



**GRANTED**

EFiled: Aug 29 2013 04:51PM EDT  
Transaction ID 53961539  
Case No. 8802-CS



**IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE**

IN THE MATTER OF THE LIQUIDATION OF )  
UNITED CONTRACTORS INSURANCE COMPANY ) C.A. No. 8802-CS  
INC., A RISK RETENTION GROUP )

**ORDER SETTING THE BAR DATE FOR THE FILING OF ANY AND ALL CLAIMS AGAINST UNITED CONTRACTORS INSURANCE COMPANY, INC., A RISK RETENTION GROUP ("UCIC"), IN LIQUIDATION, AND FOR APPROVAL OF THE CANCELLATION OF ALL INSURANCE POLICIES AND CONTRACTS OF INSURANCE ISSUED BY UCIC**

WHEREAS, the Honorable Karen Weldin Stewart, CIR-ML, Insurance Commissioner of the State of Delaware, in her capacity as the Receiver (the "Receiver") of United Contractors Insurance Company, Inc., a Risk Retention Group ("UCIC"), a Delaware domiciled risk retention group, has filed a petition seeking the establishment of a Bar Date of February 27, 2015 (the "Bar Date"), pursuant to 18 *Del. C.* §5901, et seq., and in particular §5929(b), by which any and all claims against UCIC must be filed with the Receiver or forever be barred from participating in distributions in Classes III through VI in the UCIC estate, and for approval to cancel all active insurance policies and contracts of insurance issued by UCIC no later than 12:01 a.m. on September 28, 2013;

WHEREAS, this Court is authorized pursuant to 18 *Del. C.* §5929(b) to issue an Order setting a bar date if more than six months have passed since entry of the order of insolvency and if such bar date Order provides a reasonable time and manner of notice; and

WHEREAS, it appears that sufficient grounds for the issuance of this Bar Date Order exist pursuant to 18 *Del. C.* §5929(b) and it appears that sufficient grounds exist to cancel all of the insurance policies and contracts of insurance issued by UCIC as UCIC is insolvent and is being liquidated;

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED and DECREED:

1. UCIC is insolvent.
2. **ANY AND ALL CLAIMS NOT FILED WITH THE RECEIVER ON OR BEFORE THE CLOSE OF BUSINESS ON FRIDAY, FEBRUARY 27, 2015 (THE "BAR DATE") SHALL BE BARRED FROM CLASSES III THROUGH VI AS THOSE CLASSES ARE DEFINED IN 18 *DEL. C.* §§5918(e)(3) THROUGH (e)(6) AND SHALL NOT RECEIVE ANY DISTRIBUTIONS FROM THE GENERAL ASSETS OF THE UCIC ESTATE UNLESS AND UNTIL ASSETS BECOME AVAILABLE FOR A DISTRIBUTION TO CLASS VII CLAIMANTS AS DEFINED IN 18 *DEL. C.* §5918(e)(7). THIS BAR DATE SHALL SUPERSEDE ANY APPLICABLE STATUTES OF LIMITATIONS OR OTHER STATUTORY OR CONTRACTUAL TIME LIMITS WHICH HAVE NOT YET EXPIRED WHETHER ARISING UNDER DELAWARE LAW, UNDER THE APPLICABLE LAWS OF ANY OTHER JURISDICTION, OR UNDER A CONTRACT WITH UCIC BUT SHALL ONLY APPLY TO CLAIMS AGAINST UCIC IN THE LIQUIDATION PROCEEDINGS AND DOES NOT**

**APPLY TO, AND EXCLUDES, CLAIMS BROUGHT BY UCIC. ALL CLAIMANTS SHALL ATTACH TO SUCH PROOF OF CLAIM DOCUMENTATION SUFFICIENT TO SUPPORT SUCH CLAIM.**

**FOR NON-CONTINGENT CLAIMS, THE FILED CLAIMS SHALL NOT BE REQUIRED TO BE LIQUIDATED AND ABSOLUTE ON OR BEFORE THE BAR DATE SET FORTH HEREIN.**

**CONTINGENT AND UNLIQUIDATED CLAIMS THAT ARE PROPERLY FILED WITH THE RECEIVER IN ACCORDANCE WITH THIS ORDER SHALL ONLY BE ELIGIBLE TO SHARE IN A DISTRIBUTION OF THE ASSETS OF UCIC IN ACCORDANCE WITH 18 DEL. C. §5928.**

3. (a) All insurance policies and contracts of insurance issued by UCIC, whether issued in the State of Delaware or elsewhere, in effect as of the entry of the Liquidation and Injunction Order in the above-captioned matter on August 21, 2013, shall only continue in force until the earlier of the following events: (i) the stated expiration or termination date and time of the insurance policy or contract of insurance; (ii) the effective date and time of cancellation of the insurance policy or contract of insurance pursuant to a notice of cancellation which cancels such insurance policy or contract of insurance at any time prior to 12:01 a.m. on September 28, 2013; (iii) the effective date and time of a replacement insurance policy or contract of insurance of the same type issued by another insurer

regardless of whether the coverage is identical coverage; (iv) the effective date and time that the UCIC insurance policy or contract of insurance obligation is transferred to another insurer or entity authorized by law to assume such obligation; or (v) the cancellation and termination for all purposes of the insurance policy or contract of insurance at 12:01 a.m. on September 28, 2013, pursuant to subparagraph 3 (b) below.

(b) Except for those insurance policies or contracts of insurance which expire or are cancelled or terminated earlier as set forth in subparagraph 3(a)(i) through (iv) above, all insurance policies or contracts of insurance issued by UCIC, whether issued in the State of Delaware or elsewhere, in effect as of the entry of the Liquidation and Injunction Order on August 21, 2013, are hereby cancelled and terminated for all purposes as of 12:01 a.m. on September 28, 2013. The Receiver shall notify promptly all policyholders of such insurance policy or contract of insurance cancellation and termination by United States first class mail at the last known address of such policyholders.

4. On or before September 20, 2013, or as soon as possible after an interested party or potential creditor subsequently becomes known to the Receiver, the Receiver shall serve notice of the liquidation of UCIC, the Bar Date, and the cancellation of all of the insurance policies and contracts of insurance by serving a copy of the Notice substantially in the form appended as Exhibit 1 to the Petition, the Proof

of Claim form, substantially in the form appended as Exhibit 2 to the Petition, and the Proof of Claim Instructions, substantially in the form appended as Exhibit 3 to the Petition to each policyholder, claimant, creditor, and other interested party, including but not limited to all Board members of the company, its managers, its brokers, its agents, its reinsurer(s), and any reinsurance intermediaries, all other known vendors, and all State Insurance Commissioners, at their last known address. The notice shall be mailed by United States first class mail, postage prepaid, provided that in the Receiver's discretion, such notice may be mailed instead by United States first class certified mail, return receipt requested, or by bulk certified mail with proof of mailing on United States Postal Form 3606, to such interested party or potential creditor's last known address in the company's files.

5. On or before September 20, 2013, the Receiver shall also publish a legal notice, substantially in the form of legal notice attached as Exhibit 4 to the Petition, concerning the liquidation, the Bar Date, the proof of claim requirements, and the cancellation of the insurance policies and contracts of insurance one time in the *New York Times*, the *Los Angeles Times*, a newspaper of general circulation in Sacramento, California, a newspaper of general circulation in Austin, Texas, and such other news publications as the Receiver deems appropriate based upon the business of the company.

6. On or before September 20, 2013, the Receiver shall also publish the Petition, this Order, the proof of claim form, and the instructions to the proof of claim form on the Delaware Department of Insurance website at the link referenced in Exhibits 3 and 4 to the Petition.

7. This Order supplements, rather than supersedes, this Court's August 21, 2013, Liquidation and Injunction Order, as modified on August 22, 2013. This Order shall be effective until further order of this Court.

8. This Court shall retain jurisdiction in this cause for the purpose of granting such other and further relief as this cause, the interests of the policyholders, creditors, and stockholders of UCIC, and the public may require. The Commissioner, or any interested party upon notice to the Commissioner, may at any time make application for such other and further relief as either sees fit.

SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

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Chancellor

This document constitutes a ruling of the court and should be treated as such.

**Court:** DE Court of Chancery Civil Action

**Judge:** Leo E Strine

**File & Serve**

**Transaction ID:** 53946213

**Current Date:** Aug 29, 2013

**Case Number:** 8802-CS

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INSURANCE COMPANY INC A RISK RETENTION GROUP

**Court Authorizer:** Strine, Leo E

/s/ **Judge Strine, Leo E**