members.

Michigan HMO Plans (formerly Omnicare Health Plan)

As counsel to the Commissioner in his capacity as liquidator of this former health maintenance organization, we assisted in resolving a range of legal issues and in overseeing an efficient distribution of the estate's assets to stakeholders, including a substantial recovery for affected medical providers.



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