

IN THE COURT OF COMMON PLEAS
FRANKLIN COUNTY, OHIO

MARY TAYLOR,
Ohio Superintendent of Insurance,
In her Capacity as Liquidator of
The Physicians' Assurance Corporation,

Plaintiff,

vs.

The Physicians' Assurance Corporation,

Defendant.

CASE NO. 09CVH 08 12492

JUDGE LAUREL A. BEATTY

ORDER GRANTING LIQUIDATOR'S MOTION AND APPLICATION FOR ORDER
APPROVING LIQUIDATOR'S FINAL REPORT OF CLAIMS, RESERVE FOR
ADMINISTRATIVE EXPENSES, AND AUTHORIZING FINAL DISTRIBUTION OF
ASSETS AND TERMINATING THE LIQUIDATION PROCEEDINGS OF
THE PHYSICIANS ASSURANCE CORPORATION

FILED
COMMON PLEAS COURT
FRANKLIN CO., OHIO
2011 OCT 25 AM 11:15
CLERK OF COURT

This matter came to be heard upon the Liquidator's Motion and Application for Order Approving Liquidator's Final Report of Claims, Reserve for Administrative Expenses, Authorizing Final Distribution of Assets and Terminating the Liquidation Proceedings of The Physicians' Assurance Corporation ("TPAC") pursuant to R.C. 3903.42, 3903.43, and 3903.44 and related sections. Upon consideration of the Liquidator's Motion and Application, Memorandum in Support, Exhibits, including the Liquidator's Final Report of Claims, the Court finds that good grounds exists for the Motion and that the Motion is well-taken, and, it is hereby ORDERED, ADJUDGED and DECREED as follows:

1. The Liquidator's Motion and Application for Order Approving Liquidator's Final Report of Claims, Reserve for Administrative Expenses, Authorizing Final Distribution of Assets and Terminating the Liquidation Proceeding of TPAC is GRANTED in its entirety.

2. The Liquidator's Final Report of Claims in Classes 1 through 9 attached as Exhibit A to the Motion and Application, including the determinations of the amounts and the classes of each claim as set forth therein, is hereby approved.
3. The Liquidator's reservation of the amount of \$26,992.72, as detailed in Exhibit B attached to the Liquidator's Motion and Application, for the prepayment of administrative expenses under Class 1 of R.C. 3903.42 related to closing the TPAC estate, that the Liquidator incurred, but has not yet paid, or anticipates will necessarily be incurred in this regard, is hereby approved and authorized pursuant to R.C. 3903.42 and R.C. 3903.46(A).
4. Pursuant to R.C. 3903.42 and R.C. 3903.46(A) and prior Orders of this Court, the Liquidator is authorized to pre-pay the above-referenced reserve for the TPAC estate's unpaid administrative expenses related to the closure of the TPAC estate to LMI. The payment and receipt of these funds shall be reported in the LMI periodic accountings, but the expenditure of it is not separately tracked, accounted for or reported pursuant to the provisions of paragraph 3 on page 8 of the Administrative Expense Operating procedure that apply to Closed and Closing Estates.
5. The Liquidator is hereby authorized to make a final pro rata distribution of the remaining assets of TPAC (after subtracting the \$26,992.72 reserve for administrative expenses) via one cashier's check issued and mailed or hand delivered to the Ohio Life & Health Guaranty Association as follows: (i) 100% distribution to Class 1 (\$23,084.00) on its allowed claims; and (ii) 54.3579% pro rata distribution to Class 2 (\$1,502,817.10) on its allowed claims, as specifically reflected in Exhibit A attached to the Motion. This distribution of TPAC's assets are conclusive with respect to all claimants, whether or not they received notice, pursuant to R.C. 3903.22(C).
6. Pursuant to R.C. 3903.46(A), the Liquidator or her designee are authorized to retain limited authority for the following purposes: (a) filing a final accounting with the Court; (b) filing a final audit report with the Court; (c) executing the TPAC 2011 tax return and filing the return with the Internal Revenue Service in the manner provided by law; and (d) taking all related actions as authorized or as deemed necessary and appropriate by the Liquidator to close the TPAC liquidation estate and carry out various sections of R.C. Chapter 3903 and the orders of this Court.
7. Pursuant to R.C. 3903.46(A) and related sections, the Liquidator is authorized to close TPAC's bank accounts on or before October 31, 2011.
8. Pursuant to 3903.20, that the corporate entity of The Physicians' Assurance Corporation is hereby dissolved.

9. Pursuant to R.C. 3903.46(A) and 3903.48, this Court approves and authorizes the destruction of the TPAC and Liquidator books and records in any medium as follows: (a) all remaining pre-liquidation books and records in any medium, shall be immediately destroyed; (b) all remaining post-liquidation books and records in any medium that the Liquidator determines are no longer essential, or that are not required to be maintained shall be immediately destroyed; (c) all other books, records and documents in any medium shall be destroyed on or after the date three (3) years following the date of the order granting this application; and (d) finding that the Liquidator has no duty or obligation to preserve books, records or documents in any medium or anything else related to TPAC as possible discovery or evidence in any future litigation, investigation or contested matter.
10. Pursuant to R.C. 3903.46(A), this Court finds that TPAC's remaining physical assets are uneconomic to distribute, and approves and authorizes the Liquidator to abandon such physical assets.
11. Pursuant to R.C. 3903.46(A), this Court orders the abandonment of uncollected claims.
12. Pursuant to R.C. 3903.46(A) and R.C. 3903.07, the Liquidator is discharged and provided the protections afforded under R.C. 9.86, 9.87, 109.36 to 109.366 [109.36.6] to the Liquidator, her predecessors and successors, any and all former and current deputy liquidators, any former and current employees of the Ohio Department of Insurance, any former or current employee appointed by the Superintendent as Liquidator, and any former or current employee who serves under the Liquidator.
13. Pursuant to R.C. 3903.46(A) and R.C. 3903.07, the Liquidator, her predecessors, successors and any and all deputy rehabilitators, deputy liquidators, agents or employees of the Liquidator and employees of the Ohio Department of Insurance, are released of all claims and liability of any nature whatsoever and whenever incurred (including but not limited to costs, expenses and attorneys' fees) relating to, involving or arising out of any and all actions, decisions, conduct, transactions, or events that were alleged or that could have been alleged in the TPAC liquidation proceedings or in any other litigation that in any way relates to or involves TPAC, the TPAC liquidation proceedings, or any proceedings related to TPAC or the TPAC liquidation proceedings.
14. This Court finds that all other matters regarding the liquidation of TPAC have been finalized in accordance with the Orders of this Court, and effective immediately following the distribution authorized herein, which will occur on or before October 31, 2011, the TPAC liquidation estate is closed and this case is terminated.

It is so ORDERED.

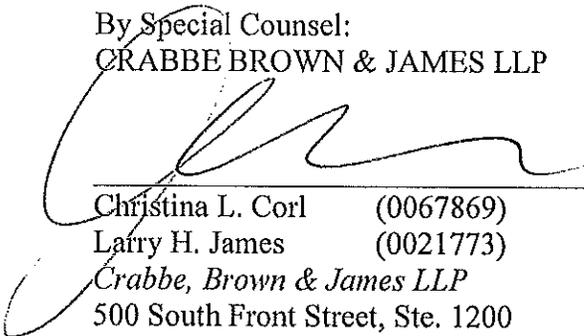
Date: October ___, 2011

Laurel A. Beatty, JUDGE

APPROVED:

MIKE DEWINE
Attorney General State of Ohio

By Special Counsel:
CRABBE BROWN & JAMES LLP



Christina L. Corl (0067869)

Larry H. James (0021773)

Crabbe, Brown & James LLP

500 South Front Street, Ste. 1200

Columbus, Ohio 43215

Telephone 614.229.4562

Facsimile 614.229.4559

Email: CCorl@CBJLawyers.com

*Attorneys for Mary Taylor, Ohio Superintendent
of Insurance, in her Capacity as Liquidator of
The Physicians' Assurance Corporation*