

CLASSIC FIRE & MARINE INSURANCE COMPANY, IN LIQUIDATION
1450 Enea Circle, Ste. 500, Concord, CA 94520 925-680-8630 925-680-0148 (fx)

April 26, 2005

FILED

APR 29 2005

Workers Compensation Court of the State of Montana
P.O. Box 537
Helena, MT 59624-0537

OFFICE OF
WORKERS' COMPENSATION JUDGE
HELENA, MONTANA

RE: Dale Reesor vs. Montana State Fund
WCC No. 2002-0676

For your records, please find attached the Liquidation Order documents for:

CLASSIC FIRE & MARINE INS. CO. IN LIQUIDATION

OFFICE OF
WORKERS COMPENSATION JUDGE
HELENA, MONTANA

APR 29 2005

RECEIVED

TO: ALL PERSONS WHO MAY HAVE AN INTEREST IN CLASSIC FIRE & MARINE INSURANCE COMPANY IN LIQUIDATION (FORMERLY KNOWN AS FIRST HORIZON INSURANCE COMPANY AND CLASSIC INDEMNITY COMPANY) AND CLASSIC SYNDICATE INC.

FROM: SALLY B. MCCARTY, INDIANA INSURANCE COMMISSIONER, AS LIQUIDATOR OF CLASSIC FIRE

DATE: December 18, 1998

The attached detailed Notice of Liquidation ("Notice") of Classic Fire & Marine Insurance Company ("Classic Fire"), the Classic Fire Order of Liquidation ("Order) and a Proof of Claim form ("Proof of Claim") are being sent to you pursuant to an Order of the Marion Circuit Court in Indianapolis ("Liquidation Court").

Please read the contents of the Notice, Order and Proof of Claim carefully because they contain important information about the Classic Fire liquidation proceeding and the requirements for asserting a claim against the estate of Classic Fire.

The Liquidation Court has established *December 31, 1998*, as the date for fixing claims against Classic Fire, Classic Fire's predecessor companies, and Classic Syndicate Inc. and *December 31, 1999*, as the "Claim Bar Date." TO HAVE YOUR CLAIM CONSIDERED IN THE CLASSIC FIRE LIQUIDATION, IT MUST BE COMPLETED, MAILED, AND POSTMARKED NO LATER THAN **DECEMBER 31, 1999**.

As described in the Notice, Classic Fire did business in certain states which have a state insurance guaranty fund or association ("SGF"). Certain policies may be covered by an SGF. If the Liquidator's records indicate you are a claimant with a claim "covered" by an SGF, you will be notified. If you have any questions about SGF coverage, you may want to contact the local SGF in your state.

For further information, please write to Classic Fire at the address below.

Classic Fire & Marine Insurance Company
1450-C Enea Circle, Suite 500
Concord, California 94520

Thank you for your continued patience and cooperation during the liquidation process.

OFFICE OF
WORKERS COMPENSATION JUDGE
HELENA, MONTANA

APR 29 2005

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STATE OF INDIANA)
) SS:
COUNTY OF MARION)

IN THE MARION CIRCUIT COURT
CAUSE NO. 49CO1-9712-CP-2827

SALLY B. MCCARTY, as the)
Commissioner of the Department of)
Insurance of the State of Indiana,)

Petitioner,)

v.)

CLASSIC FIRE & MARINE)
INSURANCE COMPANY,)

Respondent.)

FILED

DEC 18 1998

Jerah M Taylor
CLERK OF THE
MARION CIRCUIT COURT

ORDER OF LIQUIDATION

Pursuant to the Court's Order of October 29, 1998, this matter comes before the Court upon the Rehabilitator's First Accounting and Petition for An Order of Liquidation and Related Relief ("Liquidation Petition"), filed on October 29, 1998, by Sally B. McCarty, Indiana Insurance Commissioner, as Rehabilitator of Classic Fire & Marine Insurance Company ("Classic Fire"). Written and published notice was given to all interested persons as shown by the Rehabilitator's Certificate of Compliance ("Compliance Certificate"), filed on December 17, 1998.

Objections were filed by or on behalf of (i) Sunday Udoinyion; (ii) Angelic Brown individually, and as next friend of Keenan Jones, a minor; and (iii) Alyce Wheeler. In her Notice of Objections to Liquidation, Angelic Brown requests that this Court lift the stay currently in effect as it relates to Classic Fire and its former subsidiary, Classic Syndicate, Inc. ("CSI").

The hearing on the Liquidation Petition was held on December 18, 1998. The Rehabilitator appeared by her Special Deputy Rehabilitator and by counsel and presented evidence through testimony and exhibits in support of the various requests made in the Liquidation Petition. The Rehabilitator also presented evidence in support of the Rehabilitator's Recommendations Concerning Liquidation Procedures, Claims and Notices ("Recommendations") filed with the Court on December 7, 1998. By separate Order entered concurrently herewith, the Court has approved the Recommendations.

Having considered the Liquidation Petition and the Recommendations and the evidence, arguments, objections, statements and matters presented by interested persons, and being fully advised, the Court hereby finds that:

1. Classic Fire is an Indiana stock property and casualty insurance company formed pursuant to the Indiana Insurance Law and was authorized to engage in the insurance business in Indiana and some other states. This Court has general jurisdiction under Indiana Code § 27-9-1-1, et seq., over the rehabilitation and liquidation of Classic Fire. This Court also has summary jurisdiction to hear and determine the rights of all parties in interest pursuant to Indiana Code § 27-9-3-22.

2. The written, published, and other notice to interested persons evidenced by the Compliance Certificate constitutes the best notice practicable under the circumstances and meets the requirements of due process concerning such notice. Accordingly, this Court has constitutional as well as statutory power to enter an order of liquidation that is binding upon all parties and interested persons.

Insureds are responsible only for the payment of any earned but unpaid premium for any policy that is due the insurer for coverage provided before the declaration of insolvency.

On December 7, 1998, the Rehabilitator filed the Rehabilitator's Recommendations Concerning Liquidation Procedures, Claims and Notices (the "Recommendations"). By Order entered December 18, 1998, the Liquidation Court approved the Recommendations ("Recommendations Order"). Below is a description of the claim filing procedures.

If you have questions about the information contained in this Notice or the liquidation of Classic Fire, you may contact the Liquidator at 1450-C Enea Circle, Suite 500, Concord, California 94520.

Claim Procedures Generally

Claim Bar Date

Subject to the provisions of the Recommendations Order, the Liquidation Court has directed that notice be given to persons who may have a claim against Classic Fire, the Predecessor Companies, or CSI as of December 31, 1998, the date of the fixing of liabilities against Classic Fire, the Predecessor Companies and CSI. If you have such a claim, then you must follow the procedures described in the paragraphs below or be forever barred from asserting your claim. THE LIQUIDATION COURT HAS ESTABLISHED **DECEMBER 31, 1999** AS THE "CLAIM BAR DATE" FOR THE FILING OF CLAIMS AGAINST THE ESTATE OF CLASSIC FIRE, INCLUDING CLAIMS AGAINST THE PREDECESSOR COMPANIES OR CSI. TO HAVE YOUR CLAIM CONSIDERED IN THE CLASSIC FIRE LIQUIDATION, IT MUST BE COMPLETED, MAILED AND POSTMARKED NO LATER THAN **DECEMBER 31, 1999.**

Filing a Proof of Claim

Attached is a Proof of Claim form that has been approved by the Liquidation Court. The Proof of Claim should be completed in its entirety and all questions answered. Instructions on how to complete the Proof of Claim appear on the back of the form. Make sure these instructions are followed. Should there be questions that do not apply to your situation, complete each blank not requiring an answer with "NA" or "NOT APPLICABLE."

Complete the Proof of Claim and have it signed under oath (i.e., in the presence of a Notary Public). All documentation supporting your claim must be included with your Proof of Claim. Keep a copy of the completed Proof of Claim and supporting documentation for your records. Once complete, mail the original and one (1) copy of the Proof of Claim by first class mail, along with copies of your documentation, to Classic Fire & Marine Insurance Company at 1450-C Enea Circle, Suite 500, Concord, California 94520. Mail your Proof of Claim as soon as possible, **BUT POSTMARKED NO LATER THAN DECEMBER 31, 1999**. You will be notified sometime thereafter of the Liquidator's recommendation to allow or deny your claim. All claim disputes will be resolved by the Liquidation Court.

You must file one Proof of Claim form for each claim you wish to make against Classic Fire's assets. **ALL PROOFS OF CLAIMS MUST BE SENT TO THE LIQUIDATOR AT THE ADDRESS INDICATED ON THE PROOF OF CLAIM FORM AND POSTMARKED NO LATER THAN DECEMBER 31, 1999**. You may make copies of the Proof of Claim form if you have more than one claim to assert.

A Claim Number will be assigned after your Proof of Claim has been properly and timely filed. This number will be confirmed to you in writing in the future. Please **DO NOT** alter or change the Proof of Claim or any of the required information.

For claims filed by attorneys representing a Classic Fire insured or a claimant against a Classic Fire insured, or claims filed by receivers, administrators, assignees, guardians or others on behalf of claimants, proof of authority should be attached to the Proof of Claim. If a husband and wife have a claim jointly against a Classic Fire insured for the same insured loss, a separate Proof of Claim will be required by each.

Classic Fire Reinsureds

As part of the documentation supporting their Proofs of Claim, reinsureds of Classic Fire and CSI are required to provide detailed information concerning all potential elements of their claims as of December 31, 1998. Specifically, reinsureds must provide the Liquidator with (i) actual losses, (ii) case reserves, and (iii) estimates for claims that have been incurred by not reported. Such information must be included with your Proof of Claim.

SGF Proof of Claim

State guaranty funds ("SGFs") wishing to assert a claim against Classic Fire must use the Omnibus Proof of Claim form included in the liquidation materials sent by the Liquidator to SGFs. Unlike Proofs of Claim filed by other claimants, the Omnibus Proof of Claim form must be mailed by SGFs to the Liquidator at 311 West Washington Street, Suite 200, Indianapolis, Indiana 46204.

Address Changes

All claimants are required to keep the Liquidator advised of any address changes. Should you have the occasion to write about your claim after the Proof of Claim has been filed or if you have any questions about this matter, please identify the Claim Number and the loss date in your correspondence so that your file can be quickly identified.

Possible Guaranty Fund Coverage

At the time of rehabilitation, Classic Fire was authorized to do business only in Indiana and Illinois. Business written in other states by Classic Fire was written on an excess and surplus basis. In addition, there may be former policyholders of the Predecessor Companies who are potential claimants against Classic Fire's estate. In those states where Classic Fire and the Predecessor Companies did business, there exist statutes which require an SGF, subject to state-by-state conditions and limitations of coverage and applicability, to fulfill policy obligations of Classic Fire or the Predecessor Companies. CSI policyholders may have some coverage from the Illinois Insurance Exchange Guaranty Fund. It is unknown at this time how much of Classic Fire's business was subject to guaranty fund coverage ("Covered Claims"). If the Liquidator's records indicate that any part of your claim is covered by an SGF, the Liquidator will provide the affected SGF with a copy of your Proof of Claim and notify you. You **must** complete a Proof of Claim form as explained in this Notice in order to pursue your claim. If you have any questions about whether you have a claim covered by an SGF, you may want to contact the local SGF in your state.

BY ORDER OF THE LIQUIDATION COURT dated December 18, 1998.

Sally B. McCarty, Indiana Insurance Commissioner,
as Rehabilitator of Classic Fire & Marine Insurance
Company

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

IN THE MARION CIRCUIT COURT
CAUSE NO. 49CO1-9712-CP-2827

SALLY B. MCCARTY, as the)
Commissioner of the Department of)
Insurance of the State of Indiana,)
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CLASSIC FIRE & MARINE)
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J. A. M. Taylor
CLERK OF THE
MARION CIRCUIT COURT

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Having considered the Liquidation Petition and the Recommendations and the evidence, arguments, objections, statements and matters presented by interested persons, and being fully advised, the Court hereby finds that:

1. Classic Fire is an Indiana stock property and casualty insurance company formed pursuant to the Indiana Insurance Law and was authorized to engage in the insurance business in Indiana and some other states. This Court has general jurisdiction under Indiana Code § 27-9-1-1, et seq., over the rehabilitation and liquidation of Classic Fire. This Court also has summary jurisdiction to hear and determine the rights of all parties in interest pursuant to Indiana Code § 27-9-3-22.

2. The written, published, and other notice to interested persons evidenced by the Compliance Certificate constitutes the best notice practicable under the circumstances and meets the requirements of due process concerning such notice. Accordingly, this Court has constitutional as well as statutory power to enter an order of liquidation that is binding upon all parties and interested persons.

STATE OF INDIANA) IN THE MARION CIRCUIT COURT
) SS:
 COUNTY OF MARION) CAUSE NO. 49CO1-9712-CP-2827

SALLY B. MCCARTY, as the)
 Commissioner of the Department of)
 Insurance of the State of Indiana,)
)
) Petitioner,)
)
) v.)
)
 CLASSIC FIRE & MARINE)
 INSURANCE COMPANY,)
)
) Respondent.)

**NOTICE TO PERSONS INTERESTED IN
 CLASSIC FIRE & MARINE INSURANCE COMPANY
 (FORMERLY KNOWN AS FIRST HORIZON INSURANCE COMPANY AND
CLASSIC INDEMNITY COMPANY) AND CLASSIC SYNDICATE INC.**

This Notice is issued pursuant to the Indiana Insurance Law, Indiana Code §§ 27-9, and an Order of the Marion Circuit Court in Indianapolis, Indiana ("Liquidation Court"), in the above liquidation proceeding involving Classic Fire & Marine Insurance Company ("Classic Fire"), an Indiana stock property and casualty insurance company.

Classic Fire Liquidation Generally

On December 18, 1998, the Liquidation Court entered an Order of Liquidation concerning Classic Fire. The Order of Liquidation declared Classic Fire insolvent, terminated the rehabilitation proceeding concerning Classic Fire that had been pending since January 7, 1998, and appointed Indiana Insurance Commissioner Sally B. McCarty as Liquidator of Classic Fire. The Liquidator was directed to take possession of the assets of Classic Fire and to administer them under the supervision of the Liquidation Court. The Liquidator is vested by operation of law with title to all of the property, contracts and rights of action, and all books and records of Classic Fire, wherever located. A copy of the Order of Liquidation is attached.