

Final = Governmental Casualty

IN THE COURT OF COMMON PLEAS, FRANKLIN COUNTY, OHIO

J. LEE COVINGTON II, Superintendent
of Insurance as Rehabilitator of
Governmental Casualty
Insurance Company

Plaintiff,

vs.

GOVERNMENTAL CASUALTY
INSURANCE COMPANY,
in Rehabilitation

Defendant.

Case No. 92 CV 02-1110

Judge Michael Watson

02 APR 11 PM 3:15
CLERK OF COURTS
FRANKLIN COUNTY, OHIO

**ORDER APPROVING FINAL ACCOUNTING OF THE
REHABILITATOR AND FINAL DISTRIBUTION OF ASSETS,
DISCHARGING AND RELEASING THE REHABILITATOR,
TERMINATING THE REHABILITATION, AND DISMISSING PLAINTIFF AND
DEFENDANT GOVERNMENTAL CASUALTY INSURANCE COMPANY**

This matter came before the Court upon the Application of Plaintiff J. Lee Covington II, as Rehabilitator of Governmental Casualty Insurance Company ("GCIC") for approval of the Rehabilitator's Final Accounting and final distribution of GCIC's remaining assets, terminating the GCIC rehabilitation, discharge and release of the Rehabilitator, and dismissal of Plaintiff and Defendant GCIC as parties to this action. Upon consideration of Plaintiff's Application, the Memorandum in Support, and the attached Exhibits and Affidavit, and after a hearing, the Court finds the Application is well taken and it is hereby ORDERED, ADJUDGED, and DECREED as follows:

1. The Final Accounting of the Rehabilitator, which is attached hereto as Exhibit A, and all actions of the Rehabilitator reflected therein, are hereby approved, and the Rehabilitator is hereby ordered to distribute the funds as set forth in the Final Accounting;

2. The Rehabilitator is hereby authorized to deposit the remaining assets of GCIC with the Court pursuant to Count Two of the Complaint (the "Interpleader Action"), for final determination and allocation by this Court in accordance with the Interpleader Action;

3. The Court finds that the Rehabilitator has exercised due diligence in attempting to identify all known and unknown claims, and that the Rehabilitator's efforts in such regard were reasonable, and the Rehabilitator is hereby relieved of any further obligation to identify or value any claims not previously identified, and all claims, known or unknown, are hereby discharged;

4. The Rehabilitator, Deputy Rehabilitator, and any and all agents and/or employees of the office of the Ohio Insurance Liquidator and the Ohio Department of the Insurance, and their predecessors, are hereby discharged and released from any and all responsibility and liability arising out of, related to, or in connection with the rehabilitation of GCIC.

5. The Court authorizes the Rehabilitator or his designee to retain limited authority for the sole purpose of filing final tax returns for GCIC and a Notice of Prompt Assessment with the Internal Revenue Service;

6. The Court authorizes the Rehabilitator to destroy all records of GCIC in the Rehabilitator's possession two (2) years after the date of this Order.

7. The Court finds that the Certificate of Authority of Defendant GCIC to operate as a property and casualty insurance company in the State of Ohio has been surrendered, as indicated in the Order of the Superintendent of Insurance dated February 22, 2002, which is attached hereto as Exhibit B, and incorporated herein by reference;

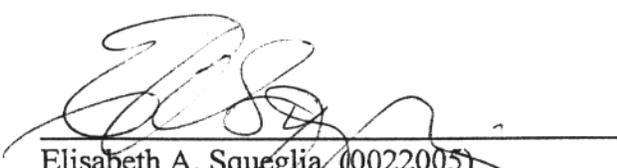
8. The Court further finds that Defendant GCIC has been prohibited by the Superintendent of Insurance in said Order of the Superintendent of Insurance from engaging in the business of insurance in Ohio and, prior to engaging in any non-insurance business, has been ordered to amend its Articles of Incorporation to change its name to remove the words "Insurance Company" and to restate its purpose to eliminate any reference to the business of insurance.

9. The Court finds that all matters regarding the rehabilitation of GCIC have been finalized, and the rehabilitation of GCIC is hereby terminated as of the date of this Order, and the Rehabilitator is hereby released from any further obligation with respect to GCIC; and

10. The Court hereby dismisses Plaintiff J. Lee Covington II and Defendant GCIC as parties to this action.

JUDGE MICHAEL H. WATSON

APPROVED:



Elisabeth A. Squeglia (0022005)
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100 South Third Street
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(614) 227-2396
Attorneys for J. Lee Covington II,
Superintendent of Insurance as
Rehabilitator of Governmental Casualty
Insurance Company, as Special
Counsel to Betty Montgomery,
Attorney General of Ohio

EXHIBIT A

GOVERNMENTAL CASUALTY INSURANCE COMPANY
IN REHABILITATION
CASH RECEIPTS AND DISBURSEMENTS
STATEMENT FOR THE PERIOD JANUARY 1, 2001 TO JANUARY 31, 2002

	<u>BANK BALANCE</u>	<u>SAVINGS ACCOUNT</u>	<u>TOTAL</u>
<u>BALANCE AT 1/1/01</u>	9,159.62	714,135.55	723,295.17
<u>RECEIPTS</u>			
Investment income	0.00	29,489.81	29,489.81
Other deposits	0.00	0.00	0.00
Internal transfers	<u>12,000.00</u>	<u>(12,000.00)</u>	<u>0.00</u>
Total Receipts	<u>12,000.00</u>	<u>17,489.81</u>	<u>29,489.81</u>
<u>DISBURSEMENTS</u>			
Operating expenses	<u>15,979.79</u> a)	<u>0.00</u>	<u>15,979.79</u>
Total Disbursements	<u>15,979.79</u>	<u>0.00</u>	<u>15,979.79</u>
<u>BALANCE AT 1/31/02</u>	<u>5,179.83</u>	<u>731,625.36</u>	<u>736,805.19</u>

a) See attached listing

**GOVERNMENTAL CASUALTY INSURANCE COMPANY
IN REHABILITATION
DISBURSEMENT LISTING FOR OPERATING EXPENSES
JANUARY 1, 2001 TO JANUARY 31, 2002**

<u>PAYEE</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
Ohio Dept of Ins.	Exam fees	461.98
Bricker & Eckler	Legal fees	15,333.04
Bank One	Service charge	15.75
Ohio Liquidation Office	Salary allocation	169.02
	Total Operating Expenses	<u>15,979.79</u>

**GOVERNMENTAL CASUALTY INSURANCE COMPANY
IN REHABILITATION
FINAL EXPENSES**

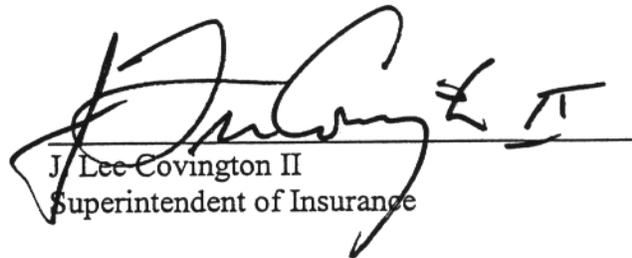
Balance of accounts on January 31, 2002		\$736,805.19
Final Expenses/Disbursements to Close Rehabilitation:		
Bricker & Eckler	16,011.36	
Ernst & Young	9,000.00	
Ohio Department of Insurance	223.28	
Ohio Liquidation Office	413.77	
Total Final Expenses	<u> </u>	<u>(25,648.41)</u>
Final Balance*		<u><u>\$711,156.78</u></u>

*Final Balance to be remitted to the Court plus accrued interest from February 1, 2002 to date of check issuance.

NOW, THEREFORE, IT IS ORDERED THAT GCIC's Certificate of Authority is surrendered pursuant to the terms of the Rehabilitation Plan, and such surrender is hereby accepted.

IT IS FURTHER ORDERED that GCIC is prohibited from engaging in the business of insurance in Ohio and, prior to engaging in any non-insurance business, GCIC is ordered to amend its Articles of Incorporation to change its name to remove the words "Insurance Company" and to restate its purpose to eliminate any reference to the business of insurance.

Entered upon the Journal of the Ohio Department of Insurance this 22nd day of February, 2002.


J. Lee Covington II
Superintendent of Insurance