

At IAS Part 16 of the Supreme Court of the State of New York, County of New York, at the Courthouse, 111 Centre Street, in the City, County, and State of New York, on the 2nd day of February, 2024.

P R E S E N T : Shahabudeen A. Ally

J.S.C.

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

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In the Matter of

Index No.: 450124/2024

the Application of

ORDER TO SHOW CAUSE

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

MS#1 - OTHER - LEAVE TO COMMENCE N.Y. ANCILLARY RECEIVERSHIP

ARROWOOD INDEMNITYCOMPANY.
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Upon the reading and filing of the annexed verified petition ("Verified Petition") of Adrienne A. Harris, Superintendent of Financial Services of the State of New York ("Superintendent"), duly verified on the 3rd day of January 2024, and 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;

NOW, on motion of Letitia James, Attorney General of the State of New York, attorney for the Superintendent, and after due deliberation having been had thereon;

LET Trinidad Navarro, Insurance Commissioner of the State of Delaware, as the duly-appointed receiver of Arrowood Indemnity Company ("Arrowood") or any of his delegees and all creditors, claimants, and interested persons located in the State of New York show cause

before this Court at IAS Part 16 Room ***, thereof, at the Courthouse located at 111
Centre Street in the City, County, and State of New York, on the 28th day of MARCH,
2024, at 1 o'clock in the 1.m., or as soon thereafter as counsel can be heard ("Return
Date"), why an order, substantially in the form attached as Exhibit 1 to the Verified Petition
("Order"), should not be made, pursuant to Article 74 of the New York Insurance Law
("Insurance Law"), *inter alia*: (1) commencing a New York ancillary receivership proceeding
for Arrowood and appointing the Superintendent and her successors in office ancillary receiver
of Arrowood ("Ancillary Receiver"); (2) vesting the Ancillary Receiver with all rights and
obligations granted to and imposed upon her pursuant to Insurance Law Article 74; (3) finding
that, pursuant to Insurance Law § 7412(a), the January 15, 2025 bar date established in the
November 8, 2023, order of the Court of Chancery of the State of Delaware ("Liquidation
Order") applies in this ancillary receivership proceeding; (4) permanently enjoining and
restraining all persons from commencing or prosecuting any actions, lawsuits, or proceedings in
the State of New York against Arrowood, the Superintendent as Ancillary Receiver or as
administrator (the "Administrator") of the New York security funds, the New York Liquidation
Bureau, and their present or former employees, attorneys, or agents, with respect to this
proceeding or in the discharge of their duties under Insurance Law Article 74 in relation thereto;
(5) enjoining and restraining 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 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 the Order is signed; (6) enjoining and

restraining all persons who have first party policyholder loss claims against Arrowood in the State of New York from presenting and filing such claims with the Ancillary Receiver for a period of 90 days from the date the Order is signed; (7) extending judicial immunity to the Superintendent in her capacity 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; and (8) granting such other and further relief as the Court may deem just and proper;

AND sufficient cause having been shown therefor, it is hereby

ORDERED, that service of this Order to Show Cause and its supporting papers shall be deemed good and proper service if served by: (i) overnight delivery and e-mail to (a) 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 (b) Gene T. Reed, Jr., Deputy Receiver, Rehabilitation & Liquidation Bureau at 704 King Street, Suite 602, Wilmington, DE 19801; and (ii) posting on the Internet web page for Legal and Estates Notices maintained by the New York Liquidation Bureau 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; and it is further

ORDERED, that any answering papers in support of or in opposition to this application ("Answering Papers") be served so as to be received by the Superintendent at least 7 days prior to the Return Date; that such service shall be made at the following addresses:


Letitia James
Attorney General of the State of New York
28 Liberty Street
New York, NY 10005
Attention: Noam Lerer
Assistant Attorney General

With copy to:

New York Liquidation Bureau
legal@nylb.org

and that the Answering Papers be filed with this Court on or before the Return Date; and it is further

ORDERED, that pursuant to Insurance Law § 7419(a), pending the determination of this application, Arrowood, its officers, directors, shareholders, members, trustees, agents, servants, employees, policyholders, attorneys, and managers, and all other persons, are hereby restrained, except as authorized by the Superintendent, from transacting Arrowood's business or disposing of Arrowood's property located in the State of New York, and all persons are restrained from wasting any of Arrowood's assets located in the State of New York; and it is further


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ORDERED, that pursuant to Insurance Law § 7419(b), pending the determination of this application, Arrowood, its officers, directors, shareholders, members, trustees, agents, servants, employees, attorneys, and managers, and all other persons are hereby restrained from obtaining preferences, judgments, attachments, or other liens, or making any levy or commencing or prosecuting any actions or proceedings within the jurisdiction of the courts of the State of New York against Arrowood; and it is further


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ORDERED, that pending a determination of this application, all actions, or proceedings within the jurisdiction of the courts of the State of New York against Arrowood and all actions or proceedings in which Arrowood is obligated to defend a party in a proceeding are stayed.

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ENTER

J. S. C.

ORAL ARGUMENT
DIRECTED

J.S.C.

All Part 16 appearances are held virtually via Microsoft Teams. If oral argument is directed by the Court, the parties will be contacted in advance of the return date and a link will be provided to the email address(es) on file with NYSCEF, or contact chambers at SFC-Part16@nycourts.gov