

COOL

At IAS Part 8 of the Supreme Court of the State of New York, County of New York, at the Courthouse, 80 Centre Street, New York, New York, on the 29 day of June, 2009.

P R E S E N T:

HON. MARILYN SHAFER, J.S.C.

RECEIVED  
JUN 29 2009  
PART 8  
NYS SUPREME COURT - CIVIL

FILED

In the Matter of

the Application of

JUN 30 2009

Index No.: 401477/09

Eric R. Dinallo, Superintendent of Insurance of the State of New York, for an order to take possession of the property of and rehabilitate

COUNTY CLERK'S OFFICE  
NEW YORK

ORDER OF  
REHABILITATION

THE INSURANCE CORPORATION OF  
NEW YORK.

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Petitioner, Eric R. Dinallo, Superintendent of Insurance of the State of New York (the "Superintendent"), having moved this Court for an order to rehabilitate and take possession of the property of The Insurance Corporation of New York ("INSCORP"), and upon reading and filing the petition of the Superintendent, duly verified the 10th day of June, 2009, and the exhibits annexed thereto; this Court finds that:

1. INSCORP was incorporated as a stock insurance company on May 29, 1968 and was licensed under the laws of the State of New York on July 11, 1968;
2. INSCORP's principal office is located at 125 W. 55th Street, New York, New York 10019;
3. INSCORP is subject to the New York Insurance Law ("Insurance Law") and, in particular, to Article 74 thereof;
4. INSCORP is insolvent;
5. INSCORP has consented to the entry of an order of rehabilitation; and
6. It is in the best interest of INSCORP's policyholders, creditors and the general

public that the Superintendent be directed to take possession of INSCORP's property and to rehabilitate its business and affairs;

NOW, on motion of the Honorable Andrew M. Cuomo, Attorney General of the State of New York, it is ORDERED as follows:

1. The petition is granted;
2. The Superintendent, and his successors in office, are appointed rehabilitator ("Rehabilitator") of INSCORP and are: (i) vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in this Order; and (ii) authorized and directed to immediately take possession of INSCORP's property, conduct INSCORP's business and take such steps toward the removal of the causes and conditions which made this proceeding necessary as they shall deem wise and expedient;
3. The Rehabilitator may deal with the property and business of INSCORP in its name or in the name of the Rehabilitator;
4. Notice directing all persons having claims against INSCORP to file or present their claims to the Rehabilitator is deferred until further order of this Court;
5. INSCORP, and each of its officers, directors, shareholders, members, depositories, trustees, policyholders, agents, servants, employees, attorneys, managers and affiliates, and all other persons having any property or records belonging to or relating to INSCORP, including but not limited to insurance policy, loss claim and legal files, shall preserve all of them and are directed, upon the Rehabilitator's request, to promptly assign, transfer, turn over and deliver them to the Rehabilitator;
6. Any persons, firms, corporations or associations having any books, papers or records relating to the business of INSCORP shall preserve all of them and, upon the Rehabilitator's request, promptly submit them to the Rehabilitator for examination and copying;
7. Any person or entity furnishing claims processing, data processing, electronic records retention or other information technology services to INSCORP shall, upon the Rehabilitator's request, maintain and preserve all information in its possession ("Information") relating in any way to INSCORP, including but not limited to all documents, data, electronic files and records, and are directed to assign, transfer, turn over and deliver all Information to the Rehabilitator;

8. Any bank, savings and loan association, other financial institution or any other entity or person, which has on deposit or in its possession, custody or control of any of INSCORP's funds, accounts or assets ("Assets") shall immediately upon the Rehabilitator's request and direction: (i) turn over custody and control of such Assets to the Rehabilitator; and (ii) change the name of such Assets, withdraw them from such bank, savings and loan association or other financial institution, or take any lesser action necessary for the proper conduct of the rehabilitation proceeding;
9. The officers, directors, shareholders, members, depositories, trustees, policyholders, agents, servants, employees, attorneys, managers and affiliates of INSCORP are permanently enjoined and restrained from: (i) transacting the business of INSCORP; (ii) wasting or disposing of or permitting to be done any act or thing that might waste or dispose of INSCORP's property; and (iii) interfering with the Rehabilitator in the possession, control and management of INSCORP's property or in the discharge of his duties;
10. All persons are permanently enjoined and restrained from commencing or prosecuting any actions or proceedings against INSCORP, the Rehabilitator or the New York Liquidation Bureau, its employees, attorneys or agents, with respect to any claims against INSCORP;
11. All persons are permanently enjoined and restrained from obtaining preferences, judgments, attachments or other liens, or making any levy against INSCORP's assets or any part thereof;
12. All parties to actions, lawsuits or special or other proceedings ("Litigation") in which INSCORP is obligated to defend a party pursuant to an insurance policy, bond, contract or otherwise are enjoined and restrained from prosecuting, advancing or otherwise taking any action within such Litigation, including but not limited to trials, hearings, conferences or other court proceedings, applications or other requests to the court of any nature, proceedings on defaults, settlements or judgments, service of documents, motions, discovery or any other litigation tasks or procedures for a period of ~~180~~ days from the date of entry of this Order;
13. All persons who have <sup>120 days</sup> first-party policyholder no-fault loss claims pursuant to Article 51 of the Insurance Law against INSCORP are enjoined from presenting and filing claims with Rehabilitator for a period of 90 days from the date of entry of this Order;
14. The Rehabilitator, his successors in office and their agents and employees are relieved of any liability for any cause of action of any nature against them for any actions or omissions of any one or more of them when acting in good faith, in accordance with the orders of this Court, or in the

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performance of their powers and duties pursuant to Insurance Law Article 74;

15. The Rehabilitator may at any time make further application to this Court for such further and different relief as he sees fit;
16. A copy of this Order shall be served forthwith upon INSCORP or its attorney;
17. This Court shall retain jurisdiction over this matter for all purposes;
18. All further papers in this proceeding shall bear the caption:

In the Matter of

the Rehabilitation of

THE INSURANCE CORPORATION OF NEW YORK

19. The Rehabilitator shall serve a conformed copy of this Order upon the county clerk and the clerk of the trial support office for amendment of the court and computer records.

ENTER  
MARILYN SHAPER  
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J.S.C.  
FILED  
JUN 30 2009  
COUNTY CLERK'S OFFICE  
NEW YORK