

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

IN THE MATTER OF THE REHABILITATION)
OF CENTAUR INSURANCE COMPANY)

2011 JUN 24 P 2:19

NO. 07 CH 8615
CLERK OF THE CIRCUIT COURT
CHANCERY DEPARTMENT

**REPORT ON PROGRESS OF
REHABILITATION PROCEEDINGS
JUNE 2011**

NOW COMES Jack Messmore, Acting Director of Insurance of the State of Illinois, in his capacity as the statutory and court-affirmed Rehabilitator of Centaur Insurance Company ("Centaur"), and for his summary of progress and current status of the Centaur rehabilitation proceedings, states as follows:

1. Centaur's rehabilitation proceedings commenced on September 4, 1987.
2. In accordance with the court approved Plan of Rehabilitation, Revised Plan of Rehabilitation Plan and Second Revised Plan of Rehabilitation, Centaur's direct policy obligations (i.e., priority level "d" and "e" policyholder claims) were paid as they came due, while general creditor obligations were fixed but not paid.
3. Under the Second Revised Plan of Rehabilitation, a bar date of March 30, 2001 was established by the Supervising Court for the presentation of timely-filed claims, and a deadline of October 1, 2001 was established for the liquidation of contingent claims.
4. The adjudication and payment-in-full of all timely-filed policyholder priority level "d" and "e" claims was completed in January 2011.
5. \$131,143,500 in timely-filed priority level "d" and "e" policyholder claims and defense obligations were discharged throughout the course of the rehabilitation proceedings.

6. On April 21, 2011, the United States Department of Justice denied the Liquidator's request for a release of priority level "f" claims of the federal government claims, and of responsibility under the federal super-priority statute, 31 USC §3713, and asserted numerous contingent and unliquidated priority level "f" federal claims related to one hundred and thirteen (113) environmental waste sites. The Rehabilitator is working with the United States Department of Justice and the United States Environmental Protection Agency to develop a plan for bringing these claims to resolution ("Federal Claim Resolution Plan"). If the Federal Claim Resolution Plan necessitates a revision to the Second Revised Plan of Rehabilitation, the Rehabilitator will prepare and submit a revised plan of rehabilitation to the Court for its consideration and approval.

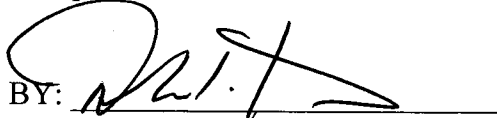
7. Centaur's timely-filed general creditor priority claims were fixed and adjudicated during the course of the rehabilitation proceedings in the amount of \$103,158,307, net of offsets.

8. After payment-in-full of all timely-filed priority level "d" and "e" policyholder priority claims, and as of May 31, 2011, the Centaur estate holds \$73,277,849 in cash or cash equivalents, statutory deposits totaling \$448,555 and approximately \$20,213,689 in reinsurance receivables in the course of collection. Additional reinsurance receivables may also come due, depending on the outcome of the Federal Claim Resolution Plan.

Respectfully submitted,

JACK MESSMORE

Acting Director of Insurance of the State of
Illinois, as Rehabilitator of Centaur Insurance
Company

BY: 
One of His Attorneys

J. Kevin Baldwin
Dale A. Coonrod
Counsel to the Receiver
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IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION

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CLERK OF THE CIRCUIT COURT
CHANCERY DIVISION
2011 JUN 24 12:19
DOROTHY BROWN
CLERK OF THE CIRCUIT COURT
CHANCERY DIVISION

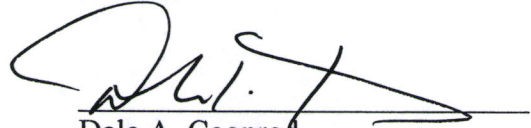
IN THE MATTER OF THE REHABILITATION)
OF CENTAUR INSURANCE COMPANY)

NO. 87 CH 8615

NOTICE OF FILING

To: See Attached Service List

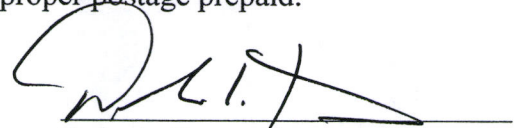
PLEASE TAKE NOTICE that on the 24th day of June, 2011, Jack Messmore, Acting Director of Insurance of the State of Illinois, as Rehabilitator of Centaur Insurance Company, filed the attached Report on Progress of Rehabilitation Proceedings setting forth the progress and current status of the above-captioned rehabilitation proceeding with the Clerk of the Circuit Court of Cook County, Illinois.



Dale A. Coonrod
Counsel to the Receiver

CERTIFICATE OF SERVICE

I, Dale A. Coonrod, an attorney, hereby certify that I caused a true and correct copy of this Notice and a copy of the attached Status Report to be served upon all counsel of record, by depositing the same in the U.S. Mail at 222 Merchandise Mart Plaza, Chicago, Illinois 60654 at or before 4:30 p.m. on the 24th day of June, 2011, with proper postage prepaid.



Dale A. Coonrod

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SERVICE LIST

CENTAUR INSURANCE COMPANY

(No. 87 CH 08615)

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COURTESY COPY TO:

THE HONORABLE JUDGE SOPHIA H. HALL
ROOM 2301
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CHICAGO, ILLINOIS 60602