

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE
IN AND FOR NEW CASTLE COUNTY

IN THE MATTER OF
THE LIQUIDATION OF
CONSUMERS UNITED INSURANCE COMPANY

)
) C.A. No. 12789
)

ORDER

FILED
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CHANCERY COURT
NEW CASTLE COUNTY
DELAWARE

WHEREAS, by motion filed July 21, 1994, the Receiver of Consumers United Insurance Company ("Consumers United") requested that the Court set a Bar Date of March 1, 1995, approve a Proposed Plan of Liquidation of Consumers United, approve of the procedure for notifying potential claimants, and establish a deadline for comments on or objections to, and a hearing date for presentation of, the Proposed Plan of Liquidation;

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Receiver shall prepare a Notice of Liquidation, substantially in the form attached hereto, and shall include the following dates in the Proposed Plan of Liquidation, which was submitted to the Court on July 21, 1994 as Exhibit 1 to the motion:

Deadline for Submission to the
Court of Comments or Objection
on the Proposed Plan of Liquidation:

Nov 15, 1994

Date and Time for the Hearing on
the Proposed Plan of Liquidation:

Dec 15, 1994 10:30am.

2. The Receiver shall serve the Notice of Motion, the Motion for Approval of Proposed Plan of Liquidation, which shall include as an exhibit the copy of the Proposed Plan of Liquidation with the above dates inserted, proof of claim forms and this Order, along with a Notice of Liquidation, substantially in the form attached hereto, upon the following potential creditors and other interested parties:

- a. All State Guaranty Associations or Funds;
- b. All policyholders of Consumers United to which Consumers United issued policies in force as of March 1, 1992 or subsequent to that date, whether or not such policyholders have submitted any claims to Consumers United or notified Consumers United of any pending or anticipated claims;
- c. Lead counsel on declaratory judgment suits currently pending against Consumers United;
- d. All insurance brokers and agents with whom Consumers United had business dealings according to the records of Consumers United available to the Receiver;
- e. All reinsurers to whom Consumers United ceded business;
- f. All reinsurers from whom Consumers United assumed business;
- g. All other known creditors;
- h. Stockholders of Consumers United; and

i. All State Insurance Commissioners.

Such mailing by first class mail is to be made by the Receiver or her designees on or before September 1, 1994, and the Receiver shall obtain a Form 3606 Certificate of Mailing from the United States Post Office, and file such completed Form(s) with the Court on or before September 30, 1994.

3. If any potential creditors or claimants are discovered after September 1, 1994, the Receiver shall mail the Notice of Liquidation, proof of claim forms, copy of the motion for approval, including the Proposed Plan of Liquidation, and this Order to such later-discovered potential claimants or creditors as soon as practicable after September 1, 1994.

4. Any parties having any comments on or objections to the Proposed Plan of Liquidation shall file such comments or objections in writing on or before Nov 15, 1994 with the Court at the following address:

Register in Chancery
Court of Chancery
1000 King Street
Wilmington, Delaware 19801

The written comments or objections must be received in the office of the Register in Chancery on or before that date

_____ . The objections or comments should specifically reference the case name and docket number: IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE IN AND FOR NEW CASTLE COUNTY: IN THE MATTER OF THE LIQUIDATION OF CONSUMERS UNITED INSURANCE COMPANY, CIVIL ACTION NO. 12789.

5. In addition, on or before that date, the party filing such comments or objections shall deliver one copy of the written comments or objections, by hand, first class mail, or overnight delivery, to the Deputy Receiver of Consumers United at the following address:

Mr. Frederic Marro
Deputy Receiver
Consumers United Insurance
Company in Liquidation
First Federal Plaza, 3rd Floor
710 North King Street
Wilmington, Delaware 19801

Telephone Number:
(302) 888-7717

6. A hearing has been scheduled before the Court for Dec.
15, 1994 at 10:30am to consider all objections and comments filed. This Plan will be adopted by the Court after the hearing unless one or more interested parties show cause why this Plan should not be adopted.

7. The Court hereby establishes March 1, 1995 as the Bar Date. Any and all claims against Consumers United must be filed with the Receiver on or before March 1, 1995 or be forever barred from recovery on such claims.


Chancellor

DATE: July 28, 1994