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At IAS Part ~~3~~ of the Supreme Court of the State of New York, County of New York, at the Courthouse, 60 Centre Street, New York, New York, on the 18 day of March, 2010.

P R E S E N T:

HON. EILEEN BRANSTEN, J.S.C.

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In the Matter of
the Liquidation of
Union Indemnity Insurance Company of New York.

Index No.: 41292/85

ORDER

FILED
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UPON the Verified Petition ("Petition") of Mark G. Peters, the then-Special Deputy Superintendent (the "Special Deputy") and then-agent of the Superintendent of Insurance of the State of New York as liquidator ("Liquidator") of Union Indemnity Insurance Company of New York ("Union"), dated October 10, 2007, for an order: (i) approving the Liquidator's initial report on the status of the Union liquidation proceeding ("Initial Report") and the financial transactions delineated therein; (ii) establishing a bar date ("Bar Date") for presentment of all claims other than claims for administrative costs and expenses; (iii) authorizing and directing the Liquidator to consider for allowance only those claims for actual losses arising under policies issued by Union that are presented to the Liquidator on or before the Bar Date; (iv) barring and discharging all claims for losses reported after the Bar Date; (v) authorizing the continued payment of administrative costs and expenses; and (vi) authorizing the Liquidator to distribute Union's assets, consistent with this Court's orders and the priorities set forth in New York

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Insurance Law (“Insurance Law”) Section 7434, to those creditors of Union with allowed claims, to the extent that, in the Liquidator’s discretion, sufficient funds are available;

AND, upon reading the Special Deputy’s Verified Petition, dated October 10, 2007;

AND, upon due proof of service thereof upon Union’s known creditors with allowed or unadjudicated claims and all other interested parties;

AND, upon the Decision and Order of this Court issued February 6, 2009, granting the Special Deputy’s Petition to approve the Initial Report only to the extent that the Liquidator’s plan to apply the priority scheme for distribution in accordance with the current version of Insurance Law § 7434 is approved but staying final approval of the entire Initial Report pending additional submission by the Liquidator: (1) to further support the administrative expenses described in the Initial Report; and (2) to delineate the steps that are to be implemented to conform with *In the Matter of the Liquidation of Midland Ins. Co. (Everest Re)*, 18 Misc.3d 1117(A), 856 N.Y.S.2d 498 (Sup. Ct., N.Y. Co. 2008);

AND, upon reading the Liquidator’s further submissions, dated August 11, 2009 and March 16, 2010, in support of the Special Deputy’s Petition;

AND, upon due deliberation having been had thereon, and upon the decision of this Court;

NOW, on application of the attorney for the Liquidator, it is

ORDERED, that the application is granted; and it is further

ORDERED, that the Initial Report and financial transactions delineated therein are approved; and it is further

ORDERED, that a Bar Date for presentment of all claims other than claims for administrative costs and expenses ~~will be~~ established ^{to be} 120 days from the date of the entry of this order; and it is further

ORDERED, that the Liquidator is authorized and directed to consider for allowance only those claims for actual losses arising under policies issued by Union that are presented to the Liquidator on or before the Bar Date; and it is further

ORDERED, that all claims for losses reported after the Bar Date are barred and discharged; and it is further

ORDERED, that the Liquidator is authorized to continue paying administrative costs and expenses; and it is further

ORDERED, that the Liquidator is authorized to distribute Union's assets, consistent with this Court's orders and the priorities set forth in Insurance Law Section 7434, to those creditors of Union with allowed claims to the extent that, in the Liquidator's discretion, sufficient funds are available; and it is further

ORDERED, that notice of this order and the relief granted herein shall be served: (1) by mailing same by United States first class mail, within 30 days of the entry of this Order, to Union's known creditors with unadjudicated claims; (2) by posting same on the New York Liquidation Bureau's website at www.nylb.com within 30 days of the entry of this Order; and (3) to all Union's policyholders, claimants and other creditors and interested parties by publication in *USA Today*, once per week for two consecutive weeks, commencing within 45 days of the entry of this Order; and it is further

ORDERED, that the Liquidator submit a proposed order delineating the steps that are to be implemented to conform with *In the Matter of the Liquidation of Midland Ins. Co. (Everest Re)*, 18 Misc.3d 1117(A), 856 N.Y.S.2d 498 (Sup. Ct., N.Y. Co. 2008) within 30 days of the entry of this Order.

ENTER



J.S.C.

**ON. EILEEN BRANSTEN
J.S.C**

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