

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

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In re:	)	Chapter 11
	)	
INSIGHT HEALTH SERVICES	)	Case No. 10-16564 (AJG)
HOLDINGS CORP., <u>et al.</u> , <sup>1</sup>	)	
	)	
Debtors.	)	Jointly Administered

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**FINAL ORDER AUTHORIZING THE DEBTORS TO (A) CONTINUE PREPETITION  
INSURANCE COVERAGE (B) MAINTAIN EXISTING FINANCING OF INSURANCE  
PREMIUMS AND (C) ENTER INTO NEW POSTPETITION POLICIES AND  
FINANCING AGREEMENTS**

Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for the entry of a final order (this “Order”) authorizing, but not directing, the Debtors to (a) continue their prepetition Policies and PFA and (b) obtain new insurance policies and premium financing agreements and (c) maintain the Policies and PFA and upon the First Day Declaration, all as more fully set forth in the Motion and upon the First Day Declaration; it appearing that the relief requested is in the best interests of the Debtors’ estates, their creditors and other parties in interest; the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C.

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: InSight Health Services Holdings Corp. (0028); InSight Health Services Corp. (2770); Comprehensive Medical Imaging Centers, Inc. (6946); Comprehensive Medical Imaging, Inc. (2473); InSight Health Corp. (8857); Maxum Health Services Corp. (5957); North Carolina Mobile Imaging I LLC (9930); North Carolina Mobile Imaging II LLC (0165); North Carolina Mobile Imaging III LLC (0251); North Carolina Mobile Imaging IV LLC (0342); North Carolina Mobile Imaging V LLC (0431); North Carolina Mobile Imaging VI LLC (0532); North Carolina Mobile Imaging VII LLC (0607); Open MRI, Inc. (1529); Orange County Regional PET Center - Irvine, LLC (0190); Parkway Imaging Center, LLC (2858); and Signal Medical Services, Inc. (2413). The location of the Debtors’ corporate headquarters and the Debtors’ service address is: 26250 Enterprise Court, Suite 100, Lake Forest, California 92630.

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

§ 157(b); venue being proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409; notice of the Motion having been adequate and appropriate under the circumstances; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED that:

1. The Motion is granted as set forth herein on a final basis.
2. The Debtors are authorized, but not directed, in their sole discretion, to maintain and continue their current Policies, their brokerage and insurance administration arrangements and the PFA and obtain new insurance policies and premium financing agreements as needed in the ordinary course of business, including with respect to the new insurance Policies described in the Motion.
3. The Debtors are authorized, but not directed, in their sole discretion, to pay any prepetition or postpetition amounts related to the Policies, their brokerage and insurance administration arrangements, and PFA and similar arrangements and to pay other costs related to their Policies that become due.
4. The Debtors are authorized, but not directed, in their sole discretion, to enter into brokerage agreements and agreements with third-party administrators as needed in the ordinary course of business and to avoid, cancellation, default, alteration, assignment, attachment, lapse or any form of impairment to the coverage, benefits or proceeds provided under the Policies and the PFA.
5. AFCO is hereby granted a first and only priority security interest in: (a) any and all unearned premiums and dividends which may become payable under the financed insurance policies for whatever reason; and (b) loss payments which reduce the unearned premiums, subject to any mortgagee or loss payee interests.

6. Under the PFA, the premiums for the Policies are financed through AFCO, which holds a secured interest in the gross unearned premiums which are payable in the event of cancellation of the Policies, and the PFA authorizes AFCO to cancel the financed Policies and obtain the return of any unearned premiums without further judicial intervention in the event of a default in the payment of any installment due.

7. AFCO's remedies for defaults under the PFA shall be preserved in the event that these chapter 11 cases convert into chapter 7 liquidations, or in the event that a trustee or examiner is appointed in these chapter 11 cases.

8. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized and directed to receive, process, honor and pay all such checks and electronic payment requests when presented for payment whether issued before or after the Petition Date, and that all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Order.

9. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

10. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such motion and the requirements of Bankruptcy Rule 6004(a) and the local rules of the Court are satisfied by such notice.

11. Notwithstanding Bankruptcy Rules 6004(h), 7062, 9014 or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

12. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

New York, New York  
Date: January 4, 2011

**s/Arthur J. Gonzalez**  
Honorable Arthur J. Gonzalez  
Chief United States Bankruptcy Judge