

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

IN RE:

Chapter 11

GOVERNMENTAL RISK INSURANCE
TRUST,

Case No. 00-4008-8C1

Debtor.

**PLAN OF LIQUIDATION UNDER CHAPTER 11 OF THE
UNITED STATES BANKRUPTCY CODE FOR GOVERNMENTAL
RISK INSURANCE TRUST DATED AS OF NOVEMBER 23, 2000**

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**PLAN OF LIQUIDATION UNDER CHAPTER 11 OF THE
UNITED STATES BANKRUPTCY CODE FOR GOVERNMENTAL
RISK INSURANCE TRUST DATED AS OF NOVEMBER 28, 2000**

Governmental Risk Insurance Trust, as debtor and debtor in possession, the Official Committee of Unsecured Creditors, and the Unofficial Ad Hoc Committee of Members propose the following Plan of Liquidation Under Chapter 11 of the United States Bankruptcy Code for Governmental Risk Insurance Trust Dated as of November 28, 2000.

ARTICLE 1

DEFINITIONS

Unless the context otherwise requires, the following terms shall have the following meanings when used in initially capitalized form in this Plan (as hereinafter defined). Such meanings shall be equally applicable to both the singular and plural forms of such terms. Any term used in capitalized form that is not defined in this Plan but that is defined in the Bankruptcy Code or Bankruptcy Rules (as such terms are hereinafter defined) shall have the meaning ascribed to such term in the Bankruptcy Code or Bankruptcy Rules. The rules of construction set forth in Section 102 of the Bankruptcy Code shall apply in construction of this Plan.

1.1 "Ad Hoc Committee" means the Unofficial Ad Hoc Committee of Members that was formed in the Debtor's Bankruptcy Case.

1.2 "Administrative Claim" means any Claim for the payment of any Administrative Expense.

1.3 "Administrative Convenience Claim" means any Claim that would otherwise be classified as a GRIT Class 5 Claim except for the fact that either (a) the Claim is in an amount equal to or less than \$500 or (b) the holder of the Claim has elected voluntarily in writing on the ballot for voting on the Plan to reduce the Allowed Amount of the Claim to \$500.

1.4 "Administrative Expense" means (a) any cost or expense of administration of the Bankruptcy Case under Section 503(b) of the Bankruptcy Code including, but not limited to, any such cost or expense constituting (1) an actual and necessary postpetition cost and expense of preserving the Estate or operating the business of the Debtor, (2) a postpetition cost, indebtedness or contractual obligation duly and validly incurred or assumed by the Debtor in the ordinary course of business, (3) a payment that is to be made under this Plan to cure defaults on executory contracts and unexpired leases and (4) compensation or reimbursement of an expense to the extent allowed by the Bankruptcy Court under Sections 330(a) or 331 of the Bankruptcy Code and (b) any fee or charge assessed against the Estate under 28 U.S.C. §1930. The term "Administrative Expense" shall

also include any Allowed "substantial contribution" Claim asserted by the Ad Hoc Committee or its members under Section 503 of the Bankruptcy Code, with the Allowed Amount of such Claim to be determined by the Bankruptcy Court.

1.5 "Affiliate" shall have the meaning ascribed to such term in Section 101(2) of the Bankruptcy Code; provided, however, that where the context so requires, the term "debtor," when used in Section 101(2) of the Bankruptcy Code, may mean an entity to which the defined term "affiliate" refers.

1.6 "Allowed" means and includes, with respect to any Claim or Interest, (a) any Claim (other than a Disputed Claim) or Interest, proof of which was timely filed or, by Order of the Bankruptcy Court, was not required to be filed or (b) any Claim (other than a Disputed Claim) or Interest that is listed in the Schedules as liquidated in amount and not disputed or Contingent, and, in each such case in (a) and (b) herein, as to which either (1) no objection to the allowance thereof has been or may be filed within the applicable period of limitation fixed by this Plan, the Bankruptcy Code, the Bankruptcy Rules or the Bankruptcy Court or (2) the Claim or Interest has been allowed by a Final Order of the Bankruptcy Court (but only to the extent so allowed).

1.7 "Allowed Amount" means the dollar amount in which a Claim is Allowed. No amount shall be Allowed for or on account of punitive damages, penalties or postpetition interest on account of any Claim except as otherwise expressly specified in this Plan or provided by Final Order of the Bankruptcy Court.

1.8 "Appropriate Share" means the Member's share as determined by the formula described below. The formula shall take into account the following post-July 1, 1998 "debits": premium over-payments paid prior to the Confirmation Date to the Debtor by the Member; amounts paid prior to the Confirmation Date by the Member to the Debtor pursuant to the claims reimbursement billing program initiated by the Debtor; amounts paid prior to the Confirmation Date by the Member to workers' compensation claimants and related providers either through the Debtor's "pass-through" system or by virtue of the Member having "taken back" their claims; an estimate of amounts that the Member will have to pay subsequent to the Confirmation Date to holders of pending Workers' Compensation Claims and Secured Provider Claims. All estimates of payments to be made subsequent to the Confirmation Date shall be based on the Debtor's reserves for the respective claims as of November 28, 2000. Such reserve amounts shall be deemed confidential and the Debtor shall share such information only with the respective Member, the Liquidating Trustee, the Committee, the Ad Hoc Committee and the Post-Confirmation Committee.

The formula follows: For each Member, the subtotal of all "debits" shall be that Member's "numerator." All of the Members' numerators shall be added together and shall determine the "denominator." Each Member's "Appropriate Share" shall be the proportion that such Member's numerator bears to the denominator.

1.9 "Available Cash" means, on any particular date, the total amount of Cash held by the Liquidating Trustee under the Liquidating Trust (including all recoveries obtained by the Liquidating Trustee) less (a) amounts to be paid on account of Allowed Administrative Claims, Priority Tax Claims, Secured Claims, Priority Claims, Administrative Convenience Claims and the Zenith Setoff Claim, (b) amounts required from time to time to be retained by the Liquidating Trustee to carry out the provisions of the Plan and the Liquidating Trust, and (c) amounts in the Reserve Fund.

1.10 "Bankruptcy Case" means the above-captioned Chapter 11 case for the Debtor that was filed on the Petition Date.

1.11 "Bankruptcy Code" means title 11 of the United States Code, 11 U.S.C. §§101 et seq., as in effect on the Petition Date, together with all amendments and modifications to the extent applicable to the Bankruptcy Case.

1.12 "Bankruptcy Court" means either the United States Bankruptcy Court for the Middle District of Florida, Tampa Division, having jurisdiction over the Bankruptcy Case or, to the extent the reference is withdrawn, the District Court.

1.13 "Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure and the local rules of the Bankruptcy Court, as applicable to the Bankruptcy Case, together with all amendments and modifications to the extent applicable to the Bankruptcy Case.

1.14 "Business Day" means any day other than a Saturday, Sunday or legal holiday (as such term is defined in Bankruptcy Rule 9006(a)).

1.15 "Cash" means lawful currency of the United States of America and its equivalents.

1.16 "Causes of Action" shall have the meaning ascribed to such term in Section 7.5 of the Plan.

1.17 "Claim" means (a) right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, Contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; or (b) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, Contingent, matured, unmatured, disputed, undisputed, secured or unsecured. The term "Claim" shall be broadly construed herein to include all manner and type of claim, whenever and wherever such claim may arise.

1.18 "Class" means a category of Claims or Interests, as classified in Article 3 of this Plan.

1.19 "Committee" means the Official Committee of Unsecured Creditors of the Debtor appointed in the Bankruptcy Case by the United States Trustee for the Middle District of Florida.

1.20 "Committee Representatives" shall have the meaning ascribed to such term in Section 9.4 of the Plan.

1.21 "Confirmation" or "Confirmation of this Plan" means the entry by the Bankruptcy Court of the Confirmation Order.

1.22 "Confirmation Date" means the date on which the Confirmation Order becomes a Final Order.

1.23 "Confirmation Hearing" means the hearing(s) which shall be held before the Bankruptcy Court in which the Debtor, the Committee and the Ad Hoc Committee shall seek Confirmation of this Plan.

1.24 "Confirmation Order" means the Order of the Bankruptcy Court confirming this Plan pursuant to Section 1129 of the Bankruptcy Code.

1.25 "Confirmed Claim" shall have the meaning ascribed to such term in Section 6.1(h) of the Plan.

1.26 "Contingent" means a right that has not accrued and that is dependent upon a future event or events that has or have not occurred and may never occur.

1.27 "Coregis" means Coregis Insurance Company.

1.28 "Debtor" means GRIT.

1.29 "Debtor in Possession" means GRIT, as debtor in possession.

1.30 "Disclosure Statement" means the Disclosure Statement With Respect to Plan of Liquidation for Governmental Risk Insurance Trust Dated as of November 28, 2000, including all annexes, exhibits and schedules attached thereto or referenced therein (and the exhibits, if any, to such annexes, exhibits and schedules), prepared pursuant to Section 1125 of the Bankruptcy Code and approved by the Bankruptcy Court, as such Disclosure Statement may be further amended or modified from time to time.

1.31 "Disputed Claim" means a Claim that has not been allowed by a Final Order of the Bankruptcy Court as to which (a) a Proof of Claim has been filed with the Bankruptcy Court, or is deemed filed under applicable law or Order of the Bankruptcy Court and (b) an objection to the

allowance thereof has been or may be filed within the applicable period of limitation fixed by this Plan, the Bankruptcy Code, the Bankruptcy Rules or the Bankruptcy Court and any such objection has not been (1) withdrawn, (2) overruled or denied in whole or part by a Final Order of the Bankruptcy Court or (3) granted in whole or part by a Final Order of the Bankruptcy Court. For purposes of this Plan, a Claim that has not been allowed by a Final Order of the Bankruptcy Court shall also be considered a Disputed Claim, whether or not an objection has been or may be filed within the applicable period of limitation fixed by this Plan, the Bankruptcy Code, the Bankruptcy Rules or the Bankruptcy Court, if (A) the amount of the Claim specified in the Proof of Claim exceeds the amount of any corresponding Claim scheduled in the Schedules, (B) the classification of the Claim specified in the Proof of Claim differs from the classification of any corresponding Claim scheduled in the Schedules, (C) any corresponding Claim has been scheduled in the Schedules as disputed, Contingent or unliquidated, (D) no corresponding Claim has been scheduled in the Schedules or (E) such Claim is reflected as unliquidated or Contingent in the Proof of Claim filed in respect thereof.

1.32 "Distribution Date," when used with respect to an Allowed Claim, means the date that is as soon as reasonably practicable after the later of: (a) the Effective Date or (b) the first (1st) Business Day of the next calendar quarter after the date upon which the Claim becomes Allowed, unless the Claim becomes Allowed within fifteen (15) days before the first (1st) Business Day of the next calendar quarter, in which case the Distribution Date shall be the first (1st) Business Day of the next succeeding calendar quarter.

1.33 "District Court" means the United States District Court for the Middle District of Florida, or the unit thereof having jurisdiction over the matter in question.

1.34 "Effective Date" means, and shall occur on, the first (1st) Business Day immediately following the first date upon which all of the conditions to occurrence of the Effective Date contained in Section 10.2 of this Plan have been satisfied or waived by the Debtor, the Committee and the Ad Hoc Committee; provided, however, that the Effective Date may occur at a point in time when the Confirmation Order is not a Final Order at the option of the Debtor, the Committee and the Ad Hoc Committee unless the effectiveness of the Confirmation Order has been stayed or vacated, in which case the Effective Date shall be the first (1st) Business Day immediately following such date as is thirty (30) calendar days following the expiration or other termination of any stay of effectiveness of the Confirmation Order; and, further provided, that the Effective Date shall not occur until all of the conditions to occurrence of the Effective Date set forth in Section 10.2 of this Plan have been satisfied or waived by the Debtor, the Committee and the Ad Hoc Committee.

1.35 "Estate" means the estate created for the Debtor by Section 541 of the Bankruptcy Code upon the commencement of the Bankruptcy Case.

1.36 "Final Order" means an Order, the implementation, operation or effect of which has not been stayed and as to which Order (or any revision, modification or amendment thereof) the time

to appeal or seek review or rehearing or writ of certiorari has expired and as to which no appeal or petition for review or rehearing or certiorari has been taken and is pending.

1.37 "Governmental Unit" means any foreign, provincial, federal, state, local or municipal (a) government, (b) governmental agency, (c) governmental commission, (d) governmental department, (e) governmental bureau, (f) governmental ministry or (g) governmental entity.

1.38 "GRIT" means Governmental Risk Insurance Trust, a debtor and debtor in possession in Chapter 11 Case No. 00-4008-8C1.

1.39 "GRIT Administrative Claim" means any Administrative Claim against GRIT.

1.40 "GRIT Administrative Convenience Claim" means any Administrative Convenience Claim against GRIT.

1.41 "GRIT Member Interest" means any Member Interest in or against GRIT.

1.42 "GRIT Non-Existent Member Interest" means any Non-Existent Member Interest in or against GRIT.

1.43 "GRIT Priority Claim" means any Priority Claim against GRIT.

1.44 "GRIT Priority Tax Claim" means any Priority Tax Claim against GRIT.

1.45 "GRIT Reinsurance Claim" means any Reinsurance Claim against GRIT.

1.46 "GRIT Secured Claim" means any Secured Claim against GRIT.

1.47 "GRIT Secured Provider Claim" means any Secured Provider Claim against GRIT.

1.48 "GRIT Unsecured Trade Claim" means any Unsecured Trade Claim against GRIT.

1.49 "GRIT Workers' Compensation Claim" means any Workers' Compensation Claim against GRIT.

1.50 "GRIT Workers' Compensation Claim Relating to Non-Existent Member" means any Workers' Compensation Claim Relating to Non-Existent Member against GRIT.

1.51 "Lien" means, with respect to any asset or property of the Debtor, any mortgage, lien, pledge, charge, security interest, encumbrance or other security device of any kind affecting such asset or property.

1.52 "Liquidating Trust" means the liquidating trust created pursuant to the terms of the Plan, as set forth in Section 6.1(a) of the Plan.

1.53 "Liquidating Trustee" means the person approved by the Bankruptcy Court to serve as trustee of the Liquidating Trust. As set forth in Section 6.1(b) of the Plan, the Debtor, the Committee and the Ad Hoc Committee have jointly designated Larry S. Hyman to serve as Liquidating Trustee, subject to approval of the Bankruptcy Court.

1.54 "Member" means any unit of local government, local governmental entity or other entity that applied for and received from the Debtor benefits under applicable workers' compensation law.

1.55 "Member Interest" means any Claim or Interest of a Member, but excluding Non-Existent Member Interests.

1.56 "Member Representatives" shall have the meaning ascribed to such term in Section 9.4 of the Plan.

1.57 "No Longer Remains Viable" means, with respect to a holder of a particular Workers' Compensation Claim or Secured Provider Claim, such claimant obtains a final judgment against their respective Member on account of such Claim (which judgment has become a Final Order) and such judgment remains unsatisfied for thirty (30) calendar days despite reasonable efforts by the claimant to collect such judgment.

1.58 "Non-Existent Member Interest" means any Claim or Interest of a Member, but only if the Member no longer Remains in Existence as of the Effective Date.

1.59 "Order" means an order or judgment of a court.

1.60 "Person" means any person, individual, partnership, corporation, limited liability company, joint venture company, association or other entity of whatever kind, whether or not for profit, including, but not limited to, any "person" as such term is defined in Section 101(41) of the Bankruptcy Code, but excluding any Governmental Unit.

1.61 "Petition Date" means March 17, 2000.

1.62 "Plan" means this Plan of Liquidation Under Chapter 11 of the United States Bankruptcy Code for Governmental Risk Insurance Trust Dated as of November 28, 2000, including any exhibits and other attachments hereto, as it and they may be amended, modified or supplemented from time to time.

1.63 "Post-Confirmation Committee" shall have the meaning ascribed to such term in Section 9.4 of the Plan.

1.64 "Priority Claim" means any Claim (other than an Administrative Claim or a Priority Tax Claim) to the extent such Claim is entitled to a priority in payment under Section 507(a) of the Bankruptcy Code.

1.65 "Priority Tax Claim" means any Claim to the extent that such Claim is entitled to a priority in payment under Section 507(a)(8) of the Bankruptcy Code.

1.66 "Proof of Claim" means any proof of claim filed with the Bankruptcy Court with respect to the Debtor pursuant to Bankruptcy Rules 3001 or 3002.

1.67 "Proof of Interest" means any proof of interest filed with the Bankruptcy Court with respect to the Debtor pursuant to Bankruptcy Rule 3002.

1.68 "Pro Rata Share" means the same proportion an Allowed Claim or Interest in a particular class bears to the total amount of Allowed Claims or Interests in such class.

1.69 "Reinsurance Claim" means any workers' compensation claim against the Debtor, regardless whether a Proof of Claim was timely filed, that is asserted by a current or former employee of a Member as well as any Claim against the Debtor, regardless whether a Proof of Claim was timely filed, that is asserted by a medical care provider or other provider relating to such employee, provided that such workers' compensation claim or other Claim is covered by a contract for reinsurance such as the Debtor's reinsurance contract with Coregis.

1.70 "Remains in Existence" means that the respective Member or its successor continues to operate as an ongoing business (*i.e.*, the Member or its successor continues to provide goods or services), regardless of its financial condition.

1.71 "Reserve Fund" shall have the meaning ascribed to such term in Section 6.1(h) of the Plan.

1.72 "Schedules" means the Schedules, Statements and Lists filed by the Debtor with the Bankruptcy Court pursuant to Bankruptcy Rule 1007, as they may be amended or supplemented from time to time.

1.73 "Secured Claim" means any Claim other than a Zenith Setoff Claim or a Secured Provider Claim that is (a) secured in whole or part, as of the Petition Date, by a Lien which Lien is valid, perfected and enforceable under applicable law and is not subject to avoidance under the Bankruptcy Code or applicable non-bankruptcy law or (b) subject to setoff under Section 553 of the

Bankruptcy Code, but only to the extent of the value of the assets or property securing any such Claim, or to the extent of the amount subject to setoff, as the case may be.

1.74 "Secured Provider Claim" means any Claim against the Debtor, regardless whether a Proof of Claim was timely filed, that is secured in whole or part, as of the Petition Date, by a Lien which Lien is valid, perfected and enforceable under applicable law and is not subject to avoidance under the Bankruptcy Code or applicable non-bankruptcy law, and that is asserted by a medical care provider or other provider relating to a current or former employee of a Member, but excluding Reinsurance Claims and Workers' Compensation Claims Relating to Non-Existent Members.

1.75 "Unsecured Trade Claim" means any Claim that is neither secured (including by right of setoff) nor entitled to priority under the Bankruptcy Code or a Final Order of the Bankruptcy Court, including, but not limited to, (a) any Claim arising from the rejection of an executory contract or unexpired lease under Section 365 of the Bankruptcy Code and (b) any portion of a Claim to the extent the value of the holder's interest in the Estate's interest in the property securing such Claim is less than the amount of the Claim, or to the extent that the amount of the Claim subject to setoff is less than the amount of the Claim, as determined pursuant to Section 506(a) of the Bankruptcy Code, but excluding (i) Reinsurance Claims, (ii) Workers' Compensation Claims, (iii) Workers' Compensation Claims Relating to Non-Existent Members, (iv) Members Interests, (v) Non-Existent Member Interests, (vi) Claims that Zenith has previously paid or is required to pay, (vii) Claims that are in an amount equal to or less than \$500 and (viii) Claims that are greater than \$500 if the holder of such Claim has elected voluntarily in writing on the ballot for voting on the Plan to reduce the Allowed Amount of such Claim to \$500 by the date on which ballots accepting or rejecting the Plan must be returned.

1.76 "Workers' Compensation Claim" means any workers' compensation claim against the Debtor, regardless whether a Proof of Claim was timely filed, that is asserted by a current or former employee of a Member that Remains in Existence as of the Effective Date as well as any Claim against the Debtor, regardless whether a Proof of Claim was timely filed, that is asserted by a medical care provider or other provider relating to such employee, but excluding Reinsurance Claims, Secured Provider Claims and Workers' Compensation Claims Relating to Non-Existent Members.

1.77 "Workers' Compensation Claim Relating to Non-Existent Member" means (a) any workers' compensation claim against the Debtor that is timely filed by a current or former employee of a Member as well as any Claim against the Debtor that is timely filed by a medical care provider or other provider relating to such employee provided that (x) the claimant obtains a final judgment against their respective Member on account of such Claim (which judgment has become a Final Order), (y) such judgment remains unsatisfied for thirty (30) calendar days despite reasonable efforts by the claimant to collect such judgment and (z) following such unsuccessful collection efforts, the claimant assigns such judgment (including any entitlement that the claimant may have to recover attorneys' fees, punitive damages and/or other similar amounts as a result of the Member's failure to

timely satisfy such judgment) to the Liquidating Trust by no later than February 28, 2001, and (b) any workers' compensation claim against the Debtor that is timely filed by a current or former employee of a Member that no longer Remains in Existence as of the Effective Date as well as any Claim against the Debtor that is timely filed by a medical care provider or other provider relating to such employee, but in both (a) and (b) above excluding Reinsurance Claims.

1.78 "Zenith" means Zenith Insurance Company or an Affiliate.

1.79 "Zenith Setoff Claim" means any Claim against the Debtor that is asserted by Zenith and that is subject to setoff under Section 553 of the Bankruptcy Code, but only to the extent of the amount subject to setoff.

ARTICLE 2

TREATMENT OF ADMINISTRATIVE CLAIMS AND PRIORITY TAX CLAIMS

2.1 **Administrative Claims.** Each holder of an Allowed GRIT Administrative Claim shall receive the Allowed Amount of such holder's Allowed Administrative Claim, in Cash, in full satisfaction, settlement, release, extinguishment and discharge of such Claim, on the Distribution Date.

2.2 **Priority Tax Claims.** Each holder of an Allowed GRIT Priority Tax Claim shall receive the Allowed Amount of such holder's Allowed Priority Tax Claim, in Cash, in full satisfaction, settlement, release, extinguishment and discharge of such Claim, on the Distribution Date. The obligations under this Section 2.2 in respect of any Allowed Priority Tax Claim that is secured by a valid, perfected and enforceable Lien shall be collateralized by a continuation of the Lien underlying such Claim and such obligation shall be and become due and payable upon the sale or other disposition of the collateral therefor.

ARTICLE 3

CLASSIFICATION OF CLAIMS AND INTERESTS

3.1 **Classification.**

(a) **General.** Section 3.2 herein sets forth a designation of Classes of Claims and Interests. A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of the Class and is classified in a different Class to the extent the Claim or Interest qualifies within the description of that different Class.

(b) Unclassified Claims. In accordance with Section 1123(a)(1) of the Bankruptcy Code, GRIT Administrative Claims and GRIT Priority Tax Claims have not been classified and are excluded from the Classes established in Section 3.2 herein. The treatment accorded Administrative Claims and Priority Tax Claims is set forth in Article 2 of this Plan.

3.2 Classes. For the purposes of this Plan, the Claims against, or Interests in, the Debtor are grouped in the following Classes in accordance with Section 1122(a) of the Bankruptcy Code:

(a) GRIT Class 1 - Zenith Setoff Claim. GRIT Class 1 consists of the Zenith Setoff Claim.

(b) GRIT Class 2 - GRIT Secured Provider Claims. GRIT Class 2 consists of all GRIT Secured Provider Claims.

(c) GRIT Class 3 - GRIT Secured Claims. GRIT Class 3 consists of all GRIT Secured Claims.

(d) GRIT Class 4 - GRIT Priority Claims. GRIT Class 4 consists of all GRIT Priority Claims.

(e) GRIT Class 5 - GRIT Unsecured Trade Claims. GRIT Class 5 consists of all GRIT Unsecured Trade Claims.

(f) GRIT Class 6 - GRIT Administrative Convenience Claims. GRIT Class 6 consists of all GRIT Administrative Convenience Claims.

(g) GRIT Class 7 - GRIT Reinsurance Claims. GRIT Class 7 consists of all GRIT Reinsurance Claims.

(h) GRIT Class 8 - GRIT Workers' Compensation Claims. GRIT Class 8 consists of all GRIT Workers' Compensation Claims.

(i) GRIT Class 9 - GRIT Workers' Compensation Claims Relating to Non-Existent Members. GRIT Class 9 consists of all GRIT Workers' Compensation Claims Relating to Non-Existent Members.

(j) GRIT Class 10 - GRIT Member Interests. GRIT Class 10 consists of all GRIT Member Interests.

(k) GRIT Class 11 - GRIT Non-Existent Member Interests. GRIT Class 11 consists of all GRIT Non-Existent Member Interests.

ARTICLE 4

IDENTIFICATION OF CLAIMS AND INTERESTS IMPAIRED AND NOT IMPAIRED BY THE PLAN

4.1 **Classes of Claims Not Impaired by the Plan.** GRIT Classes 1, 3, 4 and 6 are not impaired by this Plan. Under Section 1126(f) of the Bankruptcy Code, the holders of those Claims are presumed conclusively to have voted to accept this Plan and, therefore, the votes of those holders shall not be solicited.

4.2 **Classes of Claims and Interests Impaired by the Plan.** GRIT Classes 2, 5, 7, 8, 9, 10 and 11 are impaired by this Plan. The holders of Claims and Interests in such Classes are entitled to vote to accept or reject this Plan.

ARTICLE 5

TREATMENT OF ALLOWED CLAIMS AND ALLOWED INTERESTS

The Allowed Claims and Allowed Interests, as classified in Article 3 herein, shall be satisfied in the manner set forth in this Article 5. The treatment of, and the consideration to be received by, holders of Allowed Claims and holders of Allowed Interests pursuant to this Plan shall be in full satisfaction, settlement, release, extinguishment and discharge of their respective Allowed Claims and Allowed Interests.

5.1 **GRIT Claims and Interests.** The following constitutes the treatment under this Plan of the GRIT Claims and Interests:

(a) **GRIT Class 1 - Zenith Setoff Claim.** Each holder of an Allowed Zenith Setoff Claim shall receive the Allowed Amount of its Zenith Setoff Claim, in Cash, on the Distribution Date.

(b) **GRIT Class 2 - GRIT Secured Provider Claims.** Each holder of a GRIT Secured Provider Claim shall not receive any distribution from the Debtor's Estate with respect to the Secured Provider Claim except to the extent such claimant may have timely asserted a claim against the Reserve Fund. As set forth in Section 10.2 of the Plan, as a condition to the Effective Date of the Plan, the Bankruptcy Court shall enter an Order clarifying that Confirmation of the Plan does not eliminate, reduce or otherwise affect any liability that a Member may have to its holders of Secured Provider Claims. As set forth in Section 10.2 of the Plan, as a condition to the Effective Date of the Plan, the Bankruptcy Court shall also enter a "channeling injunction" whereby holders of Secured Provider Claims shall be enjoined from asserting such Claims against the Debtor, its Estate or the Liquidating Trust and such Claims shall instead be "channeled" to the claimant's respective Member.

(c) GRIT Class 3 - GRIT Secured Claims. Each holder of an Allowed GRIT Secured Claim shall receive the Allowed Amount of its Secured Claim, in Cash, on the Distribution Date. Any Allowed Claim based on any deficiency claimed by a holder of an Allowed Secured Claim shall become, and shall be treated for all purposes under this Plan as, an Allowed Unsecured Trade Claim and shall be classified herein as a GRIT Class 5 Claim.

(d) GRIT Class 4 - GRIT Priority Claims. Each holder of an Allowed GRIT Priority Claim shall receive the Allowed Amount of its Priority Claim, in Cash, on the Distribution Date.

(e) GRIT Class 5 - GRIT Unsecured Trade Claims. Each holder of an Allowed GRIT Unsecured Trade Claim shall receive a distribution in Cash on the Distribution Date equal to its Pro Rata Share of the Available Cash on a pari passu basis with holders of Allowed Workers' Compensation Claims Relating to Non-Existent Members.

(f) GRIT Class 6 - GRIT Administrative Convenience Claims. Each holder of an Allowed GRIT Administrative Convenience Claim shall receive the Allowed Amount of its Administrative Convenience Claim, in Cash, on the Distribution Date.

(g) GRIT Class 7 - GRIT Reinsurance Claims. Each holder of a GRIT Reinsurance Claim shall be paid in the ordinary course by the Liquidating Trustee using the proceeds of the applicable reinsurance contract(s). As set forth in Section 10.2 of the Plan, as a condition to the Effective Date of the Plan, the Bankruptcy Court shall enter an Order clarifying that Confirmation of the Plan does not eliminate, reduce or otherwise affect any liability that a Member may have to its holders of Reinsurance Claims. As set forth in Section 10.2 of the Plan, as a condition to the Effective Date of the Plan, the Bankruptcy Court shall also enter a "channeling injunction" whereby holders of Reinsurance Claims shall be enjoined from asserting such Claims against the Liquidating Trust or any property of the Debtor's Estate other than against the proceeds of the applicable reinsurance contract(s).

(h) GRIT Class 8 - GRIT Workers' Compensation Claims. Each holder of a GRIT Workers' Compensation Claim shall not receive any distribution from the Debtor's Estate with respect to the Workers' Compensation Claim except to the extent such claimant may have timely asserted a claim against the Reserve Fund. As set forth in Section 10.2 of the Plan, as a condition to the Effective Date of the Plan, the Bankruptcy Court shall enter an Order clarifying that Confirmation of the Plan does not eliminate, reduce or otherwise affect any liability that a Member may have to its holders of Workers' Compensation Claims. As set forth in Section 10.2 of the Plan, as a condition to the Effective Date of the Plan, the Bankruptcy Court shall also enter a "channeling injunction" whereby holders of Workers' Compensation Claims shall be enjoined from asserting such Claims against the Debtor, its Estate or the Liquidating Trust and such Claims shall instead be "channeled" to the claimant's respective Member.

(i) GRIT Class 9 - GRIT Workers' Compensation Claims Relating to Non-Existent Members. Each holder of an Allowed GRIT Workers' Compensation Claim Relating to Non-Existent Member shall receive a distribution in Cash on the Distribution Date equal to its Pro Rata Share of the Available Cash on a pari passu basis with holders of Allowed Unsecured Trade Claims.

(j) GRIT Class 10 - GRIT Member Interests. Each holder of a GRIT Member Interest shall receive a distribution in Cash on the Distribution Date and/or such other date(s) as determined by the Liquidating Trustee equal to its Appropriate Share of the Available Cash; provided, however, that no holder of a Member Interest shall receive any distribution on account of such Member Interest until all Workers' Compensation Claims Relating to Non-Existent Members and all Allowed Unsecured Trade Claims have been paid in full. As set forth in Section 12.8 of the Plan, within thirty (30) calendar days after the entry of the Confirmation Order, the Debtor and/or the Liquidating Trustee shall use their best efforts to provide each Member with the information that may be needed by that Member to calculate its claim pursuant to the formula set forth in the definition of "Appropriate Share" to the extent such information is not otherwise available to the Member. Within ninety (90) calendar days after the entry of the Confirmation Order, each Member must file with the Liquidating Trust (and not with the Bankruptcy Court) its claim pursuant to the formula. All Proofs of Claim and all Proofs of Interest that were previously filed with the Bankruptcy Court by a Member shall be deemed cancelled, extinguished, terminated, disallowed and discharged in their entirety without further Order of the Bankruptcy Court. As a result, if a Member does not timely file a claim with the Liquidating Trust, the Member shall not be entitled to any distribution on account of its Member Interest. If a claim is timely filed with the Liquidating Trust, the Liquidating Trustee shall review the claim and determine the appropriate amount of such claim. If a dispute arises as to the appropriate amount of the claim, either the claimant or the Liquidating Trustee may bring such dispute before the Bankruptcy Court for resolution.

(k) GRIT Class 11 - GRIT Non-Existent Member Interests. Each holder of a GRIT Non-Existent Member Interest shall not be entitled to receive any distribution on account of such Non-Existent Member Interest and such Non-Existent Member Interest shall be cancelled, extinguished, terminated, disallowed and discharged pursuant to the Plan.

ARTICLE 6

MEANS FOR EXECUTION OF PLAN

6.1 Plan Implementation. The Plan shall be implemented through the creation of the Liquidating Trust and the appointment of the Liquidating Trustee who shall be charged with the responsibility of, among other things, collecting and reducing to Cash the property of the Debtor's Estate, including all Causes of Action, and closing the Debtor's Estate as expeditiously as is compatible with the best interests of holders of Claims and Interests.

(a) Creation of the Liquidating Trust. Upon Confirmation of the Plan, the Liquidating Trust shall be created by operation of law. No further documentation other than the Confirmation Order shall be necessary to create the Liquidating Trust. The effect of the Confirmation Order shall be to transfer all assets and property of the Debtor's Estate to the Liquidating Trust.

(b) Liquidating Trustee. The Debtor, the Committee and the Ad Hoc Committee have jointly designated Larry S. Hyman to serve as Liquidating Trustee. At the Confirmation Hearing, the Bankruptcy Court shall approve the selection of Larry S. Hyman provided that Mr. Hyman is determined to be disinterested as defined by Section 101(14) of the Bankruptcy Code.

(c) Compensation and Removal of Liquidating Trustee. The Liquidating Trustee shall be compensated on an hourly basis. The Liquidating Trustee shall provide a monthly invoice to the Post-Confirmation Committee and, upon approval by the Post-Confirmation Committee, the Liquidating Trustee may pay such invoice. Any dispute regarding an invoice shall be resolved by the Bankruptcy Court. Section 324 of the Bankruptcy Code shall apply with respect to removal of the Liquidating Trustee. In the event of a vacancy in the office of Liquidating Trustee, the Post-Confirmation Committee shall designate a person to serve as the successor Liquidating Trustee.

(d) Duties of Liquidating Trustee. The Liquidating Trustee shall (i) collect and reduce to Cash all property of the Debtor's Estate as expeditiously and in such manner as is compatible with the best interests of parties in interest; (ii) manage any property of the Debtor's Estate pending distribution of such property pursuant to the Plan; (iii) examine Proofs of Claim and object to the allowance of any claim that is improper (and review and determine the appropriate amount of any claim that a Member files with the Liquidating Trust); (iv) pursue, litigate and/or settle Causes of Action; (v) on a monthly basis, file reports with the Bankruptcy Court containing information of the same type and extent as that required to be filed by debtors-in-possession in confirmed Chapter 11 bankruptcy cases; (vi) distribute property of the Estate pursuant to the distribution provisions set forth in the Plan; (vii) take all reasonable steps necessary to conduct the business of the Debtor as it relates to the processing of workers' compensation claims, as administered under the Service Agreement with Zenith, and ensure the remaining coverage of any contract of reinsurance including the Coregis reinsurance contract; (viii) make a final report and file a final account of the administration of the Liquidating Trust with the Bankruptcy Court; and (ix) after the property of the Estate has been fully administered and all distributions made on account of Allowed Claims and Interests, move the Bankruptcy Court for entry of a Final Decree closing the Debtor's Bankruptcy Case. In performing the foregoing duties, the Liquidating Trustee shall consult with, and consider any advice of, the Post-Confirmation Committee.

(e) Powers of the Liquidating Trustee. The Liquidating Trustee shall be authorized, without the necessity of obtaining an Order from the Bankruptcy Court, to (i) operate the business of the Debtor to the extent necessary to conclude the process of examining and objecting to Proofs of Claims and providing support with respect to pursuing the Causes of Action; (ii) use or

sell assets of the Debtor's Estate to the extent required to implement the Plan; (iii) enter into contracts in the ordinary course of business to the extent required to implement the Plan; (iv) after consulting with the Post-Confirmation Committee, pursue, litigate and settle Causes of Action with any disputes relating thereto to be resolved by the Bankruptcy Court; and (v) with the written consent of the Post-Confirmation Committee or, absent such consent, with the approval of the Bankruptcy Court, employ one or more persons (including, but not limited, to professionals) to assist in the performance of the Liquidating Trustee's duties subject to disclosing the details of such employment (to include compensation paid) in the reports to be filed by the Liquidating Trustee with the Bankruptcy Court on a monthly basis.

(f) Annual Budget. Within sixty (60) calendar days after the Effective Date and annually thereafter, the Liquidating Trustee shall deliver to the Post-Confirmation Committee a detailed budget of expenses that are expected to be incurred by, or on behalf of, the Liquidating Trustee to carry out the provisions of the Plan, including, but not limited to, defending the channeling injunctions contained in the Plan, complying with any "pay to be paid" requirements of a reinsurance contract, and pursuing Causes of Action. Each annual budget must be approved by the Post-Confirmation Committee. Any dispute regarding the budget shall be resolved by the Bankruptcy Court.

(g) Investments. Investments of monies held in the Liquidating Trust (including in the Reserve Fund) shall be administered by the Liquidating Trustee in the manner in which individuals of ordinary prudence, discretion and judgment would act in the management of their own affairs. The Post-Confirmation Committee shall be entitled to monitor the Liquidating Trust's investments. In the event that a dispute arises between the Liquidating Trustee and the Post-Confirmation Committee regarding an investment related matter, such dispute shall be resolved by the Bankruptcy Court.

(h) Reserve Fund. The Liquidating Trustee shall deposit in a segregated, interest-bearing account constituting a reserve fund (the "Reserve Fund"), from the assets of the Liquidating Trust, \$700,000 in Cash. The Reserve Fund (less accrued interest, as described below) shall be used to satisfy, on a Pro Rata Share basis, the allowed amount of any Workers' Compensation Claim or any Secured Provider Claim that is not satisfied by, or on behalf of, the claimant's respective Member due to the fact that, subsequent to the Effective Date, the Member no longer Remains in Existence or No Longer Remains Viable. In order to share in the Reserve Fund, the holder of a Workers' Compensation Claim or a Secured Provider Claim whose respective Member no longer Remains in Existence or No Longer Remains Viable must provide written notice of such fact to the Liquidating Trustee within ninety (90) calendar days of the date that (i) the Member No Longer Remains Viable or (ii) the claimant becomes aware that the Member no longer Remains in Existence, but in either event, such notice cannot be provided later than three years after the Effective Date. Upon timely receipt of such notice, the Liquidating Trustee shall confirm that the Member in question no longer Remains in Existence or No Longer Remains Viable. Upon the Liquidating Trustee's confirmation

that the Member in question no longer Remains in Existence or No Longer Remains Viable, the respective Workers' Compensation Claim or Secured Provider Claim shall be deemed a "Confirmed Claim" and any judgment obtained by the holder of such Confirmed Claim against the claimant's respective Member (including any entitlement that the claimant may have to recover attorneys' fees, punitive damages and/or other similar amounts as a result of the Member's failure to timely satisfy such judgment) shall be assigned to the Liquidating Trust. Thereafter, the Liquidating Trustee may pursue collection of such judgment, with any and all recoveries therefrom to be treated as Available Cash to be distributed in accordance with the provisions of the Plan. Promptly following three years after the Effective Date, any interest that accrued on the Reserve Fund shall be removed from the Reserve Fund and shall be treated as Available Cash, thereby leaving a balance of \$700,000 in the Reserve Fund. Promptly thereafter, the Liquidating Trustee shall distribute to each holder of a Confirmed Claim the respective holder's Pro Rata Share of the remaining Reserve Fund. The amount of the Confirmed Claim that will be used to calculate the claimant's Pro Rata Share shall be determined by calculating the present value, as of the date the claimant's judgment was obtained and assuming only those facts known as of such date, of all amounts to be paid under such judgment, but excluding from such present value calculation any entitlement that the claimant may have to recover attorneys' fees, punitive damages and/or other similar amounts as a result of the Member's failure to timely satisfy the judgment. To the extent that there is any remaining Cash in the Reserve Fund following such distribution, the Liquidating Trustee shall close the Reserve Fund and shall treat such remaining cash as Available Cash, to be distributed in accordance with the provisions of the Plan (to the extent that the Post-Confirmation Committee so elects, the Liquidating Trustee shall be required to promptly distribute any such remaining Cash).

6.2 Provisions Concerning Plan Distributions.

(a) **Disbursing Agent.** The Liquidating Trustee shall act as the disbursing agent and shall make all distributions required under this Plan.

(b) **Date of Distributions.** Distributions shall be made on the Distribution Date, unless otherwise provided in the Plan or as may be ordered by the Bankruptcy Court. Distributions to be made on the Distribution Date shall be deemed made on the Distribution Date if made either (i) on the Distribution Date or (ii) as soon as practicable thereafter, but in no event later than ten (10) Business Days after the Distribution Date, except as otherwise provided for herein, or except as may be ordered by the Bankruptcy Court.

6.3 Transactions on Business Days. If the Effective Date, or any other date on which a transaction may occur under this Plan, shall occur on a day that is not a Business Day, the transactions contemplated by this Plan to occur on such day shall occur instead on the next succeeding Business Day.

6.4 Disputed Claims.

(a) Objection Deadline. As soon as practicable, but in no event later than sixty (60) calendar days after the Confirmation Date, unless otherwise ordered by the Bankruptcy Court, objections to Claims shall be filed with the Bankruptcy Court and served upon the holders thereof and the United States Trustee for the Middle District of Florida.

(b) Prosecution of Objections. On and after the Effective Date, only the Liquidating Trustee and the Post-Confirmation Committee shall have authority to file objections, litigate to judgment, settle or withdraw objections to Disputed Claims. On and after the Effective Date, the Liquidating Trustee and the Post-Confirmation Committee shall be entitled to compromise or settle any Disputed Claim without approval of the Bankruptcy Court.

6.5 Claims Processing. To the extent that a Member wishes to utilize Zenith's claims processing services to resolve any Workers' Compensation Claim or any Secured Provider Claim, the Member may utilize such services provided that the Member executes an appropriate agreement whereby the Member would agree on a going-forward basis to (i) utilize Zenith's claim processing services and (ii) pay all actual out-of-pocket costs of the Debtor and the Liquidating Trust relating to the provision of such services and all expenses to which Zenith is entitled to under the Zenith Service Agreement relating to the provision of such services (as well as establish a pre-paid cost account whereby the Member would periodically advance the sums necessary to pay all of such expenses).

6.6 Transfer of Pending Claims Files to Members. Upon request, and unless a Member chooses to utilize Zenith's claims processing services, the Debtor and/or the Liquidating Trustee shall transfer its pending claims files relating to the requesting Member to such Member and shall direct Zenith and any other agent or representative acting on its behalf to do the same. The Debtor and/or the Liquidating Trustee shall not require that a Member execute a release in favor of the Debtor or Zenith as a condition to its transfer of pending claims files to such Member.

6.7 Withholding of Taxes. The Liquidating Trustee shall withhold from any assets and property distributed under this Plan any assets or property which must be withheld for foreign, federal, state or local taxes payable with respect thereto or payable by the Person entitled to such assets to the extent required by applicable law.

6.8 Unclaimed Property. Any Cash, assets or other property to be distributed under this Plan that remains unclaimed or otherwise not deliverable to the Person or Governmental Unit entitled thereto as of the later of (a) one (1) year after the Confirmation Date or (b) one hundred twenty (120) calendar days after the distribution, shall become vested in, and shall be transferred and delivered to, the Liquidating Trust to be applied toward the funding of this Plan. In such event, such Person's or Governmental Unit's Claim or Interest shall no longer be deemed to be Allowed, and such Person or

Governmental Unit shall be deemed to have waived its rights to such payments or distributions under this Plan pursuant to Section 1143 of the Bankruptcy Code and shall have no further Claim in respect of such distribution and shall not participate in any further distributions under this Plan with respect to such Claim or Interest.

6.9 Non-Negotiated Checks. If a holder of an Allowed Claim or Allowed Interest fails to negotiate a check issued to such holder pursuant to this Plan within one (1) year of the date such check was issued, then the amount of Cash attributable to such check shall be deemed to be unclaimed property in respect of such holder's Allowed Claim or Allowed Interest and shall be transferred and delivered to the Liquidating Trust to be applied toward the funding of this Plan. In such event, such holder's Claim or Interest shall no longer be deemed to be Allowed and such holder shall be deemed to have waived its rights to such payments or distributions under this Plan pursuant to Section 1143 of the Bankruptcy Code and shall have no further Claim in respect of such distribution and shall not participate in any further distributions under this Plan with respect to such Claim or Interest.

6.10 Form of Payments. Except where this Plan contemplates deferred payment or delivery of property or securities, payments to be made by the Liquidating Trustee pursuant to this Plan shall be made in Cash or by check drawn on a domestic bank or by wire transfer from a domestic bank.

6.11 Further Authorizations. The Liquidating Trustee and the Post-Confirmation Committee, if and to the extent necessary, shall seek such Orders, judgments, injunctions and rulings that may be required to carry out further the intentions and purposes of, and give full effect to the provisions of, this Plan.

6.12 Transfer Taxes. The issuance, transfer or exchange of any securities issued under, or the transfer of any other assets or property pursuant to, this Plan, or the making or delivery of an instrument of transfer under this Plan, shall not (and the Confirmation Order shall so order), pursuant to Section 1146 of the Bankruptcy Code, be taxed under any law imposing a stamp tax, transfer tax or other similar tax.

6.13 Recordable Order. The Confirmation Order shall be declared to be in recordable form and shall be accepted by any recording officer for filing and recording purposes without further or additional orders, certifications or other supporting documents.

6.14 Effectuating Documents and Further Transactions. The Liquidating Trustee shall be authorized to execute, deliver, file or record such contracts, instruments, releases, indentures and other agreements or documents and take or direct such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan.

6.15 Extinguishment of Guarantees. On the Effective Date, and in accordance with the terms of this Plan, all guarantees of collection, payment or performance made by the Debtor shall be discharged, released, extinguished and of no further force or effect.

ARTICLE 7

EFFECTS OF PLAN CONFIRMATION

7.1 Injunction.

As provided in Section 524 of the Bankruptcy Code, and except as otherwise provided herein, the Plan operates as an injunction against, among other things, the assertion of any Claim or Interest or the commencement of legal action or process against the Debtor or the Liquidating Trust or against the property of the Debtor or the Liquidating Trust.

Notwithstanding anything to the contrary contained in the Plan, the injunction contained herein shall not impair (a) the rights of a holder of a Secured Provider Claim to assert its Secured Provider Claim against the claimant's respective Member (or the Reserve Fund, if applicable), (b) the rights of a holder of a Workers' Compensation Claim to assert its Workers' Compensation Claim against the claimant's respective Member (or the Reserve Fund, if applicable), and (c) the rights of a holder of a Reinsurance Claim to assert its Reinsurance Claim against the claimant's respective Member or against the proceeds of the applicable reinsurance contract(s).

7.2 Term of Injunction and the Automatic Stay. Unless otherwise provided in this Plan or a Final Order of the Bankruptcy Court, the injunction described in Section 7.1 herein shall remain in full force and effect following the Effective Date. All other injunctions or automatic stays provided for in the Bankruptcy Case pursuant to Section 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date.

7.3 No Liability for Tax Claims. Unless a taxing authority has asserted a Claim against the Debtor before the bar date established therefor, no Claim of such authority shall be Allowed against the Debtor or the Liquidating Trust for taxes, penalties or interest arising out of the failure, if any, of the Debtor to have filed any tax return, including, but not limited to, any income tax return or franchise tax return in any prior year or arising out of an audit of any return for a period before the Petition Date.

7.4 Disallowed Claims and Disallowed Interests. On and after the Effective Date, the Debtor shall be fully and finally discharged of any liability or obligation on a disallowed Claim or a disallowed Interest, and any Order creating a disallowed Claim or a disallowed Interest which is not a Final Order as of the Effective Date solely because of a Person's or Governmental Unit's right to move for reconsideration of such Order pursuant to Section 502 of the Bankruptcy Code or

Bankruptcy Rule 3008 shall nevertheless become and be deemed a Final Order on the Effective Date. The Confirmation Order, except as otherwise provided herein, shall constitute an Order: (a) disallowing all Claims and Interests to the extent such Claims and Interests are not allowable under any provision of Section 502 of the Bankruptcy Code, including, but not limited to, time-barred Claims and Interests, and Claims for unmatured interest; and (b) disallowing or subordinating, as the case may be, any Claims for penalties or punitive damages.

7.5 Retention and Enforcement of Causes of Action. Pursuant to Section 1123(b)(3) of the Bankruptcy Code and for the sole benefit of holders of Claims and Interests that are entitled to share in the assets of the Liquidating Trust, the Liquidating Trustee shall, as the representative of the Debtor's Estate appointed under Section 1123(b)(3) of the Bankruptcy Code, retain and have the exclusive right to enforce against any Person or Governmental Unit any and all causes of action and rights of the Debtor that arose both before and after the Petition Date, including the rights and powers of a trustee and debtor in possession and all causes of action granted pursuant to and still existing under Sections 502, 544, 545, 547, 548, 549, 550, 551 and 553 of the Bankruptcy Code; provided, however, that the Liquidating Trustee and the Debtor (and anyone acting on their behalf) shall be deemed to have waived all causes of action against Members (including any causes of action against Members pursuant to the claims reimbursement billing program initiated by the Debtor whereby the Debtor alleged that Members were obligated to reimburse the Debtor for claims and expenses paid out on behalf of Members after the Debtor allegedly became insolvent) other than causes of action for unpaid premiums, causes of action arising under "Member Acknowledgment Agreements" or other similar written "pass-through" agreements, and causes of action relating to judgments that are assigned to the Liquidating Trust by holders of a Confirmed Claim (the foregoing retained causes of action and rights are collectively referred to herein as the "Causes of Action"). In the event that the Liquidating Trustee wishes to retain professionals to investigate and pursue one or more of the Causes of Action, the Liquidating Trustee shall use his best efforts to retain such professionals on a contingency fee basis with an appropriate cost retainer.

ARTICLE 8

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

8.1 Assumption and Rejection of Executory Contracts and Unexpired Leases. Any unexpired lease or executory contract that has not been expressly assumed by the Debtor with the Bankruptcy Court's approval on or prior to the Confirmation Hearing (either through the Plan or otherwise) shall, as of the Confirmation Hearing and subject to the occurrence of the Effective Date, be deemed to have been rejected unless there is pending before the Bankruptcy Court on the Confirmation Date a motion by the Debtor, the Committee or the Ad Hoc Committee to assume such executory contract or unexpired lease. Notwithstanding the foregoing, and as set forth in Section 10.2 of the Plan, it shall be a condition to the Effective Date of the Plan that the Debtor assume (a) its Service Agreement with Zenith and (b) each of its reinsurance contracts (including the Coregis

reinsurance contract). To the extent that an executory contract or unexpired lease is assumed, the Order authorizing such assumption shall expressly preserve any causes of action that the Debtor may have against the other parties to the assumed contract or lease.

8.2 Cure. At the election of the Debtor, any monetary defaults under each executory contract and unexpired lease to be assumed under this Plan shall be satisfied pursuant to Section 365(b)(1) of the Bankruptcy Code, (a) by payment of the default amount in Cash on the Effective Date or (b) on such other terms as agreed to by the parties to such executory contract or unexpired lease, the Committee and the Ad Hoc Committee. In the event of a dispute regarding (i) the amount of any cure payments, (ii) the ability of the Debtor to provide adequate assurance of future performance under the contract or lease to be assumed, or (iii) any other matter pertaining to assumption, the cure payments required by Section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order resolving the dispute and approving assumption.

8.3 Damages Upon Rejection. The Bankruptcy Court shall determine the dollar amount, if any, of the Claim of any Person or Governmental Unit seeking damages by reason of the rejection of any executory contract or unexpired lease; provided, however, that such Person or Governmental Unit files a Proof of Claim with the Bankruptcy Court before thirty (30) calendar days following the Confirmation Date or such other deadline established by the Bankruptcy Court. To the extent any such Claim is Allowed by the Bankruptcy Court by Final Order, such Claim shall become, and shall be treated for all purposes under this Plan as, an Allowed GRIT Unsecured Trade Claim and the holder thereof shall receive distributions as a holder of an Allowed Claim in such Class pursuant to this Plan. This Plan shall constitute notice to Persons and Governmental Units that may assert a Claim for damages from the rejection of an executory contract or unexpired lease of the bar date for filing a Proof of Claim in connection therewith; provided, however, that the Debtor shall have no obligation to notify such Persons and Governmental Units that the Confirmation Date has occurred.

ARTICLE 9

EFFECTUATION AND SUPERVISION OF THE PLAN

9.1 Jurisdiction. Until the Bankruptcy Case is closed, the Bankruptcy Court shall retain the fullest and most extensive jurisdiction that is permissible, including that necessary to ensure that the purposes and intent of this Plan are carried out and to hear and determine all Claims that could have been brought before the entry of the Confirmation Order. Except as otherwise provided in this Plan, the Bankruptcy Court shall retain jurisdiction to hear and determine all Claims against the Debtor. Nothing contained herein shall prevent the Liquidating Trust from taking such action as may be necessary to enforce or prosecute any cause of action that the Debtor has, may have and that may not have been enforced or prosecuted by the Debtor, which cause of action shall survive Confirmation of this Plan and shall not be affected thereby except as specifically provided herein.

9.2 General Retention. Following Confirmation of this Plan, the Bankruptcy Court shall also retain jurisdiction for the purposes of classifying any Claim, re-examining Claims that have been Allowed for purposes of voting and determining such objections as may be filed with the Bankruptcy Court with respect to any Claim. The failure by the Debtor to object to or examine any Claim for the purposes of voting shall not be deemed a waiver of the right to object to or re-examine such Claim, in whole or in part.

9.3 Specific Purposes. In addition to the foregoing, the Bankruptcy Court shall retain jurisdiction for the following specific purposes after the Confirmation of this Plan:

(a) to modify this Plan after Confirmation, pursuant to the Bankruptcy Rules and the Bankruptcy Code;

(b) to correct any defect, cure any omission or reconcile any inconsistency in this Plan or the Confirmation Order as may be necessary to carry out the purposes and intent of this Plan, including the adjustment of the dates of performance under this Plan and any other documents related thereto in the event the Effective Date does not occur as provided herein, so that the intended effect of this Plan and such other documents may be substantially realized thereby;

(c) to assure the performance by the Liquidating Trustee of his obligations under this Plan;

(d) to enforce and interpret the terms and conditions of this Plan;

(e) to enter such Orders including, but not limited to, injunctions as are necessary to enforce the title, rights and powers of the Debtor and/or the Liquidating Trust;

(f) to hear and determine any motions or contested matters involving taxes, tax refunds, tax attributes, tax benefits and similar or related matters with respect to the Debtor or its Estate arising prior to the Effective Date or relating to the period of administration of the Bankruptcy Case;

(g) to hear and determine all applications for compensation of professionals and reimbursement of expenses under Sections 330, 331 or 503(b) of the Bankruptcy Code;

(h) to hear and determine any causes of action over which the Bankruptcy Court has jurisdiction arising during the period from the Petition Date through the Effective Date, or in any way related to this Plan or the transactions contemplated hereby, against the Debtor, the Committee, the Ad Hoc Committee or their respective officers, directors, stockholders, members, attorneys, financial advisors, representatives and agents;

(i) to determine any and all motions pending on Confirmation for the rejection, assumption or assignment of executory contracts or unexpired leases and the allowance of any Claim resulting therefrom;

(j) to determine such other matters and for such other purposes as may be provided in the Confirmation Order;

(k) to consider and act on the compromise and settlement of any Claim against or Interest in the Debtor or its Estate;

(l) to determine all questions and disputes regarding title to the assets of the Debtor or its Estate;

(m) to enter such Orders as are necessary to implement and enforce the injunctions described in Section 7.1 herein;

(n) to enter such Orders as are necessary to implement and enforce any other Orders entered in the Bankruptcy Case; and

(o) to hear and determine any other matters related hereto and not inconsistent with the Bankruptcy Code.

9.4 Dissolution of the Committee and the Ad Hoc Committee and Creation of the Post-Confirmation Committee. As of the Effective Date, the Committee and the Ad Hoc Committee shall be dissolved and the members thereof released and discharged of and from all further authority, duties, responsibilities, liabilities and obligations related to, or arising from, the Debtor's Bankruptcy Case. Contemporaneously with the dissolution of the Committee and the Ad Hoc Committee, a new post-confirmation committee (the "Post-Confirmation Committee") shall be formed, which committee shall consist of five members consisting of either former members of the Committee and the Ad Hoc Committee and/or other similarly situated holders of Claims and Interests; provided, however, that the majority of the Post-Confirmation Committee members must at all times be Members and further provided that if there are ever less than five members on the Post-Confirmation Committee, the Post-Confirmation Committee, as so constituted, shall nevertheless have authority to act. On or before the Effective Date, (a) the Committee shall be entitled to select two of the initial members of the Post-Confirmation Committee (the "Committee Representatives") and (b) the Ad Hoc Committee shall be entitled to select the remaining initial members of the Post-Confirmation Committee (including one or both of the initial members that the Committee was entitled to select in the event that the Committee is unable to timely fill such position(s)) (the "Member Representatives"). To the extent feasible, one Member Representative shall be a North Carolina entity. Each member of the Post-Confirmation Committee shall serve until the earlier of such member's death or resignation. Upon the death or resignation of a Committee Representative, the successor committee member shall be

appointed by any remaining Committee Representative or, if no Committee Representative remains on the Post-Confirmation Committee, by the former members of the Committee. Upon the death or resignation of a Member Representative, the successor committee member shall be appointed by the remaining Member Representatives (such remaining Member Representatives shall use their best efforts to appoint a former member of the Ad Hoc Committee). The Post-Confirmation Committee shall serve as an advisor to the Liquidating Trustee with respect to the duties of the Liquidating Trustee enumerated herein. In the event that a dispute arises between the Liquidating Trustee and the Post-Confirmation Committee relating to any action or inaction by the Liquidating Trustee and such dispute remains unresolved following good faith negotiations between such parties, the Post-Confirmation Committee may request the Bankruptcy Court to resolve such dispute. The Post-Confirmation Committee shall have access to the Liquidating Trust's books and records, including all claims registers. The reasonable expenses of the members of the Post-Confirmation Committee shall be reimbursed by the Liquidating Trust. The Bankruptcy Court shall resolve any dispute that may arise with respect to such expenses. Without the necessity of obtaining an Order from the Bankruptcy Court, the Post-Confirmation Committee shall be entitled to employ counsel, whose reasonable fees and expenses shall be paid by the Liquidating Trust. The Bankruptcy Court shall resolve any dispute that may arise with respect to such fees and expenses. As of the date that all Available Cash as well as the Cash in the Reserve Fund is distributed in accordance with the provisions of the Plan, the Post-Confirmation Committee shall be dissolved and the members thereof released and discharged of and from all further authority, duties, responsibilities, liabilities and obligations related to, or arising from, the Bankruptcy Case.

9.5 Discharge of Trustees. As of the Effective Date, all members of the Debtor's existing board of trustees shall be discharged from all further authority, duties, responsibilities, liabilities and obligations related to, or arising from, the Bankruptcy Case.

9.6 Governing Documents. The Debtor's Bylaws and Articles and/or other governing documents shall be amended as necessary to comport with the terms of the Plan. All agreements between the Debtor and its Members, including insurance policies and the interlocal agreement, shall remain in full force and effect except as otherwise modified by the Plan.

ARTICLE 10

CONDITIONS PRECEDENT TO CONFIRMATION AND EFFECTIVENESS

10.1 Conditions to Confirmation. Confirmation of this Plan shall not occur unless each of the following conditions has been satisfied or has been waived in a writing executed by the Debtor, the Committee and the Ad Hoc Committee. These confirmation conditions are as follows:

(a) Disclosure Statement. The Bankruptcy Court shall have approved the Disclosure Statement in a Final Order.

(b) Confirmation Order. The Bankruptcy Court shall have made such findings and determinations regarding this Plan as shall enable the entry of the Confirmation Order, and any other Order entered in conjunction therewith, in form and substance acceptable to the Debtor, the Committee and the Ad Hoc Committee.

10.2 Conditions to Effectiveness. Notwithstanding any other provision of this Plan or the Confirmation Order, the Effective Date of this Plan shall not occur unless and until each of the following conditions has been satisfied or has been waived in a writing executed by the Debtor, the Committee and the Ad Hoc Committee:

(a) Final Confirmation Order. The Confirmation Order (and such related Orders) shall have become a Final Order.

(b) Corporate Documents. All corporate documents necessary or appropriate to the implementation of this Plan, if any, shall have been executed, delivered and, where applicable, filed with the appropriate governmental authorities.

(c) Assumption of Agreements. The Debtor's Service Agreement with Zenith and each of the Debtor's reinsurance contracts (including the Coregis reinsurance contract) shall be assumed by the Debtor.

(d) United States Trustee's Fees. The fees of the United States Trustee for the Middle District of Florida then owing by the Debtor shall have been paid in full.

(e) Member Liability. The Bankruptcy Court shall enter an Order (which Order may be the Confirmation Order) clarifying that Confirmation of the Plan does not eliminate, reduce or otherwise affect any liability that a Member may have to its holders of Secured Provider Claims, Workers' Compensation Claims and Reinsurance Claims (except to the extent that any such claimant receives funds from the Reserve Fund).

(f) Channeling Injunction. The Bankruptcy Court shall enter an Order (which Order may be the Confirmation Order) containing a "channeling injunction" whereby (i) holders of Secured Provider Claims shall be enjoined from asserting such Claims against the Debtor, its Estate or the Liquidating Trust and such Claims shall instead be "channeled" to the claimant's respective Member, (ii) holders of Workers' Compensation Claims shall be enjoined from asserting such Claims against the Debtor, its Estate or the Liquidating Trust and such Claims shall instead be "channeled" to the claimant's respective Member, and (iii) holders of Reinsurance Claims shall be enjoined from asserting such Claims against the Liquidating Trust or any property of the Debtor's Estate other than against the proceeds of the applicable reinsurance contract(s).

10.3 Waiver. Notwithstanding any other provision of this Plan or the Confirmation Order, this Plan shall not be binding on any party in interest unless and until each of the foregoing conditions to Confirmation and the Effective Date has occurred or has been waived in a writing executed by the Debtor, the Committee and the Ad Hoc Committee.

ARTICLE 11

ACCEPTANCE OR REJECTION OF PLAN

11.1 Each Impaired Class Entitled to Vote Separately. Each impaired Class of Claims or Interests shall be entitled to vote separately to accept or reject this Plan.

11.2 Class Acceptance Requirement. Consistent with Section 1126(c) of the Bankruptcy Code, and except as provided in Section 1126(e) of the Bankruptcy Code, a Class of Claims shall have accepted this Plan if this Plan is accepted by at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the Allowed Claims of such Class that have timely and properly voted to accept or reject this Plan. Consistent with Section 1126(d) of the Bankruptcy Code, and except as provided in Section 1121(e) of the Bankruptcy Code, a Class of Interests shall have accepted this Plan if the Plan is accepted by at least two-thirds (2/3) in amount of the Allowed Interests of such Class that have timely and properly voted to accept or reject this Plan.

11.3 Cramdown. If any impaired Class of Claims or Interests fails to accept this Plan by the requisite majority, the Debtor, the Committee and Ad Hoc Committee reserve the right to request that the Bankruptcy Court confirm this Plan in accordance with Section 1129(b) of the Bankruptcy Code, on the basis that this Plan is fair and equitable, does not discriminate unfairly with respect to any nonaccepting impaired Class and provides to the holders of Claims and Interests in each impaired Class property of a value, as of the Effective Date, equal to the Allowed Amount of such Claims and Interests, or that any holder of a Claim or Interest that is junior to such Claims and Interests shall not receive or retain any property on account of such junior Claim or Interest.

ARTICLE 12

MISCELLANEOUS PROVISIONS

12.1 Revocation of Plan. The Debtor, the Committee and Ad Hoc Committee reserve the right to revoke and withdraw this Plan before the entry of the Confirmation Order. If the Debtor, the Committee and Ad Hoc Committee revoke or withdraw this Plan, or if Confirmation of this Plan does not occur, then this Plan shall be deemed null and void and nothing contained herein shall be deemed to constitute a waiver or release of any Claims by or against the Debtor or any other Person or to prejudice in any manner the rights of the Debtor or such Person in any further proceedings involving the Debtor.

12.2 Headings. Headings are utilized in this Plan for convenience and reference only and shall not constitute a part of this Plan for any other purpose.

12.3 Due Authorization by Holders of Claims and Interests. Each and every holder of a Claim or Interest who elects to participate in the distributions provided for herein warrants that such holder is authorized to accept, in consideration of such holder's Claim against or Interest in the Debtor, the distributions provided for in this Plan and that there are no outstanding commitments, agreements or understandings, express or implied, that may or can in any way defeat or modify the rights conveyed, or obligations undertaken, by such holder under this Plan.

12.4 Payment or Distribution Dates. Whenever any payment or distribution to be made under this Plan shall be due on a day other than a Business Day, such payment or distribution shall, instead, be made, without interest, on the next Business Day thereafter.

12.5 Modification of Payment Terms. The Post-Confirmation Committee and the Liquidating Trustee reserve the right to modify the treatment of any Allowed Claim or Interest, as provided in Section 1123(a)(4) of the Bankruptcy Code, at any time after the Effective Date upon the consent of the Person or Governmental Unit whose treatment is being modified.

12.6 Entire Agreement. This Plan, including any exhibits and annexes hereto, sets forth the entire agreement and undertakings relating to the subject matter herein and supersedes all prior discussions and documents. No Person or Governmental Unit shall be bound by any terms, conditions, definitions, warranties, understandings or representations with respect to the subject matter herein, other than as expressly provided for herein or as may hereafter be agreed to by the parties in writing.

12.7 Administrative Claims Bar Date. Unless otherwise ordered by the Bankruptcy Court, the Confirmation Order shall operate to set a bar date for Administrative Claims, which bar date shall be thirty (30) calendar days after the Effective Date. Claimants holding Administrative Claims against the Debtor not paid on the Effective Date may submit a Request for Payment of Administrative Expense on or before such bar date. The notice of Confirmation to be delivered pursuant to Bankruptcy Rules 2002 and 3020(c) shall set forth such date and constitute notice of the Administrative Claims bar date. The Liquidating Trust, the Post-Confirmation Committee and any other party-in-interest shall have sixty (60) days after the Administrative Claims bar date to review and object to such Claims before a hearing for determination of such Administrative Claims is held by the Bankruptcy Court.

12.8 New Bar Date for Member Interests and Disallowance of Previously Filed Member Interests. Within thirty (30) calendar days after the entry of the Confirmation Order, the Debtor and/or the Liquidating Trustee shall use their best efforts to provide each Member with the information that may be needed by that Member to calculate its claim pursuant to the formula set

forth in the definition of "Appropriate Share" to the extent such information is not otherwise available to the Member. Within ninety (90) calendar days after the entry of the Confirmation Order, each Member must file with the Liquidating Trust (and not with the Bankruptcy Court) its claim pursuant to the formula. All Proofs of Claim and all Proofs of Interest that were previously filed with the Bankruptcy Court by a Member shall be deemed cancelled, extinguished, terminated, disallowed and discharged in their entirety without further Order of the Bankruptcy Court. As a result, if a Member does not timely file a claim with the Liquidating Trust, the Member shall not be entitled to any distribution on account of its Member Interest. If a claim is timely filed with the Liquidating Trust, the Liquidating Trustee shall review the claim and determine the appropriate amount of such claim. If a dispute arises as to the appropriate amount of the claim, either the claimant or the Liquidating Trustee may bring such dispute before the Bankruptcy Court for resolution.

12.9 Confirmation Order. In addition to the requirements set forth in this Plan, the Confirmation Order shall also ratify all transactions consistent with the provisions of this Plan effected by the Debtor during the period commencing on the Petition Date and ending on the Effective Date.

12.10 Governing Law. Except to the extent that federal law (including, but not limited to, the Bankruptcy Code and the Bankruptcy Rules) is applicable, the rights and obligations arising under this Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida, without giving effect to the principles of conflicts of law thereof. Applicable non-bankruptcy law shall apply to any dispute or litigation between a Member and its current or former employees arising out of any workers' compensation claim or other personal injury claim.

12.11 Severability. Should the Bankruptcy Court determine, prior to the Confirmation Date, that any provision in this Plan is either illegal on its face or illegal as applied to any Claim or Interest, such provision shall be unenforceable either as to all holders of Claims or Interests or as to the holder of such Claim or Interest as to which the provision is illegal, respectively. Such a determination of unenforceability shall in no way limit or affect the enforceability and operative effect of any other provision of this Plan.

12.12 Time. In computing any period of time prescribed or allowed by this Plan, the day of the act, event or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is not a Business Day or, when the act to be done is the filing of a paper in court, a day on which weather or other conditions have made the clerk's office inaccessible, in which event the period runs until the end of the next day which is not one of the aforementioned days. When the period of time prescribed or allowed is less than eight (8) days, intermediate days that are not Business Days shall be excluded in the computation.

12.13 No Interest. Except as expressly stated in this Plan or otherwise Allowed by Final Order of the Bankruptcy Court, no interest, penalty or late charge arising after the Petition Date is to be Allowed on any Claim or Interest.

12.14 No Attorneys' Fees. No attorneys' fees shall be paid with respect to any Claim or Interest except as specified herein or as Allowed by a Final Order of the Bankruptcy Court.

12.15 Addresses for Distributions to Holders of Allowed Claims or Interests. Unless otherwise provided in this Plan or a Final Order of the Bankruptcy Court, distributions to be made under this Plan to holders of Allowed Claims or Interest shall be made by first class United States mail, postage prepaid to: (a) the latest mailing address set forth in a Proof of Claim timely filed with the Bankruptcy Court by or on behalf of such holders, (b) if no such Proof of Claim has been timely filed, the mailing address set forth in the Schedules or (c) if applicable, the mailing address set forth in a claim filed by a Member with the Liquidating Trust. The Liquidating Trustee shall not be required to make any other effort to locate or ascertain the address of the holder of any Claim or Interest.

12.16 Consent to Jurisdiction. Upon default under this Plan, the Liquidating Trustee and the Post-Confirmation Committee consent to the jurisdiction of the unit of the United States District Court for the Middle District of Florida, Tampa Division, known as the Bankruptcy Court for that District, or any successor thereto, and agree that it shall be the preferred forum for all proceedings relating to such default.

12.17 Setoffs. Subject to the limitations provided in Section 553 of the Bankruptcy Code, the Debtor may, but shall not be required to, setoff against any Claim and the payments or other distributions to be made pursuant to this Plan in respect of such Claim, Claims of any nature whatsoever the Debtor may have against the holder of such Claim, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtor of any such Claim that the Debtor may have against such holder.

12.18 Successors and Assigns. The rights, duties and obligations of any Person or Governmental Unit named or referred to in this Plan shall be binding upon, and shall inure to the benefit of, the successors and assigns of such Person or Governmental Unit.

12.19 Reservation. If this Plan is not confirmed by the Bankruptcy Court for any reason, the rights of all parties in interest in the Bankruptcy Case shall be reserved in full. Furthermore, any concession or admission reflected herein or in the Disclosure Statement is made for purposes of this Plan only, and if this Plan does not become effective, no party in interest in the Bankruptcy Case shall be bound or deemed prejudiced by any such concession or admission.

ARTICLE 13

MODIFICATION OF PLAN

13.1 **Modification of Plan.** The Debtor, the Committee and Ad Hoc Committee may propose amendments to, or modifications of, this Plan under Section 1127 of the Bankruptcy Code at any time prior to the Confirmation Date. After the Confirmation Date, the Debtor, the Committee and Ad Hoc Committee may remedy any defects or omissions or reconcile any inconsistencies in this Plan or the Confirmation Order or any other Order entered for the purpose of implementing this Plan in such manner as may be necessary to carry out the purposes and intent of this Plan so long as the interests of the holders of Claims and Interests are not materially and adversely affected.

ARTICLE 14

NOTICES

14.1 **Notices.** All notices, requests, elections or demands in connection with this Plan shall be in writing and shall be mailed by registered or certified mail, return receipt requested, to:

If to the Debtor:

Edwards, Cohen, Jacobs,
Haramis & Burnett, P.A.
The Greenleaf Building, 12th Floor
200 North Laura Street
Jacksonville, Florida 32202
Attn: Jason B. Burnett, Esq.

If to the Committee:

Bush Ross Gardner Warren & Rudy, P.A.
220 South Franklin Street
Tampa, Florida 33602
Attn: H. Bradley Staggs, Esq.

If to the Ad Hoc Committee:

Fowler, White, Gillen, Boggs,
Villareal and Banker, P.A.
501 E. Kennedy Blvd., Suite 1700
Tampa, Florida 33602
Attn: John D. Emmanuel, Esq.

Dated: Tampa, Florida
November 28, 2000

Respectfully submitted,

GOVERNMENTAL RISK INSURANCE
TRUST

By: Stanley E Stephens
Stanley Stephens, Trustee

BUSH ROSS GARDNER WARREN
& RUDY, P. A.
220 South Franklin Street
Tampa, Florida 33602
(813) 224-9255
(813) 223-9620 (telecopy)
Counsel for the Official Committee
of Unsecured Creditors

EDWARDS, COHEN, JACOBS, HARAMIS
& BURNETT, P.A.
The Greenleaf Building, 12th Floor
200 North Laura Street
Jacksonville, Florida 32202
(904) 633-7979
(904) 633-9026 (telecopy)
Counsel for the Debtor

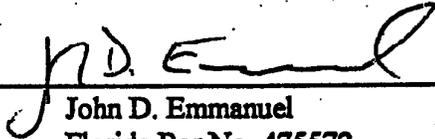
By: H. Bradley Staggs
Jeffrey W. Warren
Florida Bar No. 150024
H. Bradley Staggs
Florida Bar No. 980773

By: Jason B. Burnett
Jason B. Burnett
Florida Bar No. 822663
Kenneth B. Jacobs
Florida Bar No. 965080

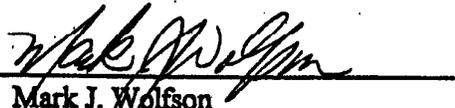
**FOWLER, WHITE, GILLEN, BOGGS,
VILLAREAL and BANKER, P.A.**
501 E. Kennedy Blvd., Suite 1700
Tampa, Florida 33602
(813) 228-7411
(813) 229-8313 (telecopy)
Chair of the Unofficial Ad Hoc
Committee of Members

FOLEY & LARDNER
100 North Tampa Street
Suite 2700
Tampa, Florida 33602
(813) 229-2300
(813) 221-4210 (telecopy)
Vice Chair of the Unofficial Ad Hoc
Committee of Members

By: _____


John D. Emmanuel
Florida Bar No. 475572

By: _____


Mark J. Wolfson
Florida Bar No. 352756

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

IN RE:

GOVERNMENTAL RISK INSURANCE TRUST,

Debtor.

Chapter 11

Case No. 00-4008-8C1

ORDER CONFIRMING CHAPTER 11 PLAN OF LIQUIDATION

THIS CASE came on for hearing on March 27, 2001, to consider confirmation of the Plan of Liquidation Under Chapter 11 of the United States Bankruptcy Code for Governmental Risk Insurance Trust Dated as of November 28, 2000 [Docket No. 160A] (the "Plan") and on objections to confirmation that were filed in advance of the confirmation hearing. At the confirmation hearing, the Court made certain findings of fact and conclusions of law that were stated orally and recorded in open Court. Based upon such findings and conclusions, it is hereby

ORDERED as follows:

1. The Plan is hereby confirmed in all respects, subject to the following modifications thereto that were announced on the record at the confirmation hearing:

a. Clause (vii) of Section 6.1(d) of the Plan is deleted in its entirety and the following is substituted in lieu thereof:

(vii) take all reasonable steps necessary to conduct the business of the Debtor as it relates to the processing of workers' compensation claims, as administered under the Service Agreement with Zenith (or any other entity that may replace Zenith), and ensure the remaining coverage of any contract of reinsurance including the Coregis reinsurance contract;

b. The second to last sentence of Section 6.1(h) of the Plan is deleted in its entirety and the following is substituted in lieu thereof:

The amount of the Confirmed Claim that will be used to calculate the claimant's Pro Rata Share shall be determined by the Liquidating Trustee, in consultation with the Post-Confirmation Committee, as follows: (i) with respect to claimants who provide notice to the Liquidating Trustee that the Member No Longer Remains Viable, the amount of the Confirmed Claim will be determined by the Liquidating Trustee by calculating the present value, as of the date the claimant's judgment was obtained and assuming only those facts known as of such date, of all amounts to be paid under such judgment, but excluding from such present value calculation any entitlement that the claimant may have to recover attorneys' fees, punitive damages and/or other similar amounts as a result of the Member's failure to timely satisfy the judgment and (ii) with respect to claimants who provide notice to the Liquidating Trustee that the Member no longer Remains in Existence, the amount of the Confirmed Claim will be determined by the Liquidating Trustee by calculating the present value, as of the date such notice was received by the Liquidating Trustee and assuming only those facts known as of such date, of all amounts that the Liquidating Trustee reasonably determines that a court of competent jurisdiction would award to such claimant if the claimant were to have instituted litigation against the Member on account of the claimant's claim.

c. Section 6.5 of the Plan is deleted in its entirety and the following is substituted in lieu thereof:

Claims Processing. To the extent that a Member wishes to utilize the claims processing services of Zenith (or any other entity that may replace Zenith) to resolve any Workers' Compensation Claim or any Secured Provider Claim, the Member may utilize such services provided that the Member executes an appropriate agreement whereby the Member would agree on a going-forward basis to (i) utilize the claim processing services of Zenith (or any other entity that may replace Zenith) and (ii) pay all actual out-of-pocket costs of the Debtor and the Liquidating Trust relating to the provision of such services and all expenses to which Zenith (or any other entity that may replace Zenith) is entitled to under the agreement relating to the provision of such services (as well as establish a pre-paid cost account whereby the Member would periodically advance the sums necessary to pay all of such expenses).

d. Section 6.6 of the Plan is deleted in its entirety and the following is substituted in lieu thereof:

Transfer of Pending Claims Files to Members. Upon request, and unless a Member chooses to utilize the claims processing services of Zenith (or any entity that may replace Zenith), the Debtor and/or the Liquidating Trustee shall transfer its pending

claims files relating to the requesting Member to such Member and shall direct Zenith (or any entity that may replace Zenith) and any other agent or representative acting on its behalf to do the same. The Debtor and/or the Liquidating Trustee shall not require that a Member execute a release in favor of the Debtor or Zenith (or any entity that may replace Zenith) as a condition to its transfer of pending claims files to such Member.

e. Section 9.6 of the Plan is deleted in its entirety and the following is substituted in lieu thereof:

Governing Documents. The Debtor's Bylaws and Articles and/or other governing documents shall be amended as necessary to comport with the terms of the Plan. Except as otherwise provided by the Plan, nothing in the Plan shall be deemed to alter or modify any agreements between the Debtor and its Members, including insurance policies and the interlocal agreement.

2. As set forth in Sections 5.1(b), 5.1 (g) and 5.1(h) of the Plan, Confirmation of the Plan does not eliminate, reduce or otherwise affect any liability that a Member may have to its holders of Secured Provider Claims, Reinsurance Claims, or Workers' Compensation Claims (as such terms are defined in the Plan).

3. As set forth in Sections 5.1(b) and 5.1(h) of the Plan, holders of Secured Provider Claims and Workers' Compensation Claims are enjoined from asserting such Claims against the Debtor, its Estate or the Liquidating Trust (except to the extent such holder may have timely asserted a claim against the Reserve Fund) and such Claims are instead channeled to the claimant's respective Member (as such terms are defined in the Plan). In addition, as set forth in Section 5.1(g) of the Plan, holders of Reinsurance Claims are enjoined from asserting such Claims against the Liquidating Trust or any property of the Debtor's Estate other than against the proceeds of the applicable reinsurance contract(s) (as such terms are defined in the Plan).

4. In accordance with Section 6.1(b) of the Plan, the selection of Larry S. Hyman as Liquidating Trustee (as such term is defined in the Plan) is approved.

5. As set forth in Section 6.12 of the Plan, the issuance, transfer or exchange of any securities issued under, or the transfer of any other assets or property pursuant to, the Plan, or the making or delivery of an instrument of transfer under the Plan, shall not, pursuant to Section 1146 of the Bankruptcy Code, be taxed under any law imposing a stamp tax, transfer tax or other similar tax.

6. The Court retains jurisdiction over this case as set forth in Article 9 of the Plan.

7. All objections to confirmation were either withdrawn or resolved by agreement of the parties as set forth on the record in open Court.

8. The Proof of Claim/Interest form that was filed with the Court on March 8, 2001 [Docket No. 211] is approved.

9. Counsel for the Official Committee of Unsecured Creditors shall immediately serve a copy of this Order on all creditors, equity security holders, and other parties in interest using a current mailing matrix obtained from the clerk. Counsel shall promptly thereafter file proof of such service.

DONE and ORDERED in Tampa, Florida, this 5th day of April, 2001.

C. Timothy Corcoran 
C. TIMOTHY CORCORAN, III
United States Bankruptcy Judge

225258.2

Copies furnished to:

Debtor - Governmental Risk Insurance Trust, Post Office Box 4634, Sarasota, FL 34230

**Debtor's Counsel - Jason B. Burnett, Esq., Edwards, Cohen, Jacobs & Haramis, P.A.,
Post Office Box 1538, Jacksonville, FL 32201**

**Creditors' Committee Counsel - H. Bradley Staggs, Esq., Bush Ross Gardner Warren & Rudy,
P.A., Post Office Box 3913, Tampa, FL 33601**

**Ad Hoc Committee Chair - John D. Emmanuel, Esq., Fowler, White, Gillen, Boggs, Villareal
& Banker, P.A., Post Office Box 1438, Tampa, FL 33601-1438**

**Ad Hoc Committee Vice Chair - Mark J. Wolfson, Esq., Foley & Lardner, Post Office Box 3391,
Tampa, FL 33601-3391**

**Assistant U.S. Trustee - T. Patrick Tinker, Esq., Timberlake Annex, Suite 1200, 501 East
Polk Street, Tampa, FL 33602**