

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

IN THE MATTER OF THE LIQUIDATION OF)
LUMBERMENS MUTUAL CASUALTY COMPANY,)
AMERICAN MANUFACTURERS MUTUAL) NO. 12 CH 24227
INSURANCE COMPANY AND AMERICAN)
MOTORISTS INSURANCE COMPANY)

ORDER

THIS CAUSE COMING ON TO BE HEARD upon the motion of Andrew Boron, Director of Insurance of the State of Illinois, as Liquidator (the "Liquidator") of Lumbermens Mutual Casualty Company, American Manufacturers Mutual Insurance Company and American Motorists Insurance Company (collectively referred to herein as the "Lumbermens Companies") for the entry of an order providing for the filing of claims and the setting of claim filing deadlines; due notice having been given, the Court having jurisdiction over the parties hereto and the subject matter hereof, the Court having reviewed the motion filed herein and having heard from counsel for the Liquidator thereon, and the Court then being otherwise fully advised in the premises;

IT IS HEREBY ORDERED THAT:

A. The Liquidator provide both actual and constructive notice of the procedures and deadlines for the filing of claims (the "Notice") to all persons, companies and entities which the Lumbermens Companies' books and records reveal have, or may have, claims against the Lumbermens Companies, or their property or assets, or against a Lumbermens Companies insured or policyholder (the "Potential Claimants").

prior to September 30, 2013,

B. The Notice shall inform Potential Claimants that all such claims must be presented to and filed with the Liquidator in the form of a proof of claim meeting the requirements of Section 209(1) of the Illinois Insurance Code (the "Code"), 215 ILCS 5/209(1), as described below, on or before November 10, 2014 at 4:30 p.m. C.S.T. The Notice shall specify November 10, 2014 at 4:30 p.m. C.S.T. to be the last day by which any such proof of claim may actually be received by the Liquidator for the purposes of participating in any distribution of assets that may be made on timely filed claims which are allowed in these proceedings. Said Notice shall further specify that for purposes of these claim filing procedures the terms "presented to and filed with the Liquidator" and "actually received by the Liquidator" mean that in order for a proof of claim to be timely filed the Liquidator must have physical possession of the of the proof of claim form, or the proof of claim form must have been delivered to the United States Postal Service for delivery to the Liquidator and postmarked on or before November 10, 2014 at 4:30 p.m. C.S.T., with full postage pre-paid, or the proof of claim form must have been delivered to a private mail courier for delivery to the Liquidator on or before November 10, 2014 at 4:30 p.m. C.S.T., with delivery charges fully paid.

- C. Pursuant to Section 209(1)(a) of the Code, 215 ILCS 5/209(1)(a), a[p]roof of claim shall consist of a statement signed by the claimant or on behalf of the claimant that includes all of the following that are applicable:
- (i) the particulars of the claim including the consideration given for it;
 - (ii) the identity and amount of the security on the claim;
 - (iii) the payments made on the debt, if any;

- (iv) that the sum claimed is justly owing and that there is no setoff, counterclaim, or defense to the claim;
- (v) any right of priority of payment or other specific right asserted by the claimant;
- (vi) the name and address of the claimant and the attorney, if any, who represents the claimant; and
- (vii) the claimant's social security or federal employer identification number.

215 ILCS 5/209(1)(a).

Further, pursuant to Section 209(2) of the Code, 215 ILCS 5/209(2),

[w]henver a claim is based upon a document, the document, unless lost or destroyed, shall be filed with the proof of claim. If the document is lost or destroyed, a statement of that fact and of the circumstances of the loss or destruction shall be included in the proof of claim... Except as otherwise provided in subsection (7), a proof of claim required under this Section must identify a known loss or occurrence.

215 ILCS 5/209(2).

D. The Liquidator shall accept as a timely filed proof of claim documentation in the Lumbermens Companies' books and records which, taken as a whole, comply with the requirements of Section 209(1)(a), *id.*, and the Liquidator shall advise claimants, who have not previously filed a proof of claim with respect to such a claim, that their claim is timely filed based upon documentation in the Lumbermens Companies' records and that they need not present a proof of claim form with respect to the particular claim.

E. Actual notice of the claim filing procedures and deadlines shall be served upon Potential Claimants by the Liquidator depositing a copy of said Notice in the United States mail, enclosed in an envelope, with first class postage prepaid, addressed to each

such Potential Claimant at his, her or its last known address as disclosed by the Lumbermens Companies' books and records.

F. The Liquidator shall also provide constructive notice of the claim filing procedures and deadlines by publication, by causing a Notice to be published at least once each week for three consecutive weeks in a newspaper of general circulation published in the County of Cook, State of Illinois, and in such other newspaper(s) and/or publication(s) as he may deem advisable.

G. Pursuant to Section 209(4) of the Code, 215 ILCS 5/209(4), any insured under an insurance policy issued by the Lumbermens Companies shall have the right to present the Liquidator with a proof of claim setting forth a contingent claim, subject to the claim filing deadline set forth in Paragraph (B), above. The final date by which evidence supporting the liquidation of any such contingent claim by actual payment must be actually received by the Liquidator shall be November 10, 2015 at 4:30 p.m. C.S.T. No such contingent claim shall be allowed for purposes of participating in any distribution(s) of estate assets that may be made at the fourth priority level, 215 ILCS 5/205(1)(d), unless such claim has been liquidated and the insured claimant has presented to and filed with the Liquidator evidence of payment of such claim on or before November 10, 2015 at 4:30 p.m. C.S.T. Any insured's contingent claim for which a proof of claim was received by the claim filing deadline set forth in Paragraph (B) above, but which is not liquidated by November 10, 2015 or as to which evidence of payment of such claim is not presented to and filed with the Liquidator on or before November 10,

2015, may be estimated pursuant to Section 209(4)(b) of the Code, 215 ILCS 5/209(4)(b), for purposes of participating in any distribution(s) of estate assets that may be made at the fifth priority level, 215 ILCS 5/205 (1)(e), unless the Court has issued an order pursuant to 215 ILCS 5/209(12) relieving the Liquidator of his responsibility to review the unliquidated contingent claims based upon the Liquidator's report to the Court that the assets of the estate will not be sufficient to pay claims at the fifth priority level, 215 ILCS 5/205(1)(e).

H. Subject to the provisions for the late filing of claims contained in Sections 208(2) and 208(3) of the Code, 215 ILCS 5/208(2)-(3), and Section 545(b) of the Code, 215 ILCS 5/545(b), which exempts the Illinois Insurance Guaranty Fund and any similar organization in another state from the requirements of Sections 208 and 209 of the Code, *supra*, no person having or claiming to have any claim or claims against the Lumbermens Companies or their property or assets shall participate in any distribution(s) of the assets of the Lumbermens Companies unless such claims are filed or presented in accordance with and within the time limits established by this Order.

I. The Liquidator, pursuant to Section 209 of the Code, 215 ILCS 5/209, and subject to the further order of this Court, shall examine and investigate any and all properly filed proofs of claim and submit his recommendations as to the allowance or disallowance, in whole or in part, of each such claim to the Court, unless it is reported to the Court that the assets of the estate will not be sufficient to pay claims at a certain level of priority under Section 205(1) of the Code, 215 ILCS 5/205(1), and the Court therefore

exempts the Liquidator pursuant to Section 209(12) of the Code, 215 ILCS 5/209(12), from the evaluation or adjudication of any claims at the designated level of priority. Further, that upon the filing of such report on claim recommendations pursuant to Section 209(13) of the Code, 215 ILCS 5/209(13), and any hearing on any objections thereto, the Court shall take further action as justice may require.

J. The Liquidator shall not pay the claims of any creditors, policyholders, insureds or other claimants required to file proofs of claim until the deadlines for the timely presentment of proofs of claim to the Liquidator and the submission of evidence for the liquidation of insureds' contingent claims have both passed, and the Liquidator has estimated all unliquidated contingent claims, or the Court has entered an order pursuant to 215 ILCS 5/209(12) as set forth in Paragraph (G) herein, and all such claims have been allowed or disallowed, in whole or in part, by order of the Court, unless payment of such claims is hereafter authorized or approved by the Court, or payment is made to the Illinois Insurance Guaranty Fund or to any similar organization in another state pursuant to Section 205(2) of the Code, 215 ILCS 5/205(2).

J. Kevin Baldwin
Dale A. Coonrod
Daniel A. Guberman
Counsel to the Receiver
222 Merchandise Mart Plaza, Suite 960
Chicago, Illinois 60654
(312) 836-9500
Attorney Code # 16819

ENTERED:

