



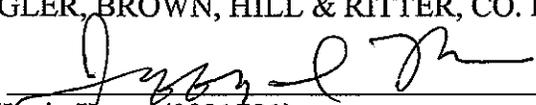
Dated: \_\_\_\_\_

  
Judge Beverly Pfeiffer

APPROVED:

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## LIQUIDATOR'S INVESTMENT GUIDELINES

### I. POLICY

The following investment objectives and guidelines govern the management of assets of the various insurance companies in liquidation, or in rehabilitation, for the Office of the Ohio Insurance Liquidator ("OIL"). The Liquidator may not commingle funds of the various insurance companies in liquidation or in rehabilitation. Accordingly, the funds of each company are held separately in the name of individual estate. Each estate has its own operating and brokerage accounts.

### II. OBJECTIVES

The following objectives apply to all investments executed by or on behalf of OIL: (1) to maximize safety of principal; (2) to maintenance of a high degree of liquidity; (3) to ensure proper matching of asset maturities to anticipated disbursement needs of the individual estates; and (4) to optimize the current return on invested assets.

The Liquidator invests all funds in excess of operating needs in the types of investments outlined below. The Liquidator diversifies investments into the classifications of obligations outlined in the Guidelines section below based upon the relative rates of return of the investments and the short-term cash flow needs of the individual estates. The Liquidator holds all U.S. Treasury Obligations for their term in order to avoid risk to the estates due to interest rate fluctuations. The remaining funds are invested in shorter-term obligations to maximize the rate of return.

### III. GUIDELINES

The Liquidator may invest or execute transactions for any part or all of the funds of the various estates in the following classifications of obligations only:

- A. **U.S. Treasury Obligations.** United States treasury bills, notes, bonds, or any other obligations or securities issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States.
- B. **Federal Agency Obligations.** Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality.
- C. **No-Load Money Market Mutual Funds.** No-load money market mutual funds consisting exclusively of the following classifications of obligations: (1) United States treasury bills, notes, bonds, or any other obligations or securities issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States; or (2) Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality.

**D. Certificates of Deposit.** Certificates of deposit in an eligible Ohio financial institution that is a member of the federal reserve system or federal home loan bank.

**E. Repurchase Agreements.** Investments in written repurchase agreements that set forth the terms and conditions of the agreement between the parties, under the terms of which agreement the participating institution agrees unconditionally to repurchase any of the securities listed in section (A) or (B) above. The agreement shall contain the requirement that for each transaction pursuant to the agreement, the participating institution shall provide all of the following information:

1. the face amount of the securities;
2. the type, rate, and maturity date of the securities; and
3. a numerical identifier generally accepted in the securities industry that designates the securities.