

**IN THE MATTER OF THE REHABILITATION OF
THE INSURANCE CORPORATION OF NEW YORK
New York Supreme Court, Index No.: 401477/09**

NOTICE

By order of the Supreme Court of the State of New York, County of New York (the “Court”), entered June 30, 2009 (the “Rehabilitation Order”), The Insurance Corporation of New York (“INSCORP”) was placed into rehabilitation and the then-Superintendent of Insurance of the State of New York was appointed Rehabilitator (the “Rehabilitator”). The Rehabilitator hereby gives notice that he has applied to the Court by order to show cause for an order: (1) converting INSCORP’s rehabilitation proceeding to a liquidation proceeding; (2) appointing the Superintendent and his successors in office as liquidator of INSCORP; (3) vesting title to all INSCORP’s property, contracts and rights of action with the Superintendent as liquidator; (4) continuing the permanent injunctions provided for in Insurance Law Section 7419, including enjoining and restraining all persons from transacting INSCORP’s business, wasting or disposing of its property, interfering with the Superintendent or the proceeding, or commencing or prosecuting any actions, obtaining any preferences, judgments, attachments or other liens, or making any levy against INSCORP, its assets or any part thereof; (5) granting injunctions enjoining and restraining: (a) all parties from commencing or prosecuting any actions or proceedings against INSCORP, the Liquidator or the New York Liquidation Bureau, its employees, attorneys or agents with respect to any claims against INSCORP; (b) all parties to actions, lawsuits and special or other proceedings in which INSCORP is obligated to defend a party pursuant to an insurance policy, bond, contract or otherwise, from proceeding with any discovery, court proceedings or other litigation tasks or procedures, including but not limited to conferences, trials, applications for judgment or proceedings on settlement or judgment, for a period of 180 days, and (c) all persons who have first party or New York Comprehensive Automobile Insurance Reparations Act (No Fault) policyholder loss claims, from presenting and filing claims with the Superintendent as liquidator for a period of 90 days; (6) authorizing, permitting and allowing the Liquidator to sell, assign, transfer any and all stocks, bonds, or securities of INSCORP at market price or at the best price obtainable at private sale; (7) terminating all contracts and agreements, unless otherwise expressly assumed by the Liquidator, and fixing liability thereunder as of the date of entry of the Liquidation Order; (8) requiring all persons or entities having property, including, but not limited to, insurance policies, claims files (electronic or paper), software programs and/or bank records belonging or relating to INSCORP shall preserve such information and immediately, upon the Liquidator’s request and direction, assign, transfer, turn over and deliver such information to the Liquidator; (9) extending judicial immunity to the Superintendent in his capacity as liquidator of INSCORP and his successors in office and their agents and employees and extending such immunity to them for any cause of action of any nature against them, individually or jointly, for any action or omission of any one or more of them when acting in good faith, in accordance with the orders of this Court, or in the performance of their duties pursuant to Article 74 of the Insurance Law; and (10) granting such other relief as is just;

The order to show cause further provides that the injunctions provided for in the Rehabilitation Order, that were extended by the Court's order entered September 29, 2009, remain in effect pending a hearing on the Rehabilitator's application.

A hearing is scheduled on the order to show cause on the 23rd day of February 2010 (the "Return Date") at 9:30 a.m., at the Courthouse, 80 Centre Street, New York, New York, at IAS Part 8.

If you wish to object to the petition, you must serve your objections and all supporting documentation ("Answering Papers") upon the Superintendent so as to be received by the Superintendent at least seven business days prior to the Return Date, and by submitting copies of the Answering Papers, with affidavits of service on the Superintendent, to the Court at IAS Part 8, at the Courthouse located at 80 Centre Street, New York, New York, on or before the Return Date. Service of Answering Papers on the Superintendent shall be made by first class mail at the following address:

Superintendent of Insurance of the State of New York
as Rehabilitator of The Insurance Corporation
of New York
123 William Street
New York, New York 10038-3889
Attention: John Pearson Kelly, Esq.
General Counsel

The order to show cause and supporting papers are available for inspection at office of the New York Liquidation Bureau at 123 William Street, New York, New York.

Requests for further information should be directed to Bernadette Colbert at 212-341-6521.

Dated: New York, New York
December 24, 2009

James J. Wrynn
Superintendent of Insurance
of the State of the New York
as Rehabilitator of The Insurance
Corporation of New York