

## **PUBLIC SERVICE INSURANCE COMPANY, IN REHABILITATION**

### **FAQ**

- Q. When was the company put into Rehabilitation?
- R. On March 16, 2017, an Agreed Order of Rehabilitation was entered by Order of the Circuit Court of Cook County, Illinois.
- Q. What is Rehabilitation?
- R. Rehabilitation is a statutory and court supervised proceeding that can be used to try and restructure or run-off an insurance company's business. When an insurance company is made subject to an Order of Rehabilitation, the Illinois Director of Insurance becomes the statutory and court affirmed Rehabilitator of the company. Under an Order of Rehabilitation, the Rehabilitator is vested with title to all of the company's property, assets, books, records and premises, as well as all rights of action and lawsuits.
- Q. Why is the company in Rehabilitation?
- R. Public Service was placed into rehabilitation in order to protect the interests of policyholders, claimants and other creditors from the company's deteriorating financial condition.
- Q. Who does this affect?
- R. The Rehabilitation proceeding affects all creditors and claimants of Public Service, as well as all persons and vendors having a contractual relationship with Public Service. This includes policyholders, persons asserting claims against policyholders, injured workers, creditors, medical providers, defense attorneys, and others who received coverage from Public Service.

Q. What will happen to my policy?

R. All policies were cancelled as of June 30, 2017 (unless they terminated at an earlier date).

Q. Will my **insurance** claim be paid?

R. The Order of Rehabilitation authorizes the Rehabilitator to continue to pay insurance claims as they come due and owing in the ordinary course of business (other than Claims with respect to the LPT Subject Business). This includes claims arising insurance policies issued by Public Service and all companies that have been merged into Public Service. In addition to paying claims in the ordinary course of business, Public Service will continue to defend and seek settlement of claims.

Q. Will my company's **reinsurance** claim be paid?

R. The Rehabilitator has determined that these claims will not be paid until she is able to determine that all higher priority level claims against the Estate's assets can be paid in full. Once that determination is made, the Rehabilitator will entertain commutation offers from ceding companies.

Q. Who will pay for my attorney now?

R. At the present time, Public Service is continuing to defend claims and, therefore, remains responsible for the payment of policy defense costs.

Q. What if I have to report a new claim?

R. Continue to report all new losses to Public Service or your agent.

Q. Is there a Guaranty Fund?

R. No. Guaranty Funds only provide coverage when there has been a court order finding an insurance company to be insolvent. The Order of Rehabilitation entered against Public Service **did not** include a finding of insolvency.

Q. Will my policy remain in force?

R. Public Service no longer has any policies in force.

Q. Do I still need to pay my premiums?

R. There being no policies in force, you no longer need to pay premium.

Q. How can I get a copy of the Rehabilitation Order?

R. To obtain a copy refer to the "OSD Latest News" section on the homepage of our website at [www.osdchi.com](http://www.osdchi.com) and then click on the link for "Agreed Order of Rehabilitation" in the news item on Public Service Insurance Company.

Q. What if Public Service goes into Liquidation?

R. Although liquidation is not currently contemplated, if Public Service were to one day be placed into liquidation, then state guaranty funds would be triggered and would provide coverage pursuant to the terms of their respective statutory provisions, and Public Service's duty to defend claims would be terminated.