

At the Ex-Parte Motion Office of the Supreme Court of the State of New York, County of New York, 60 Centre Street, in the Borough of Manhattan, City and State of New York, on the 16th day of May, 1986.

P R E S E N T :

HON. *Stanley S. Ostrau*

JUSTICE.

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In the Matter of
the Application of

Index No. *42388/1986*

ORDER

JAMES P. CORCORAN, as Superintendent of Insurance of the State of New York, for an Order of Appointment as Ancillary Receiver of

AMERICAN DRUGGISTS' INSURANCE COMPANY, a stock insurance corporation of the State of Ohio

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Upon reading and filing the annexed petition of JAMES P. CORCORAN, Superintendent of Insurance of the State of New York, verified the *9th* day of May, 1986, for an Order appointing him Ancillary Receiver for AMERICAN DRUGGISTS' INSURANCE COMPANY (hereinafter referred to as "AMERICAN"), and to take possession of the property and assets of AMERICAN located in the State of New York, pursuant to Article 74 of the Insurance Law of the State of New York, and it appearing to my satisfaction that AMERICAN was in-

corporated under the laws of the State of Ohio; that it was licensed as a stock casualty insurer in the State of New York; that it conducted insurance business in the State of New York; that it has been declared insolvent by a Court of competent jurisdiction of the State of Ohio on April 30, 1986 and is unable to meet its insurance obligations; that its license to conduct such business should be revoked by the Superintendent of Insurance of the State of New York; that the Superintendent of Insurance of the State of Ohio was appointed Liquidator of AMERICAN; that it is amenable to the Insurance Laws of the State of New York and particularly to Article 74 thereof; that it is to the best interests of all policyholders, claimants, creditors and other interested persons located in the State of New York that the Superintendent of Insurance of the State of New York be directed to take possession of the property of said company and to liquidate the same, subject to the orders of this Court;

NOW, on motion of Hon. ROBERT ABRAMS, Attorney General of the State of New York, it is

ORDERED, that the petition of JAMES P. CORCORAN, Superintendent of Insurance of the State of New York, be and the same hereby is in all respects granted; and it is further

ORDERED, that the said JAMES P. CORCORAN, as Superintendent of Insurance of the State of New York, and his successors in office as Superintendents of Insurance of the State of New

York, be and he is and they are hereby appointed Ancillary Receiver of AMERICAN, and are hereby authorized and directed forthwith to take possession of the property of the said AMERICAN located in the State of New York, under and pursuant to the provisions of Article 74 of the Insurance Law of the State of New York and to deal with the property and business of AMERICAN, and it is further directed to take and preserve all the other assets and claims which are the property of AMERICAN and to protect same for the benefit of creditors, policyholders and other interested parties within the State of New York and upon the authorization of this Court to pay such claims against AMERICAN and/or its policyholders as are approved by this Court as being valid; and it is further

ORDERED, that formal notice of the making and entry of this Order be given by the Superintendent of Insurance, as Ancillary Receiver, where in his discretion he deems it necessary where it can be reasonably ascertained, by mail, to all policyholders, creditors and all other persons having any unsatisfied claim or demand of any character against AMERICAN as disclosed by the books and records of the corporation in the possession of the Superintendent of Insurance, as Ancillary Receiver, as furnished by the Domiciliary Receiver, at the last known address of such persons as disclosed by said records and in such other manner and form as he in his discretion may find desirable, demanding that all persons indebted to AMERICAN render accounts of

their indebtedness and pay any sums due to the Superintendent of Insurance, as Ancillary Receiver; and giving notice to present proofs of claim with the Superintendent of Insurance, as Ancillary Receiver, at a place specified in such notice and no later than the 30^d day of May, 1987; and that such notice may contain such other rules, regulations and information as the Superintendent of Insurance, as Ancillary Receiver, may deem necessary for the purpose of this proceeding in fixing and determining all lawful and valid claims and demands against the corporation; and it is further

ORDERED, that the notice hereinbefore prescribed is sufficient notice to all persons interested in the assets of AMERICAN; and it is further

ORDERED, that said AMERICAN, its officers, directors, trustees, policyholders, agents and employees and all other persons having any property or records belonging to the said AMERICAN located in the State of New York, including but not limited to claim files, legal files and insurance policy files, are hereby directed to assign, transfer and deliver to the Superintendent of Insurance, as Ancillary Receiver, all of such property located in the State of New York in whomsoever name the same may be, and that any persons, firms or corporations having any books, papers or records relating to the business of said corporation shall preserve the same and submit them to the Superin-

tendent of Insurance, as Ancillary Receiver, for examination at such place as he shall reasonably designate or, at his request, make then available for examination at all reasonable times; and it is further

ORDERED, that the officers, directors, trustees, policyholders, agents and employees of said AMERICAN, and all other persons, be and they hereby are enjoined and restrained from the further transaction of business or from dealing with or disposing of the property or assets of said corporation located in the State of New York, or doing or permitting to be done any act or thing which might waste its property or assets or allow or suffer the obtaining of preferences, judgments, attachments or other liens, or the making of any levy against said corporation, or its estate while in the possession and control of the Superintendent of Insurance, as Ancillary Receiver; and it is further

ORDERED, that the officers, directors, trustees, policyholders, agents and employees of said AMERICAN, and all other persons, be and they are hereby enjoined and restrained from bringing or further prosecuting any action at law, suit in equity, special or other proceedings against the said corporation or its estate or the Superintendent of Insurance of the State of New York and his successors in office, as Ancillary Receiver thereof, or from making or executing any levy upon the property or estate of said corporation, or from in any way in-

terfering with the Superintendent of Insurance of the State of New York, or his successors in office, in his or their possession, control or management of the property of said corporation, or in the discharge of his or their duties as Ancillary Receiver thereof, or in the liquidation of the business of said corporation; that all parties to law suits in this State are hereby enjoined and restrained from proceeding with any trial, application for judgment, or proceeding on judgments or settlements in such actions at law, suits in equity, special or other proceedings in which AMERICAN is obligated to defend a party insured or any other person it is legally obligated to defend by virtue of its insurance contract for a period of 180 days from the date hereof; and it is further

ORDERED, that those persons who may have first party or New York Comprehensive Automobile Insurance Reparations Act (No-Fault) policyholder loss claims against AMERICAN coming within the purview of Article 76 of the Insurance Law, are enjoined for 90 days from the date hereof from presenting and filing such formal claims in this proceeding pursuant to Section 7432 of the Insurance Law; and it is further

ORDERED, that all parties to Administration Hearings before the Workers' Compensation Board coming within the purview of Article 76 of the Insurance Law (Property and Casualty Security Fund) and Section 107 of the Workers' Compensation Law (Stock Workers' Compensation Security Fund) are hereby enjoined

and restrained from proceeding with conferences, hearings, applications for judgments or proceedings on said judgments or other proceedings in which AMERICAN is legally obligated to defend an insured employer or any other persons by virtue of their Workers' Compensation Contract for a period of 90 days from the date hereof; and it is further

ORDERED, that the License of AMERICAN DRUGGISTS' INSURANCE COMPANY to do business in the State of New York, be and the same is hereby revoked; and it is further

ORDERED, that all further papers in this proceeding shall bear the caption and be entitled:

"SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

In the Matter of the

Ancillary Receivership of

AMERICAN DRUGGISTS' INSURANCE COMPANY"

in place and stead of the caption as heretofore used; and it is further

ORDERED, that the Superintendent of Insurance, as Ancillary Receiver, may at any time make further application at the foot of this order for such further and different relief as he sees fit.

ENTER

151 S.S.O.
J. S. C.

filed
5/16/86

New York County