

**SUPREME COURT OF THE STATE OF NEW YORK — NEW YORK COUNTY, IAS PART 7**  
(Matter of the Liquidation of Midland Insurance Co., Index No. 41294/1986)

**NOTICE**  
**TO THE POLICYHOLDERS, GUARANTY FUNDS AND REINSURERS**  
**OF MIDLAND INSURANCE COMPANY IN LIQUIDATION:**

This notice is posted to all policyholders, guaranty funds and reinsurers of Midland Insurance Company (“Midland”), now in liquidation. Justice Michael D. Stallman, of the Supreme Court of the State of New York, New York County, presides over Midland’s liquidation.

On January 14, 2008 Justice Stallman issued his decision in *In re Liquidation of Midland Ins. Co.*, 18 Misc.3d 1117(A), 2008 WL 151786 (Sup. Ct., N.Y. Co. 2008). The Decision provided in relevant part that “within 120 days, the Liquidator is directed to settle, on notice to all affected reinsurers, and all those to whom notice was to be given under this Court's interim order of November 8, 2006, an order modifying Justice Cohen's order on claims allowance procedures dated January 30, 1997. Notice may be given by e-mail or by posting on a website of either the Liquidation Bureau or the Superintendent of Insurance. Similar notice shall be given of any application to the Court for an extension of the 120-day deadline” On June 6, 2008, a 75-day extension was agreed to and approved by the Court which expires on July 28, 2008.

The Liquidator has again consulted with counsel for the various interested parties to this proceeding with respect to the continuing efforts to formulate revised claims procedures and a proposed revised court order because the 75-day extension has expired. After consultation with the Court, the Court consented to one last extension in order to comply with the Court’s Decision as set forth below.

The Liquidator shall send a draft of his proposed “Revised Claims Handling Procedures,” proposed “Amended Order Approving the Liquidator’s Proposed Revised Procedures for Judicial Review of Allowance of Claims” and proposed affidavit in support thereof on August 8, 2008 to counsel for the Reinsurers’ and Policyholders” Committees to the CMO Proceedings and counsel for other known affected reinsurers and policyholders as well as counsel for the NCIGF's Midland Coordinating Committee. Thereafter, all such parties and any other interested parties may file any changes to the Liquidator’s draft submissions to the Liquidator on or before August 20, 2008. The Court will then hold a status conference on the matter.

The Liquidator concedes that this extension does not prejudice any right of any party to file any other pleading, motion, application, or appeal, including without limitation the right to seek a stay, or further extension, of this or any other deadline.

Do not contact the Judge either by mail or telephone. Unauthorized communications will not be responded to.

Dated: July 28, 2008