

**IN THE MATTER OF THE REHABILITATION OF
COLONIAL INDEMNITY INSURANCE COMPANY
New York Supreme Court, Index No.: 405444/07**

NOTICE

By order of the Supreme Court of the State of New York, County of New York (the "Court"), entered September 6, 2007 (the "Rehabilitation Order"), Colonial Indemnity Insurance Company ("Colonial") was placed into rehabilitation and the Superintendent of Insurance of the State of New York was appointed Rehabilitator (the "Rehabilitator"). The Rehabilitator hereby gives notice that he has applied to the Court by order to show cause for an order: (1) converting this proceeding to a liquidation proceeding; (2) appointing the Superintendent and his successors in office as liquidator of Colonial; (3) vesting title to all Colonial's property, contracts and rights of action with the Superintendent as liquidator; (4) continuing the permanent injunctions provided for in Insurance Law Section 7419, including enjoining and restraining all persons from transacting Colonial's business, wasting or disposing of its property, interfering with the Superintendent or the proceeding, or commencing or prosecuting any actions, obtaining any preferences, judgments, attachments or other liens, or making any levy against Colonial, its assets or any part thereof; (5) granting injunctions enjoining and restraining (i) all parties to actions, lawsuits and special or other proceedings in which Colonial is obligated to defend a party pursuant to an insurance policy, bond, contract or otherwise, from proceeding with any discovery, court proceedings or other litigation tasks or procedures, including but not limited to conferences, trials, applications for judgment or proceedings on settlement or judgment, for a period of 180 days, and (ii) all persons who have first party or New York Comprehensive Automobile Insurance Reparations Act (No Fault) policyholder loss claims, from presenting and filing claims with the Superintendent as liquidator for a period of 90 days; (6) extending judicial immunity to the Superintendent as liquidator of Colonial, and his successors in office and their agents and employees, by relieving them of liability for any cause of action of any nature against them for any action or omission of any one or more of them when acting in good faith, in accordance with the orders of this Court, or in the performance of their powers and duties pursuant to Article 74 of the Insurance Law; and (7) granting such other relief as is just;

The order to show cause further provides that the injunctions provided for in the Rehabilitation Order, that were extended by the Court's orders entered April 22, 2008 and October 6, 2008, remain in effect pending a hearing on the Rehabilitator's application.

A hearing is scheduled on the order to show cause on July 2, 2009 at the Courthouse, 80 Centre Street, New York, New York, at IAS Part 23, Room 320, at 10:30 a.m. (the "Return Date").

If you wish to object to the petition, you must serve your objections and all supporting documentation ("Answering Papers") upon the Superintendent so as to be received by the Superintendent at least seven business days prior to the Return Date, and by submitting copies of the Answering Papers, with affidavits of service on the Superintendent, to the Court at IAS Part 23, Room 320, at the Courthouse located at 80 Centre Street, New York, New York, on or before the Return Date. Service of Answering Papers on the Superintendent shall be made by first class mail at the following address:

Superintendent of Insurance of the State of New York
as Rehabilitator of Colonial Indemnity Insurance Company
123 William Street
New York, New York 10038-3889
Attention: Andrew J. Lorin, Esq.

The order to show cause and supporting papers are available for inspection at office of the New York Liquidation Bureau at 123 William Street, New York, New York.

Requests for further information should be directed to Andrew J. Lorin, Esq. at 212-341-6400.

Dated: New York, New York
April 8, 2009

Eric R. Dinallo
Superintendent of Insurance
of the State of the New York
as Rehabilitator of Colonial
Indemnity Insurance Company