IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN AND FOR NEW CASTLE COUNTY

THE HONORABLE DONNA LEE H. WILLIAMS, Insurance Commissioner for the State of Delaware,	)	
Petitioner,	)	
v.	)	C. A. No. 12892
INTERNATIONAL UNDERWRITERS INSURANCE COMPANY, a Delaware Domestic Insurance Company,	)	
Respondent.	)	

STIPULATED LIQUIDATION AND INJUNCTION ORDER

WHEREAS, the Honorable Donna Lee H. Williams, Insurance Commissioner for the State of Delaware ("Commissioner") has filed with the Court a petition seeking a Liquidation and Injunction Order concerning International Underwriters Insurance Company ("International Underwriters"); and

WHEREAS, International Underwriters is agreeable to the entry of such an Order;

NOW THEREFORE, IT IS HEREBY STIPULATED BETWEEN THE PARTIES AND ORDERED BY THE COURT as follows:

1. International Underwriters is insolvent.

2. Sufficient cause exists for the liquidation of the respondent, International Underwriters, pursuant to 18 Del. C. secs. 5906 and a Liquidation and Injunction Order is hereby entered against the Company.

3. Donna Lee H. Williams, Commissioner of Insurance of the State of Delaware, and her successors in office, are appointed as and shall be the Receiver of International Underwriters and are hereby directed to immediately take possession and control of the property, assets, business and affairs of International Underwriters, and to liquidate the same pursuant to the provisions of Chapter 59 of the Delaware Insurance Code, and the Commissioner is further authorized to take such actions as the nature of this cause and interests of the policyholders, creditors and stockholders of International Underwriters, and the public may require.

4. The Commissioner is hereby vested as Receiver with title of all property, contracts, and rights of action of the Company and she is hereby authorized to deal with the property, business and affairs of the Company and to sue and defend for the Company, or for the benefit of the Company's policyholders, shareholders and creditors in the courts and tribunals, agencies or arbitration panels for this State and other states in her name as the Commissioner of Insurance of the State of Delaware, or in the name of International Underwriters.

5. The Commissioner is vested with the right, title and interest in and to all funds recoverable under treaties and agreements of reinsurance heretofore entered into by the Company as the ceding insurer, and that all reinsurance companies involved with the Company are enjoined and restrained from making

any settlements with any claimant or policyholder of International Underwriters other that the Commissioner, as Receiver.

6. International Underwriters, its officers, agents, servants and employees and all other persons having notice of these proceedings or of this Order are hereby prohibited from transacting any business of International Underwriters or disposing of any property or assets of International Underwriters, without the prior written permission of the Commissioner or until further Order of this Court.

7. All officers, agents and employees of International Underwriters, and all other persons and companies having notice of these proceedings or of this Order, are hereby prohibited from instituting or further prosecuting any action at law or in equity or in other proceedings against International Underwriters, or the Commissioner as Receiver, or from obtaining preferences, judgments, attachments or other like liens or encumbrances, or the making of any levy against International Underwriters or the property or assets of International Underwriters while in the possession and control of the Commissioner as Receiver, or in any way interfering with the Commissioner in her possession and control of the property, books, records and all other assets of International Underwriters.

8. All banks, brokerage houses, agents, reinsurers, or other companies or persons, having in their possession assets,

property or records that are, or may be, the property of International Underwriters, are hereby enjoined from disposing of, transferring or destroying any such assets, property or records. This prohibition includes, but is not limited to, property, books or records pertaining to any business transaction between International Underwriters and any of said parties. No actions concerning, involving, or relating to such assets, property or records may be taken by any of the aforesaid persons or entities enumerated herein, without the express written consent of the Commissioner, or until further Order of this Court.

9. All persons are hereby enjoined and restrained from asserting any claim against the Commissioner as Receiver of the Company or its property or assets, except insofar as such claims are brought in the liquidation proceedings of International Underwriters.

10. All parties to lawsuits in this State and all other states and territories of the United States, are hereby enjoined and restrained from proceeding with any pretrial conference, trial, application for judgement or proceedings on judgment or settlements and such action at law, in equity, special or other proceedings in which International Underwriters is obligated to defend a party insured or any other person it is legally obligated to defend by virtue of its insurance contract for a

expenses she incurs during the course of the liquidation of International Underwriters, including, but not limited to, attorneys' fees, accounting fees, and consulting fees as administrative expenses under 18 Del. C. sec. 5913(f).

This Court shall retain jurisdiction in this cause for the purpose of granting such other and further relief as this cause, the interests of the policyholders, creditors, stockholders of International Underwriters and the public may require.

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SO ORDERED this 11TH day of March, 1993.

Vice Chancellor

CERTIFIED
AS A TRUE COPY:
ATTEST:
PRISCILLA B. RAKESTRAW
REGISTER IN CHANCERY
By PB Randolph
Deputy Register