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NOV 18 2011

At IAS Part 15 of the Supreme Court
of the State of New York, County of
New York, at the courthouse,
80 Centre Street, in County, City and
State of New York, on the 14 day of
NOV, 2011.

PRESENT:

HON. EILEEN A. RAKOWER, J.S.C.

In the Matter of

the Rehabilitation of

ATLANTIC MUTUAL INSURANCE COMPANY

In the Matter of

the Rehabilitation of

CENTENNIAL INSURANCE COMPANY

APPROVED
FOR THE PAYMENT
OF MOTION FEE
ONLY

Index No. 402424/10

**ORDER APPROVING
THE PROCEDURE FOR
THE ADJUDICATION
OF CLAIMS**

FILED
NOV 18 2011
COUNTY CLERK'S OFFICE
NEW YORK

Dennis J. Hayes, Special Deputy Superintendent and Agent of James J. Wrynn, Superintendent of Insurance of the State of New York as rehabilitator ("Rehabilitator") of Atlantic Mutual Insurance Company ("AMIC") and Centennial Insurance Company ("Centennial"), having moved this Court by verified petition dated April 22, 2011 ("Verified Petition"), for an order approving a procedure ("Procedure") for judicial review of the Liquidator's adjudication of claims, and it appearing from the Verified Petition that the Procedure will best serve the interests of AMIC, Centennial, their creditors, all other interested persons and that it should be approved and implemented;

NOW, based on the application of the Rehabilitator, it is hereby ordered that:

1. The Procedure is approved and is effective upon the entry of the orders of liquidation for AMIC and Centennial;


2. The Procedure is required for the orderly administration of the estates of AMIC and Centennial. The Procedure will enable the liquidator ("Liquidator") of AMIC and Centennial to dispose of claims on an ongoing basis while offering due process to all claimants who object to his recommendations.

3. The Procedure is as follows:

- a) The Liquidator shall, consistent with New York Insurance Law ("Insurance Law") Section 7433(b)(2) prepare, on a periodic basis, a list of claims that have been examined in that period which sets forth the claimant's name, last known address, the claim number and the amount, if any, recommended for allowance ("List").
- b) The Liquidator shall serve each claimant with a Notice of Determination ("NOD") for each claim on the List. Service shall be made by first class mail to claimant's last known address.
- c) The NOD shall advise each claimant that:
 - (i) The Liquidator has examined the claim, the class within which the claim falls, and the amount, if any, which the Liquidator has recommended for allowance;
 - (ii) In the event that the amount recommended for allowance is zero, the Liquidator has recommended the claim for disallowance and the reason therefor;
 - (iii) No further action by the claimant is required if the claimant accepts the Liquidator's recommendation;
 - (iv) The claimant may object to the NOD by serving a written objection on the Liquidator prior to the last day for filing such objection, which is expressly set forth in the NOD and shall be at least sixty days after the date of mailing of the NOD;
 - (v) The Liquidator's recommendation will be presented to this Court for approval and the claimant's right to share in a distribution of assets, pursuant to Insurance Law Section 7434, will be fully and finally determined, unless the claimant objects as set forth herein;

- (vi) In the event the claimant makes a timely objection, the Liquidator will contact the claimant to attempt to resolve the objection and, if resolved, will make an application to the Court, on notice, for an order approving his recommendation of the negotiated amount. If the objection cannot be resolved, then the Liquidator will contact the claimant and the court-appointed referee to initiate a pre-hearing conference;
 - (vii) The court-appointed referee will hear and report on the validity of claimant's unresolved objection; and
 - (viii) Either the claimant or the Liquidator may petition this Court on notice for an order confirming the referee's report.
- d) The Liquidator shall move, ex-parte, at least seventy-five days after the date of the NOD, for an order approving the Liquidator's recommendations for adjudication of all claims for which no objections are timely received.
 - e) The Liquidator is authorized, in his sole discretion, to settle claims at any time during the adjudication process.

ENTER



J. S. C.

HON. EILEEN A. HANOVER

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