F- CUIC - Disputed Claims
ORIGINAL

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN AND FOR NEW CASTLE COUNTY

IN THE MATTER OF	)	
THE LIQUIDATION OF	)	C.A. No. 12789
CONSUMERS UNITED INSURANCE COMPANY	)	

ORDER CONCERNING
RECEIVER'S FIRST CLAIM RECOMMENDATION REPORT
AND PETITION SEEKING HEARING ON DISPUTED CLAIMS

WHEREAS, pursuant to 18 Del. C. § 5917(c), the Receiver of Consumers United Insurance Company ("CUIC") filed her First Claim Recommendation Report pertaining to certain health policy claims that either are not covered by any applicable state guaranty fund or have been denied in whole or in part by a state guaranty fund, and which the Receiver believes should be disallowed in their entirety or only allowed in part ("Disputed Claims");

WHEREAS, this Court entered an Order to Show Cause dated August 20, 1999 which set October 5, 1999 at 10:00 a.m. as the date and time for the hearing on the five (5) Disputed Claims which are the subject of the Petition. The Order to Show Cause further required each claimant to notify the Court in writing of their intent to appear at the hearing by September 15, 1999 or their claim would be considered abandoned and the Receiver's recommendation adopted by the Court;

WHEREAS, the Receiver has filed proof that each of the five (5) claimants received due notice of the hearing date the the requirement to notify the Court of their intent to appear by September 15, 1999;

WHEREAS, one of the claimants, Ms. Barbara Rudd (proof of claim number 530) requested and was granted a continuance of the hearing on her claim;

WHEREAS, the four (4) remaining claimants, Ms. Anna Ireland (proof of claim number 416), Ms. Lois Stocker (proof of claim number 499), Ms. Lorna Linn (Alcorn) Taylor (proof of claim number 756), and Ms. Annette U. Selmer (proof of claim number 1403), did not notify the Court in writing that they intended to appear at the hearing, and did not appear at the hearing;

WHEREAS, on September 20, 1999, the Receiver recommended that the claim of Ms. Selmer be amended from $0 to $56.28;

NOW, THEREFORE, the Court finds that Ms. Anna Ireland (proof of claim number 416), Ms. Lois Stocker (proof of claim number 499), Ms. Lorna Linn (Alcorn) Taylor (proof of claim number 756), and Ms. Annette U. Selmer (proof of claim number 1403) have all abandoned their appeals from the Receiver's recommendation that their claims be denied in full or in part;

IT IS HEREBY ORDERED THAT:

1. The Receiver's recommendation that the claim of MS. ANNA IRELAND (PROOF OF CLAIM NUMBER 416) be assigned to the policyholder priority class (class 4) and valued at $0 is hereby adopted by the Court, and Ms. Ireland's claim is HEREBY DISALLOWED IN ITS ENTIRELY pursuant to 18 Del. C. § 5917(d). This disallowance shall not affect any amounts already paid to Ms. Ireland by the applicable state life and health insurance guaranty association.

2. The Receiver's recommendation that the claim of MS. LOIS STOCKER (PROOF OF CLAIM NUMBER 499) be assigned to the policyholder priority class (class 4) and valued at $0 is hereby adopted by the Court, and Ms. Stocker's claim is HEREBY DISALLOWED IN ITS ENTIRELY pursuant to 18 Del. C. § 5917(d). This disallowance shall not affect any amounts already paid to Ms. Stocker by the applicable state life and health insurance guaranty association.

3. The Receiver's recommendation that the claim of MS. LORNA LINN (ALCORN) TAYLOR (PROOF OF CLAIM NUMBER 756) be assigned to the policyholder priority class (class 4) and valued at $0 is hereby adopted by the Court, and Ms. Taylor's claim is HEREBY DISALLOWED IN ITS ENTIRELY pursuant to 18 Del. C. § 5917(d). This disallowance shall not affect any amounts already paid to Ms. Taylor by the applicable state life and health insurance guaranty association.

4. The Receiver's recommendation that the claim of MS. ANNETTE U. SELMER be assigned to the policyholder priority class (class 4) and valued at $56.28 is hereby adopted by the Court, and Ms. Selmer's claim is HEREBY DISALLOWED IN PART to the extent that the value of her claim exceeds $56.28, pursuant to 18 Del. C. § 5917(d). This disallowance shall not affect any amounts already paid to Ms. Selmer by the applicable state life and health insurance guaranty association. Further, the allowance of Ms. Selmer's claim at the value of $56.28 does not mean that the claim will be paid in full. The claim will share, pro rata, with the other policyholder priority class (class 4) claims in any assets available for distribution to that class, after all higher priority classes have been satisfied in full.

5. There is no just reason for delay, and this Order, pursuant to Chancery Court Rule 54(b), is entered as a final judgment. EACH OF THE ABOVE CLAIMANTS WHOSE CLAIMS HAVE BEEN DISALLOWED IN THEIR ENTIRETY OR IN PART MAY APPEAL THIS ORDER TO THE SUPREME COURT OF THE STATE OF DELAWARE. SUCH APPEAL MUST BE FILED WITH (RECEIVED BY) THE CLERK OF THE DELAWARE SUPREME COURT WITHIN THIRTY (30) DAYS OF THE DATE OF THIS ORDER. IF YOU FAIL TO FILE A TIMELY APPEAL, THIS DECISION WILL BECOME FINAL.

Stephen P. Lamb
Vice Chancellor

Dated: October 5th, 1999