

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----X

In the Matter of

Index No.:

the Application of

VERIFIED PETITION

Adrienne A. Harris, Superintendent of Financial
Services of the State of New York, for an
Order of Appointment as Ancillary Receiver of

ARROWOOD INDEMNITY COMPANY.

-----X

Adrienne A. Harris, Superintendent of Financial Services of the State of New York (“Superintendent”), respectfully petitions the Court for an order, substantially in the form attached hereto as Exhibit 1 (“Order”), appointing the Superintendent (and her successors in office) as ancillary receiver (“Ancillary Receiver”) of Arrowood Indemnity Company (“Arrowood”) with all the rights and obligations granted to and imposed upon her pursuant to Article 74 of the New York Insurance Law (“Insurance Law”).

Relief Requested

1. Arrowood is a Delaware domestic insurer that has been judicially determined to be insolvent and has been placed into liquidation. A significant number of New York residents have submitted workers’ compensation claims and liability claims under Arrowood policies. It is important that a New York ancillary receivership proceeding be commenced for Arrowood in order for these claimants with allowed covered claims to receive coverage (payment) from the New York Property/Casualty Insurance Security Fund (“P/C Fund”) or New York Workers’ Compensation Security Fund (“WC Fund”) as soon as possible. Accordingly, I respectfully request that this Court sign the accompanying Order to Show Cause with as early a return date as

may be practicable and, in accordance with Insurance Law §7417, enter an order commencing the ancillary receivership.

Background

2. Arrowood is a domestic stock property/casualty insurer domiciled in Delaware. Its statutory office is located at 251 Little Falls Drive, Wilmington, Delaware. Its main administrative office is located at 3600 Arco Corporate Drive, Charlotte, North Carolina. See Affidavit of Marc Allen, Assistant Chief Examiner, Property Bureau, New York State Department of Financial Services, sworn to on December 19, 2023 (“Allen Aff.”), attached as Exhibit 2. (Allen Aff. ¶ 2).

3. Arrowood became licensed to do business as an authorized foreign insurer in the State of New York on March 25, 1980. (Allen Aff. ¶ 3).

4. Arrowood was authorized to transact the business of insurance set forth in paragraphs 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 20, and 21 of Section 1113(a) of the Insurance Law. (Allen Aff. ¶ 4).

5. On November 8, 2023, the Court of Chancery of the State of Delaware issued a Liquidation and Injunction Order with Bar Date appointing the Insurance Commissioner of the State of Delaware (and his successors in office) as receiver (the “Delaware Receiver”) of Arrowood (the “Liquidation Order”). (Allen Aff. ¶ 5).

6. The Liquidation Order, among other things, established January 15, 2025, as the bar date for the filing of claims against Arrowood. See Liquidation Order ¶ 24 (Allen Aff. ¶ 6, Exhibit A).

7. The Liquidation Order also provided that all insurance policies, surety bonds, or contracts of insurance issued by Arrowood that have not expired or otherwise been cancelled,

will be cancelled effective 12:01 a.m. no later than December 8, 2023, which is the 30th calendar day following the date of the Liquidation Order. *See* Liquidation Order ¶¶ 21-22 (Allen Aff., ¶ 7, Exhibit A).

8. The Delaware Receiver estimates that more than 3,000 property/casualty claims, and 750 workers' compensation claims may be referred from the Delaware Receiver to the P/C Fund and WC Fund, respectively. Many of these claims will likely be entitled to P/C Fund or WC Fund coverage. (Allen Aff., ¶ 8).

**The Grounds to Commence an Ancillary
Receivership Proceeding Have Been Met**

9. Insurance Law § 7407(c) states that, upon the request of a receiver who has been appointed for an insurer in its domiciliary state, the Superintendent shall apply to this Court for an order appointing her as ancillary receiver for such insurer if the domiciliary state is a reciprocal state.

10. On November 21, 2023, the Delaware Receiver sent a letter to the Superintendent, a copy of which is annexed as Exhibit B to the Allen Aff., requesting that the Superintendent commence an ancillary receivership proceeding for Arrowood ("Letter Request"). (Allen Aff. ¶ 9, Exhibit B).

11. Delaware is a reciprocal state. Insurance Law § 7408(b)(6) defines a reciprocal state as any state, other than the State of New York, in which the provisions of the Uniform Insurers Liquidation Act (Insurance Law §§ 7408-7415), in substance and effect, are in force. Delaware, Arrowood's domiciliary state, has adopted, in substance and effect, the provisions of the Uniform Insurers Liquidation Act. Delaware Code Title 18 § 5920. (Allen Aff. ¶ 10).

12. Based on the Letter Request from Delaware, a reciprocal state, the Superintendent now brings this application under Insurance Law § 7407 to commence an ancillary receivership

proceeding for Arrowood. Since all the grounds to commence an ancillary receivership proceeding have been met, this Court should issue the Order commencing an ancillary receivership proceeding and, pursuant to Insurance Law § 7410(a), appointing the Superintendent as Ancillary Receiver.

Claims Bar Date

13. The Liquidation Order, among other things, established January 15, 2025, as the bar date for the filing of claims against Arrowood. *See* Liquidation Order ¶ 24 (Allen Aff., ¶ 6, Exhibit A). Under Insurance Law § 7412(a), the bar date of January 15, 2025 established in the Delaware liquidation will apply in the ancillary proceeding.

Injunctive Relief

14. To discharge the responsibilities as Ancillary Receiver in an orderly and fair manner for the benefit of policyholders and creditors domiciled in the State of New York, certain injunctive relief is necessary.

15. Under Insurance Law § 7419(b), the Superintendent requests an order permanently enjoining and restraining all persons from the commencement or prosecution of any actions, lawsuits, or proceedings in the State of New York, the obtaining of preferences, judgments, attachments, or other liens, or the making of any levy in the State of New York against Arrowood, the Superintendent as Ancillary Receiver or as administrator of the P/C Fund and WC Fund (the “Administrator”), the New York Liquidation Bureau (“NYLB”) (the organization serving as the Ancillary Receiver’s staff), or their employees, attorneys, or agents, with respect to this proceeding or in the discharge of their duties under Insurance Law Article 74 in relation thereto (collectively, the “Permanent Injunctions”).

16. The Permanent Injunctions are important for the performance of the Ancillary Receiver's duties. Failure to grant this relief could result in one or more persons or entities seeking to pursue legal relief against Arrowood, the Superintendent as Ancillary Receiver or as Administrator, or the NYLB in a forum other than the ancillary proceeding, including seeking collections and default judgments, in the State of New York against Arrowood. This would undermine the purpose of the ancillary proceeding, which is to consolidate and process all New York claims relating to Arrowood and the Ancillary Receiver in one orderly proceeding.

17. In addition to the Permanent Injunctions, the Superintendent requests an order under Insurance Law § 7419(b) temporarily staying all litigations against insureds of Arrowood or in which Arrowood is obligated to defend an insured or provide a defense to a party pursuant to an insurance policy, for a period of 180 days from the date an Order commencing the ancillary receivership is signed (the "180-Day Injunction"). The 180-Day Injunction will temporarily stay all matters currently in litigation. The Delaware Receiver estimates it will refer more than 3,000 property/casualty claims and 750 workers' compensation claims to the Ancillary Receiver. The Ancillary Receiver's staff will be required to review those claims to determine if they are covered by the P/C Fund or the WC Fund, assign counsel, and determine next steps. The 180-Day Injunction will allow the Ancillary Receiver and the Administrator sufficient time to make these determinations.

18. The Superintendent also requests an order under Insurance Law § 7419(b) temporarily enjoining and restraining all persons who have first-party policyholder loss claims against Arrowood in the State of New York from presenting and filing claims with the Ancillary Receiver for a period of 90 days from the date an Order commencing the ancillary receivership is

signed (the “90-Day Injunction”). Eligible first party claims in New York are referred to the Ancillary Receiver who determines whether a referred claim is covered by the P/C Fund.

19. After Arrowood is placed into ancillary receivership, the Delaware Receiver will transfer the books and records of the company relating to certain New York claims under policies written by Arrowood, including litigation files, to the Ancillary Receiver and Administrator for further handling. Because the files and records of an insolvent insurer often require time to review and assess, a temporary stay is necessary to ensure that claims are appropriately handled and that there is no prejudice to the company or its policyholders during the transition to ancillary receivership.

20. The 180-Day Injunction and 90-Day Injunction will allow the Ancillary Receiver and Administrator to: (i) review the New York claims and litigations; (ii) coordinate with third-party administrators for handling claims; (iii) assign claims examiners; (iv) review settlement negotiations, if any; (v) analyze the legal issues; (vi) set reserves; (vii) assign or retain counsel; and (viii) prepare to litigate the matters, if necessary, upon the expiration of the 180-Day Injunction and 90-Day Injunction. The injunctions sought here are virtually the same injunctions as are granted in every ancillary proceeding and could be considered routine. *In the Matter of the Ancillary Receivership of United Property & Casualty Insurance Company*, S. Ct., N.Y. County, Index #450746/2023, Order of May 9, 2023; *In the Matter of the Ancillary Receivership of Highlands Insurance Company*, S. Ct., N.Y. County, Index #450974/2022, Order of May 11, 2022; *In the Matter of the Ancillary Receivership of American Country Insurance Company*, S. Ct., N.Y. County, Index #452250/2020, Order of December 16, 2020; *In the Matter of the Ancillary Receivership of American Service Insurance Company*, S. Ct., N.Y. County, Index

#452249/2020, Order of December 2, 2020. Copies of the ancillary receivership orders in each of these ancillary receivership proceedings are annexed hereto as Exhibit 3.

21. For these reasons, the 180-Day Injunction and 90-Day Injunction are warranted under Insurance Law § 7419(b), and this Court should issue the Order, *inter alia*, granting the injunctions.

Additional Relief Requested

22. The Superintendent further respectfully requests that the Court order that the Superintendent as Ancillary Receiver of Arrowood and as Administrator of the New York security funds, her successors in office, and the NYLB and their agents and employees, be granted judicial immunity from any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of the Court, or in the performance of their duties pursuant to Insurance Law Articles 74 and 76. The Ancillary Receiver acts in a “judicial and private” capacity under the supervision of the Court pursuant to Article 74 of the Insurance Law. *Dinallo v. DiNapoli*, 9 N.Y.3d 94, 103 (2007). In addition, “a court-appointed receiver acts as an arm of the court and is immune from liability for actions grounded in his or her conduct as receiver.” *In the Matter of the Liquidation of U.S. Capital Insurance Company*, 36 Misc.3d 635, 637 (Sup. Ct., N.Y. County 2012).

23. The Superintendent further respectfully requests that this Court issue the accompanying Order to Show Cause approving (a) a return date as early as possible, (b) the form of notice to be given to Arrowood policyholders, creditors and others interested in the affairs of Arrowood, and (c) the method of service of notice, *i.e.*, by (i) overnight delivery and e-mail to James J. Black, III, representing Trinidad Navarro, Delaware Insurance Commissioner, in his capacity as Receiver of Arrowood Indemnity Company, at Black & Gerngross, PC, 1617 John F.

Kennedy Blvd., Suite 1575, Philadelphia, PA 19103 and Gene T. Reed, Jr., Deputy Receiver, Rehabilitation & Liquidation Bureau at 704 King Street, Suite 602, Wilmington, Delaware 19801; and (ii) posting on the Internet web page for Legal and Estates Notices maintained by the NYLB at <http://www.nylb.org> within five (5) days of the entered Order to Show Cause being posted to the New York State Courts Electronic Filing (NYSCEF) system. The Superintendent further respectfully requests that, pursuant to Insurance Law § 7417, the Court rule upon this matter as quickly as possible in view of the importance of ensuring New York claimants with valid claims will avoid hardship and receive payment as soon as possible.

Conclusion

24. In light of the foregoing, the Superintendent respectfully requests that the Court grant the relief set forth in the Order, which, among other things: (a) appoints the Superintendent as Ancillary Receiver of Arrowood, pursuant to Insurance Law §§ 7407(c) and 7410(a); and (b) vests the Ancillary Receiver with all rights and obligations granted to and imposed upon her pursuant to Article 74 of the Insurance Law.

No previous application for the relief sought herein has been made to this or any other court or judge.

WHEREFORE, I respectfully request that this Court grant the relief sought in this Verified Petition, enter the Order, and grant such other and further relief as is just and proper.

Dated: New York, New York
January 3, 2024



Adrienne A. Harris
Superintendent of Financial Services
of the State of New York

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

Adrienne A. Harris, being duly sworn, deposes and says:

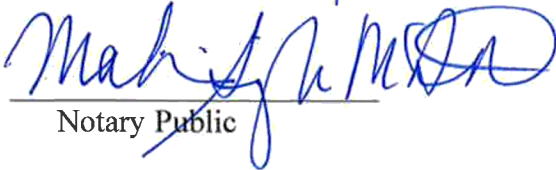
That she is the Superintendent of Financial Services of the State of New York and that she executed the foregoing Verified Petition; that she is acquainted with the facts therein stated; that she knows the contents of said Verified Petition; and that the same are true based upon the records of the New York State Department of Financial Services.

Deponent says that the sources of her information as to the matters stated in said Verified Petition are the affidavit referred to therein and the records of the New York State Department of Financial Services.



Adrienne A. Harris
Superintendent of Financial Services
of the State of New York

Sworn to before me this
3rd day of January 2024


Notary Public

MALINI SINGH McDONALD
Notary Public, State of New York
No. 01SI6165495
Qualified in Queens County
My Commission Expires May 7, 2027

At IAS Part ____ of the Supreme Court of the State of New York, County of New York, at the Courthouse, _____ in the County, City and State of New York, on the ____ day of _____, 2024.

P R E S E N T :

HON. _____, J.S.C.

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----X

In the Matter of

Index No.:

the Application of

Adrienne A. Harris, Superintendent of Financial Services of the State of New York, for an Order of Appointment as Ancillary Receiver of

**ORDER OF
ANCILLARY
RECEIVERSHIP**

ARROWOOD INDEMNITY COMPANY.

-----X

Adrienne A. Harris, Superintendent of Financial Services of the State of New York (“Superintendent”), having moved this Court for an order appointing the Superintendent and her successors in office as ancillary receiver (“Ancillary Receiver”) of Arrowood Indemnity Company (“Arrowood”), and upon reading and filing the petition of the Superintendent, duly verified on the 3rd day of January, 2024 (“Verified Petition”), the Affidavit of Marc Allen, Assistant Chief Examiner, Property Bureau, New York State Department of Financial Services, sworn to on the 19th day of December, 2023, and the exhibits annexed thereto, this Court finds that:

1. Arrowood is a property/casualty insurer organized under the laws of the State of Delaware, with its main administrative office located in Charlotte, North Carolina;
2. Arrowood was licensed in the State of New York to transact the kinds of insurance specified in New York Insurance Law §§ 1113(a)(3) – (17) and (19-21);

3. By order dated November 8, 2023, the Delaware Court of Chancery issued a Liquidation and Injunction Order with Bar Date (the “Liquidation Order”). The Liquidation Order found Arrowood to be insolvent and appointed the Insurance Commissioner of the State of Delaware as receiver of Arrowood (the “Delaware Receiver”). The Liquidation Order also, among other things, established January 15, 2025, as the bar date for the filing of claims against Arrowood (the “Claims Bar Date”);

4. Arrowood is subject to Article 74 of the New York Insurance Law (“Insurance Law”);

5. Delaware is a reciprocal state within the meaning of Insurance Law § 7408(b)(6);

6. The Delaware Receiver requested that the Superintendent commence an ancillary receivership proceeding for Arrowood; and

7. Insurance Law § 7410(a) mandates that the Superintendent be appointed Ancillary Receiver of Arrowood.

NOW, on the motion of the Honorable Letitia James, Attorney General of the State of New York, it is hereby

ORDERED as follows:

1. The relief requested in the Verified Petition seeking an order of ancillary receivership (“Order”) is granted in its entirety;
2. The Superintendent and her successors in office are appointed Ancillary Receiver of Arrowood and are vested with all rights and obligations granted to and imposed upon her pursuant to Article 74 of the Insurance Law;
3. In accordance with Insurance Law § 7412(a), the Claims Bar Date of January 15, 2025, established in paragraph 24 of the Liquidation Order, applies to this ancillary receivership proceeding and all New York claims under Arrowood policies and evidence supporting such claims must be submitted to the Ancillary Receiver by January 15, 2025, and if not submitted by that date shall be barred;

4. All persons are permanently enjoined and restrained from commencing or prosecuting any actions, lawsuits or proceedings in the State of New York against Arrowood, and all persons are permanently enjoined and restrained from obtaining preferences, judgments, attachments, or other liens, or making any levy in the State of New York against Arrowood, the Superintendent as Ancillary Receiver or as administrator of the New York Property/Casualty Insurance Security Fund or Workers' Compensation Security Fund ("New York security funds"), the New York Liquidation Bureau, and their employees, attorneys, or agents, with respect to this proceeding or in the discharge of their duties;
5. All parties to actions, lawsuits, and special or other proceedings against insureds of Arrowood or in which Arrowood is obligated to defend an insured or provide a defense to a party pursuant to an insurance policy are enjoined and restrained from obtaining any judgment or proceeding with any discovery, court proceedings, or other litigation tasks or procedures, including, but not limited to, conferences, trials, applications for judgment, or proceedings on settlement or judgment, for a period of 180 days from the date this Order is signed;
6. All persons who have first party policyholder loss claims against Arrowood in the State of New York are enjoined and restrained from presenting and filing claims with the Ancillary Receiver for a period of 90 days from the date this Order is signed;
7. Judicial immunity is extended to the Superintendent in her capacities as Ancillary Receiver of Arrowood and as administrator of the New York security funds, her successors in office, the New York Liquidation Bureau, and their agents and employees, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of this Court, or in the performance of their duties pursuant to Insurance Law Articles 74 and 76;
8. The Ancillary Receiver shall serve a copy of this Order on the Delaware Insurance Commissioner, in his capacity as Receiver of Arrowood Indemnity Company, c/o James J. Black, III, at Black & Gerngross, PC, 1617 John F. Kennedy Blvd., Suite 1575, Philadelphia, PA 19103, and Gene T. Reed, Jr., Deputy Receiver, Rehabilitation & Liquidation Bureau at 704 King Street, Suite 602, Wilmington, DE 19801, by overnight mail within 10 days after the entry of this Order;
9. The Ancillary Receiver shall provide notice of this Order to all creditors, claimants, and interested persons located in the State of New York by posting this Order on the Internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> within 10 days after the entry of this Order;
10. Arrowood's license to do business in the State of New York is hereby revoked;
11. The caption for this proceeding is hereby amended as follows:

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----X

In the matter of

the Ancillary Receivership of

ARROWOOD INDEMNITY COMPANY.

-----X

12. All further papers in this proceeding shall bear the above amended caption.

E N T E R

J.S.C.

3. Arrowood became licensed to do business as an authorized foreign insurer in the State of New York on March 25, 1980.

4. Arrowood was authorized to transact the business of insurance set forth in paragraphs 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 20, and 21 of Section 1113(a) of the Insurance Law.

5. On November 8, 2023, the Court of Chancery of the State of Delaware issued a Liquidation and Injunction Order with Bar Date (Exhibit A hereto) appointing the Insurance Commissioner of the State of Delaware (and his successors in office) as receiver (the “Delaware Receiver”) of Arrowood (the “Liquidation Order”). *See* Exhibit A, ¶ 6.

6. The Liquidation Order, among other things, established January 15, 2025, as the bar date for the filing of claims against Arrowood. *See* Exhibit A, ¶ 24.

7. The Liquidation Order also provided that all insurance policies, surety bonds, or contracts of insurance issued by Arrowood that have not expired or otherwise been cancelled, will be cancelled effective 12:01 a.m. no later than December 8, 2023, which is the 30th calendar day following the date of the Liquidation Order.

8. The Delaware Receiver estimates that more than 3,000 property/casualty claims, and 750 workers’ compensation claims may be referred from the Delaware Receiver to the New York Property/Casualty Insurance Security Fund (“P/C Fund”) or New York Workers’ Compensation Security Fund (“WC Fund”), respectively. Many of these claims will likely be entitled to P/C Fund or WC Fund coverage.

9. On November 21, 2023, the Delaware Receiver sent a letter, a copy of which is attached hereto as Exhibit B, to the Superintendent requesting that the Superintendent commence an ancillary receivership proceeding for Arrowood.

10. Delaware is a reciprocal state. Insurance Law § 7408(b)(6) defines a reciprocal state as any state, other than the State of New York, in which the provisions of the Uniform Insurers Liquidation Act (Insurance Law §§ 7408-7415), in substance and effect, are in force. Delaware, Arrowood’s domiciliary state, has adopted, in substance and effect, the provisions of the Uniform Insurers Liquidation Act. Delaware Code Title 18 § 5920.

11. Under Insurance Law § 7412(a), the bar date of January 15, 2025 established in the Delaware liquidation will apply in the ancillary proceeding.

12. We respectfully ask the Court to sign the Order to Show Cause and place this matter on the calendar with as early a return date as possible.

13. We also respectfully request that Your Honor rule expeditiously, as contemplated by Insurance Law § 7417, so that the Superintendent can be appointed as Ancillary Receiver and the New York security funds can be made available to protect New York claimants.

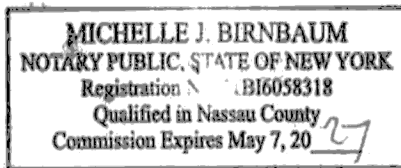


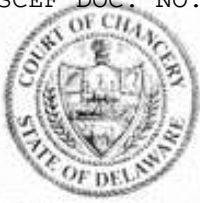
Marc Allen

Sworn to before me this
19th day of December 2023



Notary Public





GRANTED WITH MODIFICATIONS

EFiled: Nov 08 2023 01:53PM EST
Transaction ID: 359470
Case No. 2023-1126-LWW

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

STATE OF DELAWARE ex rel.)
THE HONORABLE TRINIDAD)
NAVARRO, Insurance Commissioner)
of the State of Delaware,)
)
Plaintiff,)
)
v.) C.A. No. _____
)
ARROWOOD INDEMNITY COMPANY,)
a Delaware Domestic Property & Casualty)
Insurance Company,)
)
Defendant.)

LIQUIDATION AND INJUNCTION ORDER WITH BAR DATE

WHEREAS, the Honorable Trinidad Navarro, Insurance Commissioner of the State of Delaware (the "Commissioner"), has filed a verified complaint (the "Complaint") and Motion seeking the entry of a Liquidation and Injunction Order with Bar Date (the "Motion") concerning Arrowood Indemnity Company ("Arrowood"), pursuant to 18 Del. C. § 5901, *et seq.*;

WHEREAS, the Receiver has provided the Court with evidence sufficient to support the conclusion that Arrowood is insolvent, in an unsound condition, a condition that renders its further transaction of insurance presently or prospectively hazardous to its policyholders, and has consented to the entry of a Liquidation and Injunction Order with

Bar Date through a majority of the directors of the corporation;

WHEREAS, this Court finds that sufficient cause exists for the liquidation of Arrowood, pursuant to 18 *Del. C.* §§ 5905 and 5906 and for the entry of a Liquidation and Injunction Order with Bar Date (“Liquidation Order”) concerning Arrowood; and

WHEREAS, a formal hearing on the Commissioner’s Motion is not necessary due to Arrowood’s consent to the relief requested by the Motion and Arrowood’s waiver of formal service of process and a formal hearing on the Motion;

NOW, THEREFORE, THE COURT FINDS AND ORDERS AS FOLLOWS:

1. The verified Complaint, including the exhibits thereto, contain sufficient evidence to support the conclusion that Arrowood is insolvent, in an unsound condition, and a condition that renders its further transaction of insurance presently or prospectively hazardous to its policyholders. Because Arrowood has not contested the Complaint or the Motion and has consented to entry of the Liquidation Order, the allegations of the Complaint are deemed admitted as against Arrowood for purposes of this proceeding.

2. These allegations are also supported by the exhibits to the Complaint filed contemporaneously with the Motion.

3. As a separate and independent basis for entry of the Liquidation Order, evidence that all of the directors of Arrowood to the entry of the Liquidation Order has been attached to the Complaint and submitted in support of the Motion.

4. Given the determination set forth above, a formal hearing on the Motion is

not necessary.

5. Consequently, it is hereby declared that: Arrowood is insolvent, in an unsound condition, and in a condition that renders its further transaction of insurance presently or prospectively hazardous to its policyholders. Therefore, sufficient cause exists for the liquidation of Arrowood pursuant to 18 *Del. C.* §§ 5905, 5906, and 18 *Del. C.* ch. 59 and for the entry of a Liquidation Order concerning Arrowood.

6. Pursuant to 18 *Del. C.* § 5913(a), the Commissioner and his successors in office are hereby appointed as the receiver (hereinafter the "Receiver") of Arrowood.

7. Pursuant to 18 *Del. C.* §§ 5911 and 5913, the Receiver shall forthwith take exclusive possession and control of the property of Arrowood, liquidate its business, and deal with Arrowood's property and business in the name of the Receiver or in the name of Arrowood. Further, the Receiver shall be vested with all right, title, and interest in, of, and to the property of Arrowood including, without limitation, all of Arrowood's assets, contracts, rights of action, books, records, bank accounts, certificates of deposits, collateral securing obligations to, or for the benefit of, Arrowood or any trustee, bailee, or any agent acting for or on behalf of Arrowood (collectively, the "Trustees"), securities or other funds, and all real or personal property of any nature of Arrowood including, without limitation, furniture, equipment, fixtures, and office supplies, wherever located, and including such property of Arrowood or collateral securing obligations to, or for the benefit of, Arrowood or any Trustee thereof that may be discovered hereafter, and all proceeds of or accessions

to any of the foregoing, wherever located, in the possession, custody, or control of Arrowood or any Trustee therefore (collectively, the "Assets").

8. The Receiver may, at his election, change to his own name as Receiver, the name of any of Arrowood's accounts, funds, or other Assets held with any bank, savings and loan association, or other financial institution, and may withdraw such funds, accounts, and other Assets from such institutions or take any other action necessary for the proper conduct of this liquidation.

9. The Receiver is further authorized to take such actions as the nature of this cause and interests of the policyholders, creditors, and stockholder of Arrowood and the public may require in accordance with 18 *Del. C.* ch. 59.

10. The Receiver is hereby authorized to deal with the Assets, business, and affairs of Arrowood including, without limitation, the right to sue, defend, and continue to prosecute suits or actions already commenced by or for Arrowood, or for the benefit of Arrowood's policyholders, creditors, and shareholders in the courts, tribunals, agencies, or arbitration panels for this State and other states and jurisdictions in his name as Receiver of Arrowood, or in the name of Arrowood.

11. The Receiver is hereby authorized to continue to make payments for medical expenses and indemnity for workers compensation claimants and for medical expenses and wage/income loss for motor vehicle claimants, and for medical expense and wage/income loss payments under similar programs, including but not limited to the Federal Black Lung

program, until such time as the claims files are transferred to the applicable guaranty association and the guaranty association begins making payments to the claimant.

12. The Receiver is hereby vested with the right, title, and interest in and to all funds recoverable under treaties and agreements of reinsurance heretofore entered into by Arrowood as the ceding insurer or as the assuming insurer, and all reinsurance companies involved with Arrowood are enjoined and restrained from making any settlements with any claimant or policyholder of Arrowood other than with the express written consent of the Commissioner as Receiver, except as permitted by cut-through agreements or endorsements which were issued to the policyholder, which were properly executed before the date of this Order, which comply in all respects with 18 *Del. C.* § 914, as amended by 72 *Del. Laws c.* 405, and which were approved by the Delaware Insurance Department if such approval was required. The amounts recoverable by the Receiver from any reinsurer of Arrowood shall not be reduced or diminished as a result of this receivership proceeding or by reason of any partial payment or distribution on a reinsured policy, contract, or claim, and each such reinsurer of Arrowood is hereby enjoined and restrained from terminating, canceling, failing to extend or renew, or reducing or changing coverage under any reinsurance policy, reinsurance contract, or letter of credit. The Receiver may terminate or rescind any reinsurance policy or contract that is contrary to the best interests of the receivership.

13. All persons or entities (other than the Receiver or persons acting on behalf of

Arrowood with the consent of the Receiver) that have in their possession or control Assets or possible Assets and/or have notice of these proceedings or of this Order are hereby enjoined and restrained from transacting any business of, or on behalf of, Arrowood or selling, transferring, destroying, wasting, encumbering, or disposing of any of the Assets, without the prior written permission of the Receiver or until further Order of this Court.

This prohibition includes, without limitation, Assets or possible Assets pertaining to any business transaction between Arrowood and any of said parties. No actions concerning, involving, or relating to such Assets or possible Assets may be taken by any of the aforesaid persons or entities enumerated herein, without the express written consent of the Receiver, or until further Order of this Court.

14. All persons or entities having notice of these proceedings or of the Liquidation Order are hereby enjoined and restrained from exercising or relying upon any contractual right which would permit such third party or parties from withholding, failing to pay, setting-off or netting, except pursuant to 18 *Del. C.* § 5927, or taking similar action with respect to any obligations owed to Arrowood.

15. All persons or entities having notice of these proceedings or of the Liquidation Order are hereby enjoined and restrained from commutating, terminating, accelerating or modifying any policy of insurance, agreement of reinsurance, or other contract or agreement, or asserting a default or event of default or otherwise exercising, asserting or relying upon any other right or remedy, based upon: (1) the filing of the Complaint for Entry

of Liquidation and Injunction Order with Bar Date, (2) the entry of this Liquidation Order, (3) the unsound or hazardous condition of Arrowood, (4) the impairment or insolvency of Arrowood; or (5) the facts and circumstances set forth in the Complaint for Entry of Liquidation and Injunction Order with Bar Date, without the prior written permission of the Receiver or until further Order of this Court.

16. Except as otherwise indicated elsewhere in this Order or except as excluded by express written notice provided by the Receiver, all persons or entities holding Assets or possible Assets of, or on behalf of, Arrowood shall file with the Receiver within ten (10) calendar days of the entry of this Order an accounting of those Assets and possible Assets, regardless of whether such persons or entities dispute the Receiver's entitlement to such Assets.

17. Except as otherwise indicated elsewhere in this Order or except as excluded by express written notice provided by the Receiver, all persons or entities holding Assets or possible Assets of, or on behalf of, Arrowood, shall within ten (10) calendar days of the entry of this Order turn those Assets or possible Assets over to the Receiver, regardless of whether such persons or entities dispute the Receiver's entitlement to such Assets or possible Assets.

18. All persons and entities that have notice of these proceedings or of this Order are hereby prohibited from instituting or further prosecuting any action at law or in equity or in other proceedings against Arrowood, the Receiver, the Deputy Receiver(s), or the Designees in connection with their duties as such, or from obtaining preferences, judgments,

attachments, or other like liens or encumbrances, or foreclosing upon or making any levy against Arrowood or the Assets, or exercising any right adverse to the right of Arrowood to or in the Assets, or in any way interfering with the Receiver, the Deputy Receiver(s), or the Designees either in their possession and control of the Assets or in the discharge of their duties hereunder.

19. All persons and entities are hereby enjoined and restrained from asserting any claim against the Commissioner as Receiver of Arrowood, the Deputy Receiver(s), or the Designees in connection with their duties as such, or against the Assets, except insofar as such claims are brought in the liquidation proceedings of Arrowood and in a manner otherwise compliant with this Order.

20. All persons or entities that have notice of these proceedings or of this Order are hereby enjoined and restrained from instituting or further prosecuting any action at law or in equity, or proceeding with any pretrial conference, trial, application for judgment, or proceedings on judgment or settlements and such action at law, in equity, special, or other proceedings in which Arrowood is obligated to defend a party insured or any other person it is legally obligated to defend by virtue of its insurance contract for a period of 180 days from the date hereof. Notwithstanding the foregoing injunction, at any time during the 180-day period, the Receiver may at his discretion, when he deems it appropriate and in the best interest of the Arrowood estate, its policyholders or creditors, consent to allow any such proceeding or proceedings so enjoined to proceed.

21. All insurance policies, surety bonds, and contracts of insurance issued by Arrowood, whether issued in the State of Delaware or elsewhere, in effect as of the date of this Liquidation Order shall only continue in force until the earlier of the following events: (i) the stated expiration or termination date and time of the insurance policy, surety bond, or contract of insurance; (ii) the effective date and time of a replacement insurance policy, surety bond, or contract of insurance of the same type issued by another insurer regardless of whether the coverage is identical coverage; (iii) the effective date and time that the Arrowood insurance policy, surety bond, or contract of insurance obligation is transferred to another insurer or entity authorized by law to assume such obligation; or (iv) the cancellation and termination for all purposes of the insurance policy, surety bond, or contract of insurance at 12:01 a.m. on the thirtieth (30th) calendar day from the date of this Order pursuant to Paragraph 22 below.

22. Except for those insurance policies, surety bonds, or contracts of insurance which expire or are cancelled, terminated, or transferred earlier as set forth in Paragraph 21(i) through (iii) above, all insurance policies, surety bonds, or contracts of insurance issued by Arrowood, whether issued in the State of Delaware or elsewhere, in effect as of the date of this Liquidation Order, are hereby cancelled and terminated for all purposes as of 12:01 a.m. on the thirtieth (30th) calendar day following the date of this Liquidation Order. For purposes of this paragraph, even if the thirtieth (30th) calendar day following the date of this Liquidation Order is a Saturday, Sunday, or holiday, the insurance policy,

surety bond, or contract of insurance shall be cancelled and terminated as of 12:01 a.m. on the thirtieth (30th) calendar day following the date of this Liquidation Order. The Receiver shall notify promptly all policyholders, principals, or obligees as applicable of such policy, surety bond, or contract cancellation and termination by United States first class mail at the last known address of such policyholders, principals or obliges.

23. Pursuant to 18 *Del. C.* § 5924, the rights and liabilities of Arrowood and of its creditors, policyholders, principals, obligees, claimants, stockholders, members, subscribers, and all other persons interested in its estate shall, unless otherwise directed by the Court, be fixed as of the date of this Liquidation Order, subject to the provisions of Chapter 59 of Title 18 of the Delaware Code with respect to the rights of claimants holding contingent claims.

24. ANY AND ALL CLAIMS NOT FILED WITH THE RECEIVER ON OR BEFORE THE CLOSE OF BUSINESS ON **JANUARY 15, 2025** (THE "BAR DATE") SHALL BE BARRED FROM CLASSES II THROUGH VI AS THOSE CLASSES ARE DEFINED IN 18 *DEL. C.* §§ 5918(e)(2) THROUGH (e)(6) AND SHALL NOT RECEIVE ANY DISTRIBUTIONS FROM THE GENERAL ASSETS OF THE ESTATE OF ARROWOOD UNLESS AND UNTIL ASSETS BECOME AVAILABLE FOR A DISTRIBUTION TO CLASS VII CLAIMANTS AS DEFINED IN 18 *DEL. C.* § 5918(e)(7). THIS BAR DATE SHALL SUPERSEDE ANY APPLICABLE STATUTES OF LIMITATIONS OR OTHER STATUTORY OR CONTRACTUAL TIME LIMITS WHICH HAVE NOT YET EXPIRED

WHETHER ARISING UNDER DELAWARE LAW, UNDER THE APPLICABLE LAWS OF ANY OTHER JURISDICTION, OR UNDER A CONTRACT WITH ARROWOOD BUT SHALL ONLY APPLY TO CLAIMS AGAINST ARROWOOD IN THE LIQUIDATION PROCEEDINGS AND DOES NOT APPLY TO, AND EXCLUDES, CLAIMS BROUGHT BY ARROWOOD. ALL CLAIMANTS SHALL ATTACH TO SUCH PROOF OF CLAIM DOCUMENTATION SUFFICIENT TO SUPPORT SUCH CLAIM. FOR NON-CONTINGENT CLAIMS, THE FILED CLAIMS SHALL NOT BE REQUIRED TO BE LIQUIDATED AND ABSOLUTE ON OR BEFORE THE BAR DATE SET FORTH HEREIN.

25. CONTINGENT AND UNLIQUIDATED CLAIMS THAT ARE PROPERLY FILED WITH THE RECEIVER IN ACCORDANCE WITH THIS ORDER SHALL ONLY BE ELIGIBLE TO SHARE IN A DISTRIBUTION OF THE ASSETS OF ARROWOOD IN ACCORDANCE WITH 18 *DEL. C.* § 5928.

26. Within sixty (60) calendar days after the date of this Order, or as soon as possible after an interested party or potential creditor subsequently becomes known to the Receiver, the Receiver shall serve a copy of this Liquidation Order, a Notice of Liquidation substantially in the form appended to the Motion as Exhibit C, a Proof of Claim Form substantially in the form appended to the Motion as Exhibit D, and the Instructions for the Proof of Claim Form substantially in the form appended to the Motion as Exhibit E, on all interested parties, all known potential creditors, all current and former

stockholders of Arrowood, all former Board members of the Arrowood, its third party adjusters, its managing general underwriters, its brokers, its agents, its reinsurer(s), and any reinsurance intermediaries, all other known vendors, all state insurance guaranty associations providing coverage for the lines of business written by Arrowood, and all State Insurance Commissioners by United States first class mail, postage prepaid, provided that in the Receiver's discretion such notice may be mailed instead by United States first class certified mail, return receipt requested, or other United States mail providing proof of mailing, to such interested party or potential creditor's last known address in the company's files.

27. Within thirty (30) calendar days after the date of this Order, the Receiver shall also publish this Liquidation Order, the Notice of Liquidation, Proof of Claim Form, and the Instructions to the Proof of Claim Form on the Delaware Department of Insurance website at the link referred to in Exhibit "E" to the Motion.

28. Pursuant to the provisions of 18 *Del. C.* §§ 5904(b) and 5928(c), no judgment against Arrowood and/or one or more of its insureds taken after the date of this Liquidation Order shall be considered in the liquidation proceedings as evidence of liability or of the amount of damages, and no judgment against Arrowood and/or one or more of its insureds taken by default or by collusion prior to the effective date of the Liquidation Order shall be considered as conclusive evidence in the liquidation proceedings, either of the liability of Arrowood and/or one or more of its insureds to such

person or entity upon such cause of action or of the amount of damages to which such person or entity is therein entitled.

29. The Receiver shall submit claim Recommendation Reports to the Court within a reasonable time after the Receiver's investigation concerning all claims submitted by a particular claimant has been completed.

30. The Receiver will file reports of receipts and disbursements with the Court on an annual basis in a form consistent with past practice in receiverships.

31. The filing or recording of this Order or a certified copy hereof with the Register in Chancery and with the recorder of deeds of the jurisdiction in which Arrowood's corporate and administrative offices are located or, in the case of real estate or other recorded property interests, with the recorder of deeds of the jurisdictions where the property is located, shall impart the same notice as would be imparted by a deed, bill of sale, or other evidence of title duly filed or recorded with that recorder of deeds. Without limiting the foregoing, the filing of this Order with the Register in Chancery also constitutes notice to all sureties and fidelity bondholders of Arrowood of all potential claims against Arrowood under such policies and shall constitute the perfection of a lien in favor of Arrowood under the Uniform Commercial Code or any like Federal or state law, regulation, or order dealing with the priority of claims.

32. The Receiver is hereby authorized to transfer some or all of Arrowood's Assets and liabilities to a separate affiliate or subsidiary for the overall benefit of

Arrowood's policyholders, creditors, and shareholders, subject to approval by this Court.

33. The Receiver may, in his discretion, reject any executory contract to which Arrowood is a party.

34. The Receiver may, in his discretion, appoint one or more consultants or other persons to serve as Deputy Receiver to assist the Receiver in accomplishing the directives of this Order. The Deputy Receiver(s) shall serve at the pleasure of the Receiver and, subject to the approval of the Receiver, shall be entitled to exercise all of the powers and authorities vested in the Receiver pursuant to this Order and applicable law.

35. The Receiver may employ or continue to employ and fix the compensation of such deputies, counsel, clerks, employees, accountants, actuaries, consultants, assistants and other personnel (collectively, the "Designees") as considered necessary, and all compensation and expenses of the Receiver, the Deputy Receiver(s) and the Designees and of taking possession of Arrowood and conducting this proceeding shall be paid out of the funds and assets of Arrowood as administrative expenses. The Receiver may also retain those of Arrowood's current management personnel and other employees as Designees as he in his discretion determines would facilitate the liquidation of Arrowood. All such Designees shall be deemed to have agreed to submit disputes concerning their rights, obligations, and compensation in their capacity as Designees to this Court.

36. The Receiver, the Deputy Receiver(s), and the Designees (collectively, the "Indemnitees") shall have no personal liability for their acts or omissions in connection with

their duties, provided that such acts or omissions are or were undertaken in good faith and without willful misconduct, gross negligence, or criminal intent. All expenses, costs, and attorneys' fees incurred by the Indemnitees in connection with any lawsuit brought against them in their representative capacities shall be subject to the approval of the Receiver, except that in the event that the Receiver is the Indemnatee, this Court's approval shall be required, and such expenses, costs, and attorneys' fees shall be exclusively paid out of the funds and assets of Arrowood. The Indemnitees in their capacities as such shall not be deemed to be employees of the State of Delaware.

37. Hereafter the caption of this cause and all pleadings in this matter shall read as:

"IN THE MATTER OF THE LIQUIDATION
OF ARROWOOD INDEMNITY COMPANY."

38. This Court shall retain jurisdiction in this cause for the purpose of granting such other and further relief as this cause, the interests of the policyholders, creditors, stockholder of Arrowood, and the public may require. The Receiver, or any interested party

upon notice to the Receiver, may at any time make application for such other and further relief as either sees fit.

SO ORDERED this _____ day of _____, 2023.

Vice Chancellor

This document constitutes a ruling of the court and should be treated as such.

Court: DE Court of Chancery Civil Action

Judge: Lori W. Will

File & Serve

Transaction ID: 71343102

Current Date: Nov 08, 2023

Case Number: 2023-1126-LWW

Case Name: State of Delaware ex rel. The Honorable Trinidad Navarro v. Arrowood Indemnity Company

Court Authorizer: Lori W. Will

Court Authorizer

Comments:

As set forth in the stipulation at docket entry 8, the relief sought in the motion and the facts supporting the motion are uncontested. The directors of the defendant have agreed to the relief sought in this liquidation order. Accordingly, the order is granted as unopposed.

/s/ Judge Lori W. Will

Arrowood Indemnity Company

In Liquidation

TRINIDAD NAVARRO
INSURANCE COMMISSIONER
AS RECEIVER

JAMES J. BLACK, III
DEPUTY RECEIVER

November 21, 2023

Via Electronic Mail to daxinn@nylb.org

Adrienne A. Harris,
Superintendent of Financial Services of the State of New York
c/o David Axinn, Special Deputy Superintendent and Agent
New York Liquidation Bureau
180 Maiden Lane, 15th Floor
New York, NY 10038

RE: Arrowood Indemnity Company, in Liquidation

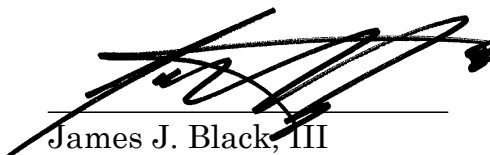
Dear Mr. Axinn:

As you know, Arrowood Indemnity Company (“Arrowood”) was placed into liquidation on November 8, 2023 (“Liquidation Order”) by the Court of Chancery of the State of Delaware. The Liquidation Order contains a finding of Arrowood’s insolvency. Because the Liquidation Order found Arrowood to be insolvent, various guaranty funds, including the New York security funds, will be triggered.

It is important to the Receiver that New York insureds and claimants have access to claims payments from the available New York Security Funds. For this to occur, the Receiver understands from prior communications that under New York law, New York must commence an Ancillary Proceeding.

Accordingly, based on this understanding, please accept this request that an ancillary proceeding be commenced under New York law.

Sincerely,



James J. Black, III
Deputy Receiver

1 Righter Parkway, Ste. 280, Wilmington, DE 19803
(302) 543-2496

SUPREME COURT OF THE STATE OF NEW YORK
NEW YORK COUNTY

PRESENT: HON. JOHN J. KELLEY PART 56M

Justice

-----X

INDEX NO. 450746/2023

In the Matter of

MOTION DATE 04/25/2023

ADRIENNE A. HARRIS, Superintendent of Financial Services of the State of New York,

MOTION SEQ. NO. 001

Petitioner,

- v -

DECISION + ORDER ON MOTION

UNITED PROPERTY & CASUALTY INSURANCE COMPANY,

Respondent.

-----X

The following e-filed documents, listed by NYSCEF document number (Motion 001) 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13

were read on this motion to/for INJUNCTION/APPOINT RECEIVER

It is hereby

ORDERED that the petition seeking appointment as an ancillary receiver and related requests ancillary relief are granted, without opposition, in accordance with the order of this court dated May 4, 2023, annexed hereto.

This constitutes the Decision and Order of the court.

5/4/2023 DATE

[Handwritten signature of John J. Kelley]

JOHN J. KELLEY, J.S.C.

CHECK ONE: [] CASE DISPOSED [X] NON-FINAL DISPOSITION [X] GRANTED [] DENIED [] GRANTED IN PART [] OTHER [] SETTLE ORDER [] SUBMIT ORDER [] INCLUDES TRANSFER/REASSIGN [] FIDUCIARY APPOINTMENT [] REFERENCE

At IAS Part 56 of the Supreme Court of the State of New York, County of New York, at the Courthouse, 71 Thomas Street in the County, City and State of New York, on the 4th day of May, 2023.

P R E S E N T :

HON. JOHN J. KELLEY, J.S.C.

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----X

In the Matter of

Index No.: 450746/2023

the Application of

Adrienne A. Harris, Superintendent of Financial Services of the State of New York, for an Order of Appointment as Ancillary Receiver of

**ORDER OF
ANCILLARY
RECEIVERSHIP**

UNITED PROPERTY & CASUALTY
INSURANCE COMPANY.

-----X

Adrienne A. Harris, Superintendent of Financial Services of the State of New York (“Superintendent”), having moved this Court for an order appointing the Superintendent and her successors in office as ancillary receiver (“Ancillary Receiver”) of United Property & Casualty Insurance Company (“UPC”), and upon reading and filing the petition of the Superintendent, duly verified on the 20th day of March, 2023 (“Verified Petition”), the Affidavit of Eileen Fox, Assistant Chief Insurance Examiner, Property Bureau, New York State Department of Financial Services, sworn to on the 14th day of March, 2023, and the exhibits annexed thereto, this Court finds that:

- 1. UPC is a property/casualty insurer organized under the laws of the State of Florida, with its main administrative office located in St. Petersburg, Florida;

2. UPC was licensed in the State of New York to transact the kinds of insurance specified in New York Insurance Law §§ 1113(a)(4) – (9), (12-14), and (20);

3. By order dated February 27, 2023, the Circuit Court of the Second Judicial Circuit, in and for Leon County, Florida issued a Consent Order Appointing the Florida Department of Financial Services as Receiver of UPC for Purposes of Liquidation, Injunction and Notice of Automatic Stay (the “Liquidation Order”). The Liquidation Order found UPC to be insolvent and appointed the Florida Department of Financial Services as receiver (“Florida Receiver”) of UPC. The Liquidation Order also, among other things, established the date that is one year from the date of the Liquidation Order, which is February 27, 2024, as the bar date for the filing of claims against UPC (the “Claims Bar Date”);

4. UPC is subject to Article 74 of the New York Insurance Law (“Insurance Law”);

5. Florida is a reciprocal state within the meaning of Insurance Law § 7408(b)(6);

6. The Florida Receiver requested that the Superintendent commence an ancillary receivership proceeding for UPC; and

7. Insurance Law § 7410(a) mandates that the Superintendent be appointed Ancillary Receiver of UPC.

NOW, on the motion of the Honorable Letitia James, Attorney General of the State of New York, it is hereby

ORDERED as follows:

1. The relief requested in the Verified Petition seeking an order of ancillary receivership (“Order”) is granted in its entirety;
2. The Superintendent and her successors in office are appointed Ancillary Receiver of UPC and are vested with all rights and obligations granted to and imposed upon her pursuant to Article 74 of the Insurance Law;

3. In accordance with Insurance Law § 7412(a), the Claims Bar Date of February 27, 2024, established in paragraph 35 of the Liquidation Order, applies to this ancillary receivership proceeding and all New York claims under UPC policies and evidence supporting such claims must be submitted to the Ancillary Receiver by February 27, 2024, and if not submitted by that date shall be barred;
4. All persons are permanently enjoined and restrained from commencing or prosecuting any actions, lawsuits or proceedings in the State of New York against UPC, and all persons are permanently enjoined and restrained from commencing or prosecuting any actions, lawsuits or proceedings, the obtaining of preferences, judgments, attachments, or other liens, or making any levy in the State of New York against UPC, the Superintendent as Ancillary Receiver or as administrator of the Property/Casualty Insurance Security Fund ("P/C Fund"), the New York Liquidation Bureau, and their employees, attorneys, or agents, with respect to this proceeding or in the discharge of their duties;
5. All parties to actions, lawsuits, and special or other proceedings against insureds of UPC or in which UPC is obligated to defend an insured or provide a defense to a party pursuant to an insurance policy are enjoined and restrained from obtaining any judgment or proceeding with any discovery, court proceedings, or other litigation tasks or procedures, including, but not limited to, conferences, trials, applications for judgment, or proceedings on settlement or judgment, for a period of 180 days from the date this Order is signed;
6. All persons who have first party policyholder loss claims against UPC in the State of New York are enjoined and restrained from presenting and filing claims with the Ancillary Receiver for a period of 90 days from the date this Order is signed;
7. Payment of eligible unearned premiums by the P/C Fund shall be made only if there is sufficient funding available, all the necessary data is provided by the Florida Receiver, and no less than 270 days after entry of this Order have elapsed;
8. Judicial immunity is extended to the Superintendent in her capacities as Ancillary Receiver of UPC and as administrator of the P/C Fund, her successors in office, the New York Liquidation Bureau, and their agents and employees, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of this Court, or in the performance of their duties pursuant to Insurance Law Articles 74 and 76;
9. The Ancillary Receiver shall serve a copy of this Order on the Florida Department of Financial Services c/o Michael B. Dobson, General Counsel on behalf of the Receiver of United Property & Casualty Insurance Company, at 400 South Monroe Street, PL 11, Tallahassee, FL 32399; Florida Department of Financial Services, Division of Rehabilitation and Liquidation c/o Lorrie Arterburn, Division Director, at 325 John Knox Road, Suite 101, The Atrium, Tallahassee, Florida 32303; and Florida Department of Financial Services, Division of Rehabilitation and

Liquidation c/o Miriam O. Victorian, Chief Attorney, at 325 John Knox Road, Suite 101, The Atrium, Tallahassee, Florida 32303, by overnight mail;

- 10. The Ancillary Receiver shall provide notice of this Order to all creditors, claimants, and interested persons located in the State of New York by posting this Order on the Internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> within 15 days after the entry of this Order;
- 11. UPC's license to do business in the State of New York is hereby revoked;
- 12. The caption for this proceeding is hereby amended as follows:

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----X

In the matter of

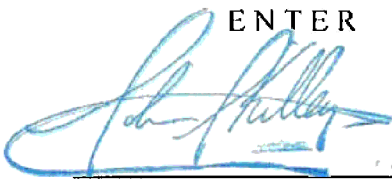
the Ancillary Receivership of

UNITED PROPERTY & CASUALTY INSURANCE COMPANY.

-----X

- 13. All further papers in this proceeding shall bear the above amended caption.

ENTER

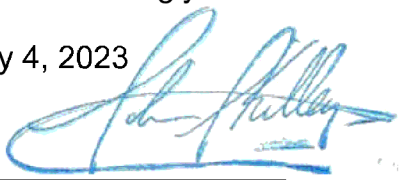


JOHN J. KELLEY, J.S.C.

And it is further,

ORDERED that, on the court's own motion, within 15 days of the entry of this order, the petitioner shall serve a copy of this order upon the Trial Support Office (60 Centre Street, Room 148, New York, NY 10007), and shall separately file and upload the notice required by CPLR 8019(c) in a completed Form EF-22, and the Trial Support Office shall thereupon amend the court records accordingly.

Dated: May 4, 2023



JOHN J. KELLEY, J.S.C.

**SUPREME COURT OF THE STATE OF NEW YORK
NEW YORK COUNTY**

PRESENT: HON. LAURENCE LOVE PART 63M

Justice

-----X

In the Matter of the Application of
ADREIENNE A. HARRIS, Superintendent of Financial
Services of the State of New York, for an Order of
Appointment as Ancillary Receiver of

INDEX NO. 450974/2022

MOTION DATE 4/29/2022

MOTION SEQ. NO. 001

Petitioner,

- v -

**DECISION + ORDER ON
MOTION**

HIGHLANDS INSURANCE COMPANY,

Respondent.

-----X

The following e-filed documents, listed by NYSCEF document number (Motion 001) 8, 11, 12, 13
were read on this motion to/for INJUNCTION/RESTRAINING ORDER.

Adrienne A. Harris, Superintendent of Financial Services of the State of New York (“Superintendent”), having moved this Court by order to show cause for an order appointing the Superintendent and her successors in office as ancillary receiver (“Ancillary Receiver”) of Highlands Insurance Company (“Highlands”), and upon reading and filing the petition of the Superintendent, duly verified on the 22nd day of March, 2022 (“Verified Petition”), the Affidavit of Joan Riddell, Deputy Chief Insurance Examiner, Property Bureau, New York State Department of Financial Services, sworn to on the 14th day of March, 2022, and the exhibits annexed thereto, this Court finds that:

1. Highlands is a Texas-based property/casualty insurance company;
2. By order dated October 29, 2021, the State of Texas issued an Order of Liquidation finding Highlands to be insolvent (“Liquidation Order”) and appointing Cassie Brown, Texas Insurance Commissioner, Statutory Liquidator (“Texas Liquidator”) of Highlands;
3. Highlands is subject to Article 74 of the New York Insurance Law (“Insurance Law”);

4. Texas is a reciprocal state within the meaning of Insurance Law § 7408(b)(6);
5. The Texas Liquidator requested that the Superintendent commence an ancillary receivership proceeding for Highlands; and
6. Insurance Law § 7410(a) mandates that the Superintendent be appointed Ancillary Receiver of Highlands. NOW, on the motion of the Honorable Letitia James, Attorney General of the State of New York, it is hereby

ORDERED as follows:

1. The relief requested in the Verified Petition seeking an order of ancillary receivership (“Order”) is granted in its entirety;
2. The Superintendent (and her successors in office) is appointed Ancillary Receiver of Highlands and is vested with all rights and obligations granted to and imposed upon her pursuant to Article 74 of the Insurance Law;
3. The material provisions of the Liquidation Order, including, but not limited to, the injunctions, restrictions, and directions contained in sections IV and V, apply to this ancillary receivership proceeding;
4. All persons are permanently enjoined and restrained from commencing or prosecuting any actions, lawsuits, or proceedings against Highlands in ancillary receivership, the Superintendent as Ancillary Receiver of Highlands or as administrator of the New York security funds, the New York Liquidation Bureau, and their employees, attorneys, or agents, with respect to this proceeding or in the discharge of their duties;
5. All parties to actions, lawsuits, and special or other proceedings in the State of New York against insureds of Highlands or in which Highlands is obligated to defend an insured or provide a defense to a party pursuant to an insurance policy are enjoined and restrained from obtaining any

judgment or proceeding with any discovery, court proceedings, or other litigation tasks or procedures, including, but not limited to, conferences, trials, applications for judgment, or proceedings on settlement or judgment, for a period of 180 days from the date this Order is signed;

6. All persons who have first-party policyholder loss claims against Highlands in the State of New York are enjoined and restrained from presenting and filing claims with the Ancillary Receiver for a period of 90 days from the date this Order is signed;

7. Judicial immunity is extended to the Superintendent in her capacities as Ancillary Receiver of Highlands and as administrator of the New York security funds, her successors in office, the New York Liquidation Bureau, and their agents and employees, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of this Court, or in the performance of their duties pursuant to Insurance Law Articles 74 and 76;

8. The Ancillary Receiver shall serve a copy of this Order on the Texas Liquidator by overnight delivery to Craig Koenig, President of Prime Temus, Inc., as Special Deputy Receiver, representing Cassie Brown, Texas Insurance Commissioner, in her capacity as Statutory Liquidator of Highlands Insurance Company, at 27310 Ranch Road 12, Dripping Springs, Texas, 78620;

9. The Ancillary Receiver shall provide notice of this Order to all creditors, claimants, and interested persons located in the State of New York by posting the Order on the Internet web page for Legal and Estates Notices maintained by the New York Liquidation Bureau at <http://www.nylb.org> within 15 days after the entry of this Order;

10. Highlands's license to do business in the State of New York is hereby revoked; 11. The caption for this proceeding is hereby amended as follows:

SUPREME COURT OF THE STATE OF NEW YORK

COUNTY OF NEW YORK

-----X

In the matter of


the Ancillary Receivership of

HIGHLANDS INSURANCE COMPANY.

-----X

12. All further papers in this proceeding shall bear the above amended caption.

5/2/2022
DATE



LAURENCE LOVE, J.S.C.

CHECK ONE:

CASE DISPOSED

NON-FINAL DISPOSITION

GRANTED

DENIED

GRANTED IN PART

OTHER

APPLICATION:

SETTLE ORDER

SUBMIT ORDER

CHECK IF APPROPRIATE:

INCLUDES TRANSFER/REASSIGN

FIDUCIARY APPOINTMENT

REFERENCE

At IAS Part 37 of the Supreme Court of the State of New York, at the courthouse located at 60 Centre in the City, County and State of New York, on the 16th day of December, 2020.

PRESENT: A. Engoron
HON. _____ J.S.C.

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----X
In the Matter of

the Application of

Linda A. Lacewell, Superintendent of
Financial Services of the State of New York, for an
Order of Appointment as Ancillary Receiver of

Index No.: 45 2250/2020

**ORDER OF ANCILLARY
RECEIVERSHIP**

AMERICAN COUNTRY INSURANCE COMPANY.
-----X

Linda A. Lacewell, Superintendent of Financial Services of the State of New York (“Superintendent”), having moved this Court by order to show cause for an order appointing the Superintendent and her successors in office as ancillary receiver (“Ancillary Receiver”) of American Country Insurance Company (“ACIC”), and upon reading and filing the petition of the Superintendent, duly verified on the 9th day of November, 2020 (“Verified Petition”), the Affidavit of Joan Riddell, Deputy Chief Insurance Examiner, Property Bureau, New York State Department of Financial Services, sworn to on the 22nd day of October, 2020, and the exhibits annexed thereto, this Court finds that:

- 1. ACIC is an Illinois-based property and casualty insurance company wholly owned by American Service Insurance Company; which, in turn, is wholly owned by American Insurance

Acquisition Inc., a Delaware corporation; which, in turn, is wholly owned by Atlas Financial Holdings, Inc., a Cayman Island corporation;

2. By order dated August 11, 2020, the Circuit Court of Cook County, Illinois, County Department, Chancery Division issued an Agreed Order of Liquidation finding ACIC to be insolvent (“Liquidation Order”) and appointing Robert H. Muriel, Director of the Illinois Department of Insurance, Liquidator (“Illinois Liquidator”) of ACIC;

3. ACIC is subject to Article 74 of the New York Insurance Law (“Insurance Law”);

4. Illinois is a reciprocal state within the meaning of Insurance Law § 7408(b)(6);

5. The Illinois Liquidator requested that the Superintendent commence an ancillary receivership proceeding for ACIC; and

6. Insurance Law § 7410(a) mandates that the Superintendent be appointed Ancillary Receiver of ACIC.

NOW, on the motion of the Honorable Letitia James, Attorney General of the State of New York, it is hereby

ORDERED as follows:

1. The relief requested in the Verified Petition seeking an order of ancillary receivership (“Order”) is granted in its entirety;
2. The Superintendent and her successors in office is appointed Ancillary Receiver of ACIC and is vested with all rights and obligations granted to and imposed upon her pursuant to Article 74 of the Insurance Law;
3. The material provisions of the Liquidation Order, including, but not limited to, the injunctions, restrictions, and directions contained in paragraph 7 apply to this ancillary receivership proceeding;
4. All persons are permanently enjoined and restrained from commencing or prosecuting any actions, lawsuits, or proceedings against ACIC in ancillary receivership, the Superintendent as Ancillary Receiver of ACIC or as administrator of the New York security funds, the New York Liquidation Bureau, and their

- employees, attorneys, or agents, with respect to this proceeding or in the discharge of their duties;
5. All parties to actions, lawsuits, and special or other proceedings in the State of New York against insureds of ACIC or in which ACIC is obligated to defend an insured or provide a defense to a party pursuant to an insurance policy, are enjoined and restrained from obtaining any judgment or proceeding with any discovery, court proceedings, or other litigation tasks or procedures, including, but not limited to, conferences, trials, applications for judgment, or proceedings on settlement or judgment, for a period of 180 days from the date this Order is signed;
 6. All persons who have first party policyholder loss claims against ACIC in the State of New York are enjoined and restrained from presenting and filing claims with the Ancillary Receiver for a period of 90 days from the date this Order is signed;
 7. Judicial immunity is extended to the Superintendent in her capacities as Ancillary Receiver of ACIC and as administrator of the New York security funds, her successors in office, the New York Liquidation Bureau, and their agents and employees, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of this Court, or in the performance of their duties pursuant to Insurance Law Articles 74 and 76 and Article 6A of the New York Workers' Compensation Law;
 8. The Ancillary Receiver shall serve a copy of this Order on the Illinois Liquidator by overnight delivery to the Office of the Special Deputy Receiver, representing Robert H. Muriel, Director of the Illinois Department of Insurance in his capacity as Domestic Receiver of American Country Insurance Company at 222 Merchandise Mart Plaza, Suite 960, Chicago, Illinois 60654, Att'n.: J. Kevin Baldwin;
 9. The Ancillary Receiver shall provide notice of this Order to all creditors, claimants, and interested persons located in the State of New York by posting the Order on the Internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> within 15 days after the entry of this Order;
 10. ACIC's license to do business in the State of New York is hereby revoked;

11. The caption for this proceeding is hereby amended as follows:

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----X

In the matter of

the Ancillary Receivership of

AMERICAN COUNTRY INSURANCE COMPANY.

-----X

12. All further papers in this proceeding shall bear the above amended caption.

ENTER



J.S.C.

L 29623/map

SUPREME COURT OF THE STATE OF NEW YORK
NEW YORK COUNTY

PRESENT: HON. ARTHUR F. ENGORON PART IAS MOTION 37EFM

Justice

-----X

LINDA LACEWELL

Petitioner,

- v -

Respondent.

-----X

INDEX NO. 452249/2020

MOTION DATE N/A

MOTION SEQ. NO. 001

DECISION + ORDER ON MOTION

The following e-filed documents, listed by NYSCEF document number (Motion 001) 7, 11, 13, 14 were read on this motion to/for INJUNCTION/RESTRAINING ORDER.

Upon the foregoing documents, it is ordered that the instant petition is granted. Order signed and e-filed as NYSCEF Document 14.

20201202112450AENGORONG42546F3C6524639B55E6F2BA74ED4C2



12/2/2020

DATE

ARTHUR F. ENGORON, J.S.C.

CHECK ONE:

- X CASE DISPOSED
X GRANTED
[] DENIED
[] SETTLE ORDER
[] INCLUDES TRANSFER/REASSIGN

- [] NON-FINAL DISPOSITION
[] GRANTED IN PART
[] OTHER
[] SUBMIT ORDER
[] FIDUCIARY APPOINTMENT
[] REFERENCE

APPLICATION:

CHECK IF APPROPRIATE:

At IAS Part 37 of the Supreme Court of the State of New York, at the courthouse located at 60 Centre St. _____, in the City, County and State of New York, on the 2nd day of Dec. _____, 2020.

P R E S E N T :

HON. A. Engoron J.S.C.

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----X

In the Matter of

Index No.:

the Application of

Linda A. Lacewell, Acting Superintendent of Financial Services of the State of New York, for an Order of Appointment as Ancillary Receiver of

ORDER OF ANCILLARY RECEIVERSHIP

AMERICAN SERVICE INSURANCE COMPANY.

-----X

Linda A. Lacewell, Superintendent of Financial Services of the State of New York (“Superintendent”), having moved this Court by order to show cause for an order appointing the Superintendent and her successors in office as ancillary receiver (“Ancillary Receiver”) of American Service Insurance Company (“ASIC”), and upon reading and filing the petition of the Superintendent, duly verified on the 9th day of November, 2020 (“Verified Petition”), the Affidavit of Joan Riddell, Deputy Chief Insurance Examiner, Property Bureau, New York State Department of Financial Services, sworn to on the 22nd day of October, 2020, and the exhibits annexed thereto, this Court finds that:

1. ASIC is an Illinois-based property and casualty insurance company wholly owned by American Insurance Acquisition Inc., a Delaware corporation; which, in turn, is wholly owned by Atlas Financial Holdings, Inc., a Cayman Island corporation;

2. By order dated August 11, 2020, the Circuit Court of Cook County, Illinois, County Department, Chancery Division issued an Agreed Order of Liquidation finding ASIC to be insolvent (“Liquidation Order”) and appointing Robert H. Muriel, Director of the Illinois Department of Insurance, as Liquidator (“Illinois Liquidator”) of ASIC;

3. ASIC is subject to Article 74 of the New York Insurance Law (“Insurance Law”);

4. Illinois is a reciprocal state within the meaning of Insurance Law § 7408(b)(6);

5. The Illinois Liquidator requested that the Superintendent commence an ancillary receivership proceeding for ASIC; and

6. Insurance Law § 7410(a) mandates that the Superintendent be appointed Ancillary Receiver of ASIC.

NOW, on the motion of the Honorable Letitia James, Attorney General of the State of New York, it is hereby

ORDERED as follows:

1. The relief requested in the Verified Petition seeking an order of ancillary receivership (“Order”) is granted in its entirety;
2. The Superintendent and her successors in office is appointed Ancillary Receiver of ASIC and is vested with all rights and obligations granted to and imposed upon her pursuant to Article 74 of the Insurance Law;
3. The material provisions of the Liquidation Order, including, but not limited to, the injunctions, restrictions, and directions contained in paragraph 7, apply to this ancillary receivership proceeding;
4. All persons are permanently enjoined and restrained from commencing or prosecuting any actions, lawsuits, or proceedings against ASIC in ancillary receivership, the Superintendent as Ancillary Receiver of ASIC or as administrator of the New York security funds, the New York Liquidation Bureau, and their employees, attorneys, or agents, with respect to this proceeding or in the discharge of their duties;

5. All parties to actions, lawsuits, and special or other proceedings in the State of New York against insureds of ASIC or in which ASIC is obligated to defend an insured or provide a defense to a party pursuant to an insurance policy are enjoined and restrained from obtaining any judgment or proceeding with any discovery, court proceedings or other litigation tasks or procedures, including, but not limited to, conferences, trials, applications for judgment, or proceedings on settlement or judgment, for a period of 180 days from the date this Order is signed;
6. All persons who have first party policyholder loss claims against ASIC in the State of New York are enjoined and restrained from presenting and filing claims with the Ancillary Receiver for a period of 90 days from the date this Order is signed;
7. Judicial immunity is extended to the Superintendent in her capacities as Ancillary Receiver of ASIC and as administrator of the New York security funds, her successors in office, the New York Liquidation Bureau, and their agents and employees, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of this Court, or in the performance of their duties pursuant to Insurance Law Articles 74 and 76 and Article 6A of the New York Workers' Compensation Law;
8. The Ancillary Receiver shall serve a copy of this Order on the Illinois Liquidator by overnight delivery to the Office of the Special Deputy Receiver, representing Robert H. Muriel, Director of the Illinois Department of Insurance in his capacity as Domestic Receiver of American Service Insurance Company at 222 Merchandise Mart Plaza, Suite 960, Chicago, Illinois 60654, Att'n.: J. Kevin Baldwin;
9. The Ancillary Receiver shall provide notice of this Order to all creditors, claimants, and interested persons located in the State of New York by posting the Order on the Internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> within 15 days after the entry of this Order;
10. ASIC's license to do business in the State of New York is hereby revoked;
11. The caption for this proceeding is hereby amended as follows:

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----X
In the matter of

the Ancillary Receivership of

AMERICAN SERVICE INSURANCE COMPANY.
-----X

12. All further papers in this proceeding shall bear the above amended caption.

ENTER

Arthur F 
Engoron 

Digitally signed by Arthur F. Engoron
DN: C=US, OU=NY County Supreme Court,
O=New York State Courts, CN=Arthur F.
Engoron, E=AENGORON@NYCOURTS.GOV
Reason: I am the author of this document
Location: Molly987987!
Date: 2020.12.02 11:15:47-05'00'
Foxit PhantomPDF Version: 10.1.0

J.S.C.

L 29623/map