

IN THE COURT OF COMMON PLEAS
FRANKLIN COUNTY, OHIO

J. LEE COVINGTON, II,
Superintendent of Insurance,
State of Ohio, Liquidator of
The Proprietors' Insurance Company

Plaintiff,

v.

THE PROPRIETORS' INSURANCE
COMPANY

Defendant.

Case No. 81CV-07-3941

Judge Beverly Y. Pfeiffer

FILED
COMMON PLEAS COURT
FRANKLIN CO. OHIO
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CLERK OF COURTS - CV

**APPLICATION FOR AN ORDER APPROVING THE LIQUIDATOR'S
FINAL ACCOUNTING AND DISBURSEMENTS; DISCHARGING AND
RELEASING THE LIQUIDATOR; CLOSING THE LIQUIDATION
ESTATE; AND DISSOLVING THE CORPORATE ENTITY OF
PROPRIETORS' INSURANCE COMPANY**

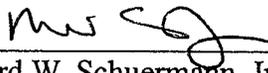
Now comes J. Lee Covington, II, Liquidator (the "Liquidator") of Proprietors' Insurance Company ("PIC"), and moves this Court for an Order approving the final accounting of the Liquidator and disbursements reflected therein and all related actions of the Liquidator (attached as Exhibit A); discharging 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; authorizing the Liquidator or his designee to retain limited authority for the sole purposes of filing a final audit report with the Court and of executing the final 2000 tax return and filing it with the Internal Revenue Service;

closing the liquidation estate; and dissolving the corporate entity of Proprietors' Insurance Company. The Liquidator supports this motion with the attached memorandum.

Respectfully submitted,

BETTY D. MONTGOMERY
Attorney General for the State of Ohio

By:


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Attorneys for J. Lee Covington, II, in his
capacity as Liquidator of The Proprietors'
Insurance Company

MEMORANDUM IN SUPPORT

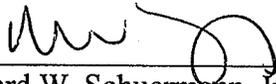
Proprietors' Insurance Company ("PIC") was placed into Liquidation by Order of this Court on August 31, 1981. On July 18, 1997, this Court entered an Order approving the Liquidator's report of claims for Class 1, Class 2 and Class 3 in the PIC liquidation estate and ordering payment of those claims consistent with the Liquidator's report. On May 18, 2000, this Court entered an Order approving the valuation of Class 5 claims and, after withholding sufficient funds for administrative expenses, ordering a distribution of all remaining funds, on a pro rata basis, to the allowed claimants. Accordingly, the Liquidator has transferred any "unclaimed funds" from these distributions to the Ohio Department of Commerce, Division of Unclaimed Funds. Prior to December 31, 2000 and in accordance with these Orders and Revised Code Chapter 3903, the Liquidator disbursed all assets of the estate and a final accounting is attached as Exhibit A. The Liquidator has reviewed the books and records of the estate and determined that all matters involving the estate have been finalized. All of this having been accomplished, only two ministerial functions remain, which cannot be performed until after the closing of the liquidation takes place. The first is a final audit of the estate, which audit report will be filed with the Court once it is completed. Secondly, because the final distribution of assets from the PIC liquidation estate took place in 2000, a final 2000 tax return must be prepared and filed with the Internal Revenue Service. For these reasons, the Liquidator requests this Court to authorize the Liquidator or his designee to retain limited authority for the sole purposes of filing the final audit with the Court and of executing a final 2000 tax return and filing it with the Internal Revenue Service in the manner provided by law. Finally, once the liquidation of PIC is complete and the Liquidator is discharged, then the corporate entity of PIC is dissolved by operation of law pursuant to Revised Code Section 3903.20.

Accordingly, as the liquidation of PIC has been completed, the Liquidator moves this Court for an Order approving the final accounting of the Liquidator and the disbursements reflected therein and all related actions of the Liquidator (attached as Exhibit A); 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; authorizing the Liquidator or his designee to retain limited authority for the sole purposes of filing a final audit with the Court and of executing a final 2000 tax return and filing it with the Internal Revenue Service; closing the PIC liquidation estate effective December 31, 2000; and ordering the dissolution of the corporate entity of PIC pursuant to Revised Code §3903.20.

Respectfully submitted,

BETTY D. MONTGOMERY
Attorney General for the State of Ohio

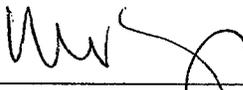
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Attorneys for J. Lee Covington, II, in his
capacity as Liquidator of The Proprietors'
Insurance Company

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Application For an Order Approving the Liquidator's Final Accounting and Disbursements; Discharging and Releasing the Liquidator; Closing the Liquidation Estate; and Dissolving the Corporate Entity of Proprietors' Insurance Company was served upon J. Lee Covington, c/o Douglas L. Hertlein, Chief Deputy Liquidator, Office of the Ohio Insurance Liquidator, 1366 Dublin Road, Columbus, Ohio 43215, by regular U.S. Mail this 27 day of December, 2000.



Richard W. Schuermann, Jr. (0032546)

Exhibit A

Liquidator of Proprietors' Insurance Company
Statement of Receipts and Disbursements
For The Period 07/01/00 to 11/30/00

	CASH	SECURITIES	TOTAL
Balance at 06/30/00	\$20,309.64	\$30,097.55	\$50,407.19
Security Amortization for the Period	0.00	0.00	0.00
RECEIPTS			
Investment Proceeds in Repo Agreement (Note 1)	30,097.55	(30,097.55)	0.00
Interest/Dividend Income	29,828.06	0.00	29,828.06
Other Income	115.00	0.00	115.00
Reinsurance Recoveries	56.54	0.00	56.54
Recovery from NC Insurance Dept. - NC Fair Plan	2,694.47	0.00	2,694.47
Uncashed and Undeliverable Class 5 Distribution Checks (Note 2)	203,459.31	0.00	203,459.31
TOTAL RECEIPTS	266,250.93	(30,097.55)	236,153.38
DISBURSEMENTS			
General Operating Expenses	55,145.64	0.00	55,145.64
Employee Wages, Taxes, Benefits	17,955.62	0.00	17,955.62
Ohio Department of Commerce/Div of Unclaimed Funds (Note 2)	203,459.31	0.00	203,459.31
Legal Expense	10,000.00	0.00	10,000.00
TOTAL DISBURSEMENTS	286,560.57	0.00	286,560.57
Balance at 11/30/00	\$0.00	\$0.00	\$0.00

A A B

(A) Excluding \$0.00 held by States.

(B) Bonds carried at amortized value.

Note 1: The captions "Investment Proceeds in Repo Agreements" or "Investment Purchases in Repo Agreements" represent the difference between total repurchase sales and purchases for the reporting period.

Note 2: Pursuant to the May 18, 2000, Order of the Liquidation Court approving the distribution of assets to Class 5 claimants, all funds represented by uncashed and undeliverable checks from this distribution were to be considered unclaimed funds and be escheated and paid over to the Division of Unclaimed Funds pursuant to Ohio Revised Code Chapter 3903