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ANDREW BORON
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NEWS

Illinois Department of Insurance

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Lumbermens Mutual Casualty, American Manufacturers Mutual Insurance, and American Motorists Insurance Companies Placed in Liquidation

*State Insurance Guaranty Associations To Pay Covered Claims of the Companies
Copy of Orders available at www.osdchi.com or by calling 847-320-2711*

CHICAGO – May 10, 2013. Illinois Department of Insurance (DOI) Director Andrew Boron today announced Orders of Liquidation with Findings of Insolvency against Lumbermens Mutual Casualty Company (“Lumbermens”), American Manufacturers Mutual Insurance Company (“American Manufacturers”) and American Motorists Insurance Company (“American Motorists”) were entered by the the Circuit Court of Cook County, Illinois. Director Boron asked for the entry of the Orders in his Verified Complaint filed by Illinois Attorney General Lisa Madigan. The liquidations are effective May 10, 2013.

“Liquidation was the next step in this process” said Director Boron. “Department of Insurance staff has worked diligently during this transition with interest to the companies’ creditors and customers.”

Director Boron has been serving as statutory rehabilitator of the companies since July of 2012. The court also entered an order granting his motion for Substantive Consolidation of the liabilities and assets of the liquidation estates of Lumbermens, American Manufacturers and American Motorists. This order will allow for the equitable distribution of assets on the claims arising in the liquidation proceedings of these three companies.

The Orders of Liquidation have triggered the obligations of the state insurance guaranty associations to begin paying covered claims obligations of the companies. In preparation for the liquidation of the companies, Director Boron has been working with the National Organization of Life and Health Guaranty Associations and the National Conference of Insurance Guaranty Funds to plan the orderly transition of claim administration responsibilities to the state insurance guaranty associations.

A copy of the Orders of Liquidation is available at www.osdchi.com or by calling 847-320-2711. The Office of the Special Deputy Receiver (OSD), located at 222 Merchandise Mart Plaza, Suite 1450, Chicago, IL, 60654, is assisting Director Boron in the administration of the liquidations.

Lumbermens is a mutual property and casualty insurer organized in 1912, and held licenses in 49 states and the District of Columbia. American Manufacturers is a mutual property and casualty insurer organized in 1837, and held licenses in 49 states and the District of Columbia. American Manufacturers is a member of LMG. American Motorists also held licenses in 49 states and was organized in 1926. Lumbermens, American Manufacturers, and American Motorists commenced a voluntary run-off in 2003 and have been operating under a run-off plan filed with and approved by DOI in 2004.

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