

IN THE CIRCUIT COURT OF COLE COUNTY, MISSOURI

CHLORA LINDLEY-MYERS, Director, )  
Department of Commerce and Insurance, )

Petitioner, )

v. )

GALEN INSURANCE COMPANY, )

Respondent. )

Case No. 17AC-CC00005

**ORDER APPROVING PERIODIC APPLICATION TO DISTRIBUTE  
ASSETS UNDER EARLY ACCESS PLAN**

Now on this 27 day of NOV, 2019, the Court finds and

concludes as follows:

1. On May 31, 2017, this Court entered a Judgment, Decree and Final Order of Liquidation against Galen Insurance Company (the "Judgment"). The Court appointed Chlora Lindley-Myers, the Director of the Department of Commerce and Insurance and her successors in office as Liquidator of Galen Insurance Company ("Galen").

2. The Application for Approval of Early Access Plan ("Application") and Early Access Plan filed in this case on May 31, 2018, sets forth the Liquidator's plan to make early access disbursements out of marshaled assets to state guaranty associations or foreign guaranty association having obligations because of the insolvency of Galen, in accordance with Mo. Rev.

Stat. § 375.1205. This Court approved the Application and Early Access Plan in its Order dated June 4, 2018.

3. On October 16, 2019, the Liquidator filed her Periodic Application to Distribute Assets Under Early Access Plan (“Periodic Application”) pursuant to § 375.1205.1, RSMo, of the Insurers Supervision, Rehabilitation and Liquidation Act (“Act”).

4. The inclusion on the certificate of service and the notice to the persons listed on the certificate of service satisfies the requirements for notice required by Mo. Rev. Stat. § 375.1205.6.

5. No objection to the Periodic Application has been filed.

6. Prior to receiving any disbursement from the Liquidator, the Illinois Guaranty Fund, the Kansas Insurance Guaranty Association, the Missouri Property & Casualty Insurance Guaranty Association and the New Jersey Property-Liability Insurance Guaranty Association (each a “Participating Association” and collectively “Participating Associations”) each executed the Early Access Plan indicating their agreement to be bound by all of the terms and conditions of the Early Access Plan, including agreeing to return to the Liquidator any funds received in excess of such participating associations share of the assets of Galen under the Insurers Supervision, Rehabilitation and Liquidation Act as finally determined.

7. The Participating Associations have reported claim payments and allocated loss adjustment expenses to the Liquidator in the amount of \$3,020,651.

8. Based on information received from the Participating Associations, the Liquidator's calculation of the estimate of reserves for unpaid but known claims and allocated loss adjustment expenses expected to be paid within one year by the Participating Associations of \$170,000 is reasonable.

9. The Liquidator's determination of the market value of available assets for the proposed distribution of \$1,125,000 is acceptable.

10. Galen's Available Assets do not equal or exceed the claim payments and allocated loss adjustment expenses incurred by the Participating Associations.

11. The Galen estate currently has sufficient available assets to make *pro rata* early access distributions to the Participating Associations.


12. An early access distribution is required to be made under the circumstances where there are available assets available for the payment of Participating Associations claims pursuant to Mo. Rev. Stat. § 375.1205.

13. Any early access distribution to any Participating Association does not constitute approval of the Participating Association's reported numbers or any proofs of claim under Mo. Rev. Stat. §§ 375.1218.2 and 375.1220.

14. A full report shall be made by each Participating Association to the Liquidator accounting for all amounts so disbursed to a Participating Association, all disbursements made therefrom, any interest earned by the Participating Association on such assets, and any other matter as the Court may direct.

**IT IS HEREBY ORDERED, ADJUDGED AND DECREED** that

1. The Periodic Application is approved and granted in all respects;
2. The proposed *pro rata* early access distribution is fair and reasonable to Galen Insurance Company's creditors and Participating Associations;
3. The Liquidator shall make the *pro rata* early access distributions to the Participating Associations as soon as possible;
4. The conduct of the Liquidator, including her employees, agents, and counsel in connection with the Periodic Application are hereby affirmed and approved in all respects;
5. There is no just reason for delay and this Order constitutes a final judgment fully resolving all issues relating to the Periodic Application.



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Jon E. Beetem, Circuit Judge  
Division I