

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

IN THE MATTER OF THE REHABILITATION)
OF CENTAUR INSURANCE COMPANY) NO. 87 CH 8615

ORDER

THIS CAUSE HAVING COME BEFORE THE COURT upon the Petition of Michael T. McRaith, Director of Insurance of the State of Illinois (the "Rehabilitator"), in his capacity as Rehabilitator of Centaur Insurance Company ("Centaur"), for an order authorizing the Rehabilitator to declare and effectuate a first dividend on claims allowed, or to be allowed, for distribution at statutory priority levels 215 ILCS 5/205(1)(d) and 215 ILCS 5/205(1)(e); due notice having been given; the Court having jurisdiction over the parties hereto and the subject matter hereof; the Court having reviewed the pleading filed herein and having heard the arguments of counsel for the Rehabilitator thereon, and the Court then being otherwise advised in the premises;

THE COURT FINDS:

- (i) The claim filing deadline for the submission of claims against Centaur or against a Centaur insured for purposes of participating in a distribution of Centaur's assets has passed.
- (ii) The Rehabilitator has represented that the evaluation of all direct (loss) claims has been completed. Further, that thirteen (13) claims have, to date, been recommended for allowance in the aggregate amount of \$2,099,922. All of these claim allowance recommendations have been approved by the orders of this Court in accordance with 215 ILCS 5/209.
- (iii) The Rehabilitator has represented that there remain twelve (12) claims, involving four(4) Centaur insureds, which have been recommended for disallowance with pending objections from the claimants. One additional claim has been recommended for allowance in an amount certain, but has not yet been approved by the Court due to pending objections filed by certain Centaur reinsurers. The potential exposure to Centaur in regards to the twelve pending disputed claim is approximately \$42.7 million.
- (iv) The Rehabilitator has represented that Centaur's total ultimate potential direct (loss) claim liability is approximately \$77.0 million. This figure is comprised of the allowed and court approved claims in the amount of \$2,099,922; the amount of the claim which has settled and is being recommended for allowance in the amount of \$31,950,000 pending court approval and; the amounts claimed by the four claimants with pending objections.

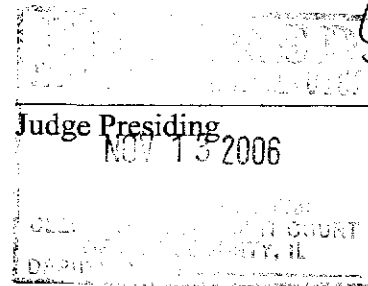
(v) The Rehabilitator's *Statement of Changes in Cash and Invested Assets* for the period April 1, 2006 through June 30, 2006, attached to the Rehabilitator's instant petition as Exhibit "E", reveals ending cash and invested assets as of June 30, 2006 in the amount of \$106,541,470. The statement further reveals that Centaur has additional assets on deposit with various state insurance departments in the amount of \$1,361,255.

(vi) Based upon an analysis of Centaur's current assets and potential liabilities, as set forth in the Rehabilitator's petition, the Rehabilitator has determined and represents that sufficient assets exist in the Centaur estate for payment of a one hundred percent (100%) first dividend on all claims presently allowed and approved by this Court, or to be allowed and approved in these proceedings, for distribution at statutory priority levels (d) and (e), 215 ILCS 5/205(1)(d) and 215 ILCS 5/205(1)(e).

IT IS, THEREFORE, ORDERED:

1. That the Rehabilitator's recommendation that a one hundred percent (100%) first dividend be declared on all claims allowed and approved by this Court for distribution at statutory priority levels 215 ILCS 5/205(1)(d) and 215 ILCS 5/205(1)(e) is hereby approved;
2. That the Rehabilitator is hereby authorized to make a distribution, or distributions, of estate assets necessary to effectuate the first dividend on allowed and court approved claims; and
3. That the approved first dividend and distribution of estate assets shall apply to claims which have, to date, been allowed and approved in these proceedings as well as to claims which may in the future be allowed and approved at statutory levels 215 ILCS 5/205(1)(d) and 215 ILCS 5/205(1)(e).

ENTERED:



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