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ABINGTON MUTUAL INSURANCE COMPANY
PLACED IN RECEIVERSHIP

Commissioner Ruthardt cites need to protect policyholders

Commissioner of Insurance Linda L. Ruthardt announced today that the Massachusetts Supreme Judicial Court for Suffolk County (SJC) granted her motion to place Abington Mutual Insurance Company in receivership. Abington has its headquarters in Brockton, Massachusetts. The receivership was sought by the Division of Insurance for the purposes of conservation and rehabilitation of Abington, and was agreed to by the Company.

Abington has experienced adverse operating results which have eroded its surplus base. Commissioner Ruthardt said that, "Abington Mutual's surplus has dropped in 1994 below the minimum level set by law and remained below that level despite the best efforts of Abington's management and Board of Directors. We have taken control of the Company in order to better protect the interests of its policyholders. We will promptly conduct a thorough review of the Company's condition and then determine the available options. We plan to report our recommendation to the SJC within sixty days."

Abington is a Massachusetts mutual insurance company licensed to conduct business in the Commonwealth and each of the other New England states as well as New Jersey and New York. The Company is authorized to sell various forms of property and casualty insurance, but writes primarily homeowners insurance. It has approximately 37,000 policyholders and is represented by approximately 350 agents; its 1994 direct sales amounted to \$21 million.

Commissioner Ruthardt noted that there has been no disruption in the payment of claims or other debts. The SJC order authorizes the Receiver to administer the property and assets of Abington under its general supervision.

Policyholders may call the Division's Consumer Help Line at (617) 521-7794 for regular updates on Abington.