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NOTICE TO AGENT OR BROKER – December 22, 2011

Regarding the Liquidation of Minnesota Surety and Trust Company

Minnesota Surety and Trust Company (“MSTC”) was ordered into liquidation on November 22, 2011 by Ramsey County District Court Judge John H. Guthmann. The Commissioner of the Minnesota Department of Commerce was appointed by the Court as Liquidator of MSTC. Prior to the entry of the Liquidation Order, MSTC wrote bail and immigration bonds as well other types of surety coverages. A copy of the Liquidation Order can be found on the Minnesota Department of Commerce website at:

<http://mn.gov/live/commerce/images/MNSuretyTrustOrderofLiq.pdf>.

Minnesota Statutes [section 60B.22](#) provides limitations for continuance of coverage for insurance policies or similar contracts for coverage issued by MSTC. As a result, all insurance policies or similar contracts of coverage issued by MSTC are cancelled, as of 12:01AM on December 23, 2011, unless cancelled or otherwise terminated prior to that date. MSTC previously provided notice to its agents in November 2011 that it was going to cease operations and requested that all supplies be returned or destroyed.

Agents and brokers are responsible for notifying their clients that are policyholders and bondholders of MSTC of the liquidation of MSTC, that their coverage has been terminated, and to assist them in finding replacement coverage if necessary. The Liquidation Order also provides that MSTC will no longer provide a defense to policyholders in actions against them by a third party. Further, Minnesota Court Rules, General Rules of Practice [Rule 702\(c\)](#) imposes additional obligations on agents. Bondholders and other parties reasonably expected to have claims will receive further instructions regarding the procedure for filing any claims against MSTC and the deadline for filing those claims.

In accordance with the provisions of Minnesota Statutes [section 60B.25](#), all premiums and other funds collected on behalf of MSTC must be accounted for and paid directly to the Special Deputy Liquidator within 30 days of the date of this Notice. No agent or other person may use premium monies owed to MSTC for refund of unearned premium(s) or for any purpose other than payment to the Special Deputy Liquidator. You have the right to appear before the Court and show cause if you feel that you are not required to account to the Liquidator. Until further notice, please remit premiums and unearned commissions to MSTC as normal.

Claimants may continue to contact MSTC regarding any claims that are incurred prior to 12:01AM on December 23, 2011 by calling (507) 437-3231 or (800) 322-3502, or by fax at (507) 437-8376.

The Commerce Commissioner has appointed Rick Theisen to act as the Special Deputy Liquidator of MSTC. RSM McGladrey has been selected to assist the Special Deputy Liquidator. Questions regarding the liquidation of MSTC can be directed to the Special Deputy Liquidator at the MSTC phone numbers shown above.