

late-filed claims or any request for proof of claim (“POC”) forms in the LMI liquidation proceedings;

(c) all Unspecified Claims and Future Claims, as defined in the Motion, shall be barred and foreclosed after the Final Bar Date;

(d) this Court authorizes the Liquidator to reject any attempted filing of a claim or requests to the Liquidator for POC forms after the Final Bar Date, and, that the Liquidator will accordingly issue notice to the person attempting to file said claim advising that the claim will NOT be considered by the Liquidator and shall be treated as if no claim was filed and that the claimant attempting to present such a late-filed claim after the Final Bar Date shall not be entitled to any further consideration;

(e) a proof of claim may be Perfected, as defined in the Motion, notwithstanding that the liability before or after setoff has not been determined and/or the amount thereof has not been liquidated by the Final Bar Date. A creditor shall be entitled to submit additional information to the Liquidator relating to the underlying claim as such information is developed over time; and, that Liquidator will take such information into account in making an appropriate determination pursuant to R.C. 3903.36 et seq. of the final amount of liability, both before and after setoff;

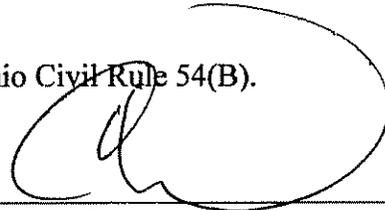
(f) this Court approves the form of notice, attached hereto as Exhibit A, regarding establishment of the Final Bar Date among other things (“Notice”);

(g) the Liquidator shall send the Notice to the various insurance guaranty associations and insurance departments of the applicable states, and all known LMI policyholders, as defined in the Motion, creditors and claimants, by first class U.S. mail;

(h) if any notice sent to the last known address provided by the policyholder or claimant to the Liquidator is returned as undeliverable, the Liquidator shall have no further obligation to attempt to locate another address, and

(i) with respect to the operation and effect of the forgoing, the Liquidator shall comply with the provisions of R.C. 3903.35 (C).

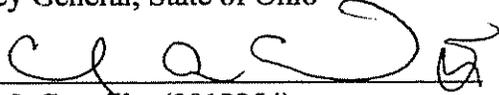
There is no just reason for delay under Ohio Civil Rule 54(B).



Judge Charles A. Schneider

Approved:

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LMI Insurance Company

LMI INSURANCE COMPANY

**NOTICE OF (1) ESTABLISHMENT OF
JUNE 30, 2009 AS THE ABSOLUTE FINAL BAR DATE;
(2) BAR AND FORECLOSURE OF ALL UNSPECIFIED AND FUTURE CLAIMS
AFTER ABSOLUTE FINAL BAR DATE; AND (3) LIQUIDATOR'S DETERMINATION
NOT TO EXERCISE DISCRETION TO ACCEPT LATE-FILED CLAIMS
AFTER ABSOLUTE FINAL BAR DATE**

The Liquidator of LMI Insurance Co. (LMI) hereby gives notice of the following: (1) an absolute and final bar date in the LMI liquidation proceeding has been established, which is **June 30, 2009** (the "**Final Bar Date**"); (2) the Liquidator has decided not to exercise her discretion to accept any late-filed claims after the **Final Bar Date**; (3) all **Unspecified and Future Claims**, as defined below, are barred and foreclosed after the **Final Bar Date**; (4) the Court of Common Pleas of Franklin County, Ohio, in Case No. 00CVH03-2431 (the "Liquidation Court"), entered an order on 12/2, 2008 (the "Order") which, among other things, approved this Notice and provided for the three items described in the preceding sentence.

The Order provides that the **Final Bar Date** in the LMI liquidation proceedings has been established and is **June 30, 2009**. The Order, among other things, also:

(a) approves the Liquidator's determination not to exercise her discretion pursuant to R.C. 3903.35(B) and (D), so that after the **June 30, 2009 Final Bar Date**, the Liquidator will not accept any late-filed claims or any requests for Proof of Claim forms;

(b) approves that **June 30, 2009** is the Absolute and Final Bar Date in the LMI liquidation proceeding;

(c) provides that all "**Unspecified Claims**" and "**Future Claims**," as defined below, are barred and foreclosed after the **June 30, 2009 Final Bar Date**, and absolutely no late filings will be accepted thereafter;

(d) orders that any attempted filing of either a **Unspecified** or a **Future Claims** after the **June 30, 2009 Final Bar Date**, or any claim after the **June 30, 2009 Final Bar Date** shall **not** be considered, no written notice of denial under R.C. 3903.39 need be issued, and the filer of such a claim shall not be entitled to any hearing on the claim;

(e) orders that if any Notice is returned as undeliverable to the Liquidator, she shall have no further obligation to attempt to locate a correct address; and

(f) includes a certification that there is no just reason for delay under Civil Rule 54(B), so that the Order is a final order subject to immediate appeal.

"**Unspecified Claims**" are demands or rights of action, whether or not the claimant asserts that it has been reported to the Liquidator under a POC or Blanket Proof of Claim, that includes: (a) demands that are not capable of being Perfected by June 30, 2009; (b) rights of action that have accrued but the liability has not been determined or the amount thereof liquidated and the claimant has not Perfected the claim by June 30, 2009; (c) demands where the LMI insured or Liquidator has received reports or notices, whether or not formal demands for payment were included, on the basis that a demand or claim may mature at some point; (d) demands asserted in litigation with the LMI insured that are reopened

and reported after June 30, 2009; and/or (e) claims of minors not asserted or Perfected on or before June 30, 2009.

An "Unspecified Claim" does not include a contingent claim described under R.C. 3903.37 provide that on or before June 30, 2009 the Liquidator is provided with sufficient information under R.C. 3903.36 for the Liquidator to determine and allow the contingent claim.

"Perfected" means that claimants have provided to the Liquidator sufficient information and documentation describing the facts of the claim, including but not limited to: (a) a detailed statement describing the claim; (b) a detailed statement describing the dollar value of the claim; (c) documents evidencing damage; and (d) all other information or documents helpful to proving the claim, all as required by R.C. 3903.36 and the instructions to the POC form.

"Future Claims" are "claims" that may be filed in the future that includes one or more of the following features: (a) the claim arises after June 30, 2009; (b) the facts surrounding the claim are presently unknown to the Liquidator and/or the claimant whether or not intended to be set forth within a Blanket Proof of Claim; and/or (c) the claim has yet to be asserted against a LMI insured and/or the Liquidator. Future Claims often appear in the form of long-tail liability claims, such as workers compensation, pollution, products liability, asbestos contamination, or similar claims, and, once asserted, it is common for such claims to take many years to develop, through litigation, before damages are determined.

Any Proof of Claim that was received by the Liquidator after May 23, 2001 Bar Date established by the Liquidation Court's June 6, 2000 Order will be classified as a Class 7 late-filed claim under R.C. 3903.42(G).

In order to have a claim considered and to be eligible to share in any pro rata distribution from the LMI liquidation proceeding, if any, all LMI claimants, insureds and creditors MUST file their Proofs of Claim with the Liquidator on the appropriate Proof of Claim form.

Please be advised that this Notice does NOT affect any creditor who has already filed a Proof of Claim and who has sufficiently documented that an actual claim exists. If you have already filed a Proof of Claim describing an actual claim, with appropriate attached documentation, you do not need to take any additional action to preserve your actual and existing claim.

If you have already filed a Proof of Claim for an Unspecified Claim or a Future Claim but have not documented it, you **MUST submit to the Liquidator sufficient supporting information to document your claim no later than June 30, 2009, or your claim will be foreclosed and forever barred.** Claimants are required to submit all documents relating to or supporting claims covered by LMI in writing to the Liquidator. Supporting information and documentation describing all facts of the claim, including but not limited to: (a) a detailed statement describing the claim; (b) a detailed statement describing the dollar value of the

claim; (c) documents evidencing damage; and (d) all other information or documents helpful to proving the claim, all as required by R.C. 3903.36 and the instructions to the Proof of Claim form. Unspecified and Future Claims will not participate in any pro rata distribution from the LMI liquidation proceeding even if an unsupported Blanket Proof of Claim was submitted on or before the June 30, 2009 Final Bar Date.

If documents supporting your claim have been lost or destroyed, you should submit your Proof of Claim along with a statement of the facts and circumstances of such loss or destruction, made under oath.

Any and all documentation regarding claims must be received on or before the June 30, 2009 Final Bar Date and should be submitted to:

**Office of the Ohio Insurance Liquidator
Attn: LMI
50 W. Town Street, Third Floor – Suite 350
Columbus, Ohio 43215-4197**

Be advised that you must advise the Liquidator, in writing, at the address above, of any change of address. **Failure to advise the Liquidator of a change of address may, and probably will, result in denial of your claim.**

Finally, please be further advised that, due to the Rule 54(B) certification in the Order, the Order is a final order subject to appeal within thirty (30) days of _____, 2008 (date of entry of the order). If the Order is not timely appealed, or if the Order is upheld on appeal, you will have no further right to any court hearing as to any claim you might file either (a) after the June 30, 2009 Final Bar Date; (b) that is not supported by sufficient supporting documentation; or (c) that is an Unspecified Claim or a Future Claim, and any such claim will not be accepted for filing, the claim will not be considered and the claimant filing such claim will not receive any notice of the denial of the claim and will not have the right to a hearing on such claim.