

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re

SCOTTISH HOLDINGS, INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 18-10160 (LSS)

Jointly Administered

Re: D.I. 5

ORDER (I) AUTHORIZING DEBTORS TO (A) CONTINUE PREPETITION INSURANCE PROGRAM; (B) PAY ANY PREPETITION PREMIUMS AND RELATED OBLIGATIONS; AND (C) RENEW OR ENTER INTO NEW INSURANCE ARRANGEMENTS; AND (II) GRANTING RELATED RELIEF

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”), for entry of an order (i) authorizing the Debtors to (a) continue their prepetition insurance program; (b) pay any prepetition premiums and related obligations; and (c) renew or enter into new insurance arrangements; and (ii) granting related relief; and upon the *Declaration of Gregg Klingenberg in Support of First Day Relief* (the “First Day Declaration”); and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the

¹ The Debtors, along with the last four digits of their federal tax identification numbers, are as follows: Scottish Holdings, Inc. (4408) and Scottish Annuity & Life Insurance Company (Cayman) Ltd. (3285). The Debtors’ mailing address for purposes of these Chapter 11 Cases is 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277.

² Capitalized terms not defined in this Order are defined in the Motion.

Motion having been provided under the circumstances; and the relief requested being in the best interests of the Debtors and their estates and creditors; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, **IT IS HEREBY ORDERED THAT:**

1. The Motion is GRANTED as set forth herein.
2. The Debtors are authorized, but not required, to maintain, at their discretion, the Insurance Program including, but not limited to, the employment and compensation in the ordinary course of any agents and brokers that Debtors rely upon to maintain the Insurance Program.
3. The Debtors are authorized, but not required, to pay all amounts necessary to maintain the Insurance Program, including, but not limited to, any prepetition premium, deductible, or other amount that is due in respect of any of the Policies and any fees or other amounts due to brokers and agents engaged by the Debtors, in an aggregate amount not to exceed \$50,000, absent further order of the Court.
4. The Debtors are authorized, but not required, to renew Policies or to enter into new insurance arrangements as may be required as the annual terms of existing Policies and arrangements expire, in the ordinary course of business, without further order of the Court.
5. Subject to the availability of funds, the Debtors' banks and financial institutions (collectively, the "Banks") are authorized and directed to process, honor, and pay any and all checks or electronic transfers issued in connection with the Insurance Program.

6. All Banks that process, honor, and pay any and all checks or electronic transfers on account of the Insurance Program may rely on the representations of the Debtors as to which checks or electronic transfers are issued and authorized to be paid in accordance with this Order without any duty of further inquiry and without liability for following the Debtors' instructions.

7. Authorization of the payments shall not be deemed to constitute the postpetition assumption of any executory contract pursuant to Section 365 of the Bankruptcy Code.

8. Nothing in this Order shall affect the Debtors' rights to contest the amount or validity of any amounts claimed to be due by any of the Debtors under, or with respect to, any aspect of the Insurance Program, in whole or in part.

9. Notwithstanding the relief granted herein or any actions taken hereunder, nothing contained in this Order shall create any rights in favor of, or enhance the status of any claim held by, any of the Debtors' insurance carriers, any other agents or brokers employed by the Debtors, or any other third party relating to the Insurance Program.

10. Notwithstanding Rule 6004 of the Federal Rules of Bankruptcy Procedure, this Order shall be effective immediately upon its entry.

11. The Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

January 30, 2018
Wilmington, Delaware


UNITED STATES BANKRUPTCY JUDGE