

3. As mandated by R.C. 3903.13 to 3903.16, the Rehabilitator prepared and submitted to the Court a Rehabilitation Plan and Addendum to the Plan of Rehabilitation for Colonial to ensure that Colonial continued to meet its obligations to existing policyholders. (“Plan”)
4. On April 5, 2004, this Court approved the Plan through a Final Order Approving Rehabilitation Plan for Colonial Insurance Company.
5. On May 13, 2008, the Rehabilitator prepared and submitted to the Court a Modified Rehabilitation Plan For the Colonial Insurance Company through Approval of Assumption Reinsurance Agreement. (“Modified Plan”)
6. Following over a year and a half of searching for an insurance company in good standing to purchase the Colonial block of business, Central United Life Insurance Company (“Central United”) offered to buy Colonial’s remaining block of business.
7. After receiving Central United’s offer, the Rehabilitator requested an outside independent consultant who opined that Central United’s offer was reasonable and he recommended that the Rehabilitator accept Central United’s offer. Based partly on the outside independent consultant’s opinion, the Rehabilitator negotiated a definitive agreement (the “Assumption Reinsurance Agreement”) with Central United.
8. On May 14, 2008, this Court set forth its Order on Notice, Schedule and Hearing of the Motion. Pursuant to the Court’s May 14, 2008 Order, the Rehabilitator was required, among other notice, to provide notice of the Modified Plan and Court Schedule to all persons known or reasonably known to have claims against Colonial. On June 2, 2008, the Rehabilitator filed Notice of Compliance with this Court’s May 14, 2008 Order requiring notice.

9. All objections to the Modified Plan and/or other matters affecting the rehabilitation were to be filed with the Court by June 9, 2008.

10. As of June 13, 2008, no objections to the Modified Plan were filed.

11. On June 16, 2008, the Rehabilitator filed with this Court a Notice that no objections had been filed and a proposed order.

12. In accordance with this Court's May 14, 2008 Order, this Court held a hearing on June 24, 2008 in which only the Rehabilitator through counsel entered an appearance.

Upon further deliberation, the Court finds the Rehabilitator's Motion and Modified

Plan to be well-taken and it is hereby ORDERED, ADJUDGED and DECLARED as follows:

1. The Modified Rehabilitation Plan and the Assumption Reinsurance Agreement between Colonial and Central United are fair and equitable to all parties concerned and comply with the applicable provisions of R.C. 3903.14 and are therefore approved.
2. The Assumption Reinsurance of the Policies (as defined in the Assumption Reinsurance Agreement) by Central United is free and clear of any and all successor liability to any and all of Colonial's members.
3. Central United will comply with the Rehabilitation Plan, the Rehabilitation Plan Approval Order and all other orders of the Rehabilitation Court.
4. As of the Assumption Effective Date (as defined in the Assumption Reinsurance Agreement), all of Colonial's contractual rights, obligations, liabilities and risks with respect to the Policies will transfer to Central United, with the result that Central United, as transferee, in all respects and conditions, shall succeed Colonial as the insurer under terms and provisions of each of the Policies and the Rehabilitation Plan

approved on April 5, 2004 by this Court, as though Central United had originally issued such Policies and Central United shall assume, as administrator, full and complete responsibility for servicing and administering the Policies in accordance with the terms and conditions of the Agreement and the Policies. Colonial will have no further rights or liability for the Policies (as defined in the Assumption Reinsurance Agreement).

5. As Colonial is a Mutual Protective Association, upon the Assumption Effective Date, Colonial will have no members.
6. Colonial's existence will continue solely for the purpose of winding up its business and the rehabilitation proceeding.
7. Colonial's CC agents will receive their accrued commissions through Colonial's winding up process.
8. Colonial's employees will be terminated and given an industry standard severance package through Colonial's winding up process.
9. All of Colonial's administrative expenses will continue to be paid as they are incurred until this Court orders the discharge and release of the Rehabilitator, a final accounting, a closing of the estate and a dissolution of Colonial's mutual protective association.

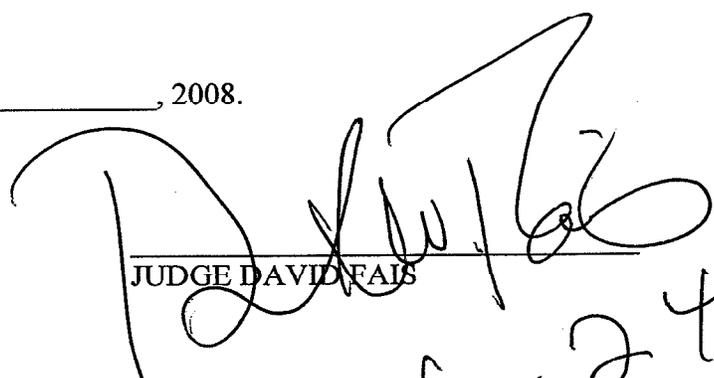
It is further ORDERED that the Court approves the Modified Plan for Colonial's sale of the remaining block of Colonial's business as provided in the Modified Plan.

It is further ORDERED that the Rehabilitator shall implement and carry out the Modified Plan according to the applicable provisions of R.C. 3903.14.

It is further ORDERED that the Rehabilitator will continue to monitor the implementation of the Modified Plan to ensure that Colonial's rehabilitation adheres to the provisions of the Modified Plan.

It is further ORDERED that this Court shall retain jurisdiction to hear and determine all matters relating to the rehabilitation of Colonial, the Modified Rehabilitation Plan and the Assumption Reinsurance Agreement.

DATED this ____ day of _____, 2008.

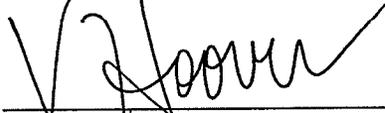


JUDGE DAVID FAIS

6-24-08

APPROVED:

KOHRMAN JACKSON & KRANTZ, P.L.L.



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