

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION

IN THE MATTER OF THE REHABILITATION)
OF AMERICAN MUTUAL REINSURANCE)
COMPANY)

CH 1595
JUN 25 1989
DOROTHY BROWN
CIRCUIT COURT
NO. 88 CH 1595

**MOTION FOR APPROVAL OF SETTLEMENT WITH OBJECTING
GUARANTY FUND CERTIFICATE NOTE HOLDERS**

MICHAEL T. MCRAITH, Director of Insurance of the State of Illinois, acting solely in his capacity as statutory and court-affirmed rehabilitator (the "Rehabilitator") of American Mutual Reinsurance Company ("AMRECO"), by and through his attorneys, moves this Court for the entry of an order approving a proposed settlement, as set forth in greater detail below.

I. BACKGROUND

A. RUN-OFF OF CLAIMS

1. On February 22, 1988, this Court entered an order of rehabilitation against AMRECO (the "Rehabilitation Order").
2. The Rehabilitation Order directed the Rehabilitator to take control of the property, business, books and affairs of AMRECO, and to rehabilitate them pursuant to the provisions of Article XIII of the Illinois Insurance Code (the "Code"), 215 ILCS 5/187 *et seq.*
3. Thereafter, the Rehabilitator circulated the Amended Plan of Rehabilitation to all of AMRECO's debtors and creditors, and this Court approved the Amended Plan on September 6, 1988.

4. Subsequently, the Rehabilitator circulated a Second Amended Plan of Rehabilitation (the "Second Amended Plan") to all of AMRECO's debtors and creditors, and this Court approved the Second Amended Plan on December 21, 2001.

5. Since November of 2005, all of the estate's assumed reinsurance liabilities have been paid in full pursuant to the provisions of AMRECO'S plans of rehabilitation. This means all such claims have been paid in cash and Surplus Drafts. The outstanding amount of all Surplus Drafts is \$166,637,427.88.¹

6. During the run-off phase of these proceedings, claims liabilities in the amount of \$513 million were paid as follows: \$346.4 million in cash and offsets, and \$166,637,427.88 million with surplus drafts.

**B. THE REHABILITATOR'S PROPOSED
FIFTH PREPAYMENT ON SURPLUS DRAFTS**

7. Prior to the payment of Amreco's last assumed claims liability, the Rehabilitator made four court approved prepayments on the Surplus Drafts entitled to participate in each such prepayment. These prepayments occurred in 1990, 1994, 1997 and 2004.

8. Subsequent to the payment of Amreco's last assumed claims liability, the Rehabilitator sought court approval for a fifth prepayment on Surplus Drafts. A petition for approval of the prepayment was filed in April of 2006. The largest Surplus Draft holder, Electric Mutual Liability Insurance Company ("EMLICO")², filed written objections to the Rehabilitator's petition based upon unique circumstances pertaining to the majority of its Surplus Draft holdings.

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1. The Surplus Drafts accrue interest at a minimum rate of 0.5%, payable annually.
 2. EMLICO holds approximately 14.5% of the outstanding Surplus Drafts.

9. On January 26, 2007, this Court sustained EMLICO's objections and entered an order denying the Rehabilitator's Petition to make a Fifth Prepayment. This Court further held that the \$23,243,243 in Surplus Drafts received by EMLICO pursuant to its 1996 commutation with AMRECO must be included in any "final" distribution of estate assets to Surplus Draft holders.

**C. THE REHABILITATOR'S PROPOSED
PLAN FOR FINAL DISTRIBUTION
AND CLOSING OF THE ESTATE**

10. In May of 2007 the Rehabilitator filed a motion seeking approval of a proposed plan for final distribution and closing of the estate (the "Proposed Plan"). Under the Proposed Plan the estate's assets would be distributed on a prorated basis to Surplus Draft holders based upon the face amount of the outstanding drafts (*i.e.*, \$166,637,427.88). Under the Proposed Plan, no estate assets would be available for distribution to the lower priority level Guaranty Fund Certificate Note holders. Subsequent to the distribution of the estate's assets, the Rehabilitator would file a final report with the court and request that AMRECO be dissolved and the rehabilitation proceedings terminated.

11. Four of the Guaranty Fund Certificate Note Holders filed objections (the "Objectors") to the Proposed Plan.³ The entire class of Guaranty Fund Certificate Note holders currently have a claim against the estate in the approximate amount of \$13.8 million.⁴ The Objectors argued alternatively that: (a) the court should hold that the claims of Guaranty

3. The objecting Guaranty Fund Certificate Note holders (appellants) are Liberty Mutual Insurance Company, Employers Insurance Company of Wausau, Hamilton Mutual Insurance Company, and Austin Mutual Insurance Company. In addition, National Casualty Company, Nationwide Mutual Insurance Company and EMC Insurance Company have also filed appearances as appellants in the pending appeal.

4. The principal amount of the guaranty fund certificate notes is \$5,015,000 and they accrue interest at the rate of 7% (without compounding).

Fund Certificate Note holders have the same priority as a those of Surplus Draft holders; (b) the court should require a present value discounting of the liabilities owed the Surplus Draft holders; or (c) the estate remain open until the 2041 maturity date of the Surplus Drafts. The objections were fully briefed and argued before this court. In December of 2007 this court overruled the objections and entered an order approving the Proposed Plan.

13. The Objectors filed a motion for reconsideration that was denied in January of 2008. The Objectors then filed a notice of appeal. The appeal is still pending, with no briefs having yet been filed.

II. PROPOSED SETTLEMENT WITH OBJECTING GUARANTY FUND CERTIFICATE NOTE HOLDERS

14. The Rehabilitator believed that an economic settlement could be reached that would: (a) allow the estate's assets to be distributed to Surplus Draft holders "now", rather than after the appeal has been finally resolved, perhaps a year or two from now, or in 2041 if the estate were to be run-off until the Surplus Drafts mature; and (b) allow the Guaranty Fund Certificate Note holders to receive a cash payment in exchange for the release of their claims.

15. Negotiations then ensued with the Objectors and a settlement was reached, subject to the approval of the rehabilitation court. A copy of the settlement agreement is attached hereto as Exhibit 1.

16. Pursuant to the terms of the proposed settlement with the Objectors, the entire class of Guaranty Fund Certificate Note holders would share ratably in a settlement payment of \$1,675,000. Payment of the settlement proceeds will be made subsequent to: (a) the order approving the settlement becoming final and non-appealable; and (b) the pending appeal being dismissed. In addition, payment of the settlement proceeds shall constitute a full and final

release of any and all claims the Guaranty Fund Certificate Note holders may have arising from or related to the Guaranty Fund Certificates. The amount of settlement proceeds to be paid each of the Guaranty Fund Certificate Note holders is as follows (an asterisk follows the name of each Objector):

GUARANTY FUND CERTIFICATE HOLDER	Share of Settlement Proceeds
Allendale Mutual Insurance Company	\$141,949
American Mutual Liability Insurance Company	\$141,949
Austin Mutual Insurance Company*	\$28,390
Central Mutual Insurance Company	\$70,975
Cotton States Mutual Insurance Company	\$42,585
Employers Insurance of Wausau A Mutual Co.*	\$425,847
Hamilton Mutual Insurance Company*	\$28,390
Liberty Mutual Insurance Company*	\$638,771
Liberty Mutual Fire Insurance Company	\$70,975
Philadelphia Manufacturers Mutual Insurance Co.	\$28,390
Protection Mutual Insurance Company	\$56,780
TOTAL	\$1,675,000

17. The Rehabilitator represents that the proposed settlement is in the best interests of the estate and its creditors. Resolution of the pending appeal by way of this settlement results in the liquidation of a claim presently valued at \$13,800,000 for \$1,675,000, avoids the risk of an adverse decision by the Illinois Appellate Court, as well as the further accrual of litigation and other administrative costs incurred by the estate resulting from further appeals and a possible re-litigation of the present value issue in the event the trial court's decision were reversed, and hastens the Rehabilitator's ability to make a final distribution of the estate's assets to the estate's creditors (*i.e.*, the Surplus Draft holders) and close the estate at the earliest feasible date.

18. The cost of the proposed settlement payment necessarily reduces the amount of assets available for payment to the Surplus Draft holders by \$1,675,000. Attached hereto as

Exhibit 2 is a two-column spreadsheet, sorted by amount, detailing the amount by which each Surplus Draft holders' distribution will be reduced as a result of the proposed settlement.⁵ Attached as Exhibit 3 is the same spreadsheet, sorted alphabetically, with the addition of a third column. The additional column sets forth the amount each of the Surplus Draft holders would receive in the event a 50% distribution were made subsequent to the payment of the proposed settlement (while the Rehabilitator estimates that the proposed settlement would allow Amreco to pay a final dividend of *approximately* 50%, the exact amount can not be calculated at this time⁶).

19. The Rehabilitator believes the impact of the proposed settlement on each Surplus Draft holder is negligible when compared to the proceeds they will receive from the Plan of Final Distribution approved by this court. The Rehabilitator further believes that the interests of the Surplus Draft holders are best served by giving them their money now, rather than by forcing them to wait until the 2041 maturity date of the Surplus Drafts to receive their next payment of principal. The proposed settlement paves the way for the issuance of a final dividend and, therefore, the Rehabilitator believes it to be in the best interest of the estate and its creditors and recommends that the court enter an order approving the settlement.

5. Parenthetically, as discussed in Paragraph 17, above, in the absence of the approval of the settlement sought herein, no distribution can be made until, at the earliest, some indefinite future date after the appeal is resolved. During the pendency of the appeal and any potential subsequent litigation, the estate's continue to incur administration expenses, including attorneys' fees and other litigation costs.

6. Surplus Draft holders would also receive payment of the annual interest accrued as of the distribution date. Interest accrues from December 1 through November 30 at the daily rate of \$2,282.44.

III. NOTICE OF HEARING


20. The Rehabilitator is providing notice of the hearing on the proposed settlement to all Surplus Draft holders and Guaranty Fund Certificate Note holders. Payment of the proposed settlement will result in payment to the Guaranty Fund Certificate Note holders prior to a final distribution to the Surplus Draft holders to which the Guaranty Fund Certificates are subordinated pursuant to the terms of the Amended and Second Amended Plans of Rehabilitation previously approved by this court. Accordingly, similar to the notice of hearing provided prior to the adoption of the Amended and Second Amended Plans of Rehabilitation, the Rehabilitator is providing notice of the hearing on this petition to both the Surplus Draft holders and Guaranty Fund Certificate Note holders. The notice of hearing provided by the Rehabilitator will allow these parties the opportunity to appear and object to the proposed settlement. Attached hereto as Exhibit 4 is a listing of the names and addresses of the Surplus Draft holders to whom notice was sent. Attached hereto as Exhibit 5 is a listing of the names and addresses of the Guaranty Fund Certificate Note holders to whom notice was sent. Finally, attached hereto as Exhibit 6 is a copy of the cover letter mailed to each of the parties identified in Exhibits 4 and 5 as part of the notice of hearing.

WHEREFORE, the Rehabilitator respectfully requests that the Court enter the approving the proposed settlement with the objecting Guaranty Fund Certificate Note holders.

Respectfully submitted,

MICHAEL T. MCRAITH
Director of Insurance for the State of Illinois,
acting solely in his capacity as statutory and court
affirmed Rehabilitator American Mutual
Reinsurance Company

By:


One of his Attorneys

D. Daniel Barr
Daniel A. Guberman
Counsel to the Receiver
222 Merchandise Mart Plaza
Suite 1450
Chicago, Illinois 60654
312/836-9500
Attorney Code #16819

EXHIBIT 1

SETTLEMENT AGREEMENT

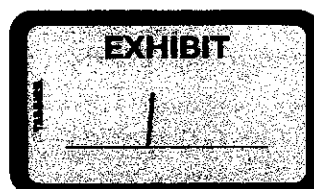
This Settlement Agreement is made this ____ day of May, 2009, by and between Liberty Mutual Insurance Company, Liberty Mutual Fire Insurance Company, Employers Insurance Company of Wausau, f/k/a Employers Insurance of Wausau, a Mutual Company (“the Liberty Entities”), National Casualty Company and Nationwide Mutual Insurance Company, (“the Nationwide Entities”), Austin Mutual Insurance Company, Hamilton Mutual Insurance Company, EMC Insurance Company (collectively the “Objectors”), Michael T. McRaith, Director of Insurance for the State of Illinois as Rehabilitator of American Mutual Reinsurance Company (“Rehabilitator”), and Electric Mutual Liability Insurance Company, Ltd. (“EMLICO”) (collectively, the “Parties”).

WHEREAS, prior to American Mutual Reinsurance Company (“AMRECO”) being placed into rehabilitation, AMRECO, from time to time, issued Guaranty Fund Certificates to the Guaranty Fund Certificate Note holders identified in Exhibit A to this Agreement;

WHEREAS, there is currently pending in the Illinois Appellate Court, First District, an appeal styled *In The Matter Of The Rehabilitation Of American Mutual Reinsurance Company*, Appeal No. 08-0798 and 08-1041 Consolidated (the “Appellate Court Litigation”);

WHEREAS, the aforementioned Appeal concerns certain objections made by the Objectors to the Rehabilitator’s Plan of Final Distribution and Closing of the Estate of American Mutual Reinsurance Company, which objections were overruled by the Circuit Court of Cook County (“Circuit Court”) by orders dated December 18, 2007 and February 26, 2008 (the “Circuit Court Litigation”);

WHEREAS, EMLICO has filed an appearance in this Appeal in support of the Rehabilitator’s position;



WHEREAS, the Parties agree that resolution of the pending Appeal at an early time is in their best interests and that of all other creditors of the AMRECO Estate, since it will reduce administrative expenses as well as allow the Rehabilitator to close the Estate in the near future and make a final distribution to the creditors of the Estate;

WHEREAS, the Parties have now agreed to resolve all matters which are pending as part of Objectors' Appeal, as provided for in this Settlement Agreement, conditioned on the Rehabilitator's election to proceed with the settlement as also discussed further below:

NOW THEREFORE the Parties agree as follows:

1. Circuit Court Approval. The Rehabilitator agrees to petition for the approval of this settlement by a final order of Circuit Court. The Rehabilitator, Objectors and EMLICO agree to use their best efforts to support the Rehabilitator's petition for approval of the Settlement Agreement. This Settlement Agreement shall become effective only upon the Circuit Court's approval of this settlement by the entry of an order which has become final and non-appealable ("Approval Order"). If the Approval Order is not obtained, this Settlement Agreement shall be null and void.

2. Election to Proceed. In the event that objections are filed to the Rehabilitator's petition for approval of this settlement, the Rehabilitator shall elect in good faith in his sole discretion, whether to contest the objections. If the Rehabilitator decides not to contest the objections, he may also then elect not to proceed with this settlement. If, on the other hand, at any time he elects to contest the objections, in the event the objections are then sustained in whole or in part, he may also then elect not to proceed with settlement. If at any time the Rehabilitator elects not to proceed with settlement, he shall give due notice to the Parties to this

Settlement Agreement of his election not to proceed with the settlement and the settlement shall be null and void.

3. Conditions and Terms of Payment.

A. Subject to (3) (B) below, the Parties have agreed that the claimants of the Estate identified on Exhibit A to this Settlement Agreement, as an expense of the Estate, shall be paid \$1,675,000 in the respective amounts on Exhibit A within thirty (30) days after the Settlement Agreement has become effective and the Appellate Court Litigation has been dismissed.

B. Any payment of the amounts set forth on Exhibit A shall be expressly conditioned upon the Rehabilitator's election to proceed with settlement as set out in Paragraph 2 above.

C. Payment of the amounts set forth in Exhibit A shall constitute full and final payment of any and all sums due from Amreco arising from or related to the Guaranty Fund Certificate Notes. Upon their receipt of said payments, the holders of said Guaranty Fund Certificate Notes shall be deemed to have been paid in full and shall have no further claims against AMRECO arising from or related to said Guaranty Fund Certificate Notes. Payment shall be in the form of a check which shall bear a legend that states:

“Negotiation of this instrument shall be deemed a full and general release by the holder of any and all right or claim to further payment from the AMRECO Estate or the Rehabilitator arising from Guaranty Fund Certificate Notes held by the payee of this draft.”

4. Dismissal of Appeal. If the Rehabilitator proceeds with the settlement, then subsequent to the Approval Order entered by the Circuit Court, the Appellate Court Litigation shall be dismissed with prejudice, each party to bear its own costs. The Parties agree to execute all documents and stipulations necessary to dismiss the Appellate Court Litigation.

5. Lifting Stay in Appellate Court. If the Rehabilitator elects, as provided for in Paragraph 2 of this Agreement not to proceed with settlement, or if the Circuit Court enters an

order disapproving the settlement or an order of the Circuit Court approving the settlement is reversed, then the Parties shall petition the Illinois Appellate Court to lift any stay of the Appeal to allow its prosecution by the Objectors.

6. Release. Provided that there is an Approval Order, and upon dismissal of the Appellate Court Litigation, the Rehabilitator, on behalf of the Estate of AMRECO, and each Objector and EMLICO on their own behalf, and each of their respective officers, employees, directors, attorneys, receivers including a liquidator, rehabilitator and their respective special deputies, predecessors and successors, agents, parent companies, subsidiaries, affiliates, successors and assigns, generally release one another and each of the other's respective officers, employees, directors, attorneys, receivers including a liquidator, agents, parent companies, subsidiaries, affiliates, successors and assigns from each and every claim, including any cause of action, suit, citation to discover assets or judgment, each has now, has had or may have in the future based on events occurring to the date of this Settlement Agreement from or related to the guaranty fund certificates issued by AMRECO. This release shall not apply to any duties or rights that the parties have under this Settlement Agreement. This release shall not apply to any amounts owed by AMRECO to the Objectors unrelated to the Guaranty Fund Certificate Notes, including but not limited to any surplus draft notes issued by AMRECO. This release also shall not apply to any dispute between the Liberty Entities and the Nationwide Entities concerning who has rights to proceeds to be paid under this Agreement relating to Guaranty Fund Certificate Notes issued to Employers Insurance of Wausau, a Mutual Company, now known as Employers Insurance Company of Wausau.

7. Payment of Wausau Share. Payment of the share identified on Exhibit A attributable to "Employers Insurance of Wausau, A Mutual Company" when payable as outlined above shall be

paid into an escrow pursuant to a separate agreement between the Liberty Entities and the Nationwide Entities to Tribler Orpett & Meyer, P.C., 225 West Washington Street, Suite 1300 Chicago, IL 60606, as Escrow Agent.

8. Amendments. This Settlement Agreement may be amended or modified solely by a written instrument signed by all of the Parties.

9. Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original, and all of which shall constitute one and the same agreement. Each counterpart may be delivered by facsimile transmission or by emailing a scanned version, and a faxed or scanned signature shall have the same force and effect as an original signature.

10. Title and Headings. Titles and Headings used in this Settlement Agreement are inserted for convenience of reference only and are not intended to affect the interpretation or construction of this Settlement Agreement.

11. Notices. All notices pursuant to this Settlement Agreement shall be given to the respective attorneys for the Parties, shall be in writing and delivered by certified mail, proper postage prepaid, addressed as follows:

For the Rehabilitator:

David A. Genelly
VANASCO GENELLY & MILLER
33 North LaSalle Street, Suite 2200
Chicago, IL 60602

With a copy to:

Daniel A. Guberman
Deputy General Counsel
Office of the Special Deputy Receiver
222 Merchandise Mart Plaza, Suite 1450
Chicago, IL 60654

For National Casualty Company and Nationwide Mutual Insurance Company

Mitchell A. Orpett
TRIBLER ORPETT & MEYER
225 West Washington Street, Suite 1300
Chicago, IL 60606

For Austin Mutual Insurance Company and EMC Insurance Company

Mary Cannon Veed
ARNSTEIN & LEHR LLP
120 South Riverside Plaza, Suite 1200
Chicago, IL 60606

For Electric Mutual Liability Insurance Co. Ltd. (in Liquidation)

Fritz K. Huszagh
Stephen R. Swofford
HINSHAW & CULBERTSON LLP
222 North LaSalle Street, Suite 300
Chicago, IL 60601

With a copy to:

David A. Raim
Donald J. Mros
CHADBOURNE & PARKE LLP
1200 New Hampshire Avenue, NW, Suite 300
Washington, D.C. 20036

For Liberty Mutual Insurance Company, Liberty Mutual
Fire Insurance Company and Employers Insurance
Company of Wausau, formerly known as Employers
Insurance of Wausau, a Mutual Company

James K. Borcia
TRESSLER SODERSTROM MALONEY & PRIESS LLP
233 South Wacker Drive, 22nd floor
Chicago, IL 60606

With a copy to:

Michael R. O'Malley
Counsel-Reinsurance
Liberty Mutual Insurance Company
175 Berkeley Street
Boston, MA 02117

For Hamilton Mutual Insurance Company

Mary Cannon Veed
ARNSTEIN & LEHR LLP
120 South Riverside Plaza, Suite 1200
Chicago, IL 60606

For EMC Insurance Company

Mary Cannon Veed
ARNSTEIN & LEHR LLP
120 South Riverside Plaza, Suite 1200
Chicago, IL 60606

12. Consultation With Counsel. Each Party to this Settlement Agreement acknowledges it has executed this Settlement Agreement only after consultation with counsel as to the Settlement Agreement's full effect.

13. Successors and Assigns. *This Settlement Agreement shall be binding on and inure to the benefit of the Parties and to their receivers, successors and assigns. This Settlement Agreement shall not be assigned except by agreement of the Parties after notice.*

14. Authority. Each party represents and warrants it has been duly authorized by all corporate action or other required authority to enter into this Settlement Agreement. Each person signing this Agreement hereby represents and warrants that he/she is a duly authorized representative of the Party for which signature is provided; that such person signing is expressly authorized to sign this Settlement and that said signature will bind said party.

15. Entire Agreement. This Settlement Agreement contains the entire agreement between the Parties as respects its subject matter. All prior discussions and agreements between the Parties concerning the subject matter herein are merged into this Settlement Agreement.

16. Governing Law. This Settlement Agreement shall be interpreted under and governed by the laws of the State of Illinois. Any disputes arising as a result of, or relating to, this Settlement Agreement shall be submitted for resolution to the Circuit Court of Cook County, Illinois, supervising the rehabilitation of AMRECO.

17. Recitals. The recitals and prefatory phrases and paragraphs set forth above are incorporated in full in this Agreement.

IN WITNESS WHEREOF the Parties have executed this Settlement Agreement as of the date first written above.

MICHAEL T. McRAITH
Director of Insurance for the State of Illinois, as
Rehabilitator of American Mutual Reinsurance
Company

By: *Paul D. Hughes*
Special Deputy Receiver

NATIONAL CASUALTY COMPANY and
NATIONWIDE MUTUAL INSURANCE
COMPANY

By: _____
Title: _____

AUSTIN MUTUAL INSURANCE COMPANY

By: _____
Title: _____

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Director of Insurance for the State of Illinois, as
Rehabilitator of American Mutual Reinsurance
Company

By: _____
Special Deputy Receiver

NATIONAL CASUALTY COMPANY and
NATIONWIDE MUTUAL INSURANCE
COMPANY

By: *Mitchell A. Dyett*
Title: *Attorney*

AUSTIN MUTUAL INSURANCE COMPANY

By: _____
Title: _____

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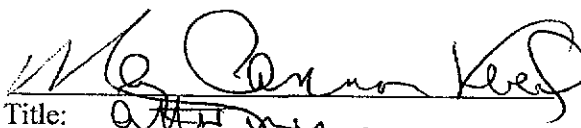
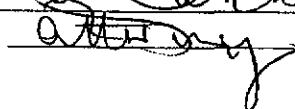
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Company

By: _____
Special Deputy Receiver

NATIONAL CASUALTY COMPANY and
NATIONWIDE MUTUAL INSURANCE
COMPANY

By: _____
Title: _____

AUSTIN MUTUAL INSURANCE COMPANY

By: 
Title: 

ELECTRIC MUTUAL LIABILITY INSURANCE
CO. LTD. (in Liquidation)

By: C Hughes C J HUGHES
Title: Joint liquidator

LIBERTY MUTUAL INSURANCE COMPANY,
LIBERTY MUTUAL FIRE INSURANCE
COMPANY and EMPLOYERS INSURANCE
COMPANY OF WAUSAU f/k/a EMPLOYERS
INSURANCE OF WAUSAU, A Mutual Company

By: _____
Title: _____

HAMILTON MUTUAL INSURANCE
COMPANY

By: _____
Title: _____

EMC INSURANCE COMPANY

By: _____
Title: _____

ELECTRIC MUTUAL LIABILITY INSURANCE
CO. LTD. (in Liquidation)

By: _____
Title: _____

LIBERTY MUTUAL INSURANCE COMPANY,
LIBERTY MUTUAL FIRE INSURANCE
COMPANY and EMPLOYERS INSURANCE
COMPANY OF WAUSAU f/k/a EMPLOYERS
INSURANCE OF WAUSAU, A Mutual Company

By: J. Eric Brosius
Title: SVP, Liberty Mutual Ins. Co.

HAMILTON MUTUAL INSURANCE
COMPANY

By: _____
Title: _____

EMC INSURANCE COMPANY

By: _____
Title: _____

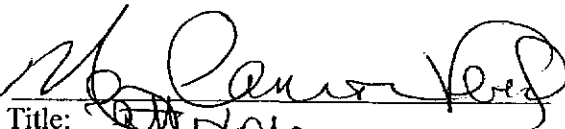
ELECTRIC MUTUAL LIABILITY INSURANCE
CO. LTD. (in Liquidation)

By: _____
Title: _____

LIBERTY MUTUAL INSURANCE COMPANY,
LIBERTY MUTUAL FIRE INSURANCE
COMPANY and EMPLOYERS INSURANCE
COMPANY OF WAUSAU f/k/a EMPLOYERS
INSURANCE OF WAUSAU, A Mutual Company

By: _____
Title: _____

HAMILTON MUTUAL INSURANCE
COMPANY

By: 
Title: attorney

EMC INSURANCE COMPANY

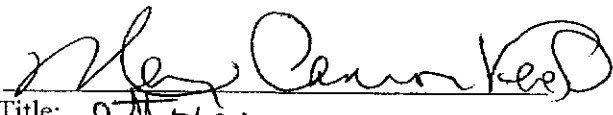
By: 
Title: attorney

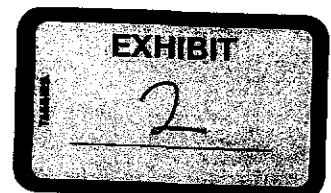
EXHIBIT A

GUARANTY FUND CERTIFICATE HOLDER	Share of Settlement Proceeds
Allendale Mutual Insurance Company	\$141,949
American Mutual Liability Insurance Company	\$141,949
Austin Mutual Insurance Company	\$28,390
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Hamilton Mutual Insurance Company	\$28,390
Liberty Mutual Insurance Company	\$638,771
Liberty Mutual Fire Insurance Company	\$70,975
Philadelphia Manufacturers Mutual Insurance Co.	\$28,390
Protection Mutual Insurance Company	\$56,780
TOTAL	\$1,675,000

460030

EXHIBIT 2

Name of Surplus Draft Holder	Share of Settlement Cost
ELECTRIC MUTUAL LIAB INS CO	\$243,123
MIDLAND INSURANCE COMPANY	148,804
STONEWALL I C	133,126
UTICA NATIONAL INSURANCE GROUP	106,690
CENTRAL MUTUAL INSURANCE CO.	90,357
TEXAS EMPLOYERS'INS IN RECVSHP	81,121
LIBERTY MUTUAL INS CO	78,352
AMERICAN CENTENNIAL INS. CO.	60,303
APPALACHIAN INSURANCE COMPANY	58,550
AFFILIATED FM INSURANCE CO	54,883
PROGRESSIVE INS (FKA) AMERICAN STAR IC	53,955
HARBOR INS CO C/O CNA	52,727
FEDERATED RURAL ELECTRIC INSURANCE CORP.	40,957
GREATER NEW YORK M I C	33,923
AMERICAN HARDWARE MUTUAL INS CO	30,855
GERLING GLOBAL REINSURANCE CORP OF AMER	29,862
COLOGNE REINSURANCE CO. LTD. (FKA) UTILITIES MIC	24,425
THE SHELBY MUTUAL INS CO	23,107
AMBASSADOR INS. CO., IN LIQUIDATION	20,735
LEXINGTON INSURANCE CO	19,643
MERCHANTS MUTUAL INS. CO.	15,274
ALL AMERICA INSURANCE COMPANY	14,457
PHILADELPHIA MFRS MIC	13,184
AMERICAN MIC OF BOSTON	13,140
MUTUAL CORPS INTER-RE-INS FUND	10,876
WAUSAU INSURANCE COMPANIES	10,524
SWISS REINSURANCE AMERICA CORP	10,145
PURITAN INSURANCE CO.	9,568
MICHIGAN MILLERS MUTUAL INSURANCE CO.	9,394
LINCOLN NATIONAL REINS. CO.	9,255
WESTERN UNION I C	9,046
KANSA GENERAL INTERNATIONAL INS CO., IN LIQ	8,954
U S LIABILITY INSURANCE CO	8,687
ALLIANZ UNDERWRITERS INS. CO.	8,521
CONSTITUTION INSURANCE CO OF CANADA	8,275
AMERICAN MUTUAL LIABILITY INSURANCE COMPANY	8,042
HAWAIIAN INS. AND GUARANTY	7,624
ARROW MUTUAL LIABILITY INS COMPANY	7,618
HAMILTON MUTUAL INS. CO.	6,713
DONEGAL MUTUAL INS CO	6,217
UNITED INSURANCE COMPANY	5,863
POLLUTION LIABILITY INS. ASSN.	5,305
INTERBORO MUTUAL INDEMNITY IC	4,952
FIRST STATE INSURANCE GROUP	4,931
ARGONAUT INSURANCE COMPANY	4,665
AMERICAN RE-INSURANCE COMPANY	4,434
HOME INS.CO.,IN LIQUIDATION	4,021
WESTERN NATIONAL M I C	4,021
BAKERS MIC OF NEW YORK	3,518
NATIONAL AUTO & CAS INS CO	3,455
WEST BEND MUTUAL INS C	3,252
MILLERS M F I C OF TEXAS	2,978
SELECTIVE INS CO of NY (FKA) EXCHANGE INS CO	2,860
BUCKEYE STATE MUTUAL IC (FKA) HARTLAND CICERO	2,644
MICHIGAN MUTUAL INS. CO.	2,539



Name of Surplus Draft Holder	Share of Settlement Cost
DRAYTON COMPANY, LTD.	2,215
COSMOPOLITAN MUTUAL I C	2,039
FEDERATED MUTUAL INS CO	1,958
MERCHANTS INS CO OF NEW HAMPSHIRE	1,926
INTEGRITY MUTUAL INS CO	1,808
VERMONT ACCIDENT INSURANCE CO.	1,784
CONCORD GENERAL MUTUAL INS COMPANY	1,660
GERLING GLOBAL GENERAL INSURANCE CO.	1,654
MISSION INSURANCE COMPANY	1,608
CLASSIC FIRE & MARINE IC (FKA) FIRST HORIZON IC	1,579
WEST VIRGINIA INSURANCE CO.	1,579
EMPIRE INSURANCE COMPANY	1,473
CAMBRIDGE MFIC	1,346
D.H.FORREST, SYNDICATE 602	1,206
COMMONWEALTH INSURANCE COMPANY	732
COMSTOCK INSURANCE CO. (FKA) FREMONT RE	702
NORTH-WEST INSURANCE COMPANY	633
EMPLOYERS CASUALTY COMPANY	627
AMERICAN POLICYHOLDERS I C	615
WISCONSIN MUTUAL INS CO	547
COMMERCE & INDUSTRY OF CANADA	540
CONTINENTAL CAS CO C/O CNA	503
NATIONAL INDEMNITY COMPANY	492
LEXINGTON INSURANCE COMPANY	383
IMPERIAL CASUALTY & IDEMNITY	371
AMERICAN HOME ASSURANCE	350
UNION INSURANCE COMPANY	333
FARMERS MUT FIRE ASSOC OF WV	310
COVENANT M I C (IN REHAB)	299
S A MEACOCK, ESQ. AND OTHERS	285
PUBLIC SERVICE MUTUAL INS CO	248
TEXAS GENERAL INDEMNITY CO.	239
HIGHLANDS I C	205
OIC RUN-OFF (ORION IC)	200
MIAMI MUTUAL I C (THE)	200
SUPERIOR NATIONAL INSURANCE CO	189
MANUFACTURERS AND MERCH MIC	151
NATIONWIDE INDEMNITY	142
THRESHERMENS MUTUAL	129
COTTON STATES MIC	116
THE OIL & GAS IC, IN LIQ (FKA) Burt Syndicate	97
UNIVERSAL REINSURANCE CORP.	91
JOHN POLAND SYNDICATE	90
PROTECTION MUTUAL I C	89
WESTERN LLOYDS IC (IN RECVRSH)	74
ELECTRIC INSURANCE COMPANY	66
GENERAL STAR NAT'L. INS. CO. (FKA) MONARCH IC OF OHIO	61
GCAN INSURANCE CO (GERLING CANADA IC)	60
NATIONAL CASUALTY CO	54
METROPOLITAN GROUP P&C INS CO	51
PFA TIARD IMMEUBLE AGF	49
THE INTEGRAL INS CO (IN REHAB)	45
FOLKSAMERICA REINSURANCE CO.	45
PMA REINSURANCE CORPORATION	39
COMMERCIAL FISHERMANS INTER-INS EXCHANGE	32

Name of Surplus Draft Holder	Share of Settlement Cost
DAVID P. MANN, ESQ.	31
SOCIETE MUTUELE DE REASSURANCE	30
AMERICAN STATES INSURANCE CO.	29
WASECA MUTUAL I C	25
NRG VICTORY REINSURANCE LTD	22
KENTUCKY INSURANCE COMPANY	16
H.R. ROKEBY-JOHNSON	16
PRIMUM INSURANCE COMPANY	14
HARRIS & DIXON LTD/BMS GROUP	12
UNITED NATIONAL IC	10
OVERSEAS PRIVATE INVESTMENT CORP	10
UNITED PROVINCES INSURANCE CO.	8
SOUTH CAROLINA INS CO	5
AMERICAN FELLOWSHIP MUTUAL INS CO	4
AUTO-OWNERS INSURANCE COMPANY	3
CHEROKEE INSURANCE COMPANY	0
TOTALS	\$1,675,004

EXHIBIT 3

Name of Surplus Draft Holder	Distribution Proceeds After Payment Of Settlement Based Upon 50% Dividend Rate	Share of Settlement Cost
AFFILIATED FM INSURANCE CO	\$2,729,945	\$54,883
ALL AMERICA INSURANCE COMPANY	719,126	14,457
ALLIANZ UNDERWRITERS INS. CO.	423,831	8,521
AMBASSADOR INS. CO., IN LIQUIDATION	1,031,395	20,735
AMERICAN CENTENNIAL INS. CO.	2,999,559	60,303
AMERICAN FELLOWSHIP MUTUAL INS CO	217	4
AMERICAN HARDWARE MUTUAL INS CO	1,534,765	30,855
AMERICAN HOME ASSURANCE	17,400	350
AMERICAN MIC OF BOSTON	653,598	13,140
AMERICAN MUTUAL LIABILITY INSURANCE COMPANY	400,000	8,042
AMERICAN POLICYHOLDERS I C	30,586	615
AMERICAN RE-INSURANCE COMPANY	220,562	4,434
AMERICAN STATES INSURANCE CO.	1,446	29
APPALACHIAN INSURANCE COMPANY	2,912,336	58,550
ARGONAUT INSURANCE COMPANY	232,036	4,665
ARROW MUTUAL LIABILITY INS COMPANY	378,935	7,618
AUTO-OWNERS INSURANCE COMPANY	152	3
BAKERS MIC OF NEW YORK	175,000	3,518
BUCKEYE STATE MUTUAL IC (FKA) HARTLAND CICERO	131,491	2,644
CAMBRIDGE MFIC	66,954	1,346
CENTRAL MUTUAL INSURANCE CO.	4,494,466	90,357
CHEROKEE INSURANCE COMPANY	23	0
CLASSIC FIRE & MARINE IC (FKA) FIRST HORIZON IC	78,559	1,579
COLOGNE REINSURANCE CO. LTD. (FKA) UTILITIES MIC	1,214,919	24,425
COMMERCE & INDUSTRY OF CANADA	26,871	540
COMMERCIAL FISHERMANS INTER-INS EXCHANGE	1,576	32
COMMONWEALTH INSURANCE COMPANY	36,386	732
COMSTOCK INSURANCE CO. (FKA) FREMONT RE	34,895	702
CONCORD GENERAL MUTUAL INS COMPANY	82,572	1,660
CONSTITUTION INSURANCE CO OF CANADA	411,601	8,275
CONTINENTAL CAS CO C/O CNA	25,000	503
COSMOPOLITAN MUTUAL I C	101,414	2,039
COTTON STATES MIC	5,746	116
COVENANT M I C (IN REHAB)	14,859	299
D.H.FORREST, SYNDICATE 602	60,000	1,206
DAVID P. MANN, ESQ.	1,551	31
DONEGAL MUTUAL INS CO	309,259	6,217
DRAYTON COMPANY, LTD.	110,180	2,215
ELECTRIC INSURANCE COMPANY	3,293	66
ELECTRIC MUTUAL LIAB INS CO	12,093,208	243,123
EMPIRE INSURANCE COMPANY	73,257	1,473
EMPLOYERS CASUALTY COMPANY	31,173	627
FARMERS MUT FIRE ASSOC OF WV	15,400	310
FEDERATED MUTUAL INS CO	97,380	1,958
FEDERATED RURAL ELECTRIC INSURANCE CORP.	2,037,257	40,957
FIRST STATE INSURANCE GROUP	245,264	4,931
FOLKSAMERICA REINSURANCE CO.	2,239	45
GCAN INSURANCE CO (GERLING CANADA IC)	2,996	60
GENERAL STAR NAT'L. INS. CO. (FKA) MONARCH IC OF OHIO	3,024	61
GERLING GLOBAL GENERAL INSURANCE CO.	82,251	1,654
GERLING GLOBAL REINSURANCE CORP OF AMER	1,485,369	29,862
GREATER NEW YORK M I C	1,687,362	33,923
H.R. ROKEBY-JOHNSON	800	16
HAMILTON MUTUAL INS. CO.	333,909	6,713
HARBOR INS CO C/O CNA	2,622,719	52,727

EXHIBIT

3

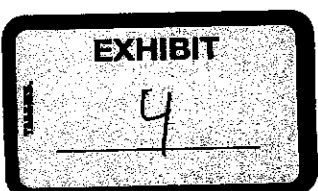
Name of Surplus Draft Holder	Distribution Proceeds After Payment Of Settlement Based Upon 50% Dividend Rate	Share of Settlement Cost
HARRIS & DIXON LTD/BMS GROUP	572	12
HAWAIIAN INS. AND GUARANTY	379,235	7,624
HIGHLANDS I C	10,174	205
HOME INS.CO.,IN LIQUIDATION	200,000	4,021
IMPERIAL CASUALTY & IDEMNITY	18,433	371
INTEGRITY MUTUAL INS CO	89,920	1,808
INTERBORO MUTUAL INDEMNITY IC	246,312	4,952
JOHN POLAND SYNDICATE	4,479	90
KANSA GENERAL INTERNATIONAL INS CO., IN LIQ	445,370	8,954
KENTUCKY INSURANCE COMPANY	817	16
LEXINGTON INSURANCE CO	977,047	19,643
LEXINGTON INSURANCE COMPANY	19,072	383
LIBERTY MUTUAL INS CO	3,897,331	78,352
LINCOLN NATIONAL REINS. CO.	460,339	9,255
MANUFACTURERS AND MERCH MIC	7,528	151
MERCHANTS INS CO OF NEW HAMPSHIRE	95,798	1,926
MERCHANTS MUTUAL INS. CO.	759,739	15,274
METROPOLITAN GROUP P&C INS CO	2,522	51
MIAMI MUTUAL I C (THE)	9,924	200
MICHIGAN MILLERS MUTUAL INSURANCE CO.	467,261	9,394
MICHIGAN MUTUAL INS. CO.	126,288	2,539
MIDLAND INSURANCE COMPANY	7,401,654	148,804
MILLERS M F I C OF TEXAS	148,140	2,978
MISSION INSURANCE COMPANY	80,000	1,608
MUTUAL CORPS INTER-RE-INS FUND	540,960	10,876
NATIONAL AUTO & CAS INS CO	171,848	3,455
NATIONAL CASUALTY CO	2,663	54
NATIONAL INDEMNITY COMPANY	24,470	492
NATIONWIDE INDEMNITY	7,061	142
NORTH-WEST INSURANCE COMPANY	31,507	633
NRG VICTORY REINSURANCE LTD	1,109	22
OIC RUN-OFF (ORION IC)	9,952	200
OVERSEAS PRIVATE INVESTMENT CORP	489	10
PFA TIARD IMMEUBLE AGF	2,460	49
PHILADELPHIA MFRS MIC	655,787	13,184
PMA REINSURANCE CORPORATION	1,940	39
POLLUTION LIABILITY INS. ASSN.	263,877	5,305
PRIMUM INSURANCE COMPANY	686	14
PROGRESSIVE INS (FKA) AMERICAN STAR IC	2,683,768	53,955
PROTECTION MUTUAL I C	4,415	89
PUBLIC SERVICE MUTUAL INS CO	12,349	248
PURITAN INSURANCE CO.	475,923	9,568
S A MEACOCK, ESQ. AND OTHERS	14,177	285
SELECTIVE INS CO of NY (FKA) EXCHANGE INS CO	142,265	2,860
SOCIETE MUTUELE DE REASSURANCE	1,509	30
SOUTH CAROLINA INS CO	248	5
STONEWALL I C	6,621,848	133,126
SUPERIOR NATIONAL INSURANCE CO	9,391	189
SWISS REINSURANCE AMERICA CORP	504,623	10,145
TEXAS EMPLOYERS'INS IN RECVSHP	4,035,042	81,121
TEXAS GENERAL INDEMNITY CO.	11,873	239
THE INTEGRAL INS CO (IN REHAB)	2,239	45
THE OIL & GAS IC, IN LIQ (FKA) Burt Syndicate	4,805	97
THE SHELBY MUTUAL INS CO	1,149,363	23,107
THRESHERMENS MUTUAL	6,427	129

Name of Surplus Draft Holder	Distribution Proceeds After Payment Of Settlement Based Upon 50% Dividend Rate	Share of Settlement Cost
U S LIABILITY INSURANCE CO	432,123	8,687
UNION INSURANCE COMPANY	16,576	333
UNITED INSURANCE COMPANY	291,629	5,863
UNITED NATIONAL IC	511	10
UNITED PROVINCES INSURANCE CO.	379	8
UNIVERSAL REINSURANCE CORP.	4,546	91
UTICA NATIONAL INSURANCE GROUP	5,306,858	106,690
VERMONT ACCIDENT INSURANCE CO.	88,748	1,784
WASECA MUTUAL I C	1,227	25
WAUSAU INSURANCE COMPANIES	523,473	10,524
WEST BEND MUTUAL INS C	161,758	3,252
WEST VIRGINIA INSURANCE CO.	78,541	1,579
WESTERN LLOYDS IC (IN RECVRSHP)	3,703	74
WESTERN NATIONAL M I C	199,988	4,021
WESTERN UNION I C	449,972	9,046
WISCONSIN MUTUAL INS CO	27,184	547
TOTALS	\$83,316,357	\$1,675,004

EXHIBIT 4

American Mutual Reinsurance Co., In Rehabilitation (Amreco)
 Alpha Listing of All Surplus Draft Holders / Addresses

Company Name	Address	City	State	Zip
AFFILIATED FM INSURANCE CO	Allendale Park P.O. Box 7500	Johnston	RI	02919
ALL AMERICA INSURANCE COMPANY	800 S. Washington Street	Van Wert	OH	45891
AMBASSADOR INS. CO., IN LIQUIDATION	3400 Riverside Drive, Suite 300 - P.O. Box 7782	Burbank	CA	91570-7782
AMERICAN CENTENNIAL INS. CO.	P.O. BOX 40	Morpellet	VT	05601
AMERICAN FELLOWSHIP MUTUAL INS CO	3501 Silverstone Road - 203 Naamans Building	Wilmingon	DE	19810
AMERICAN HARDWARE MUTUAL INS CO	26001 Telegraph Road	Southfield	MI	48034
AMERICAN HOME ASSURANCE	471 East Broad Street	Columbus	OH	43215
AMERICAN M/C OF BOSTON	145 Wellington Street West	Toronto, Ontario	Canada	MSJ 1H8
AMERICAN MUTUAL LIABILITY INSURANCE COMPANY	11 North Avenue	Burlington	MA	01803-0920
AMERICAN POLICYHOLDERS I C	Mr. Robert McBride, 100 Unicorn Park Drive, 2nd Floor	Weburn	MA	01801-3339
AMERICAN RE-INSURANCE COMPANY	Mr. Robert McBride, 100 Unicorn Park Drive, 2nd Floor	Weburn	MA	01801-3339
AMERICAN STATES INSURANCE CO.	American Re Plaza 555 College Rd East	Princeton	NJ	08543-5241
APPALACHIAN INSURANCE COMPANY	500 N. Meridian Street	Indianapolis	IN	46207
ARGONAUT INSURANCE COMPANY	Allendale Park - P.O. Box 7500	Johnston	RI	02919
ARROW MUTUAL LIABILITY INS COMPANY	Attn: Lauren Welch c/o Argonaut Great Central, 3625 N Sheridan Rd.	Peoria	IL	61604
AUTO-OWNERS INSURANCE COMPANY	23 Commonwealth Avenue	Chestnut Hill	MA	02167-1099
BAKERS M/C OF NEW YORK	6101 Anacapt Boulevard	Lansing	MI	48917
BURKE STATE MUTUAL I C (FKA) HARTLAND CICERO MIC	C/O NY INS DEPT, Liquidation Bureau - 123 William St.	New York	NY	10038-3889
CAMBRIDGE MFC	One Heritage Place	Piqua	OH	45356-4888
CENTRAL MUTUAL INSURANCE CO.	C/O The Andover Companies - 95 Old River Road	Andover	MA	01810-1078
CHEROKEE INSURANCE COMPANY	800 S. Washington Street	Van Wert	OH	45891
CLASSIC FIRE & MARINE I C (FKA) FIRST HORIZON I C	201 Fourth Avenue North Suite 1420	Nashville	TN	37219
COLOGNE REINSURANCE CO. LTD. (FKA) UTILITIES MIC	C/O Indiana Insolvency, Inc. 445 N. Pennsylvania Street	Indianapolis	IN	46204
COMMERCE & INDUSTRY OF CANADA	1 Georges Dock	I.F.S.C. Dublin	Ireland	1
COMMERCIAL FISHERMANS INTER-INS EXCHANGE	145 Wellington Street	Toronto, Ontario	Canada	MSJ 1H8
COMMONWEALTH INSURANCE COMPANY	400 Oceangate, Suite 450	Long Beach	CA	90802
CONCORD GENERAL MUTUAL INS COMPANY	696 Burrard Street Ste: 1500 - P.O. BX 49115 Bentall Tower 3	Vancouver BC	Canada	V7X 1G4
CONSTITUTION INSURANCE CO OF CANADA	C/O Conservation & Liquidation Office - 425 Market Street, 23rd Floor	San Francisco	CA	94105
CONTINENTAL CAS CO C/O CNA	4 Boulton Street	Concord	NH	03301
COSMOPOLITAN MUTUAL I C	1200 Lawrence Ave. East #202	Toronto, Ontario	Canada	M3A 1C1
COTTON STATES MIC	CCC Treasury Operations Lockbox #21212 Network Place	Chicago	IL	60673
COVENANT M I C (IN REHAB)	C/O NY INS DEPT, Liquidation Bureau - 123 William St.	New York	NY	10038-3889
D.H.FOREST, SYNDICATE 602	P.O. BOX 105303	Allianta	GA	30348
DAVID P. MANN, ESQ.	P.O. Box 230358 - Old State House Station	Hartford	CT	06123
DONEGAL MUTUAL INS CO	C/O EQUITAS - 33 St. Mary Ave	London	England	EC3A 8LL
DRAYTON COMPANY, LTD.	C/O EQUITAS Limited - 33 St. Mary Ave	London	England	EC3A 8LL
ELECTRIC INSURANCE COMPANY	Route # 441 By-Pass - P.O. Box 302	Marietta	PA	17547
ELECTRIC MUTUAL LIAB INS CO	C/O Trenwick America Reinsurance Corp. 1499 Post Road, 2nd Floor	Fairfield	CT	06824-5940
EMPIRE INSURANCE COMPANY	152 Conant Street - P.O. Box 1029	Beverly	MA	01915-0729
EMPLOYERS CASUALTY COMPANY	C/O Prov Liquidators Coopers & Lybrand 7 Church Street West	Hamilton	Bermuda	HM 11
FARMERS MUT FIRE ASSOC OF WV	315 Park Ave South, 11th Floor	New York	NY	10010
FEDERATED MUTUAL INS CO	C/o Jack M. Webb & Associates, Inc 110 Cypress Station, Suite 160	Houston	TX	77090
FEDERATED RURAL ELECTRIC INSURANCE CORP.	Route 73 South 20 Moran Circle	Fairmont	WV	26554
FIRST STATE INSURANCE GROUP	121 East Park Square - P.O. Box 328	Owatonna	MN	55060
FOLKSAMERICA REINSURANCE CO.	P.O. Box 15147	Lenexa	KS	66215
GCAN INSURANCE CO	C/O Horizon Management Group - 150 Federal Street	Boston	MA	02110-1753
GENERAL STAR NATL. INS. CO. (FKA) MONARCH I C OF OHIO	P.O. BOX 11449A	New York	NY	10286-1449
GERLING GLOBAL REINSURANCE CORP OF AMER	FKA Gerling Global Gen Ins Co., 181 University Ave., Suite 1000	Toronto Ontario	Canada	MSH 3M7
GREATER NEW YORK M I C	181 University Ave., Suite 1000	Toronto Ontario	Canada	MSH 3M7
HAMILTON MUTUAL INS. CO.	C/O Resolute Management - 100 First Stamford Place	Stamford	CT	06902
HARBOR INS CO C/O CNA	Attn: Mr. Burton Henry 7 Time Square, 37th Floor	New York	NY	10036
HARRIS & DIXON LTD/BMS GROUP	200 Madison Avenue	New York	NY	10016
	C/O EQUITAS Limited - 33 St. Mary Ave	London	England	EC3A 8LL
	C/O Employers Mutual Casualty - P.O. Box 712	Des Moines	IA	50309
	C/O CNA Ins. CCC Treasury Operations Lockbox # 21212 21212 Network Place	Chicago	IL	60673
	Latham House 16 Minorities	London	England	EC3N 1AX



American Mutual Reinsurance Co., In Rehabilitation (Amreco)
 Alpha Listing of All Surplus Draft Holders / Addresses

Company Name	Address	City	State	Zip
HAWAIIAN INS. AND GUARANTY	Bishop Square - Pacific Tower 1001 Bishop Street, Ste: 1150	Honolulu	Hawaii	96813
HIGHLANDS INSURANCE COMPANY IN RECEIVERSHIP	c/o Prime Tempus, Inc., 27310 Ranch Rd. 12	Dripping Springs	TX	78620
HOME INS. CO., IN LIQUIDATION	59 Maiden Lane, 5th Floor	New York	NY	10038
IMPERIAL CASUALTY & IDEMUNITY	C/O Folksammerica Re Solutions Ltd - 927 Hopmeadow Street	Simsbury	CT	06070
INTEGRITY MUTUAL INS CO	P.O. Box 539	Appleton	WI	54912
INTERBORO MUTUAL INDEMNITY IC	155 Mineola Boulevard	Mineola	NY	11501
JOHN POLAND SYNDICATE	C/O EQUITAS Limited - 33 St. Mary Axe	London	England	EC3A 8LL
KANSA GENERAL INTERNATIONAL INS CO., IN LIQ	630 Rene-Levesque Boul. W. #2875	Montreal, Quebec	Canada	H3B-1S6
KENTUCKY INSURANCE COMPANY	Attn: Mr. John Cornett, COO C/O Citizens Financial Corp. 12910 Shelbyville Rd.	Louisville	KY	40243
LEXINGTON INSURANCE CO	80 Pine Street, 5th Floor	New York	NY	10005
LIBERTY MUTUAL INS CO	145 Wellington Street	Toronto, Ontario	Canada	MSJ 1H8
LINCOLN NATIONAL REINS. CO.	175 Berkeley Street	Boston	MA	02117
MANUFACTURERS AND MERCH MIC	500 North Meridian Street - P.O. Box 560	Indianapolis	IN	46206
MERCHANTS INS CO OF NEW HAMPSHIRE	Jackson Building - 42 Pleasant Street	Concord	NH	03302
MERCHANTS MUTUAL INS. CO.	250 Main Street	Buffalo	NY	14202
METROPOLITAN GROUP P&C INS CO	250 Main Street	Buffalo	NY	14202
MIAMI MUTUAL I.C (THE)	C/O Odyssey Re Corp - 300 First Stamford Place	Stanford	CT	06902
MICHIGAN MUTUAL INSURANCE CO.	P O BOX 249 - 1201 Burkner Drive	Troy	OH	45373-0249
MIDLAND INSURANCE COMPANY	P.O. Box 30060	Lansing	MI	48909
MILLERS M F I C OF TEXAS	C/O Republic Insurance Co. 3333 Lee Parkway, Suite 200	Dallas	TX	75219
MISSION INSURANCE COMPANY	C/O NY INS DEPT, Liquidation Bureau - 123 William St.	New York	NY	10038-3889
MUTUAL CORPS INTER-RE-INS FUND	C/O Special Deputy Receiver - 27310 Ranch Road 12	Dripping Springs	TX	78620
NATIONAL AUTO & CAS INS CO	C/O Conservation/Liquidation Office - P.O. Box 26894	San Francisco	CA	94126-0894
NATIONAL CASUALTY CO	C/O Utica Mutual Insurance Co - P.O. Box 530	Utica	NY	13503
NATIONAL INDEMNITY COMPANY	C/O Conservation/Liquidation Office - P.O. Box 26894	San Francisco	CA	94126-0894
NATIONWIDE INDEMNITY	C/O Nationwide Indemnity Co - P.O. Box 8101	Wausau	WI	54402-8101
NORTH-WEST INSURANCE COMPANY	3024 Harney Street	Omaha	NE	68131-3580
NRG VICTORY REINSURANCE LTD	P. O. Box 8101	Wausau	WI	54402-8101
O/C REUN-OFF LTD RE: ORION INSURANCE CO., LTD	C/O Oregon Ins Guaranty - 10700 SW Beaverton Hillsdale Highway, Ste: 426	Beaverton	OR	97005
OVERSEAS PRIVATE INVESTMENT CORP	33 St Mary Axe	London	England	EC3A 8LL
PFA TIARD INMEUBLE AGF	C/O Whittington Ins Services 30-33 Minories	London	United Kingdom	EC3N 1DD
PHILADELPHIA MFRS MIC	1615 M Street, N.W.	Washington	DC	20527
PMA REINSURANCE CORPORATION	c/o AGF IART-Reassurance (A125) - 87, rue de Richelieu	Paris Cedex 02	France	75113
POLLUTION LIABILITY INS. ASSN.	C/O Factory Mutual IC - 225 Wyman Street - P.O. Box 9198	Waltham	MA	02454-9198
PRIMUM INSURANCE COMPANY	Mellon Bank Center - 1735 Market Street - 29th Floor	Philadelphia	PA	19103-7590
PROGRESSIVE INS (FKA) AMERICAN STAR IC	c/o Donald B Jernberg, Jernberg Law Group, 905 N Carlyle Lane	Arlington Heights	IL	60004
PROTECTION MUTUAL I.C	50 Place Cremazie 12th Floor	Montreal, Quebec	Canada	H2P 1B6
PUBLIC SERVICE MUTUAL INS CO	6300 Wilson Mills Road	Mayfield Village	OH	44143
PURITAN INSURANCE CO.	C/O Factory Mutual IC - 225 Wyman Street - P.O. Box 9198	Waltham	MA	02454-9198
S A MEACOCK, ESQ. AND OTHERS	One Park Avenue	New York	NY	10016
SELECTIVE INS CO of NY (FKA) EXCHANGE INS CO	C/O Westport Insurance Corp - 5200 Matcaiff Ave	Overland Park	KS	66201-1379
SOCIETE MUTUELE DE REASSURANCE	C/O EQUITAS Limited - 33 St. Mary Axe	London	England	EC3A 8LL
SOUTH CAROLINA INS CO	40 Wantage Avenue	Branchville	NJ	07890
STONEWALL I.C	C/O AON Re Canada Inc. - 150 King St. W, Ste: 1900 Box 24	Toronto	Canada	M5H 1J9
SUPERIOR NATIONAL INSURANCE CO	C/O Selbels Bruce Group - 1501 Lady Street	Columbia	SC	29201
SWISS REINSURANCE AMERICA CORP	C/O Enstar (US) Inc. 2 Central Square	Cambridge	MA	02139
TEXAS EMPLOYERS INS IN RECVSHP	C/O Conservation/Liquidation Office - P.O. Box 26894	San Francisco	CA	94126-0894
TEXAS GENERAL INDEMNITY CO.	C/O North American Re Corp - 175 King Street	Armonk	NY	10504
THE INTEGRAL INS CO (IN REHAB)	C/O Texas P & C Insurance Guaranty Assoc - 9120 Burnet Road	Austin	TX	78758
THE OIL & GAS IC, IN LIQ (FKA) But Syndicate	C/o United Fire & Casualty Group Attn: Dawn Fredrick 118 Second Ave. SE	Cedar Rapids	IA	52407-3909
THE SHELBY MUTUAL INS CO	P. O. BOX 25	Platte City	MO	64079
THRESHERMENS MUTUAL	C/o Lq. Office of Ohio Dept of Ins - 1366 Dublin RD, 2nd Flr.	Columbus	OH	43215
U S LIABILITY INSURANCE CO	C/O Vesta Fire Insurance Co: Prime Tempus, Inc. 27310 Ranch Road 12	Dripping Springs	TX	78620
UNION INSURANCE COMPANY	P.O. Box 1029	Fond Du Lac	WI	54935
	190S, Warner Road	Wayne	PA	19087
	C/O Signet Reinsurance Company - P.O. Box 2519	Greenwich	CT	06836-2519

American Mutual Reinsurance Co., In Rehabilitation (Amreco)
 Alpha Listing of All Surplus Draft Holders / Addresses

Company Name	Address	City	State	Zip
UNITED INSURANCE COMPANY	Buckingham Square - 720 West Bay Road - P.O. Box 69GT	Bala Cynwyd	PA	19004
UNITED NATIONAL IC	Three Bala Plaza, East Suite:300	Montreal, Quebec	Canada	H3A 2A5
UNIVERSAL PROVINCES INSURANCE CO.	2020 Rue Universite Bureau 600	Middletown	OH	45044-3999
UNIVERSAL REINSURANCE CORP.	C/O Northwestern National IC - 709 Curtis Street	Utica	NY	13503
UTICA NATIONAL INSURANCE GROUP	P.O. Box 530	Concord	NH	03301
VERMONT ACCIDENT INSURANCE CO.	4 Bouton Street	Minneapolis	MN	55440-0401
WASECA MUTUAL IC	C/O Northern Mutual IC - 10 Second Street, Suite: 300	Wausau	WI	54402-8101
WAUSAU INSURANCE COMPANIES	C/O Nationwide Indemnity Co - P.O. Box 8101	West Bend	WI	53095
WEST BEND MUTUAL INS C	1900 South 18th Avenue	Harrisville	WV	26362
WEST VIRGINIA INSURANCE CO.	P.O. Box 196	Austin	TX	78714-9104
WESTERN LLOYDS IC (IN RECVRSHP)	Texas Dept Of Ins - 333 Guadalupe, Mail Code 110-1A	Minneapolis	MN	55439
WESTERN NATIONAL M I C	P.O. Box 1463	Calgary, Alberta	Canada	T2P 4W7
WESTERN UNION I C	321-6TH Avenue SW, Suite: 1300	Madison	WI	53701
WISCONSIN MUTUAL INS CO	P.O. Box 974			

EXHIBIT 5

American Mutual Reinsurance Co., In Rehabilitation (Amreco)
 Alpha Listing of Guaranty Fund Certificate Holders / Addresses

Dratf Holder	Address	City	State	Zip
Allendale Mutual Insurance Company	C/O FM Global 1301 Atwood Avenue	Johnston	RI	02919
American Mutual Liability Insurance Company	100 Unicorn Park Drive, 2nd Floor	Woburn	MA	01801-3339
Austin Mutual Insurance Company	15490 101st Avenue North	Maple Grove	MN	55369-9725
Central Mutual Insurance Company	800 S. Washington Street	Van Wert	OH	45891
Cotton States Mutual Insurance Company	P. O. Box 105303	Atlanta	GA	30348
Empolymers Insurance of Wausau A Mutual Co	2000 Westwood Drive	Wausau	WI	54401
Hamilton Mutual Insurance Company	C/O Employers Mutual Casualty - P. O. Box 712	Des Moines	Iowa	50309
Liberty Mutual Fire Insurance Company	175 Berkeley Street	Boston	MA	02117
Liberty Mutual Insurance Company	175 Berkeley Street	Boston	MA	02117
Philadelphia Manufacturers Mutual Insurance Co	C/O Factory Mutual IC - 225 Wyman Street - P. O.Box 9198	Waltham	MA	02454-9198
Protection Mutual Insurance Company	C/O Factory Mutual IC - 225 Wyman Street - P. O.Box 9198	Waltham	MA	02454-9198

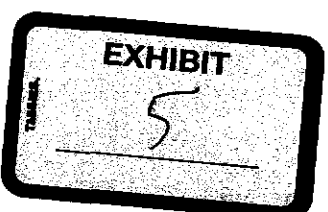


EXHIBIT 6

Office of the
Special Deputy Receiver
Representing Michael T. McRaith
Director of Insurance
State of Illinois

222 Merchandise Mart Plaza
Suite 1450
Chicago, Illinois 60654
312/836-9500
312/836-1944 FAX

Patrick D Hughes,
Special Deputy

Writer's Direct Line:

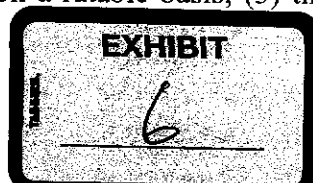
[DATE]

RE: **AMERICAN MUTUAL REINSURANCE COMPANY, IN REHABILITATION**
NOTICE OF HEARING: _____, 2009 AT 9:30 A.M.
COURTROOM 2510, RICHARD J. DALEY CENTER, 50 WEST WASHINGTON STREET, CHICAGO,
ILLINOIS

The Rehabilitator is providing notice of a hearing to be held on _____, 2009 at 9:30 a.m. in courtroom 2510 of the Richard J. Daley Center, 50 West Washington Street, Chicago, Illinois. The hearing is on the Rehabilitator's Motion For Approval Of Settlement With Objecting Guaranty Fund Certificate Note Holders (a copy of which is enclosed). Notice is being provided to all surplus draft holders and guaranty fund certificate note holders because the proposed settlement affects your rights of participation in the final distribution of estate assets.

If you wish to object the Rehabilitator's motion, you must appear in court on _____, 2009 for the hearing on the motion for purposes of asserting those objections. If you have any questions and wish to discuss those with a representative of the Rehabilitator prior to the hearing date, please contact any of the following individuals: Daniel Guberman at 312/836-9519 (Deputy General Counsel to the Rehabilitator), David Genelly (outside counsel to the Rehabilitator) at 312/786-5100, or Michael Cosentino (Senior Manager For Reinsurance) at 312/836-9671.

Details concerning the basis of the objections asserted by the guaranty fund certificate note holders to the Rehabilitator's Plan of Final Distribution, the pending appeal and the terms of the proposed settlement are discussed in the enclosed motion at paragraphs 14-20. A copy of the settlement agreement, which remains subject to the approval of the court supervising Amreco's rehabilitation, is attached to the enclosed motion as "Exhibit 1". Pursuant to the proposed settlement: (1) the appellants will dismiss their appeal; (2) the Rehabilitator will pay the \$1,675,000 in settlement proceeds to all guaranty fund certificate note holders on a ratable basis; (3) the guaranty fund certificate note holders



will accept their share of the settlement proceeds as a full and final settlement of Amreco's liability to them arising under and related to the guaranty fund certificate notes (presently in the approximate amount of \$13.8 million).

Approval of the proposed settlement, dismissal of the appeal and payment of the settlement proceeds will allow the Rehabilitator to seek court approval for the issuance of a final distribution to surplus draft holders and closing of the estate. At this point in these lengthy rehabilitation proceedings, the Rehabilitator believes that the proposed settlement represents the most cost effective and expeditious means of resolving the appeal, distributing the estate's assets, dissolving Amreco and terminating the rehabilitation proceedings.

Enclosure

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION

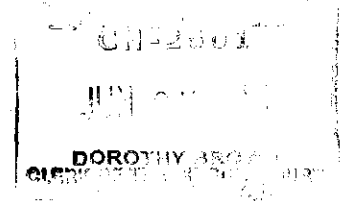
IN THE MATTER OF THE LIQUIDATION OF
AMERICAN MUTUAL REINSURANCE
COMPANY



NO. 88 CH 1595

NOTICE OF MOTION

To: See Attached Service List



On JUL 09 2009, at 9:30 a.m. or as soon thereafter as counsel

may be heard, I shall appear before the Honorable Mary A. Mason or any Judge sitting in that

Judge's stead, in the courtroom usually occupied by him/her, located in room 2510 of the Richard J. Daley Center,

50 W. Washington Street, Chicago, Illinois, and present

the attached petition at which time you may appear.

Name	<u>Daniel A. Guberman</u>	Atty. No.	<u>16819</u>
Address	<u>222 Merchandise Mart Plaza, Suite 1450</u>	Attorney for	<u>Plaintiff/Rehabilitator</u>
Telephone	<u>312-836-9500</u>	City/Zip	<u>Chicago, IL 60654</u>

PROOF OF SERVICE BY DELIVERY

I, _____, the attorney/non attorney* certify that on the _____ day of _____ (*strike one)

_____, I served this notice by delivering a copy personally to each person to whom it is directed.

Under penalties as provided by law pursuant to 735 ILCS 5/1-109

Date _____

I certify that the statements set forth herein are true and correct.

Signature/Certification

PROOF OF SERVICE BY MAIL

I, Richard C. Abron, the non attorney* certify that I served this notice by mailing (*strike one)

a copy to each party listed at their respective addresses (address on envelope)

and depositing the same in the U.S. Mail at Merchandise Mart Plaza, Suite 1450, Chicago, Illinois (place of mailing)

at, or before, 4:30 p.m. on the 5th day of June, 2009, with proper postage prepaid.

Under penalties as provided by law pursuant to 735 ILCS 5/1-109

Date June 5, 2009

I certify that the statements set forth herein are true and correct.

Richard C. Abron
Signature/Certification

NOTE: If more than one person served by mail, additional proof of service may be on the reverse side.

Copy received _____, at _____ a.m./p.m.

SERVICE LIST

AMERICAN MUTUAL REINSURANCE COMPANY
(No. 88 CH 01595)

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WASHINGTON, D.C. 20036
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& PRIESS, LLP
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MITCHELL A. ORPETT, ESQ.
TRIBLER ORPETT & MEYER PC
225 W. WASHINGTON STREET
SUITE 1300
CHICAGO, ILLINOIS 60606

COURTESY COPY TO:

THE HONORABLE JUDGE MARY ANNE MASON
ROOM 2510
THE RICHARD J. DALEY CENTER
50 WEST WASHINGTON STREET
CHICAGO, ILLINOIS 60602