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June 17, 2009

TO ALL CLAIMANTS SUBJECT TO THE
RECEIVER'S EIGHTH CLAIM RECOMMENDATION
REPORT AND PETITION SEEKING HEARING ON
DISPUTED CLAIMS

By U.S. First Class Mail
Certificate of Bulk Mailing

Re: Consumers United Insurance Company in Liquidation
HEARING DATE AND TIME: July 27, 2009, 10:00 a.m.
HEARING LOCATION: Court of Chancery of the
State of Delaware
500 North King Street
Wilmington, Delaware 19801

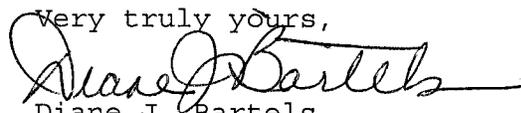
HEARING ON RECEIVER'S RECOMMENDATION
DISALLOWING YOUR CLAIM IN ITS ENTIRETY

Dear Claimant:

Attached please find the June 15, 2009, Order to Show Cause issued by The Honorable Stephen B. Lamb, Vice Chancellor, setting the above-referenced hearing on the Receiver's recommendation that your claim against the Consumers United estate should be disallowed in its entirety. (This Petition does not affect any amounts you received from Unity Mutual Life Insurance Company or your state guaranty association.) The Order contains instructions for obtaining a copy of the Petition and related documents, including the web address.

PLEASE READ THE ORDER CAREFULLY AS IT AFFECTS YOUR RIGHTS. YOU MUST ADVISE THE COURT ON OR BEFORE **FRIDAY, JULY 17, 2009**, IF YOU INTEND TO SEEK A COURT REVIEW OF THE RECEIVER'S RECOMMENDATION. IF YOU DO NOT TIMELY ADVISE THE COURT, THE RECEIVER'S RECOMMENDATION WILL BE ADOPTED. IF YOU DO NOT WISH TO SEEK A REVIEW OF THE RECEIVER'S RECOMMENDATION, YOU NEED NOT TAKE ANY FURTHER ACTION IN THIS MATTER.

The Order was signed electronically by the Vice Chancellor. Therefore, although there is no signature on the last page, the Order was signed and is a binding order. Please keep the Receiver informed of any change of your address.

Very truly yours,

Diane J. Bartels,
Attorney for the Receiver

cc: Affected State Life and Health Insurance Guaranty Associations



GRANTED WITH MODIFICATIONS

EFiled: Jun 15 2009 10:39AM EDT
Transaction ID 25645412
Case No. 12789-VCL



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN THE MATTER OF)
THE LIQUIDATION OF) C.A. No. 12789-VCL
CONSUMERS UNITED INSURANCE COMPANY)

**ORDER TO SHOW CAUSE CONCERNING
RECEIVER'S EIGHTH CLAIM RECOMMENDATION REPORT
AND PETITION SEEKING HEARING ON ZERO VALUE CLAIMS**

PLEASE READ THIS ORDER CAREFULLY AS IT AFFECTS YOUR RIGHTS REGARDING A CLAIM YOU FILED AGAINST CONSUMERS UNITED INSURANCE COMPANY IN LIQUIDATION (“CUIC”). IF YOU DO NOT FILE A TIMELY RESPONSE TO THE RECEIVER’S PETITION FOLLOWING THE INSTRUCTIONS IN THIS ORDER YOUR CLAIM AGAINST THE CUIC ESTATE SHALL BE DETERMINED BY THE COURT TO HAVE A VALUE OF \$0 AND SHALL BE DISALLOWED IN ITS ENTIRETY. (If you agree with the recommendation that your claim’s value is \$0 and that your claim should be disallowed in its entirety, you do not need to take any further action in response to this Order to Show Cause.)

WHEREAS, pursuant to 18 Del. C. ' 5917(c), the Receiver of Consumers United Insurance Company filed her Eighth Claim Recommendation Report pertaining to numerous Proofs of Claim (the “Zero Value Claims”) listed on Exhibit 1 to the Petition, which Zero Value Claims were filed by former policyholders of CUIC and the New Jersey Life & Health Insurance Guaranty Association (“New Jersey GA”) and for which the Receiver has recommended that the value of such claims be adjudicated to be \$0 and such claims disallowed in their entirety;

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

HEARING

1. A hearing on the Zero Value Claims has been scheduled before this Court for the date and time set forth on the attachment to this Order to Show Cause. Such hearing will be held at the Court of Chancery, 500 King Street, Wilmington, Delaware.

OBTAINING COPIES OF THE PETITION AND FORM OF ORDER

2. Any Claimant may access the Receiver's Petition and the form of Order Concerning the Receiver's Eighth Claim Recommendation Report and Petition Seeking Hearing on Zero Value Claims (the "Proposed Final Order") seeking to disallow their claim (the "Petition Documents") on the following web site:

<http://delawareinsurance.gov/departments/berg/DelawareRehabilitation-SITE-Open-Consum.pdf>

3. Each Claimant also has the right to receive copies of the Petition Documents if a request for the Petition Documents is received by the Receiver at least ten (10) calendar days before the scheduled hearing date. The request in writing for a copy of the Petition Documents must be sent by e-mail, facsimile or first class mail to the following address:

Attention: CUIC Eighth Recommendation Report
Rehabilitation & Liquidation Bureau
Delaware Insurance Department
704 King Street, Suite 602
Wilmington, Delaware 19801
Facsimile: (302) 577-1212
E-Mail: Andra.Cheers@state.de.us

PURPOSE OF THE INITIAL HEARING

4. The hearing on the date and at the time established in this Order to Show Cause shall be for the purpose of determining whether any claimant desires to seek the Court's review of the Receiver's recommendation that their claim has a value of \$0 and that their claim should be disallowed in its entirety. Any claimant who desires to have the Court review the Receiver's recommendation as to their claim must advise the Court of their objections to the Receiver's recommendation and the basis for their objections at least ten (10) calendar days before the scheduled hearing date.

5. ***ANY CLAIMANT WHO FAILS TO NOTIFY THE COURT OF THEIR INTENT TO SEEK A COURT REVIEW OF THE RECEIVER'S RECOMMENDATION ON OR BEFORE TEN (10) CALENDAR DAYS BEFORE THE SCHEDULED HEARING DATE WILL HAVE BEEN DEEMED TO HAVE WAIVED ANY RIGHT TO A COURT REVIEW OF THE RECEIVER'S RECOMMENDATION CONCERNING THEIR CLAIM, WILL BE DEEMED TO HAVE ABANDONED ANY OBJECTION TO THE RECEIVER'S RECOMMENDATION, AND WILL HAVE THEIR CLAIM DETERMINED TO HAVE A VALUE OF \$0 AND DISALLOWED IN ITS ENTIRETY.***

**HEARING ON THE MERITS FOR CLAIMANTS
WHO TIMELY SEEK COURT REVIEW**

6. For any Claimant who advises the Court at least ten (10) calendar days before the scheduled hearing date that they intend to seek a Court review of the Receiver's recommendation concerning their claim, the initial hearing for this Petition shall not be a hearing on the merits of their claim. For such claimants, the Court will

schedule a date for the submission of exhibits by the Receiver and the Claimant and a subsequent hearing date on the merits of such claim (the “Hearing on the Merits”). A form of Order scheduling the subsequent hearing date shall be issued at the direction of the Court and shall address any special requirements for the submission of exhibits, such as the filing of confidential health or financial information of the Claimant under seal, and shall also address the evidentiary procedures and other matters pertinent to such hearing, if such a hearing is necessary. Claimants will be required to attend the Hearing on the Merits.

7. The notice of intent to seek a Court review of the Receiver’s recommendation shall be filed in writing by the Claimant with the Court at the Court’s address at

Register in Chancery
Court of Chancery of the
State of Delaware
500 North King Street
Wilmington, Delaware 19801

and shall include the following information:

a. The caption of these proceedings:

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN THE MATTER OF)
THE LIQUIDATION OF) C.A. No. 12789-VCL
CONSUMERS UNITED INSURANCE COMPANY)

b. the nature of the document being filed (i.e., Notice of Intent to Seek Court Review of Receiver’s Claim Recommendation) and the name of the party on whose behalf such document is being filed;

c. the name, address and telephone number of the person filing the document; and

d. the date the document is being filed.

NOTICE OF THIS ORDER TO SHOW CAUSE

8. Within five (5) business days of receipt of this signed Order to Show Cause, the Receiver shall serve, by U.S. first class mail, postage prepaid, obtaining from the United States Postal Service a proof of mailing, which may be a bulk proof of mailing to all Claimants listed on the Proposed Final Order, a copy of the Order to Show Cause to each Claimant listed on Exhibit 1 to the Receiver's Petition, with a copy to the National Organization of Life and Health Insurance Guaranty Associations and the affected state life and health insurance guaranty associations.

IT IS SO ORDERED.

Vice-Chancellor

Dated:

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

Court: DE Court of Chancery Civil Action

Judge: Stephen P Lamb

**File & Serve
Transaction ID:** 25582120

Current Date: Jun 15, 2009

Case Number: 12789-VCL

Case Name: In re: Matter of the Liquidation of Consumers United Insurance

**Court Authorizer
Comments:**

MODIFICATION:

The hearing is scheduled for July 27, 2009 at 10 a.m.

/s/ **Judge Stephen P Lamb**



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN THE MATTER OF)
THE LIQUIDATION OF) C.A. No. 12789-VCL
CONSUMERS UNITED INSURANCE COMPANY)

**RECEIVER'S EIGHTH CLAIM RECOMMENDATION REPORT
AND PETITION SEEKING HEARING ON ZERO VALUE CLAIMS**

COMES NOW, the Honorable Karen Weldin Stewart, Insurance Commissioner of the State of Delaware, in her capacity as the Receiver of Consumers United Insurance Company in Liquidation (herein "Receiver"), and presents this Eighth Claim Recommendation Report, pursuant to 18 DEL. C. § 5917(c), petitioning this Honorable Court as follows:

Relief Requested

In this application, the Receiver seeks:

1. entry of an Order to Show Cause (the "Order to Show Cause") to the claimants referenced on Exhibit 1 hereto in the form of Order to Show Cause filed contemporaneously with this Report and Petition, scheduling a hearing and establishing the procedure for such hearing. The Receiver further requests that the hearing on the priority classification and value of such claims, or the disputed portions thereof, be scheduled approximately forty five (45) days or more after entry of the Order to Show Cause relating to this Report and Petition;

2. adjudication of the priority classification and value of the claims set forth on Exhibit 1 hereto at the scheduled hearing unless the Claimants timely file a written request for judicial review of the Receiver's recommendation, for which claimants the Receiver will seek a subsequent hearing on the merits of those claims; and

3. after affording the claimants on Exhibit 1 hereto an opportunity for a hearing on their claim, a determination and entry of the Order Concerning the Receiver's Eighth Claim Recommendation Report and Petition Seeking Hearing on Zero Value Claims (the "Proposed Final Order") by this Court pursuant to 18 DEL. C. § 5917(d) disallowing the policyholder level claims on Exhibit 1 to the Proposed Final Order in their entirety.

Background of the Liquidation Proceedings

Consumers United Insurance Company ("CUIC"), a Delaware domiciled insurance company, was licensed to issue life and health insurance policies in forty (40) states and the District of Columbia. This Court determined that CUIC was in hazardous financial condition and placed CUIC in rehabilitation proceedings by Stipulated Rehabilitation and Injunction Order dated February 9, 1993 ("Rehabilitation Order"; Dkt. No. 18). The Court appointed the Delaware Insurance Commissioner as the statutory receiver of CUIC. By Liquidation and Injunction Order dated May 5, 1994 ("Liquidation Order"; Dkt. No. 74), the Court declared CUIC insolvent and ordered that the Delaware Insurance Commissioner continue as the Receiver and liquidate CUIC.

By Order dated December 15, 1994 (Dkt. No. 124), the Court approved the Proposed Plan of Liquidation which provided for, among other things, notice to CUIC's creditors and other interested parties of the liquidation proceedings and the claims process. The Court also established a Creditor Bar Date of March 1, 1995 (which was subsequently extended to December 1, 1995).

Pursuant to the statute and the Plan of Liquidation, the Receiver has attempted to negotiate settlement of or otherwise resolve the claimants' policy claims that are not covered by a guaranty fund and the general creditor claims. The Receiver has been able to resolve most claims of claimants who have presented claims against group or individual health insurance, life insurance and annuity policies and most of the general creditors' claims. At a hearing on May 28, 2009, the claims of all but one of the affected state life and health insurance guaranty associations were determined. *See*, Order Concerning Receiver's Seventh Claim Recommendation Report and Petition Seeking Hearing on Guaranty Association Claims, dated May 28, 2009; LexisNexis EFile Transaction ID No. 25377718.

To date, the Receiver has filed seven claim recommendation reports which have adjudicated the priority classification and, where appropriate, the value of most of the estate's claims. The sixth claim recommendation report, filed on or about May 25, 2007 (LexisNexis EFile Transaction ID No. 15015323), addressed over 800 "zero value" claims. The Receiver believes that the 68 claims on Exhibit 1 appended hereto are the remaining "zero value" policyholder level claims of the estate which have not yet been disallowed. Those claims include the claim of the New Jersey Life & Health Insurance Guaranty Association, which was not affected by the CUIC insolvency.

Prior to receivership, CUIC was not licensed to issue insurance policies in the State of New Jersey. Therefore, generally any policyholders who resided in that state or any other state in which CUIC was not a licensed insurer at the time of CUIC's liquidation filed their claims with the Delaware Life & Health Insurance Guaranty Association. As a result, the New Jersey Life & Health Insurance Guaranty Association ("New Jersey GA") was not affected by the CUIC insolvency and did not incur any allowable administrative expenses or policyholder level claims. The New Jersey GA did, however, file a precautionary proof of claim to protect its interests before the Bar Date. The Receiver has determined that the New Jersey GA does not have a valid claim and, therefore, its entire claim should be disallowed. That claim is being classified as a policyholder level claim for administrative convenience, but there is no indication that the New Jersey GA paid any policy benefits to CUIC policyholders.

The Receiver has determined that the remaining policyholder level claims listed on Exhibit 1 hereto either have been satisfied by the applicable state guaranty association directly or through assumption of the liability by Unity Mutual Life Insurance Company, or are otherwise not valid claims against the CUIC estate ("Zero Value Policy Claims").

For the zero value claims on Exhibit 1 hereto, the Receiver forwarded a Notice of Evaluation containing the Receiver's recommended priority classification and the Receiver's recommendation of the "zero value" to each claimant. The claimants listed on Exhibit 1 hereto either did not timely file an objection with the Receiver to the Receiver's evaluation of the claim or the claimants have indicated that they do not intend to proceed with an objection to the evaluation. Therefore, the Receiver is seeking a more expedited hearing process for

the final determination for the claims listed on Exhibit 1 hereto than for previous disputed claims brought to the Court for a determination of allowance or disallowance.

This Eighth Claim Recommendation Report is filed pursuant to the claim notice and hearing requirements of 18 DEL. C. § 5917 pertaining to disputed claims in the liquidation proceedings. The Receiver anticipates that there may be a small number of additional disputed claims for which hearings on the merits of the claims will be necessary.

I. CLAIMANT'S BURDEN OF PROOF

Pursuant to 18 DEL. C. § 5917, each claimant has the burden of proving the validity of his or her claim.

A claim will not qualify as a policyholder level claim unless it arises "from and within the coverage of and not in excess of the applicable limits of insurance policies and insurance contracts issued by the company." 18 DEL. C. § 5918(e)(3). That section includes claims by affected state life and health insurance guaranty associations, but only for claims for certain payments made by such guaranty associations for the insolvent insurer's policy benefits. For the purposes of this estate, the policyholder level claims were originally designated as Class IV. The policyholder level claims are now reclassified as Class III pursuant to the amendments to the priority statute in 72 DEL. LAWS, c. 400.

II. RECOMMENDATIONS AS TO CLAIMS ON EXHIBIT 1

Pursuant to 18 DEL. C. § 5917(c), the Receiver recommends that the Policyholder Level Claims on Exhibit 1 hereto, including the entire claim of the New Jersey GA, be classified as Class 3 policyholder level claims, valued at \$0, and disallowed in their entirety

because the claims have either been satisfied in full by the applicable state life and health insurance guaranty association or assuming insurer, or are otherwise not valid claims against the CUIC estate.

III. HEARING PROCEDURE REQUESTED

The Receiver requests that the following procedure apply to the hearing on these Zero Value Claims:

1. Within five (5) business days of receipt of the signed Order to Show Cause, the Receiver would serve, by U.S. first class mail, postage prepaid, obtaining proof of mailing, a copy of the Order to Show Cause to each Claimant listed on Exhibit 1 hereto. The Order to Show Cause shall advise the claimants of their right to obtain copies of this Petition and the form of Order disallowing their claim (the "Petition Documents"), and the manner in which they may obtain copies of the Petition Documents. To avoid waste of the estate's assets by mailing copies of the Petition Documents to many of the claimants who have exhibited no intention of pursuing their claims or objections to the Receiver's recommendation, the Receiver shall not be required to mail any document other than the Order to Show Cause to any claimant unless any such claimant requests the Petition Documents at least ten (10) calendar days before the scheduled hearing date.

2. The hearing on the date and at the time established in the Order to Show Cause shall be for the purpose of determining whether any claimant desires to seek the Court's review of the Receiver's recommendation that their claim has a value of \$0 and that their claim should be disallowed in its entirety. Any claimant who desires to have the Court review the Receiver's recommendation as to their claim must advise the Court of their

objections to the Receiver's recommendation and the basis for their objections at least ten (10) calendar days before the scheduled hearing date. ANY CLAIMANT WHO FAILS TO NOTIFY THE COURT OF THEIR INTENT TO SEEK A COURT REVIEW OF THE RECEIVER'S RECOMMENDATION ON OR BEFORE TEN (10) CALENDAR DAYS BEFORE THE SCHEDULED HEARING DATE WILL HAVE BEEN DEEMED TO HAVE WAIVED ANY RIGHT TO A COURT REVIEW OF THE RECEIVER'S RECOMMENDATION CONCERNING THEIR CLAIM, WILL BE DEEMED TO HAVE ABANDONED ANY OBJECTION TO THE RECEIVER'S RECOMMENDATION, AND WILL HAVE THEIR CLAIM DETERMINED TO HAVE A VALUE OF \$0 AND DISALLOWED IN ITS ENTIRETY.

3. For any Claimant who advises the Court at least ten (10) calendar days before the scheduled hearing date that they intend to seek a Court review of the Receiver's recommendation concerning their claim, the initial hearing for this Petition shall not be a hearing on the merits of their claim. For such claimants, the Court will schedule a date for the submission of exhibits by the Receiver and the Claimant and a subsequent hearing date on the merits of such claim. A form of Order scheduling the subsequent hearing date shall be issued at the direction of the Court and shall address any special requirements for the submission of exhibits, such as the filing of confidential health or financial information of the Claimant under seal, and shall also address the evidentiary procedures and other matters pertinent to such hearing, if such a hearing is necessary. Claimants who seek a Court review of the Receiver's recommendation concerning their claim shall be required to attend the subsequent hearing on the merits.

CONCLUSION

WHEREFORE, the Receiver of Consumers United Insurance Company in Liquidation respectfully requests that this Honorable Court:

1. enter an Order to Show Cause to the claimants referenced on Exhibit 1 hereto, including the New Jersey GA, in the form of Order to Show Cause filed contemporaneously with this Report and Petition, scheduling an initial hearing and establishing the procedure for such initial hearing. The Receiver further requests that the hearing on the claims be scheduled approximately forty five (45) days or more after entry of the Order to Show Cause relating to this Report and Petition;
2. adjudicate the claims set forth on Exhibit 1 hereto at the scheduled hearing, unless a Claimant advises the Court of their intent to seek a Court review of the Receiver's recommendation concerning their claim;
3. for any Claimant who advises the Court of their intent to seek a Court review of the Receiver's recommendation concerning their claim, the Receiver seeks the scheduling of a subsequent hearing on the merits of such claim; and
4. after affording the claimants on Exhibit 1 hereto an opportunity for a hearing on their claim, make a determination and enter the Proposed Final Order pursuant to 18 DEL. C. § 5917(d) disallowing the policyholder level claims on Exhibit 1 to the Proposed Final Order in their entirety.

This Petition is not seeking any determination regarding the allowance or disallowance of the claims, if any, of the other state life and health insurance guaranty associations for payments which those associations may have made to these claimants for these claims. Those claims have either been resolved by the Court's May 28, 2009, hearing on the Receiver's Seventh Recommendation Report or will be resolved separately. The only determination being sought by this Petition is the adjudication of the Claimant's claim for that portion of their claim which was not covered by any of the state life and health insurance guaranty associations and of the full claim of the New Jersey GA.

Respectfully Submitted,



Diane J. Bartels

Del. Bar No. 2530

Brandywine Village

1807 North Market Street

Wilmington, Delaware 19802-4810

(302) 656-7207

Attorney for The Honorable
Karen Weldin Stewart, Insurance
Commissioner of the State of
Delaware, in her capacity as
Receiver of Consumers United
Insurance Company in Liquidation

Dated: June 10, 2009



EXHIBIT 1 TO RECEIVER'S EIGHTH RECOMMENDATION REPORT (ZERO VALUE CLAIMS)
 Consumers United Insurance Company in Liquidation; Del. Chancery, No. C.A. 12789

POC #	Claimant Name	Second Name	Class	Claim Amt	GA	Receiver's Recommended Value
4	EDWIN M REYNOLDS	Estate of GEORGE HUDSON	3C	75.00	FL	0.00
5	AMANDA K BOONE	Estate of GEORGE HUDSON	3C	75.00	FL	0.00
6	VALERIE N FUSCO	Estate of GEORGE HUDSON	3C	75.00	FL	0.00
50	LIVIA J KENT	CHARLES KENT	3C	1,800.00	DE	0.00
101	JANET L EASTER		3C	3,976.00	FL	0.00
109	FRANCES A LEONARD		3C	5,771.07	FL	0.00
117	NICHOLAS T LUTSCH		3C	18,327.41	VA	0.00
132	HOWARD SHTULMAN DC	RE: AGATHA GOTTHELF	3C	60.00	FL	0.00
181	AMY JERUSS		3C	1,870.92	FL	0.00
219	LEE WALKLING		3C	1,223.60	WA	0.00
277	BRIAN L JAMES	LEON R HIGHT	3C	20,000.00	IA	0.00
302	PAUL B SMITH		3C	9,543.45	WA	0.00
335	MARGARET M WARDEN		3C	298.69	SC	0.00
392	BARBARA NARDO		3C		PA	0.00
420	ADRIENNE KANE	ESTATE OF RONALD KANE	3C	12,496.28	MI	0.00
421	CHRISTINE PONKO		3C	226.00	NM	0.00
489	CHRIS MOORE		3C	1,086.64	CA	0.00
525	LEVINE & SINGER KIRSCH	JOSEPH A SINGER MD	3C	2,560.00	FL	0.00
552	MAXINE ACHTNER	ANDREW ACHTNER	3C	1,850.00	WI	0.00
553	MAXINE H ACHTNER	ANGELA A ACITNER	3C	1,700.00	WI	0.00
567	JOSEPH A SHAFFNER		3C	1,850.00	DE	0.00
606	ARUILLA TOMS		3C	1,963.01	WA	0.00
626	PHILOMENA FLORIO		3C	109,663.00	FL	0.00
676	BEVERLY JO KIRSCHMANN	DAVID M KIRSCHMANN	3C	1,650.00	FL	0.00
685	JOHN W DEROY D C	BLAIR CONKLIN	3C	190.00	CA	0.00
688	MARLEEN COLANGELO		3C	22,363.60	FL	0.00
709	LOIS I ATKINSON		3C		FL	0.00
755	JUDITH ELDRIDGE		3C	96.91	NH	0.00
763	JOHN J ZAROLA		3C	3,286.66	NM	0.00
800	ANNA M WATKINS		3C		TX	0.00
813	RUTH J WRIGHT		3C	32,169.54	AL	0.00
823	ADRIAN K BRITTON	L G HOPPENJANS	3C		DE	0.00
832	MRS JAMES FIELDER	DENEEN FIELDER	3C	75.00	WA	0.00
858	MARY LOU BRYANT		3C	370.58	NH	0.00
891	SUZANNE ONUFREY		3C	384.50	NH	0.00
898	SUSANNE D GREEN	GARRETT J GREEN	3C	75.00	FL	0.00
901	MARION L BLATCH		3C	13,000.00	ID	0.00
931	NANCY C KUPERSMID		3C	1,444.93	CA	0.00
945	EDWARD H NYBERG		3C	5,895.92	VA	0.00
972	JOANNA DARDEN		3C	1,000.00	VT	0.00
974	DONNA PAUL BESSKEN		3C	1,684.00	OH	0.00

981	ELLEN SOKOLOW		3C		DE	0.00
999	MANUEL J DESOUSA		3C	58.45	DE	0.00
1000	INES RESENDES		3C	58.45	DE	0.00
1015	L J HOISINGTON		3C	11,918.57	VA	0.00
1032	JAMILA S HASSAN		3C	2,803.34	VA	0.00
1176	ELEANOR DAMICO		3C	61.41	MI	0.00
1224	KATHRYN MILEY	JACOB MILEY	3C	1,800.00	FL	0.00
1252	DOROTHY G JOHNSON	CHRISTOPHER A BAIN	3C	1,950.00	FL	0.00
1272	DAVID L TUCKER	TIFFANY L TUCKER	3C	16.50	MO	0.00
1292	RALPH JOHNS	KEVIN JOHNS	3C	10,000.00	OK	0.00
1293	BRADLY M WHEATLEY	CHESTER H WHEATLEY	3C	2,000.00	DE	0.00
1294	ERIK R HOEFGEN		3C	2,000.00	MO	0.00
1300	WESLEY LAWSON	CHRISTOPHER MC KENZIE	3C	75.00	FL	0.00
1304	DARREN M HOEFGEN		3C	2,000.00	MO	0.00
1347	ASSOC CHIROPRACTIC SERVIC		3C	2,502.00	DE	0.00
1350	JOYCE A WOODS		3C	13,142.00	VA	0.00
1375	SARAH A ELLIS		3C	75.00	VA	0.00
1383	NEW JERSEY LIFE & HEALTH INSURANCE GUAR ASSN		3C	0.00	NJ	0.00
1399	CURT B BYLE	HARRY G BYLE	3C		WA	0.00
1452	DRS GROOVER CHRISTIE AND MERRITT Re: VIVIAN BUITJEN		3C	98.00	CA	0.00
1521	RHONDA FEIMAN		3C	406.99	DE	0.00
1530	MISSA K KEIKIAN		3C		DE	0.00
1531	BETTY L DOHRMAN		3C	1,236.02	DE	0.00
1558	DALE D MORRISON	HOWARD C DILLENBACK	3C	1,000.00	WY	0.00
1559	DARREN MORRISON	HOWARD C DILLENBACK	3C	1,000.00	WY	0.00
1560	DAWN D MORRISON SORENSON	HOWARD C DILLENBACK	3C	1,000.00	WY	0.00
1586	CATHERINE HILLENBRAND		3C	338.00	WA	0.00



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN THE MATTER OF)
THE LIQUIDATION OF) C.A. No. 12789-VCL
CONSUMERS UNITED INSURANCE COMPANY)

**ORDER CONCERNING RECEIVER'S EIGHTH
CLAIM RECOMMENDATION REPORT AND
PETITION SEEKING HEARING ON ZERO VALUE CLAIMS**

WHEREAS, pursuant to 18 Del. C. § 5917(c), the Receiver (the "Receiver") of Consumers United Insurance Company in Liquidation ("CUIC") filed the Receiver's Eighth Claim Recommendation Report and Petition Seeking Hearing on Zero Value Claims (the "Petition") pertaining to numerous Proofs of Claim for certain policyholder level claims listed on Exhibit 1 thereto. The Receiver has taken the position that the policyholder level claims listed on Exhibit 1 to the Petition were either already satisfied or were otherwise not valid claims against the CUIC estate.

WHEREAS, this Court entered an Order to Show Cause dated June ____, 2009, which set _____, 2009, at _____.m., as the date and time for the hearing on the Receiver's recommendation that all of the claims on Exhibit 1 to the Petition should be classified as Class 3 policyholder level claims, valued at \$0, and disallowed in their entirety.

The Order to Show Cause further required each Claimant listed on Exhibit 1 to the Petition to notify the Court in writing of his or her intent to appear at the hearing by _____, 2009, or his or her claim would be considered abandoned and the Receiver's recommendation to disallow such claim in its entirety would be adopted by the Court;

WHEREAS, the Receiver has filed proof that each Claimant was sent a copy of the Order to Show Cause, which afforded notice of the hearing date and the requirement to notify the Court of his or her intent to appear, to such Claimant's last known address; and

WHEREAS, the Claimants listed on Exhibit 1 to the Petition either failed to keep the Receiver apprised of their current address or did not file a timely response to the Order to Show Cause;

NOW, THEREFORE, the Court finds that the Claimants listed on Exhibit 1 to the Petition have either accepted the Receiver's recommendation as to their claim or have abandoned their objection to the Receiver's recommendation as to the classification and \$0 value to be assigned to their claim and to the disallowance in its entirety of such claim;

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Receiver's recommendation that the claims listed on Exhibit 1 to the Petition be assigned to the Class 3 policyholder level class, valued at \$0, and disallowed in their entirety is hereby adopted by the Court, and EACH OF THE FOLLOWING CLAIMS IS HEREBY CLASSIFIED AS A CLASS 3 POLICYHOLDER LEVEL CLASS CLAIM, VALUED AT \$0, AND DISALLOWED IN ITS ENTIRETY pursuant to 18 Del. C. § 5917(d):

PROOF OF CLAIM NO.	CLAIMANT NAME	SECOND NAME	GUAR. ASSOC. STATE	PRIORITY CLASS	RECEIVER'S RECOMMENDED CLAIM AMOUNT
4	Edwin M. Reynolds	Estate of George Hudson	FL	3	0.00
5	Amanda K. Boone	Estate of George Hudson	FL	3	0.00
6	Valerie N. Fusco	Estate of George Hudson	FL	3	0.00
50	Livia J. Kent	Charles Kent	DE	3	0.00
101	Janet L. Easter	---	FL	3	0.00
109	Frances A. Leonard	---	FL	3	0.00
117	Nicholas T. Lutsch	---	VA	3	0.00
132	Howard Shtulman, D.C.	Re: Agatha Gotthelf	FL	3	0.00
181	Amy Jeruss	---	FL	3	0.00
219	Lee Walkling	---	WA	3	0.00
277	Brian L. James	Leon R. Hight	IA	3	0.00
302	Paul B. Smith	---	WA	3	0.00
335	Margaret M. Warden	---	SC	3	0.00
392	Barbara Nardo	---	PA	3	0.00
420	Adrienne Kane	Estate of Ronald Kane	MI	3	0.00
421	Christine Ponko	---	NM	3	0.00
489	Chris Moore	---	CA	3	0.00
525	Levine & Singer Kirsch	Joseph A. Singer, M.D.	FL	3	0.00
552	Maxine Achtner	Andrew Achtner	WI	3	0.00
553	Maxine H. Achtner	Angela A. Achtner	WI	3	0.00
567	Joseph A. Shaffner	---	DE	3	0.00
606	Aruilla Toms	---	WA	3	0.00
626	Philomena Florio	---	FL	3	0.00

PROOF OF CLAIM NO.	CLAIMANT NAME	SECOND NAME	GUAR. ASSOC. STATE	PRIORITY CLASS	RECEIVER'S RECOMMENDED CLAIM AMOUNT
676	Beverly Jo Kirschmann	David M. Kirschmann	FL	3	0.00
685	John W. Derooy, D.C.	Blair Conklin	CA	3	0.00
688	Marleen Colangelo	---	FL	3	0.00
709	Lois I. Atkinson	---	FL	3	0.00
755	Judith Eldridge	---	NH	3	0.00
763	John J. Zarola	---	NM	3	0.00
800	Anna M. Watkins	---	TX	3	0.00
813	Ruth J. Wright	---	AL	3	0.00
823	Adrian K. Britton	L.G. Hoppenjans	DE	3	0.00
832	Mrs. James Fielder	Deneen Fielder	WA	3	0.00
858	Mary Lou Bryant	---	NH	3	0.00
891	Suzanne Onufrey	---	NH	3	0.00
898	Susanne D. Green	Garrett J. Green	FL	3	0.00
901	Marion L. Blatch	---	ID	3	0.00
931	Nancy C. Kupersmid	---	CA	3	0.00
945	Edward H. Nyberg	---	VA	3	0.00
972	Joanna Darden	---	VT	3	0.00
974	Donna Paul Bessken	---	OH	3	0.00
981	Ellen Sokolow	---	DE	3	0.00
999	Manuel J. DeSousa	---	DE	3	0.00
1000	Ines Resendes	---	DE	3	0.00
1015	L.J. Hoisington	---	VA	3	0.00
1032	Jamila S. Hassan	---	VA	3	0.00
1176	Eleanor Damico	---	MI	3	0.00
1224	Kathryn Miley	Jacob Miley	FL	3	0.00
1252	Dorothy G. Johnson	Christopher A. Bain	FL	3	0.00
1272	David L. Tucker	Tiffany L. Tucker	MO	3	0.00

PROOF OF CLAIM NO.	CLAIMANT NAME	SECOND NAME	GUAR. ASSOC. STATE	PRIORITY CLASS	RECEIVER'S RECOMMENDED CLAIM AMOUNT
1292	Ralph Johns	Kevin Johns	OK	3	0.00
1293	Bradly M. Wheatley	Chester H. Wheatley	DE	3	0.00
1294	Erik R. Hoefgen	---	MO	3	0.00
1300	Wesley Lawson	Christopher McKenzie	FL	3	0.00
1304	Darren M. Hoefgen	---	MO	3	0.00
1347	Associated Chiropractic Services	---	DE	3	0.00
1350	Joyce A. Woods	---	VA	3	0.00
1375	Sarah A. Ellis	---	VA	3	0.00
1383	New Jersey Life & Health Insurance Guaranty Association	---	NJ	3	0.00
1399	Curt B. Byle	Harry G. Byle	WA	3	0.00
1452	Drs. Groover Christie and Merritt	Re: Vivian Buitjen	CA	3	0.00
1521	Rhonda Feiman	---	DE	3	0.00
1530	Missa K. Keikian	---	DE	3	0.00
1531	Betty L. Dohrman	---	DE	3	0.00
1558	Dale D. Morrison	Howard Dillenback C.	WY	3	0.00
1559	Darren Morrison	Howard Dillenback C.	WY	3	0.00
1560	Dawn D. Morrison Sorenson	Howard Dillenback C.	WY	3	0.00
1586	Catherine Hillenbrand	---	WA	3	0.00

2. This disallowance of the claims listed in paragraph 1 above shall not affect any amounts which may already have been paid to or on behalf of such Claimants by the applicable state life and health insurance guaranty association or any other benefits, if any, received by such Claimants from the guaranty association directly or through an assuming insurer.

3. Within five (5) business days of receipt of this Order, the Receiver's counsel shall serve, by United States first class mail, postage prepaid, with United States Postal Service proof of mailing, which may be a bulk proof of mailing, to the Claimants' last known address in the Receiver's file, a copy of this Order on the Claimants.

4. There is no just reason for delay, and this Order, pursuant to Chancery Court Rule 54(b), is entered as a final judgment. This Order shall be deemed a separate Order with respect to each disputed claim listed in paragraph 1 above. THE CLAIMANTS WHOSE CLAIMS LISTED IN PARAGRAPH 1 ABOVE HAVE BEEN DISALLOWED IN THEIR ENTIRETY OR IN PART MUST FILE ANY APPEAL OF THIS ORDER TO THE SUPREME COURT OF THE STATE OF DELAWARE, SUBJECT TO THE RECEIVER'S RIGHT TO OBJECT OR OTHERWISE RESPOND TO SUCH APPEAL. ANY SUCH APPEAL MUST BE FILED WITH (RECEIVED BY) THE CLERK OF THE DELAWARE SUPREME COURT WITHIN THIRTY (30) DAYS OF THE DATE OF THIS ORDER. FOR EACH INDIVIDUAL CLAIM, FAILURE TO FILE A TIMELY APPEAL SHALL RESULT IN THE COURT'S DECISION AS TO THAT CLAIM BECOMING FINAL. ANY APPEAL WHICH IS FILED SHALL RELATE SOLELY TO THE CLAIM FOR WHICH SUCH APPEAL

HAS BEEN FILED BY THE CLAIMANT WHICH FILED SUCH CLAIM AND SHALL NOT AFFECT THE OTHER CLAIMS SUBJECT TO THIS ORDER. Any stay of this Order pending appeal by any of the Claimants whose claims are subject to this Order shall apply only to such claim and shall not act to stay the applicability and/or finality of this Order with respect to any other Claim in Paragraph 1 above.

5. This Court shall retain jurisdiction over any matters relating to the implementation of this Order.

Vice-Chancellor

Dated:



DIANE J. BARTELS, ESQUIRE
BRANDYWINE VILLAGE
1807 NORTH MARKET STREET
WILMINGTON, DELAWARE
19802-4810

TELEPHONE: 302-656-7207

FACSIMILE: 302-656-7208

June 10, 2009

The Honorable Stephen P. Lamb
Court of Chancery of the State of Delaware
500 North King Street, Suite 11400
Wilmington, Delaware 19801

By Hand

Re: In the Matter of the Liquidation of Consumers United Insurance Company
Civil Action No. 12789-VCL

Dear Vice Chancellor Lamb:

Enclosed please find courtesy copies of the following pleadings filed on June 10, 2009, in the above-referenced matter:

Receiver's Eighth Claim Recommendation Report and Petition Seeking Hearing on Zero Value Claims, with Exhibit 1 thereto;

Proposed form of Order to Show Cause Concerning Receiver's Eighth Claim Recommendation Report and Petition Seeking Hearing on Zero Value Claims;

Proposed form of Order Concerning Receiver's Eighth Claim Recommendation Report and Petition Seeking Hearing on Zero Value Claims; and

Certificate of Service.

The notice of electronic filing is also enclosed.

The Receiver respectfully requests entry of the Order to Show Cause at the earliest convenience of the Court, and the setting of a date at least forty-five (45) days after entry of the Order to Show Cause for a hearing on the Receiver's recommendations concerning the Zero Value Claims as set forth in the Petition.

The Honorable Stephen P. Lamb
June 10, 2009
Page 2

The Deputy Receiver and the undersigned are available to respond should Your Honor have any questions concerning this matter.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Diane J. Bartels".

Diane J. Bartels
Del. Bar No. 2530

DJB/db

Enclosures

cc: Frederick W. Iobst, Esquire
William D. Johnston, Esquire
Scott Kosnoff, Esquire



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN THE MATTER OF)
THE LIQUIDATION OF) C.A. No. 12789-VCL
CONSUMERS UNITED INSURANCE COMPANY)

CERTIFICATE OF SERVICE

I, DIANE J. BARTELS, ESQUIRE, hereby certify that on June 10, 2009, true and correct copies of the *Receiver's Eighth Claim Recommendation Report and Petition Seeking Hearing on Zero Value Claims*, with the accompanying forms of *Order to Show Cause and Order Concerning Receiver's Eighth Claim Recommendation Report and Petition Seeking Hearing on Zero Value Claims*, were served on the following counsel and/or parties in the following manner:

eFile Service

Frederick W. Iobst, Esquire
William D. Johnston, Esquire
Young, Conaway, Stargatt & Taylor
The Brandywine Building
1000 West Street, 17th Fl.
Wilmington, DE 19801

By U.S. Mail, First Class, Postage Prepaid

Scott Kosnoff, Esquire
Baker & Daniels
300 N. Meridian St., Suite 2700
Indianapolis, Indiana 46204

By: 

Diane J. Bartels
DE Bar No. 2530
Brandywine Village
1807 North Market Street
Wilmington, DE 19802-481
(302) 656-7207

Dated: June 10, 2009