



**SO ORDERED.**

**SIGNED this 17 day of May, 2017.**

**Austin E. Carter  
United States Bankruptcy Judge**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE MIDDLE DISTRICT OF GEORGIA  
MACON DIVISION**

In re:	)	
	)	Chapter 11
OCONEE REGIONAL HEALTH	)	
SYSTEMS, INC., <i>et al.</i> , <sup>1</sup>	)	Case No. 17-51005-AEC
	)	
Debtors.	)	(Jointly Administered)
_____)		

**ORDER GRANTING DEBTORS' MOTION (A) FOR  
AUTHORITY TO CONTINUE PRE-EXISTING INSURANCE PROGRAMS, AND  
PAY PREPETITION PREMIUMS AND RELATED OBLIGATIONS, AND (B) ON AN  
INTERIM BASIS, TO CONTINUE CERTAIN INSURANCE PREMIUM**

<sup>1</sup> The last four digits of the employer identification number for each of the Debtors follow in parenthesis: (i) Oconee Regional Health Systems, Inc. (9394), (ii) Oconee Regional Medical Center, Inc. (9398), (iii) Oconee Regional Health Services, Inc. (9397), (iv) Oconee Regional Emergency Medical Services, Inc. (3857), (v) Oconee Regional Health Ventures, Inc. (sometimes d/b/a Oconee Neurology Services) (8516), (vi) Oconee Internal Medicine, LLC (1712), (vii) Oconee Orthopedics, LLC (3694), (viii) ORHV Sandersville Family Practice, LLC (1236), and (ix) Oconee Regional Senior Living, Inc. (5613). The Debtors' corporate mailing address is 821 North Cobb Street, Milledgeville, Georgia, 31061.

**FINANCING ARRANGEMENTS, AND SETTING A FINAL HEARING**

Oconee Regional Health Systems, Inc., Oconee Regional Medical Center, Inc., Oconee Regional Health Services, Inc., Oconee Regional Emergency Medical Services, Inc., Oconee Regional Health Ventures, Inc. (sometimes d/b/a Oconee Neurology Services), Oconee Internal Medicine, LLC, Oconee Orthopedics, LLC, ORHV Sandersville Family Practice, LLC, and Oconee Regional Senior Living, Inc. (the “*Debtors*”), filed a motion (the “*Motion*,” Doc. No. 26) for entry of an order permitting them to maintain their insurance programs, pay premiums, and continue to finance certain premiums.

The Court has jurisdiction to consider the Motion and the relief requested in the Motion pursuant to 28 U.S.C. §§ 157 and 1334. Venue of these cases in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The Motion and the relief requested in the Motion constitute a core proceeding pursuant to 28 U.S.C. § 157(b).

The Debtors sought an expedited hearing and emergency, interim relief on the Motion. Debtors’ Motion for Expedited Hearing and Emergency Interim Relief Pursuant to Local Bankruptcy Rule 2002-1(G) (Doc. No. 11). In light of the relief requested, this Court granted the request for an expedited hearing, in its Order Granting Debtors’ Motion for Expedited Hearing to Consider Certain Interim, First-Day Relief (Doc. No. 15).

The Court has considered the Motion and the statements and arguments made at a hearing on the Motion, held on May 12, 2017. This Court has determined that the relief requested in the Motion is in the best interests of Debtors, their estates, creditors, and other parties in interest. Debtors gave due and proper notice of the Motion and the Court has determined that additional or further notice of the Motion is not necessary. The Court has determined that the legal and

factual bases set forth in the Motion establish just cause for the relief granted in this Order, and after due deliberation, and sufficient cause appearing therefor,

**IT IS ORDERED THAT:**

1. The Motion is **GRANTED**.
2. The Debtors are authorized to maintain their Insurance Policies,<sup>2</sup> and pay all premiums thereunder (including any that may be deemed to have arisen prior to the Petition Date).
3. To the extent any of the Insurance Policies will expire during these Chapter 11 cases, or will no longer be necessary after any disposition of assets or operations to which the Insurance Policies pertain, the Debtors will consult with the Bond Trustee prior to entering into any replacement, amendment, extension or material modification of the Insurance Policies (an *“Insurance Policy Extension or Modification”*) sufficiently in advance to allow the Bond Trustee to seek relief in this Court prior to any Insurance Policy Extension or Modification.
4. The Debtors are authorized, on an interim basis, to continue to finance the yearly premium payments as to the Financed Policies, and such arrangements are approved under Section 364 of the Bankruptcy Code. The counterparties to the insurance premium finance contracts are granted a senior lien, but solely in all unearned premiums, payments in respect of any losses to the extent such payments reduce the unearned premiums, and dividends on the policy, all as more specifically set forth in the financing agreements attached to the Motion.
5. Nothing in this Order, nor any action by the Debtors regarding the Insurance Policies, nor the payment of any premiums by the Debtors under such Insurance Policies, shall (i) be deemed to constitute the assumption of any executory contract pursuant to Section 365 of

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<sup>2</sup> Capitalized terms used in this Order that are not otherwise defined herein shall have the meanings ascribed to them in the Motion.

the Bankruptcy Code, or (ii) preclude the Debtors or any other party in interest authorized under the Bankruptcy Code from challenging or contesting the amount or validity of any such charges, in whole or in part.

6. Nothing in this Order shall require the Debtors to maintain any insurance coverage for the benefit of Jasper or any other non-debtor third party, and the Debtors may, in their discretion (after consultation with the Bond Trustee and any Official Committee of Unsecured Creditors appointed in these cases), modify the Insurance Policies as needed to exclude coverage for any assets, liabilities, or other interests of Jasper or any other non-debtor third party. In addition, nothing in this Order shall in any way effect the rights of the Debtors to recover from Jasper or any other non-debtor third party for, inter alia, the current and historic costs of any premiums paid or other charges incurred for the benefit of such parties for any insurance, among other things.

7. Any payments pursuant to this Order shall only be made to the extent allowed by any orders authorizing the Debtors to incur postpetition financing or use cash collateral, including any budget approved by such orders.

8. With respect to the relief sought herein, the requirements set forth in Bankruptcy Rule 6003 are satisfied.

9. Notwithstanding the possible applicability of Bankruptcy Rules 6004(a) and 6004(h) or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry and the requirements of Bankruptcy Rules 6004(a) and 6004(h) are hereby waived.

10. Any party in interest in these Chapter 11 cases shall have until June 5, 2017 to file a written objection to the Motion or to this Order. Any such objection must be served upon (a)

Debtors' counsel, Bryan Cave, LLP, 1201 West Peachtree Street, NW, 14th Floor, Atlanta, Georgia 30309, Attention: Mark Duedall, (b) counsel to the Bond Trustee, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., One Financial Center, Boston, MA 02111, Attention: Ian A. Hammel and (c) the Office of the United States Trustee, 440 Martin Luther King Jr. Boulevard, Suite 302, Macon, Georgia 31201-7910 (Attn: Elizabeth A. Hardy). If any objection is timely filed and served, then the Court will convene a hearing to consider such objection, but this Order shall remain in full force and effect and binding in all respects unless and until there is any further ruling from this Court. If no objection is timely filed and served, then this Order will be deemed a final order without need for any further action of this Court.

11. This Court shall retain jurisdiction with respect to any matters, claims, rights, or disputes arising from or related to the implementation of this Order.

12. The Debtors are directed, within two business days of the entry of this Order, to serve a copy of this Order upon all the parties which were served with the Motion, along with any parties that have filed notice of appearance in these cases.

**\*\*\* END OF DOCUMENT \*\*\***

***Prepared and presented by:***

**BRYAN CAVE LLP**

*/s/ Mark I. Duedall*

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*Proposed Counsel for the Debtors and Debtors-in-Possession*

*No objection as to form:*

**GUY G. GEBHARDT, ACTING UNITED STATES TRUSTEE, REGION 21**

*/s/ Robert G. Fenimore*

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