



ILLINOIS WORKERS' COMPENSATION COMMISSION
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PAT QUINN
GOVERNOR

AMY J. MASTERS
ACTING CHAIRMAN

D-764

TO: Commissioners, Arbitrators and
All Other Interested Parties

FROM: Amy J. Masters, Acting Chairman *AM*

DATE: May 8, 2009

RE: Chrysler LLC

Please be advised that Chrysler LLC, a current self-insured company, filed voluntary petitions for reorganization under Chapter 11 protection of the U.S. Bankruptcy Code on April 30, 2009.

Chrysler LLC has been self-insured since August 1, 1965.

The U.S. Bankruptcy Court has granted the company's motion authorizing the debtors to continue their existing workers' compensation programs and pay certain prepetition workers' compensation premiums, claims and related expenses.

Questions regarding workers' compensation claims may be directed to:

Sedgwick CMS
Ms. Kim LaValley
248/223-6371
klavalley@sedgwickcms.com

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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 In re : Chapter 11
 Chrysler LLC, *et al.*, : Case No. 09-50002 (AJG)
 Debtors. : (Jointly Administered)
 -----X

**ORDER, PURSUANT TO SECTIONS 105(a) AND 363(b) OF THE
BANKRUPTCY CODE, (A) AUTHORIZING THE DEBTORS TO (I) CONTINUE
THEIR EXISTING WORKERS' COMPENSATION PROGRAMS AND (II) PAY
CERTAIN PREPETITION WORKERS' COMPENSATION PREMIUMS, CLAIMS
AND RELATED EXPENSES; AND (B) GRANTING CERTAIN RELATED RELIEF**

This matter coming before the Court on the Motion of Debtors and Debtors in Possession, Pursuant to Sections 105(a) and 363(b) of the Bankruptcy Code, for an Order (A) Authorizing the Debtors to (I) Continue Their Existing Workers' Compensation Programs and (II) Pay Certain Prepetition Workers' Compensation Premiums, Claims and Related Expenses; and (B) Granting Certain Related Relief (the "Motion"),¹ filed by the debtors and debtors in possession in the above-captioned cases (collectively, the "Debtors"); the Court having reviewed the Affidavit of Ronald E. Kolka filed in support of the Debtors' first day papers (the "Affidavit") and having considered the statements of counsel and the evidence adduced with respect to the Motion at a hearing before the Court on the Motion (the "Hearing"); and the Court having found that (i) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (ii) this is a core proceeding pursuant to 28 U.S.C. § 157(b), (iii) notice of the Motion and the Hearing was sufficient under the circumstances, (iv) the payment of the Prepetition Workers'

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

Compensation Claims and Prepetition Processing Costs and the continuation of the Workers' Compensation Programs on the terms and conditions described in the Motion is necessary and appropriate to prevent serious, and potentially irreparable, disruptions to the Debtors' efforts to administer these cases and maximize value available to stakeholders, (v) the requirements of Bankruptcy Rule 6003(b) have been satisfied with respect to the payments authorized by this Order and (vi) there is good cause to waive the ten-day stay imposed by Bankruptcy Rule 6004(h), to the extent that it is applicable; and the Court having determined that the legal and factual bases set forth in the Motion and the Affidavit and at the Hearing establish just cause for the relief granted herein;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein. Objections raised on the record at the Hearing are resolved on the terms set forth herein.

2. The Debtors are authorized, in the Debtors' sole discretion, to continue their existing Workers' Compensation Programs and take such steps as are necessary or appropriate to provide for the Prepetition Workers' Compensation Claims and Prepetition Processing Costs to be processed and paid in the ordinary course of the Debtors' businesses.

3. The Debtors' banks and other financial institutions (collectively, the "Banks") are authorized and directed, when requested by the Debtors in the Debtors' sole discretion, to receive, process, honor and pay all checks presented for payment of, and to honor all fund transfer requests made by the Debtors related to, Prepetition Workers' Compensation Claims and Prepetition Processing Costs, whether such checks were presented or fund transfer requests were submitted prior to or after the Petition Date, provided that funds are available in the Debtors' accounts to cover such checks and funds transfers. The Banks are authorized to rely on the Debtors' designation of any particular check or funds transfer as approved by this Order.

4. Nothing in the Motion or this Order, nor the Debtors' payment of claims pursuant to this Order, shall be deemed or construed as: (a) an admission as to the amount, validity or priority of any claim against the Debtors; (b) a waiver of the Debtors' rights to dispute any claim on any grounds; (c) a promise to pay any claim; (d) an implication or admission that any particular claim is a claim for Prepetition Workers' Compensation Claims and Prepetition Processing Costs; (e) a request to assume any executory contract or unexpired lease, pursuant to section 365 of the Bankruptcy Code; or (f) an expansion or a limitation of the rights of any of the Debtors' insurers, surety providers or issuers of LOCs, whether related to workers' compensation insurance or any other kind of insurance that may be provided to the Debtors by such parties.

5. Pursuant to Bankruptcy Rule 6004(h), this Order shall be immediately effective and enforceable upon its entry.

Dated: New York, New York
May 5, 2009

s/Arthur J. Gonzalez
UNITED STATES BANKRUPTCY JUDGE