

IN THE COURT OF COMMON PLEAS
FRANKLIN COUNTY, OHIO

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COMMON PLEAS COURT
FRANKLIN CO., OHIO
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JESSIE D. ODDI
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HAROLD T. DURYEE,
Superintendent of Insurance
State of Ohio,

Plaintiff,

vs.

COLUMBUS INSURANCE COMPANY,

Defendant.

Case No. 85CV-01-110

Judge Thompson

TERMINATION NO. 8
BY TLT

ORDER APPROVING THE LIQUIDATOR'S FINAL ACCOUNTING;
AUTHORIZING THE TRANSFER OF FUNDS THAT ARE
UNECONOMIC TO DISTRIBUTE; DISALLOWING CLAIMS OF
CLAIMANTS WHO CANNOT BE LOCATED OR DID NOT CASH
CHECKS; AUTHORIZING THE ABANDONMENT OF LIENS,
COLLATERAL, BANKRUPTCY, RECEIVERSHIP AND
INSURANCE LIQUIDATION CLAIMS INCLUDING THE CLAIM
IN THE BEACON INSURANCE COMPANY REHABILITATION;
AUTHORIZING THE DESTRUCTION OF RECORDS OF
AFFILIATES AND FILES RELATING TO AFFILIATES AND
CLAIMS WHICH WERE HANDLED AND CLOSED PRIOR TO
LIQUIDATION; AUTHORIZING THE STORAGE AND
DESTRUCTION OF RECORDS RELATING TO THE LIQUIDATION;
CLOSING THE LIQUIDATION ESTATE; AND DISSOLVING THE
CORPORATE ENTITY OF COLUMBUS INSURANCE COMPANY
AND DISCHARGING AND RELEASING THE LIQUIDATOR

This matter came on before the Court upon the Application of Harold T. Duryee,
Liquidator of Columbus Insurance Company, for Approval of Final Accounting; Disallowing
Claims of Claimants Who Cannot be Located or Did Not Cash Checks; Authorizing the Transfer
of Funds that are Uneconomic to Distribute; Authorizing the Abandonment of Liens, Collateral,
Bankruptcy, Receivership and Liquidation Claims Including the Claim in the Beacon Insurance
Company Rehabilitation; Authorizing the Destruction of Records of Affiliates and Files Relating to
Affiliates and Claims Which Were Handled and Closed Prior to Liquidation; Authorizing the

Storage and Destruction of Records Relating to the Liquidation; Closing the Liquidation Estate; and Dissolving the Corporate Entity of Columbus Insurance Company and Discharging and Releasing the Liquidator. Upon consideration of the Liquidator's Application, the Memorandum in Support and the attached exhibit and affidavit, the Court finds the Application is well taken and it is hereby ORDERED, ADJUDGED and DECREED as follows:

1. The Final Accounting of the Liquidator, and all actions of the Liquidator reflected therein, is hereby approved;

2. The claims of all claimants who could not be located or did not cash checks in the Class 3 distribution are hereby disallowed, any funds otherwise distributable upon such claims are deemed to be "unclaimed funds" and the Liquidator, his Deputy Liquidators and his employees and agents are hereby relieved from all further liability and responsibility with respect to these claims;

3. The Liquidator, his predecessors, assigns, and any and all deputy liquidators, agents, and/or employees of the Office of the Ohio Insurance Liquidator, including employees of the Ohio Department of Insurance, are hereby discharged and released of any and all responsibility and liability in connection with the liquidation of Columbus Insurance Company;

4. In the event it is determined that collateral exists and is outstanding, or is being held by any agent of CIC for the benefit of a principal, obligee or indemnitor of a bond issued by CIC or to otherwise secure any obligation of CIC, the Liquidator is discharged and/or excused from any responsibility or liability arising from the existence of said collateral;

5. The Liquidator is authorized to abandon any and all interest of whatever kind it may have in any liens, mortgages or judgment liens, and any proofs of claim it may have filed in any bankruptcy, receivership or insurance insolvency;

6. The Liquidator is authorized to abandon his claim in the Beacon Insurance Company rehabilitation and is directed to send a notice of withdrawal of claim to the Beacon Rehabilitator forthwith.

7. The Liquidator is authorized to immediately destroy various records relating

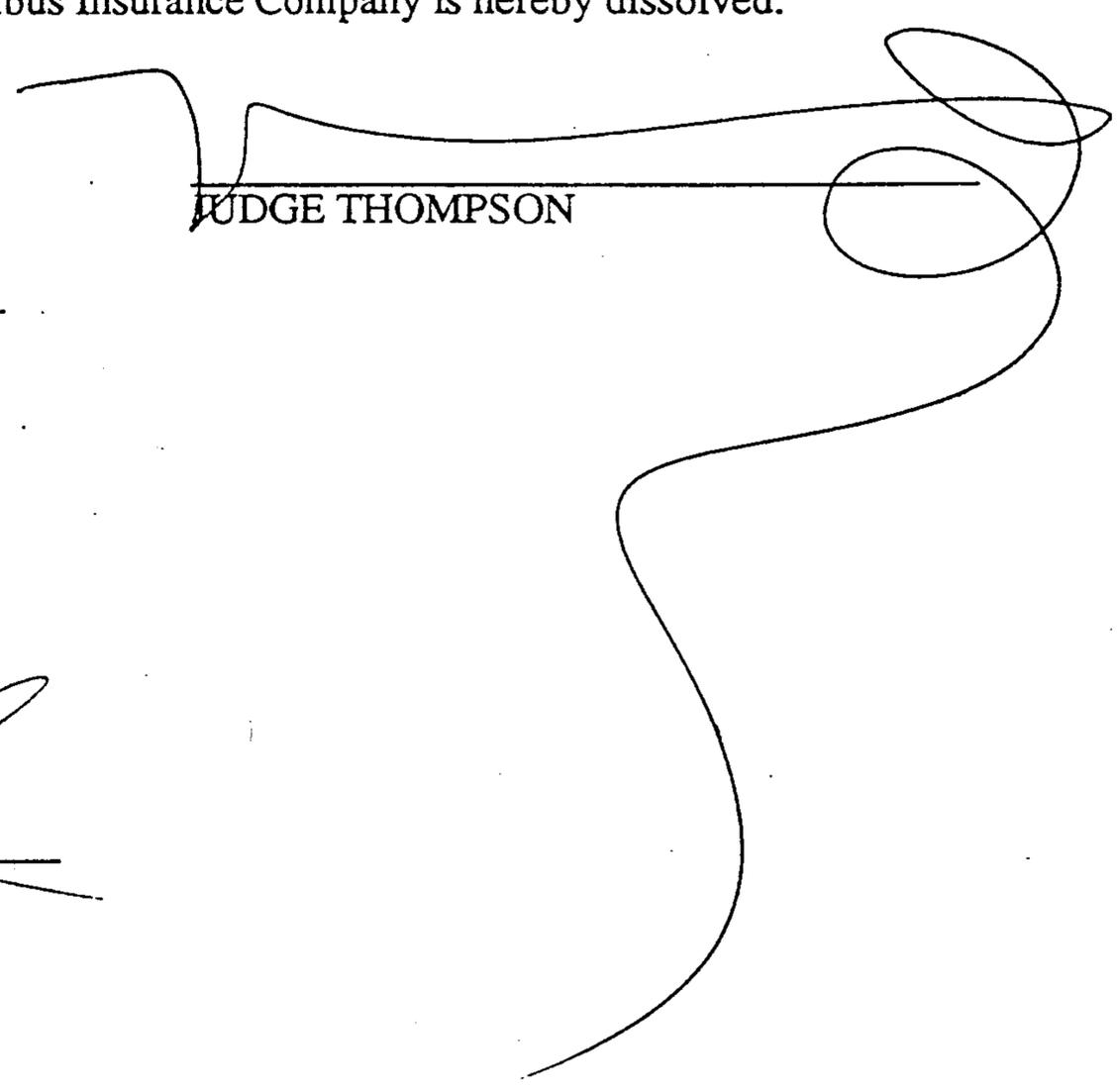
to affiliates and claims which were handled and closed prior to liquidation;

8. The Liquidator is directed to store all necessary records of CIC for seven years from the date of this Order and then is authorized to destroy such records;

9. All funds remaining in the liquidation estate after payment of all administrative expenses, as set forth in the Final Accounting of the Liquidator, are deemed to be uneconomic to distribute and are hereby ordered transferred to the Treasurer for the State of Ohio to be deposited into the general revenue fund;

10. The Liquidator shall retain limited authority for the sole purpose of executing, or authorizing his designee to execute a final 1995 tax return for the CIC estate and filing it with the Internal Revenue Service in accordance with applicable law; and

11. The Court finds that all matters regarding the liquidation have been finalized, the liquidation estate of Columbus Insurance Company is hereby closed and, pursuant to §3903.20, Ohio Revised Code, the Columbus Insurance Company is hereby dissolved.

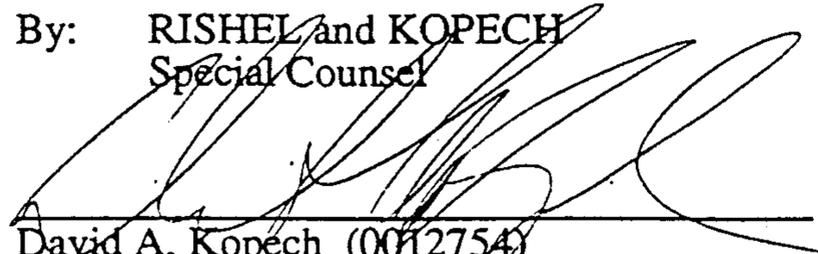


JUDGE THOMPSON

Dated: _____

APPROVED BY:

BETTY D. MONTGOMERY
Attorney General of Ohio

By: 
RISHEL and KOPECH
Special Counsel

David A. Kopech (0012754)
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(614) 221-0717

Attorneys for the Liquidator

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FEB 08 1995

IN THE COURT OF COMMON PLEAS
FRANKLIN COUNTY, OHIO

INSURANCE LIQUIDATIONS

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COMMON PLEAS COURT
FRANKLIN CO. OHIO

HAROLD T. DURYEE,
Superintendent of Insurance
State of Ohio,

Plaintiff,

vs.

COLUMBUS INSURANCE COMPANY,

Defendant.

Case No. 85CV-01-110

Judge Thompson

APPLICATION FOR AN ORDER APPROVING THE LIQUIDATOR'S FINAL ACCOUNTING; DISALLOWING CLAIMS OF CLAIMANTS WHO CANNOT BE LOCATED OR DID NOT CASH CHECKS; AUTHORIZING THE TRANSFER OF FUNDS THAT ARE UNECONOMIC TO DISTRIBUTE; AUTHORIZING THE ABANDONMENT OF LIENS, COLLATERAL, BANKRUPTCY, RECEIVERSHIP AND INSURANCE LIQUIDATION CLAIMS INCLUDING THE CLAIM IN THE BEACON INSURANCE COMPANY REHABILITATION; AUTHORIZING THE DESTRUCTION OF RECORDS OF AFFILIATES AND FILES RELATING TO AFFILIATES AND CLAIMS WHICH WERE HANDLED AND CLOSED PRIOR TO LIQUIDATION; AUTHORIZING THE STORAGE AND DESTRUCTION OF RECORDS RELATING TO THE LIQUIDATION; CLOSING THE LIQUIDATION ESTATE; AND DISSOLVING THE CORPORATE ENTITY OF COLUMBUS INSURANCE COMPANY AND DISCHARGING AND RELEASING THE LIQUIDATOR

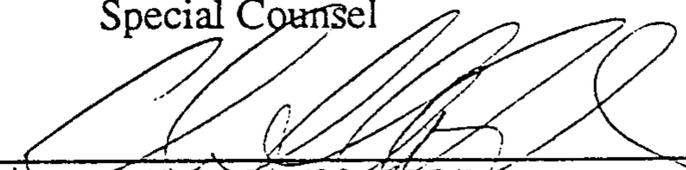
Now comes Harold T. Duryee, Liquidator of Columbus Insurance Company ("CIC"), and moves this Court for an Order approving the Final Accounting of the Liquidator (attached as Exhibit B); disallowing claims of claimants who cannot be located or did not cash checks; authorizing the transfer of the remaining unclaimed funds which are uneconomic to distribute to the Treasurer for the State of Ohio for deposit into the general revenue fund; authorizing the abandonment of liens, collateral, bankruptcy, receivership and insurance liquidation claims, including the claim in the Beacon Insurance Company rehabilitation, and judgments of

whatever kind; authorizing and directing the Liquidator to destroy certain records and files relating to affiliates and claims which were handled and closed prior to Liquidation; directing the Liquidator to store the remaining records of CIC for seven years, then destroy them; authorizing the Liquidator or his designee to retain limited authority for the sole purpose of executing the final 1995 tax return and filing it with the Internal Revenue Service; closing the liquidation estate; and dissolving the corporate entity of Columbus Insurance Company and discharging and releasing the Liquidator, his predecessors, assigns and any and all deputy liquidators, agents or employees of the Office of the Ohio Insurance Liquidator and employees of the Ohio Department of Insurance of all liability . The Liquidator supports this motion with the attached memorandum.

Respectfully submitted,

BETTY D. MONTGOMERY
Attorney General of Ohio

By: RISHEL and KOPECH
Special Counsel



David A. Kopec (0012754)
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(614) 221-0717

Attorneys for the Liquidator

MEMORANDUM IN SUPPORT

Columbus Insurance Company ("CIC") was placed into Liquidation by Order of this Court on January 28, 1985. On November 17, 1994, this Court entered an Order approving the valuation of Class 3 claims in the CIC liquidation estate and, after withholding sufficient funds for administrative expenses, ordering a distribution of all remaining funds, on a pro-rata basis, to the allowed claimants.

Class 1 claims have been paid in full. There were no Class 2 claims filed. There were no claims filed by the Federal Government. The distribution pursuant to this Court's Order of November 17, 1994 on Class 3 claims has been completed. As of January 27, 1995, pro rata claims payments totalling \$8,359,955.40 were paid and checks totalling \$16,584.37, remained uncashed. Pursuant to this Court's November 17, 1994 Order, these uncashed checks have reverted back to the liquidation estate as unclaimed funds.

I. Uncashed and Undeliverable Checks

Sixteen Class 3 distribution checks totalling \$16,584.37 remained uncashed at the close of the distribution made pursuant to this Court's Order of November 17, 1994. A list of these checks and their payees is attached hereto as Exhibit A. In its Order, the Court indicated that the Liquidator should attempt to locate the claimant through the post office or an address search. The Order also provided that if any check was not cashed within sixty days of its issue date or thirty days of its reissue date (as requested by the claimant) the claim would automatically be disallowed and the monies would revert back to the estate as unclaimed funds in accordance with Section 3903.45(A), Revised Code.

After the Class 3 distribution, 43 checks were returned as undeliverable. Of these checks, the Liquidator was able to locate 41 addresses successfully. The two undeliverable checks are included in Exhibit A. Additionally, six checks were returned from representatives of the claimant as undeliverable or refused. These checks are also included on Exhibit A. The remaining

eight uncashed checks were not returned to the Liquidator but no request was made for their reissue. These checks were simply not cashed within the requisite time frame allowed by the Court.

In light of the Liquidator's efforts to locate these Class 3 claimants whose checks were returned as undeliverable and this Court's November 17, 1994 Order limiting the time period for cashing checks, the Liquidator requests that this Court determine the claim listed on Exhibit A to be disallowed, Order that any funds otherwise distributable upon their claims be declared "unclaimed funds" and further Order that the Liquidator, his deputy liquidators and his employees and agents be relieved from all further liability and responsibility with respect to these claims.

II. Transfer of Funds that are Uneconomic to Distribute

The Liquidator has determined that the unclaimed funds held by the CIC estate are insufficient to make a pro-rata distribution pursuant to §3903.45(A), Ohio Revised Code, requiring distribution of the unclaimed funds pro-rata to all known claimants. Often times the liquidation statutes do not provide clear guidance to the Liquidator regarding his statutory and fiduciary responsibilities. In the absence of clear guidance from the liquidation statutes and in order to determine how best to proceed, the Liquidator must conduct a cost/benefit analysis of his options. In this case, when determining whether or not funds are "uneconomic to distribute", a cost/benefit analysis may be employed to determine whether or not the costs of the additional distribution outweigh its benefit. When considering the costs of an additional distribution (*i.e.*, calculating the pro-rata distribution amount, issuing checks, mailing checks to claimants and responding to claimants' inquiries) weighed against the benefit of an additional distribution, it would be unreasonable to make an additional distribution unless the pro-rata percentage of the distribution

was at least 1% of the total amount of determined Class 3 claims.¹ Since the determined amount of Class 3 claims equals \$15,811,440.46, it would be uneconomic to distribute unclaimed funds unless they total more than \$158,114.05.

Section 3903.46, Ohio Revised Code, provides direction with regard to funds held by the Liquidator which are uneconomic to distribute. Specifically, §3903.46 states:

(A) When all assets justifying the expense of collection and distribution have been collected and distributed under sections 3903.01 to 3903.59 of the Revised Code, the liquidator shall apply to the court for discharge. The court may grant the discharge and make any other orders, including an order to transfer any remaining funds that are uneconomic to distribute, as may be appropriate.

(B) Any other person may apply to the court at any time for an order under division (A) of this section. If the application is denied, the applicant shall pay the costs and expenses of the liquidator in resisting the application, including a reasonable attorney's fee.

This statute provides the Liquidator with discretion to determine when all assets justifying the expense of collection and distribution have been collected and distributed and it gives the Court authority to order the transfer of any remaining funds that are uneconomic to distribute. Therefore, pursuant to §3903.46, Ohio Revised Code, and upon the advice of counsel, the Liquidator requests that, at termination of the liquidation and discharge of the Liquidator, this Court order the transfer of all funds remaining to the Treasurer of the State of Ohio to be deposited into the general revenue fund.

Section 3903.46 is part of the National Association of Insurance Commissioners' "Insurer's Rehabilitation and Liquidation Model Act" (the "Model Act"). This Model Act has been adopted, in some form, by twenty-seven (27) states. Research into the statutes and case law of those states that have adopted a provision analogous to §3903.46, Ohio Revised Code, located no

¹The smallest amount distributed to a claimant in the distribution approved by this Court on November 17, 1994 was \$100. Therefore, a second distribution equal to 1% of the total determined value of Class 3 claims would ensure that the smallest amount to be distributed to any claimant would not be less than \$1. Any distribution which would result in the issuance of checks in amounts less than \$1 is not practical or cost effective.

cases interpreting the statute. However, the variations of the Model Act adopted in Kentucky, Minnesota, South Dakota and New Hampshire made specific provisions for the transfer of funds that are uneconomic to distribute.

New Hampshire Revised Code Statute 402-C:48 permits the court to order the remaining funds to be transferred “. . . to the state treasury for the credit of the insurance department” Kentucky Revised Code §304.33-470 provides, in pertinent part, “the court may grant the discharge or make any other orders deemed appropriate, including an order to transfer to the state treasury for the common school fund any remaining funds that are uneconomic to distribute.” Minnesota Statute 60 B.48 provides for “. . . transfer to the state treasury to the credit of the general fund. . . .” South Dakota Codified Law §58-29B-130 provides that the remaining funds may be transferred to the state treasurer.

Because the Ohio General Assembly was silent upon the issue of where to transfer any remaining funds that are uneconomic to distribute, discretion rests with this Court. The Liquidator submits that transfer of these funds to the Treasurer for the State of Ohio to be deposited into the general revenue fund is a logical disposition for the funds because: 1) as explained above, the amount of unclaimed funds remaining is uneconomic to distribute; and 2) transfer of the funds to the Treasurer for the State of Ohio will provide funds to facilitate and encourage carrying out the purpose and intent of Chapter 3903, Ohio Revised Code.² Hence, the Liquidator requests this Court to order the Liquidator to transfer the remaining unclaimed funds in the amount of \$34,190.51 which are uneconomic to distribute to the Treasurer for the State of Ohio to be deposited into the general revenue fund.

² Pursuant to §3903.21(A)(4), Ohio Revised Code, the State of Ohio, through the Superintendent of Insurance, may advance costs necessary in other liquidations and/or rehabilitations of insurers for the protection of the interests of insureds, claimants, creditors and the public generally.

II. Abandonment of Liens, Collateral, Bankruptcy Claims and Insurance Liquidation Claims Including the Claim in the Beacon Insurance Company Rehabilitation

At the time the Liquidator took possession of CIC, the insurer had claims against various individuals and entities regarding subrogation actions and actions against reinsurers for reinsurance recoverables. These claims were pursued where appropriate and judgment liens were obtained against individuals or corporations. Claims in bankruptcies or receiverships, as well as claims in other insurance insolvencies, were also pursued.

After reviewing the available books and records, and to the best of the Liquidator's knowledge and belief, the outstanding claims held by CIC are uncollectible or speculative and of *de minimis* value and the likelihood of collection is remote. Abandonment of these claims at this time is necessary to permit the closure of the CIC estate and preclude the expenditure of additional funds in the future. Therefore, the Liquidator requests this Court to order that the Liquidator abandon any interest which remains in any known or unknown lien, mortgage, judgment lien, or proof of claim in any bankruptcy, receivership or insurance insolvency.

The Liquidator is presently unaware of the existence of any collateral (*i.e.*, letter of credit, certificate of deposit, mortgage deed or other similar instrument) which is being held for the benefit of any principal, obligee or indemnitor of CIC or to otherwise secure any obligation of CIC. The Liquidator is unaware that CIC ever requested such types of collateral in association with the coverage it wrote. Moreover, the Liquidator is unaware of any arrangement where agents of CIC may have retained collateral which could benefit any principal, obligee or indemnitor. However, in order to close this liquidation estate, the Liquidator requests this Court to order that in the event that it is determined that collateral exists and is outstanding, or is being held by any agent(s) of CIC, the Liquidator's interest in said collateral is declared to be abandoned and the Liquidator is discharged and/or excused from any responsibility or liability arising from the existence of said collateral.

Presently, the Liquidator holds a contingent Class 5 claim in the Beacon Insurance Company ("Beacon") rehabilitation proceeding in North Carolina which has been valued at \$163,576.65. Despite the valuation of CIC's claim in the Beacon rehabilitation, both the amount and timing of any distribution on this claim remain contingent. The Beacon Rehabilitator is unable to state with certainty when a distribution will be made to Class 5 claimants. If a distribution is made to Class 5 claimants, the Beacon Rehabilitator estimates that the highest percentage distribution for Class 5 claims would be no more than 20%. Thus, while it is possible that the CIC liquidation estate could receive a distribution some time in the future for as much as \$32,715.33, given the inherent uncertainties in projections of distributions in insolvency proceedings, it is also more than possible that no distribution would be made on CIC's claim. Thus, it would be unreasonable for the CIC liquidation estate to remain open based on the possibility of a small recovery on a contingent claim, particularly where the timing of the distribution is unknown and the administrative expenses that would be incurred to hold the estate open would far exceed any potential distribution. After consultation with counsel, the Liquidator believes that due to (1) the uncertainty as to whether and when any distribution may be made, (2) the relatively small amount of CIC's claim in the Beacon rehabilitation, and (3) the fact that the highest estimate of the amount of any potential distribution would be uneconomic to distribute (*see analysis supra*), this Court should authorize the Liquidator to abandon CIC's claim in the Beacon rehabilitation and direct the Liquidator to send a notice of withdrawal of the claim to the Beacon Rehabilitator forthwith.

III. Destruction of Records of Affiliates and Files Relating to Claims Which Were Handled and Closed Prior to Liquidation and Destruction of the Remaining CIC Files

At the time CIC was placed in liquidation, the Liquidator took possession of all CIC's books and records, including one hundred boxes of records and documents containing information about affiliate companies of CIC and old claims and underwriting files relating to the

handling and closing of claims by CIC prior to liquidation. After reviewing all claims, it was determined that these files do not contain any information pertinent to matters in the liquidation of the CIC estate. Because the Liquidator has limited space for retention of records, it is essential that such space be utilized for only those documents and records which are pertinent to the liquidation of the insolvent insurance company. The Liquidator believes that the records identified herein are not pertinent to the CIC liquidation and requests this Court to authorize the immediate destruction of said records. The Liquidator further requests that the Court order the remaining records of CIC be stored for seven years from the date of the order closing the CIC estate and then be destroyed.

IV. Closing the Liquidation Estate, Dissolving the Corporate Entity of Columbus Insurance Company and Discharging and Releasing the Liquidator

The administrative expenses of the CIC estate have been or will be fully paid upon this Court's approval of the Liquidator's Final Accounting. The Liquidator's Final Accounting (attached as Exhibit B) indicates that all assets of the estate that were economically distributable have been distributed and \$34,190.51 remains on hand as of the closing date. The Liquidator requests these remaining unclaimed funds be transferred to the Treasurer of the State of Ohio for deposit into the general revenue fund, thereby leaving a zero balance in the liquidation estate's asset account. The Liquidator's Final Accounting also contains the Statement of Receipts and Disbursements for the period from July 1, 1994 through December 31, 1994. Further, the Liquidator does not anticipate the receipt of any additional funds for the CIC liquidation estate. Finally, the Liquidator has reviewed the books and records of the estate and determined that all matters involving the estate have been finalized. (*See* attached Affidavit of the Chief Deputy Liquidator, Lynne C. Hengle).

One ministerial function remains which cannot be performed until after the closing of the liquidation takes place. Because the closing of the CIC liquidation estate is taking place in 1995, a final 1995 tax return must be filed with the Internal Revenue Service. The Liquidator

requests this Court to authorize the Liquidator or his designee to retain limited authority for the sole purpose of executing a final 1995 tax return and filing it with the Internal Revenue Service in the manner provided by law.

Finally, once the liquidation of CIC is complete and the Liquidator is discharged, then the corporate entity of CIC is dissolved by operation of law pursuant to Section 3903.20, Ohio Revised Code. The Liquidator requests that this Court enter an Order dissolving the corporate entity of CIC.

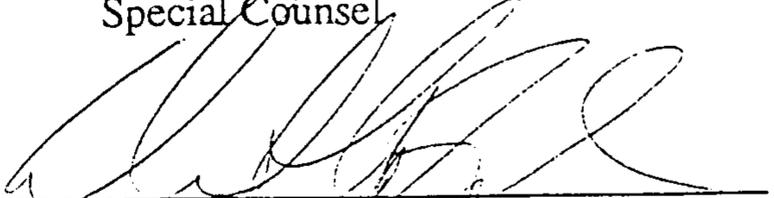
Accordingly, as the liquidation of CIC has been completed, the Liquidator moves this Court for an Order approving the Final Accounting of the Liquidator (attached as Exhibit B), disallowing claims of claimants who cannot be located or did not cash checks and authorizing the transfer of the remaining unclaimed funds which are uneconomic to distribute to Treasurer of the State of Ohio for deposit into the general revenue fund; authorizing the abandonment of liens, collateral, bankruptcy, receivership and insurance liquidation claims, including the claim in the Beacon Insurance Company rehabilitation, and judgments of whatever kind; authorizing and directing the Liquidator to destroy immediately certain records of affiliates and files relating to claims which were handled and closed prior to Liquidation; directing the Liquidator to store remaining necessary records of CIC for seven years from the date of this Order, then to destroy such records; authorizing the Liquidator or his designee to retain limited authority for the sole purpose of executing a final 1995 tax return and filing it with the Internal Revenue Service; authorizing the closure of the CIC liquidation estate and discharging and releasing the Liquidator, his predecessors, assigns and any and all deputy liquidators, agents or employees of the Office of the Ohio Insurance Liquidator, including employees of the Ohio Department of Insurance, of all

liability; and ordering the dissolution of the corporate entity of CIC upon discharge of the Liquidator pursuant to §3903.20.

Respectfully submitted,

BETTY D. MONTGOMERY
Attorney General of Ohio

By: RISHEL and KOPECH
Special Counsel



David A. Kopech (0012754)
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395 East Broad Street, Suite 330
Columbus, Ohio 43215
(614) 221-0717

Attorneys for the Liquidator

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Application has been served on all interested parties this 6th day of February, 1995.



David A. Kopech

EXHIBIT A

Columbus Insurance Company, In Liquidation
Uncashed Distribution Checks

Proof of Claim Number	Payee	Last Known Address	Check Amount	Check Number
AL00014	AG Gaston Home for Senior Citizens	2032 Valleydale Rd. Birmingham, AL 35212	915.14	2506
* DE00024	AFCO Credit Corp.	401 Washington Ave. Towson, MD 21204	879.65	2521
* MD00130	AFCO Credit Corp.	401 Washington Ave. Towson, MD 21204	820.48	2613
* MD00132	AFCO Credit Corp.	401 Washington Ave. Towson, MD 21204	423.07	2614
* MD00133	AFCO Credit Corp.	401 Washington Ave. Towson, MD 21204	309.97	2615
MI00019	Capital Consultants Inc.	1627 Lake Lansing Rd. Lansing, MI 48912	5,810.97	2619
MD00008	Hullverson Susan S	1433 Norman Pl St. Louis, MO 63122	.81	2657
MO00011	Britton Pamela R.	HC87 Box 4905 Potosi, MO 63664	.70	2659
MO00034	Schieber Mary Lou	R R 1 Conception Jnct, MO 64434	2.32	2676
MN00043	Crestwood Home	211 N. Washington Roswell, NM 88201	337.72	2733
* OH03336	Bay St. Joseph Care Center	2662 Mahoning Ave. Warren, OH 44483-1579	2,618.00	2758
OH03640	Michigan Mutual Insurance ASO Shirley Mlynek	P.O. Box 68876 3600 Woodview Trace Indianapolis, IN 46268	1,649.34	2760
OH06309	Itaev Meier	1008 N. Stanley #6 Los Angeles, CA 90046	2,618.00	2766

Proof of Claim Number	Payee	Last Known Address	Check Amount	Check Number
* OK00078	AFCO Credit Corp.	P.O. Box 8440 Kansas City, MO 64114	122.00	2787
WI00046	Westview Nursing Home	4701 16th Ave. Racine, WI 53406	75.40	2824
			<u>16,584.37</u>	

* - 6 checks, 5,173.17 Indicates check refused or returned
as undeliverable

9 checks, 11,411.20 Indicates check uncashed

Total - 15 checks, 16,584.37

CICMH226

IN THE COURT OF COMMON PLEAS
FRANKLIN COUNTY, OHIO

HAROLD T. DURYEE,
Superintendent of Insurance
State of Ohio,

Plaintiff,

vs.

COLUMBUS INSURANCE COMPANY,

Defendant.

Case No. 85CV-01-110

Judge Thompson

FINAL ACCOUNTING OF THE LIQUIDATOR

Harold T. Duryee, Superintendent of Insurance for the State of Ohio, as Liquidator of Columbus Insurance Company ("CIC"), hereby files the Final Accounting of the Liquidator consisting of the following documents:

1. Statement of Receipts and Disbursements for the periods July 1, 1994 through December 31, 1994 and January 1, 1995 through closing date;
2. General Operating Expenses as of closing date;
3. List of final disbursements to be made from the CIC Estate.

These statements account for all assets received and disbursements made through the closing date.

Respectfully submitted,

HAROLD T. DURYEE
Liquidator, Columbus Insurance Company

Lynne C. Hengle, Chief Deputy Liquidator

Exhibit B

**Liquidator of Columbus Insurance Company
Statement of Receipts and Disbursements
For The Period 07/01/94 to 12/31/94**

	CASH	SECURITIES	TOTAL
Balance at 06/30/94	\$12,640.81	\$8,313,642.81	\$8,326,283.62
Security Amortization for the Period	0.00	0.00	0.00
RECEIPTS			
Investment Proceeds (Note 1)	3,416,642.81	(3,416,642.81)	0.00
Investment Proceeds in Repo Agreements (Note 2)	4,897,000.00	(4,897,000.00)	0.00
Interest/Dividend Income	149,224.40	0.00	149,224.40
Reinsurance Recoveries	100,045.39	0.00	100,045.39
TOTAL RECEIPTS	8,562,912.60	(8,313,642.81)	249,269.79
DISBURSEMENTS			
Employee Wages, Taxes, Benefits	22,835.60	0.00	22,835.60
General Operating Expenses	19,093.68	0.00	19,093.68
Legal Expense	21,052.56	0.00	21,052.56
American Druggists Ins. Co.-North Star Treaty	50,782.13	0.00	50,782.13
Class 1 Distribution	14,447.75	0.00	14,447.75
Class 3 Distribution	8,376,539.77	0.00	8,376,539.77
TOTAL DISBURSEMENTS	8,504,751.49	0.00	8,504,751.49
Balance at 12/31/94	\$70,801.92	(\$0.00)	\$70,801.92
	<u>A</u>	<u>A B</u>	<u></u>

(A) Excluding \$.00 held by States.

(B) Bonds carried at amortized value.

Note 1: The captions "Investment Proceeds" or "Investment Purchases" represent the difference between total maturities or sales and purchases for the reporting period. This excludes interest and dividend income.

Note 2: The captions "Investment Proceeds in Repo Agreements" or "Investment Purchases in Repo Agreement" represent the difference between total repurchase sales and purchases for the reporting period.

Liquidator of Columbus Insurance Company
Statement of Receipts and Disbursements
For The Period 01/01/95 to Closing Date

	CASH	SECURITIES	TOTAL
Balance at 12/31/94	\$70,801.92	\$0.00	\$70,801.92
Security Amortization for the Period	0.00	0.00	0.00
RECEIPTS			
Interest/Dividend Income	<u>572.62</u>	<u>0.00</u>	<u>572.62</u>
TOTAL RECEIPTS	572.62	0.00	572.62
DISBURSEMENTS			
Employee Wages, Taxes, Benefits	12,605.39	0.00	12,605.39
General Operating Expenses	22,980.38	0.00	22,980.38
Legal Expense	18,182.63	0.00	18,182.63
Treasurer of State of Ohio	34,190.51	0.00	34,190.51
Class 3 Distribution (Checks Voided)	<u>(16,584.37)</u>	<u>0.00</u>	<u>(16,584.37)</u>
TOTAL DISBURSEMENTS	71,374.54	0.00	71,374.54
Balance at Closing Date	<u>(\$0.00)</u>	<u>\$0.00</u>	<u>(\$0.00)</u>
	<u>A</u>	<u>A B</u>	

(A) Excluding \$.00 held by States.
(B) Bonds carried at amortized value.

COLUMBUS INSURANCE COMPANY, IN LIQUIDATION
 COMPARATIVE GENERAL OPERATING EXPENSES

	To Be Paid Closing Date	Paid As Of 01/31/95	Total
	-----	-----	-----
Legal Expenses	13,154.03	5,028.60	18,182.63
Accountants Fees	1,600.00		1,600.00
Address Searches	172.89		172.89
Examiners Fees	1,417.87	339.32	1,757.19
Intercompany Expenses	31,407.28	648.41	32,055.69
Treasurer of The State of Ohio	34,190.51		34,190.51
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	81,942.58	6,016.33	87,958.91

CLOSING 03-Feb-95

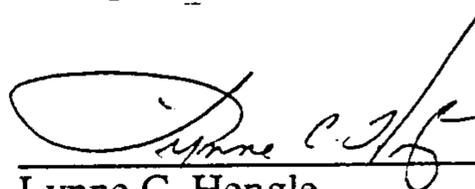
COLUMBUS INSURANCE COMPANY, IN LIQUIDATION
Disbursements To Be Made At Closing Of Liquidation Estate

Administrative Expenses to be Paid are as Follows:

1.	Rishel & Kopech (Legal Fees for the Closing of the Liquidated Estate)	13,154.03
2.	Ernst & Young (Preparation of 1994 and Final 1995 Tax Returns)	1,600.00
3.	Carlile, Patchen, & Murphy (Fees for Address Searches for Distribution Checks)	172.89
4.	Ohio Department of Insurance (Deputy Liquidator Salary and Benefit Expense)	1,417.87
5.	Intercompany Expense Allocation - salaries, benefits, warehouse record storage fees, and destruction cost.	31,407.28
6.	Treasurer of State (Ohio) (Funds uneconomic to distribute and ordered by Franklin County Court of Common Pleas to be transferred to Ohio General Revenue Fund)	34,190.51
	Total Administrative Cost to be Paid at Closing	81,942.58

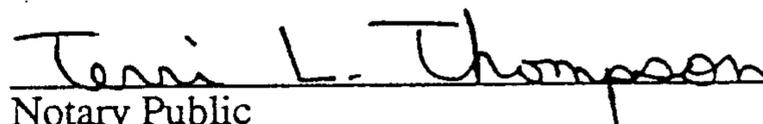
Bankruptcy, Receivership and Liquidation Claims Including the Claim in the Beacon Insurance Company Rehabilitation; Authorizing the Destruction of Records of Affiliates and Files Relating to Affiliates and Claims Which Were Handled and Closed Prior to Liquidation; Authorizing the Storage and Destruction of Records Relating to the Liquidation; Closing the Liquidation Estate; and Dissolving the Corporate Entity of Columbus Insurance Company and Discharging and Releasing the Liquidator, is a complete and accurate account of the funds received and disbursements made by the Liquidator for the periods from July 1, 1994 through December 31, 1994 and January 1, 1995 through closing date.

4. I have read the statements set forth in the Application for Approval of the Final Accounting of the Liquidator and the supporting Memorandum of Law and I have found them to be true and accurate to the best of my knowledge and belief.



Lynne C. Hengle

Sworn to and subscribed before me this 6th day of February 1995.



Notary Public

TERRI L. THOMPSON
NOTARY PUBLIC, STATE OF OHIO
MY COMMISSION EXPIRES AUGUST 24, 1995