



Illinois Workers' Compensation Commission

100 W. Randolph St., Suite 8-200
Chicago, IL 60601
312-814-6500

Bruce Rauner, Governor

Joann M. Fratianni, Chairman

TO: Commissioners, Arbitrators and
All Other Interested Parties

FROM: Chairman Joann M. Fratianni

DATE: August 29, 2016

RE: Vertellus Specialties Inc.

*OK (M)
8/29/16*

Please be advised that Vertellus Specialties Inc. filed a Chapter 11 petition on May 31, 2016. The case (no. 16-11290) was filed in the U.S. Bankruptcy Court for the District of Delaware.

Vertellus Specialties Inc. was self-insured for the period of 8/1/1991 – 1/31/2009.

The Bankruptcy court granted the debtor's motion to continue their insurance policies and pay prepetition obligations. (See attached Order)

Questions regarding the self-insured workers' compensation claims may be directed to:

Mr. David Christensen
Gallagher Bassett
5775 Nimtz Parkway, Suite 100
South Bend, IN 46628
574/344-2923

Questions regarding this notice may be directed to:

Ms. Maria Sarli-Dehlin,
IWCC - Office of Self-Insurance Manager
312/814-6065 or maria.dehlin@Illinois.gov

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

-----X
 In re: : Chapter 11
 :
 Vertellus Specialties Inc., et al.,¹ : Case No. 16-11290 (CSS)
 :
 Debtors. : (Jointly Administered)
 :
 -----X Re: Docket Nos. 11 and 46 amd 131

**FINAL ORDER AUTHORIZING DEBTORS TO CONTINUE THEIR
INSURANCE POLICIES AND PAY PREPETITION AND
POSTPETITION OBLIGATIONS IN RESPECT THEREOF**

This matter coming before the Court on the *Motion of the Debtors for Entry of Interim and Final Orders Authorizing Them to Continue the Debtors' Insurance Policies and Pay Prepetition and Postpetition Obligations in Respect Thereof* (the "Motion"), filed by the above-captioned debtors (the "Debtors"); the Court having reviewed the Motion and the First Day Declaration and having considered the statements of counsel and the evidence adduced with respect to the Motion at a hearing before the Court; the Court having found that (i) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order of Reference from the United States District Court for the District of Delaware dated as of February 29, 2012, (ii) venue is proper in this district pursuant to 28

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Vertellus Specialties Holdings Corp. (9569); Vertellus Specialties Inc. (7240); Vertellus Agriculture & Nutrition Specialties LLC (5687); Tibbs Avenue Company (9642); Vertellus Specialties PA LLC (0900); Vertellus Health & Specialty Products LLC (6325); Vertellus Specialties MI LLC (0398); Vertellus Performance Materials Inc. (7461); Rutherford Chemicals LLC (8878); Solar Aluminum Technology Services (d/b/a S.A.L.T.S.) (3632); and MRM Toluic Company, Inc. (0544). The mailing address of each of the Debtors, solely for purposes of notices and communications, is 201 N. Illinois Street, Suite 1800, Indianapolis, IN 46204.



U.S.C. § 1409, (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b), (iv) notice of the Motion was sufficient under the circumstances and (v) there is good cause to waive the fourteen-day stay imposed by Bankruptcy Rule 6004(h) to the extent it is applicable; after due deliberation the Court having determined that the relief requested in the Motion is necessary to prevent immediate and irreparable harm to the Debtors and their estates; and good and sufficient cause having been shown;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED, on a final basis, as set forth herein.
2. The Debtors are authorized, but not directed, to pay, in their sole discretion, all Insurance Obligations, provided, however, that such amounts shall not exceed \$1,600,000 with respect to the Prepetition Insurance Obligations.
3. The Debtors are authorized and empowered to maintain their Insurance Policies without interruption on the same basis and to the extent consistent with the practices and procedures that were in effect prior to the Petition Date.
4. The Debtors are authorized, but not directed, in the ordinary course of business, to (a) renew or revise their Insurance Policies or obtain replacement coverage, as needed, (b) renew or revise their Letters of Credit or obtain replacement letters of credit, as needed, and (c) renew or revise their PFAs or enter into post-petition PFAs related to the Insurance Policies and new insurance, as needed, to the extent consistent with the practices and procedures that were in effect prior to the Petition Date; provided, however, that the Debtors shall not renew, revise or enter into any new PFA with any entity other than IPFS, and if with IPFS, upon any terms less favorable than those in the existing PFAs.

5. Notwithstanding anything to the contrary in the PFAs, in the event the Debtors default under the terms of a PFA, IPFS shall not cancel any insurance policy of the Debtors without first providing notice of such default in writing by overnight mail to the Debtors and their bankruptcy counsel, and at least 5 business days to cure. If the Debtors fail to cure the default within that time, then IPFS may, in accordance with the terms of the PFA, and without further order of this Court, exercise any and all of its rights under the PFA.

6. Notwithstanding anything to the contrary in the PFA, the Debtors' filing of these bankruptcy cases shall not constitute a default under any of the PFAs.

7. The Debtors are authorized, but not directed, to maintain and administer their Workers' Compensation Programs in the ordinary course of business and consistent with past practice and honor and pay all claims and other costs and expenses related thereto whether arising prior to or after the Petition Date.

8. To the extent prosecution by the Debtors' employees of their valid workers' compensation claims is barred by the automatic stay provision of section 362 of the Bankruptcy Code, the stay shall be lifted solely to permit such employees to liquidate their workers' compensation claims in the appropriate judicial or administrative forum.

9. This Order is without prejudice to the rights of the Debtors and their estates to contest the validity, priority or amounts of any Insurance Obligations on any grounds they deem appropriate, and any rights of the Debtors and their estates with respect to such matters shall be reserved.

10. To the extent that any Insurance Program or any related contract or agreement is deemed an executory contract within the meaning of section 365 of the Bankruptcy Code, neither this Order nor any payments made in accordance with this Order shall constitute the

postpetition assumption of any such Insurance Program or any related contract or agreement pursuant to section 365 of the Bankruptcy Code.

11. The requirements of Bankruptcy Rule 6003(b) are satisfied.

12. The requirements of Bankruptcy Rule 6004(a) are waived.

13. Notwithstanding the possible applicability of Bankruptcy Rule 6004(h), the terms and provisions of this Order shall be immediately effective and enforceable upon its entry.

14. The Debtors are hereby authorized to take all actions necessary to effectuate the relief granted pursuant to this Order.

15. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation or interpretation of this Order.

Dated: June 24, 2016
Wilmington, Delaware


The Honorable Christopher S. Sontchi
United States Bankruptcy Judge