

STATE OF INDIANA )  
 ) SS:  
COUNTY OF MARION )

IN THE MARION CIRCUIT COURT  
CAUSE NO. 49C01-0707-MI-0029122

JIM ATTERHOLT, as the Insurance )  
Commissioner of the Department of Insurance )  
of the State of Indiana, )  
 )  
Petitioner, )  
 )  
v. )  
 )  
BENICORP INSURANCE COMPANY, )  
 )  
Respondent. )

**FILED**

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OCT 05 2007

*Elizabeth A. White*  
CLERK OF THE MARION CIRCUIT COURT

**ORDER OF LIQUIDATION**

This matter came before the Court on the Rehabilitator's Verified Petition for Liquidation ("Liquidation Petition"), filed August 17, 2007 by Indiana Insurance Commissioner Jim Atterholt, as Rehabilitator of Benicorp Insurance Company ("Benicorp"). Pursuant to the Court's Order of August 20, 2007, a hearing on the Liquidation Petition was scheduled for and held on October 5, 2007.

Written and published notice of the filing of the Liquidation Petition and the scheduled hearing thereon was given to interested persons as shown by the Rehabilitator's Certificate of Compliance ("Compliance Certificate"), filed on October 4, 2007.

Having considered the Liquidation Petition, all evidence and arguments presented at the hearing and being fully advised, the Court finds that:

a) Pursuant to Ind. Code 27-1-1-2, Jim Atterholt is the duly appointed Insurance Commissioner ("Commissioner") of the Department of Insurance of the State of Indiana ("Department").

b) Benicorp Insurance Company (“Benicorp”) is an Indiana domestic stock life insurance company.

c) McKee Heritage Holding Corporation (“McKee”) is a Delaware corporation which owns, directly or indirectly, 100% of the issued and outstanding shares of capital stock of Benicorp.

d) This Court has both subject matter and personal jurisdiction under the laws of the State of Indiana, including but not limited to Ind. Code 27-9-1-3 and 27-9-2-2.

e) Benicorp is “insolvent” as that term is defined in Ind. Code 27-9-1-2(1). Further attempts to rehabilitate Benicorp would substantially increase the risk of loss to creditors, policyholders and the public and would be futile. Sufficient grounds exist under Ind. Code 27-9-3-5 and 27-9-3-6 for the entry of an Order of Liquidation, and such Order of Liquidation should be entered under Ind. Code 27-9-3-7.

IT IS, THEREFORE, ORDERED, ADJUDGED and DECREED that:

(1) The rehabilitation proceeding concerning Benicorp that commenced under the Order of Rehabilitation, dated August 9, 2007, is terminated.

(2) Indiana Insurance Commissioner Jim Atterholt and his successors in office are appointed Liquidator of Benicorp under Ind. Code 27-9-3-7, and are hereby bestowed with all powers of a Liquidator as provided by Ind. Code 27-9. The Liquidator, under the general supervision of this Court, may do all acts necessary and appropriate for the accomplishment of the liquidation of Benicorp in accordance with Ind. Code 27-9. The Liquidator shall file accountings with the Court on at least an annual basis and more often to the extent requested by the Court.

(3) The Liquidator is directed to take possession of the assets of Benicorp and to administer them under the supervision of this Court. The Liquidator is directed to exercise any

and all rights of Benicorp in connection with any collateral or other assets being held for the benefit of Benicorp by any person or entity. The Liquidator is vested by operation of law with the title to all of the property, contracts and rights of actions and all the books and records of Benicorp, wherever located.

(4) The Liquidator is authorized to employ, or to continue to employ, and to fix the compensation of such Special Deputies, counsel, agents, clerks, accountants, actuaries, consultants, assistants and other personnel as he considers necessary, and all compensation and expenses of such persons and of taking possession of Benicorp and conducting this proceeding shall be paid out of the funds or assets of Benicorp as a Class (1) expense under Ind. Code 27-9-3-40.

(5) Pursuant to Ind. Code 27-9-3-8(c), Benicorp policies that are covered by a guaranty association shall continue in force for such period and under such terms as is provided by that guaranty association's enabling statute and other applicable law. Pursuant to Ind. Code 27-9-3-8(a) and (d), any Benicorp policy in force as of this date which is not covered by a guaranty association will continue in force only until the earlier of:

- (a) thirty (30) days from the date of this Order;
- (b) expiration of the policy coverage;
- (c) the date when the insured has replaced the policy coverage with equivalent coverage in another insurer or has otherwise terminated the policy; or
- (d) the date when a Liquidator has effected a transfer of the policy obligation.

(6) No suit, action, proceeding or claim at law or in equity of any kind shall be brought, maintained or further prosecuted or presented on behalf of or in the name of Benicorp or its Liquidator without the prior authorization of the Liquidator, except that with respect to such suits, actions, proceedings and claims at law or in equity which have been initiated

previously by Benicorp's former Rehabilitator, no further authorization by the Liquidator is necessary.

(7) No action at law or in equity outside this Court may be brought against Benicorp, its assets or property, the Liquidator or the former Rehabilitator, whether in Indiana or elsewhere, nor shall any existing action outside this Court be maintained or further presented against Benicorp, its assets or property, the Liquidator or the former Rehabilitator, whether in Indiana or elsewhere.

(8) The Liquidator is authorized to employ, or continue the employment of, appropriate special or local legal counsel in jurisdictions outside Marion County, Indiana, to represent the interests of Benicorp, the Liquidator, and its former Rehabilitator in prosecuting, obtaining stays or dismissals or otherwise disposing of all litigation now pending or hereafter instituted by or against Benicorp, or by or against the Liquidator or the former Rehabilitator of Benicorp, or any of them, all upon such reasonable terms as the Liquidator considers necessary and to pay for such counsel out of the funds or assets of Benicorp as a Class (1) expense under Ind. Code 27-9-3-40.

(9) The Liquidator's counsel is directed to maintain, and periodically furnish to the Court, a Schedule of Appearances ("Schedule") listing the names and addresses of all attorneys and pro se individuals who have made written request to be served with pleadings, orders and other documents filed or entered in this proceeding. Any pleading, order or other document filed or entered in this proceeding shall be served on all persons listed on the most current Schedule.

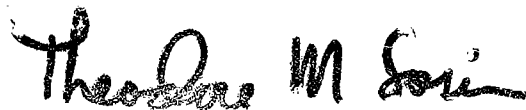
(10) The Liquidator is directed to maintain for inspection during regular business hours at the offices of Indiana Insolvency, Inc., 445 North Pennsylvania Street, Suite 500, Indianapolis, IN 46204, a duplicate set of pleadings, orders and other documents filed or entered in this proceeding. Any person wishing to obtain copies of pleadings, orders or other documents filed or entered in this proceeding shall make this request in writing to the Liquidator of Benicorp, 445 North Pennsylvania Street, Suite 500, Indianapolis, IN 46204. The Liquidator, promptly after receiving such a written request, is directed to make copies at a charge of fifty

cents (50¢) per page, with checks made payable to “Benicorp Insurance Company, in Liquidation”.

(11) The Liquidator, the National Organization of Life and Health Insurance Guaranty Associations and the insurance guaranty associations in those states where Benicorp was licensed to transact business, are directed to consult and cooperate with one another to promote the orderly and efficient: (i) liquidation of Benicorp pursuant to Ind. Code 27-9-3; and (ii) discharge of the obligations of those insurance guaranty associations that are affected by the insolvency and liquidation of Benicorp in accordance with their enabling legislation and other applicable law. The Court hereby authorizes the parties to exchange and deliver amongst themselves information relating to Benicorp and its insureds as necessary to accomplish the liquidation of Benicorp and to discharge the obligations of the affected guaranty associations.

(12) The Court determines that there is no just reason for delay and, in accordance with Rule 54(B) of the Indiana Rules of Trial Procedure, this Order of Liquidation is entered as a FINAL JUDGMENT.

Dated: OCT 05 2007



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JUDGE, Marion Circuit Court

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