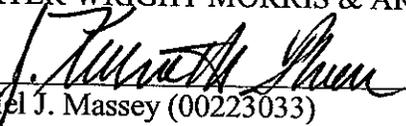


Respectfully submitted,

NANCY H. ROGERS
Attorney General of Ohio

By Special Counsel:
PORTER WRIGHT MORRIS & ARTHUR LLP

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*Attorneys for Mary Jo Hudson, in her capacity as
Liquidator of The Ohio General Insurance Company*

MEMORANDUM IN SUPPORT OF MOTION

Pursuant to O.R.C. Section 3903.18(A), this Court's March 28, 1990 Order to liquidate the business of OGIC, appointed Plaintiff, Superintendent of Insurance and successors in office as Liquidator, and directed the Liquidator to take possession of the assets of OGIC and to administer those assets under the general supervision of this Court. As provided in O.R.C. Section 3903.18(E), the Order also requires the Liquidator to account to this Court at specified intervals. Accordingly, the Liquidator submits accountings to this Court on a semiannual basis for the periods ending June 30th and December 31st of the year (the "Periodic Accountings").

One of the Liquidator's primary responsibilities is the marshaling of assets of the OGIC liquidation estate, for ultimate distribution to the liquidation estate's policyholders and creditors pursuant to O.R.C. Chapter 3903, under the supervision of this Court. In the process of marshaling assets, the Liquidator routinely receives and deposits cash and purchases and sells various investment securities. In order to record this activity, the Liquidator built an internal accounting department capable of tracking costs and recoveries and generating basic financial reports. The cash and investment security balances are reported by the Liquidator to this Court in the Periodic Accountings mentioned above.

In July of 1991, the Liquidator determined that it was in the best interests of all of the Ohio liquidation estates to hire an independent auditing firm to perform an annual audit of the Liquidator's internal controls relating to cash receipts and disbursements and the purchase and sale of investment securities in order to ensure the integrity of the Liquidator's accounting system. The Liquidator requested the auditing firm to render an opinion in its audit report as to the propriety of the information presented in the Periodic Accounting, as it was the Liquidator's

intention to file the report with this Court to demonstrate the integrity of the Periodic Accountings.

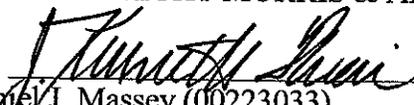
By this Motion, the Liquidator seeks this Court's approval of the Annual Report of Independent Auditors for the years ended June 30, 2008 and 2007 (the "Report"), attached hereto as Exhibit A.

Schneider Downs has completed its audit of the statements of cash and invested assets of OGIC as of June 30, 2008 and 2007 and the related statements of cash receipts and cash disbursements for the years ended June 30, 2008 and 2007. Schneider Downs issued the Report containing its audit findings which opine that the Liquidator's financial statements present fairly, in all material respects, both the cash and invested assets of OGIC at June 30, 2008 and 2007 and cash receipts and cash disbursements for the years ended June 30, 2008.

Respectfully submitted,

NANCY H. ROGERS
Attorney General of Ohio

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Exhibit A



SCHNEIDER DOWNS

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Lynda G. Loomis
Chief Deputy Liquidator
Office of the Ohio Insurance Liquidator

In planning and performing our audits of the statements of cash and invested assets and the statements of cash receipts and disbursements of the Office of the Ohio Insurance Liquidator Renaissance Health Plan, Inc., The Ohio General Insurance Company, LMI Insurance Company, DayMed Health Maintenance Plan, Credit General Indemnity Company, Acceleration National Insurance Company, Credit General Insurance Company, P.I.E. Mutual Insurance Company, The Oil & Gas Insurance Company, Personal Physician Care Insurance Company, Proliance Insurance Company, The American Chambers Life Insurance Company and Builder and Contractors Employee Benefit Association Trust (the "Estates") for the period July 1, 2007 to June 30, 2008, we considered its internal control to determine our auditing procedures for the purpose of expressing our opinion on the Estates' cash receipts and cash disbursements functions and not to provide assurance on internal control. Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the specific internal control components does not reduce to a relatively low level the risk that misstatements caused by errors or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the Estates' internal control and its operation that we consider to be material weaknesses as defined above.

This report is intended solely for the information and use of the Ohio Department of Insurance as deemed appropriate by the Office of the Ohio Insurance Liquidator and is not intended to be and should not be used by anyone other than these specified parties.

Schneider Downs & Co. LLC

Columbus, Ohio
October 29, 2008

Schneider Downs & Co., Inc.
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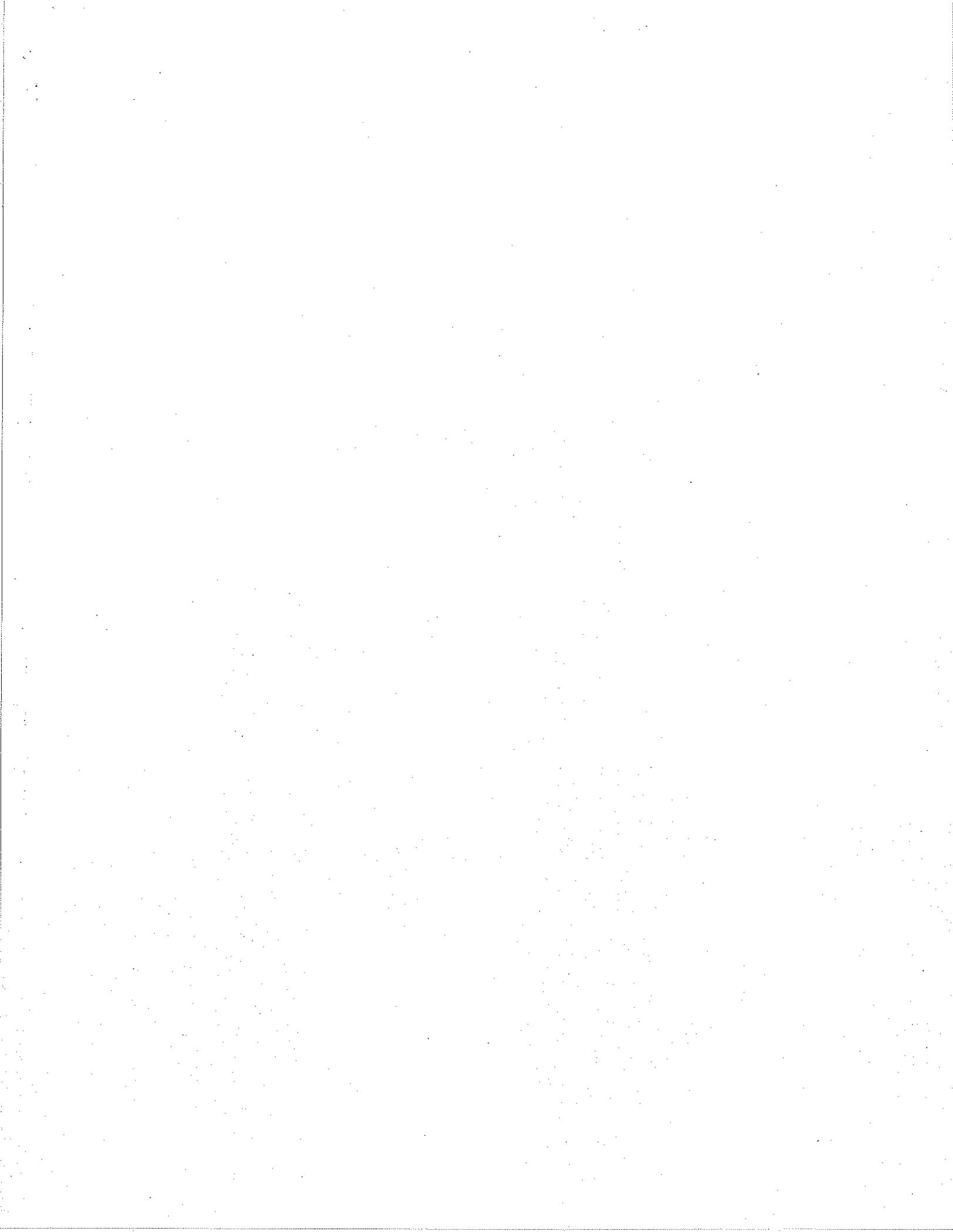
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OFFICE OF THE OHIO INSURANCE LIQUIDATOR
THE OHIO GENERAL INSURANCE COMPANY,
IN LIQUIDATION
Columbus, Ohio

Financial Statements
For the periods ending December 31, 2007 and June 30, 2007
and Independent Auditors' Report Thereon



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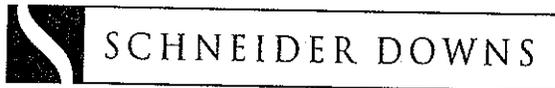


OFFICE OF THE OHIO INSURANCE LIQUIDATOR
CREDIT GENERAL INSURANCE COMPANY,
IN LIQUIDATION

FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

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INDEPENDENT AUDITORS' REPORT

Lynda G. Loomis
Chief Deputy Liquidator
Office of the Ohio Insurance Liquidator
The Ohio General Insurance Company, in Liquidation

We have audited the accompanying statements of cash and invested assets arising from cash transactions of The Ohio General Insurance Company, in Liquidation (Estate) as of December 31, 2007 and June 30, 2007 and the related statement of cash receipts and cash disbursements for the period ended December 31, 2007. These financial statements are the responsibility of the Estate. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The accompanying statements were prepared to present the financial statements of The Ohio General Insurance Company, in Liquidation pursuant to the accounting practices prescribed or permitted by the Ohio Department of Insurance and Franklin County Court of Common Pleas, described in Note 1, and is not intended to be a complete presentation of the Company's assets and liabilities.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and invested assets arising from cash transactions of The Ohio General Insurance Company, in Liquidation as of December 31, 2007 and June 30, 2007, and the related statement of cash receipts and cash disbursements for the period ended December 31, 2007, on the basis of accounting described in Note 1.

This report is intended solely for the information and use of the Office of the Ohio Insurance Liquidator and the Franklin County Court of Common Pleas and is not intended to be and should not be used by anyone other than these specified parties.

Schneider Downs & Co. Inc

Columbus, Ohio
October 29, 2008

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OFFICE OF THE OHIO INSURANCE LIQUIDATOR
THE OHIO GENERAL INSURANCE COMPANY,
IN LIQUIDATION

STATEMENTS OF CASH AND INVESTED ASSETS
DECEMBER 31, 2007 AND JUNE 30, 2007

	<u>December 31,</u> <u>2007</u>	<u>June 30,</u> <u>2007</u>
Cash	-	\$ 5,953
Invested Assets	-	112,000
	<u>-</u>	<u>\$ 117,953</u>

See notes to financial statements.

OFFICE OF THE OHIO INSURANCE LIQUIDATOR
THE OHIO GENERAL INSURANCE COMPANY,
IN LIQUIDATION

STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2007

Cash at July 1, 2007	\$ 5,953
Cash Receipts:	
Investment proceeds in repurchase agreement	112,000
Interest and dividend income	12,240
Reinsurance recoveries	1,681
Uncashed and voided class 2 surplus distribution payments	56,658
Uncashed and voided class 5 surplus distribution payments	59,781
Uncashed and voided class 6 surplus distribution payments	128
Total Cash Receipts	<u>242,488</u>
Cash Disbursements:	
Salaries, wages and employee benefits	72,017
Professional fees	13,994
General and administrative expenses	45,863
Transfer of funds to Ohio division of unclaimed funds	
Surplus - class 2 claimants	56,658
Surplus - class 5 claimants	59,781
Surplus - class 6 claimants	128
Total Cash Disbursements	<u>248,441</u>
Cash at December 31, 2007	<u>\$ -</u>

See notes to financial statements.

OFFICE OF THE OHIO INSURANCE LIQUIDATOR
THE OHIO GENERAL INSURANCE COMPANY,
IN LIQUIDATION

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND JUNE 30, 2007

NOTE 1 - BACKGROUND AND BASIS OF PRESENTATION

Pursuant to the Ohio Revised Code (Code), the Superintendent of the Ohio Department of Insurance is appointed as Liquidator of domestic insurance companies, which have been determined by the Franklin County Court of Common Pleas, State of Ohio (Court), to be insolvent as specified in the Code.

The Liquidator marshals the assets of the insurance company and liquidates such assets and administers the business affairs of the Company as approved by the Court. The Liquidator is empowered by the Code to employ employees and agents, actuaries, accountants, appraisers, consultants and such other personnel as considered necessary to assist in the liquidation.

The Ohio General Insurance Company (Company) was placed in liquidation on March 28, 1990 by the Court and it became The Ohio General Insurance Company, in Liquidation (Estate).

As is common with entities placed in fiduciary control, the Liquidator has prepared the accompanying financial statements on the cash-basis of accounting, whereby, the statement of cash and invested assets includes only the cash and invested assets of the Estate, and the statement of cash receipts and cash disbursements reflects only cash transactions; consequently, all other assets and liabilities of the Estate are not included in the statement of cash and invested assets, and uncollected revenues and unpaid expenses are not included in the statement of cash receipts and cash disbursements. Changes in market values and amortization of bond premiums and discounts are reflected in invested assets, however, these amounts are not reflected in the statement of cash receipts and disbursements as they are non-cash transactions. This is a comprehensive basis of accounting other than accounting principles generally accepted in the United States, and accordingly, the statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States.

NOTE 2 - ORDER TO DISSOLVE THE ESTATE

On June 15, 2007, the Court ordered the Estate to make the final Surplus distribution of assets to Class 2, 5, & 6 claimants. On June 27, 2007, the Estate disbursed \$8,469,766 to Class 2, 5, and 6 claimants. The Estate also reissued checks from a previous class 5 distribution for \$23,333. On November 15, 2007 the Court ordered the Estate to submit unclaimed distributions of \$116,567 to the Ohio Department of Commerce, Division of Unclaimed Funds. The Estate distributed these funds on December 3, 2007. Assets remaining subsequent to December 3, 2007 were used in administrative activities with the purpose of closing out the Estate. As of December 31, 2007, all assets of the Estate had been distributed.

Effective December 31, 2007, the Court ordered that the Estate be dissolved pursuant to Ohio Revised Code Sections 3903.20. This order discharged and released the Liquidator from any and all responsibility and liability in connection with the liquidation of the Estate.

OFFICE OF THE OHIO INSURANCE LIQUIDATOR
THE OHIO GENERAL INSURANCE COMPANY,
IN LIQUIDATION

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND JUNE 30, 2007

NOTE 3 - INVESTED ASSETS

Invested assets consist of those assets that are under the complete and direct control of the Liquidator and are being specifically held as investments.

Repurchase agreements are valued at cost, which approximates fair value.

At December 31, 2007 and June 30, 2007, invested assets and their approximate values consisted of the following:

	<u>December 31, 2007</u> <u>Carrying Value</u>	<u>June 30, 2007</u> <u>Carrying Value</u>
Repurchase agreements	\$ <u>-</u>	\$ <u>112,000</u>

NOTE 4 - LITIGATION

In liquidating the Estate, the Liquidator may initiate legal action to clarify claims, recover reinsurance proceeds and determine legal responsibilities of the Liquidation. The Liquidator believes that none of these actions will adversely affect the value of cash and invested assets. The determination and priority of claims, and any distribution thereof, is defined pursuant to Ohio Revised Code Section 3903, et seq.

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