

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF BROOME

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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 to take
possession and rehabilitate the business and affairs of

COLUMBIAN MUTUAL LIFE INSURANCE COMPANY.
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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 annexed hereto as Exhibit 1 (“Rehabilitation Order”), *inter alia*, placing Columbian Mutual Life Insurance Company (“CML” or “Company”) into rehabilitation under Article 74 of the New York Insurance Law (“Insurance Law”), appointing the Superintendent as rehabilitator of CML (“Rehabilitator”), and vesting the Rehabilitator with all rights available to her under Article 74 of the Insurance Law on the grounds that: (i) CML’s Board of Directors has unanimously consented to the entry of an order of rehabilitation; and (ii) the Superintendent has found, after examination, that CML’s continued operation of its insurance business without the protection of Article 74 of the Insurance Law and the supervision of this Court would be hazardous to its policyholders, creditors or the public. Either of these grounds provides an independent basis to grant this petition (“Petition”) and place CML into rehabilitation.

Background

1. As set forth in the accompanying affidavit of Mark McLeod, Deputy Chief Examiner at the New York State Department of Financial Services (“DFS”), dated June 14, 2024 (“McLeod Aff.”), the Company was incorporated as a charitable and benevolent association in the

State of New York on November 1, 1882, under the name American Protective Association, and commenced business on February 1, 1883. In 1907, the Company changed its name to Columbian Protective Association and moved its principal office to Binghamton, New York. At the same time, the Company commenced operations as a cooperative life and accident and health insurance company. On March 11, 1952, the Company converted to a mutual life insurance company and adopted its present name.¹ McLeod Aff., ¶ 2.

2. CML wholly owns Columbian Life Holdings, Inc. (“CLHI”), which, in turn, wholly owns Columbian Life Insurance Company (“CLIC”), an Illinois domiciled life insurer. CLIC, in turn, owns Securitas Financial Group, Inc., a Delaware domiciled company. CML and its subsidiaries and affiliates refer to themselves as the Columbian Financial Group (“CFG”). Other members of CFG include Columbian Financial Services Corporation, a general agency; Production Partners, LLC, a limited liability corporation, which owns 100% of Administrative Partners, Inc., an administrative service company; and New Vision Service Corporation of New York, an administrative service company. The organizational structure of the Company and its affiliates is depicted in the chart annexed to the McLeod Aff. as Exhibit A.

3. As of December 31, 2023, CML was licensed to carry out the business of insurance in 50 states, the District of Columbia, and the U.S. Virgin Islands. McLeod Aff., ¶ 5. The Company’s primary business has been life insurance with low face values.

4. In New York, CML is licensed to transact the business of insurance in accordance with subsections (1) (Life Insurance), (2) (Annuities), and (3) (Accident and Health Insurance) of Insurance Law § 1113(a). McLeod Aff., ¶ 6.

¹ Between 1996 and 2011, six life insurance companies – Golden Eagle Mutual Life Insurance Corporation, Columbian Family Life Insurance Company, Philanthropic Mutual Life Insurance Company, Farmers and Traders Life Insurance Company, Mutual of Detroit Life Insurance Company, and Unity Mutual Life Insurance Company – merged with CML. McLeod Aff., ¶ 3.

5. CML's principal office is located at 4704 Vestal Parkway East, P.O. Box 1381, Binghamton, New York 13902. McLeod Aff., ¶ 7.

6. CML is believed to have approximately 700,000 in force policies. McLeod Aff., ¶ 8.

7. On May 31, 2024, the Board of Directors of CML unanimously voted to consent to either rehabilitation or liquidation under Insurance Law Article 74. A copy of the consent is annexed as Exhibit B to the McLeod Aff. accompanying this Petition.

Process for Commencing an Article 74 Rehabilitation Proceeding

8. Pursuant to Insurance Law § 7417, a petition to place an insurance company into rehabilitation is brought by order to show cause filed by the Attorney General in the judicial district in which the insurer's principal office is located, in this case Broome County. The Insurance Law provides that the Petition shall be determined promptly:

On the return of such order [to show cause], and after a full hearing, which shall be held without delay, such court shall either deny the application or grant it together with such other relief as the nature of the case and the interests of policyholders, creditors, shareholders, members, or the public may require.

Insurance Law § 7417.

Statutory Grounds for Placing CML Into Rehabilitation.

9. The Superintendent may apply for an order seeking the rehabilitation of an insurer if she believes sufficient grounds exist pursuant to Insurance Law § 7402.

10. Insurance Law § 7402(*I*) provides that an insurer may be placed into rehabilitation if the majority of its directors, shareholders, or members consent to rehabilitation. By a written resolution dated May 31, 2024, CML's Board of Directors unanimously consented to the entry of an order of rehabilitation pursuant to Insurance Law Article 74. McLeod Aff., ¶ 9, Exhibit B. The

unanimous consent of CML's Board of Directors to the entry of an order of rehabilitation provides an independent ground to place CML into rehabilitation. Insurance Law § 7402(I).

11. In addition, under Insurance Law § 7402(e), an insurer may be placed into rehabilitation if the Superintendent finds, after examination, that the insurer is in such a condition that further transaction of its business would be hazardous to its policyholders, creditors, or the public. DFS conducted an examination of CML's financial condition and issued a report on examination ("Examination Report") that was signed on June 6, 2022. McLeod Aff., ¶ 10. Although the Examination Report cited several areas of concern, it noted that CML was making efforts to improve its financial position. Specifically, Section 7 of the Examination Report reported that on June 29, 2021, CML's Board of Directors approved a strategic transaction with Constellation Insurance Holdings, Inc. ("Constellation"), in which CML would seek to demutualize and be acquired by Constellation. In May 2024, Constellation advised DFS that it could not comply with DFS's reserve requirements that are necessary to protect policyholders. As such, Constellation no longer wished to pursue the deal. McLeod Aff., ¶ 10.

12. On May 31, 2024, following the collapse of the proposed merger with Constellation, DFS directed CML to stop writing new business. McLeod Aff., ¶ 11.

Five-Year Decline of CML's Financial Condition

13. CML's Annual Financial Statement for the Year Ended December 31, 2023 ("2023 Financial Statement") provides a five-year history of the Company's net cash from operations and surplus. An excerpt from the 2023 Financial Statement indicates that the Company's financial condition has been declining since 2019. A copy of the 2023 Financial Statement is annexed to the McLeod Aff. as Exhibit C. According to the 2023 Financial Statement, net cash from operations has steadily declined from a net positive of \$21.5 million in 2019, to a negative \$8.3

million in 2023. *See* Exhibit C, Line 29. Similarly, the Company's reported surplus has steadily declined from \$87.1 million in 2019 to \$29.2 million in 2023. *See* Exhibit C, Line 28. CML's First Quarter 2024 Financial Statement showed a further decline of surplus to \$24.9 million. An excerpt, pages 2-3, from the First Quarter 2024 Financial Statement is annexed as Exhibit D to the McLeod Aff.

Asset Adequacy Reserve Deficit

14. DFS has engaged Matczak Consulting, LLC ("MCLLC"), an independent actuarial firm, to perform an asset adequacy analysis under New York Insurance Regulation 126² of CML's year-end 2023 cash flow testing models, assumptions, and projections, and to opine on the adequacy of CML's assets to support the reported reserves. On May 28, 2024, MCLLC issued a report detailing that under any of seven different scenarios, CML's reserves were understated. A copy of the MCLLC Report is annexed as Exhibit E to the accompanying McLeod Aff. Pursuant to DFS published guidance, MCLLC valued CML's Asset Adequacy Reserve at \$104 million. This means an additional \$104 million in assets is required to satisfy DFS' reserving requirements. *See* McLeod Aff., ¶ 16 & Exhibit E at pg. 2.

Unclaimed Property Liability

15. Under Insurance Law § 3240(f) and 11 NYCRR § 226.4(e), New York life insurance companies are required to take certain steps to identify death benefits that may be due under life insurance policies that have not been previously reported through the historical claim reporting process. On January 10, 2022, DFS and CML entered into a Consent Order wherein CML (i) paid a \$3 million civil fine as a result of its repeated failures to comply with numerous sections of Insurance Law § 3240 and Insurance Regulation 200, and (ii) agreed to a remediation

² Insurance Regulation 126 establishes standards to test the adequacy of assets to support reported reserves under seven fixed interest rate scenarios. 11 NYCRR § 95.8.

plan to correct its failures to comply with statutory and regulatory mandates. A copy of the 2022 Consent Order is annexed to the McLeod Aff. as Exhibit F. On April 26, 2024, CML reported to DFS a liability for unclaimed life insurance policy benefits in the amount of \$16.5 million. DFS continues to monitor this reported liability and believes the actual amount of unclaimed liability may be higher. McLeod Aff., ¶ 18.

CLHI and CLIC

16. CML's indirect subsidiary, CLIC, is currently in a conservation proceeding in Illinois under the supervision of the Acting Director of the Illinois Department of Insurance. Upon information and belief, on May 30, 2024, CLIC's Board of Directors consented in principle to a rehabilitation proceeding in Illinois. McLeod Aff., ¶ 19. CML wholly owns CLHI, which in turn wholly owns CLIC. When CLIC is placed into rehabilitation, under Statutory Accounting Principles No. 97, CML will no longer be permitted to carry the value of CLHI as an asset. CLHI was valued at \$9.15 million in CML's First Quarter Financial Statement for 2024.

Recent Events

17. On June 7, 2024, AM Best, a credit rating agency, downgraded the Financial Strength Rating of CML and CLIC from C+ (marginal) to C (weak), and their Long-Term Issuer Credit Ratings from b- (marginal) to ccc (weak). Also on June 7, 2024, CML announced its intention to lay off 25 percent of its workforce (approximately 70 employees). McLeod Aff., ¶ 20.

Financial Summary

18. In summary, because CML's financial condition is distressed, the Superintendent has determined that further transaction of business would be hazardous to CML's policyholders, creditors, and the public under Insurance Law § 7402(e). The following chart summarizes the financial discussion above:

CML Adjustments to Reported Surplus	
Reported Surplus as of March 31, 2024	\$24,855,571
Asset Adequacy Reserve	(\$104,000,000)
Value of CLHI upon Rehabilitation of CLIC	(\$9,155,107)
Adjusted Surplus	(\$88,299,536)

19. Based on CML's consent to rehabilitation and its deteriorating financial condition, which renders its ongoing operations hazardous to policyholders, creditors, and the public, there are sufficient grounds to place the Company into rehabilitation.

Purpose of the Rehabilitation Proceeding

20. Placing CML into rehabilitation will enable the Rehabilitator to take possession of the property of the Company and to conduct the business thereof, and to take such steps toward the "removal of the causes and conditions which have made such proceeding necessary." Insurance Law § 7403(a).

21. Once CML is in rehabilitation, the Rehabilitator will conduct a thorough review of CML's finances, claims, and operations to determine whether there are business and/or legislative solutions that can restore CML to market solvency. Upon completion of her review, the Rehabilitator will submit a plan for Court approval to rehabilitate CML through restructuring or other means, or if CML cannot be rehabilitated, to place it into liquidation.

Process of Rehabilitation and Relief Requested

22. Article 74 of the Insurance Law requires that the Superintendent be appointed Rehabilitator and take control of and manage CML's property in order to rehabilitate CML's business. (Insurance Law § 7405(a)). Therefore, it is respectfully requested that the Court issue the Rehabilitation Order, *inter alia*: (a) appointing the Superintendent, and her successors in office, as Rehabilitator of CML; (b) vesting the Rehabilitator with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in the Rehabilitation Order; (c) directing the Rehabilitator, subject to the Court's oversight, to take exclusive possession and/or control of CML's property, conduct its business, and take such steps as she deems necessary to remove the causes and conditions that made this proceeding necessary, and deal with the property and business of CML in CML's name or in the name of the Rehabilitator; and (d) vesting title to all of CML's property, contracts, rights of action and all of its books and records, wherever located, in the Rehabilitator and her successors.

23. In order to take possession of CML's assets and manage CML's business affairs in an orderly and fair manner for the benefit of policyholders and creditors, the Rehabilitator requires certain injunctive relief.

24. Under Insurance Law § 7419(a), the Court may issue an injunction permanently enjoining and restraining the insurer, its officers, directors, shareholders, members, trustees, agents, servants, employees, policyholders, attorneys, managers, and all other persons from wasting the assets of CML, and, except as authorized by the Rehabilitator, from transacting CML's business (including the issuance of insurance policies) or disposing of CML's property (the "Interference with Business Injunctions").

25. Under Insurance Law § 7419(b), the Court may issue such other permanent injunctions or orders as it deems necessary to prevent interference with the Rehabilitator or this proceeding, or the commencement or prosecution of any actions or proceedings (a) against the Rehabilitator, CML, the New York Liquidation Bureau (“NYLB”), the organization that carries out the duties of the Rehabilitator, or their present or former employees, attorneys or agents, with respect to this proceeding or the discharge of their duties under Article 74 in relation thereto or (b) to assert preferences, judgments, attachments, liens, or any levy against CML, its assets or any part thereof (the “Interference with Rehabilitator’s Duties Injunctions”, and collectively with the Interference with Business Injunctions, the “Permanent Injunctions”).

26. The Permanent Injunctions are crucial for the performance of the Rehabilitator’s duties. If not granted, there will be no legal protections against the wasting of the assets of CML or the improper transaction of CML’s business. Allowing anyone other than the Rehabilitator to have the power to manage the business affairs of CML would defeat the legislative scheme of receivership of insurance companies set forth in Article 74. *See, e.g., Knickerbocker Agency, Inc. v. Holz*, 4 A.D.2d 71, 73 (1st Dept. 1957), *aff’d*, 4 N.Y.2d 245 (1958). For the same reasons, it is urgent that the Interference with Rehabilitator’s Duties Injunctions be granted in order to restrain persons and entities from obtaining attachments, liens, or levies against CML or its assets or pursuing legal action (including collections on judgments) against CML, which would enable such persons and entities to obtain preferences over others in a manner incompatible with Insurance Law Article 74.

27. In short, the Permanent Injunctions serve the core purposes of the rehabilitation process and serve as the legal protection ensuring that the Rehabilitator may fulfill her statutory duties of conserving the property and administering the assets of CML in an orderly and fair

manner. *Dinallo v. DiNapoli*, 9 N.Y.3d 94, 97 (2007). The Permanent Injunctions are so central to the process that the Interference with Business Injunctions may be granted “without notice,” Insurance Law § 7419(a), and the Interference with Rehabilitator’s Duties Injunctions may be granted as the Court “deems necessary.” Insurance Law § 7419(b).

28. The Permanent Injunctions are injunctions that have been included in virtually all Article 74 rehabilitation orders for the past 30 years. *See, e.g., In the Matter of the Rehabilitation of Atlantic Mutual Insurance Company and Centennial Insurance Company*, S.Ct., N.Y. County, Index #402424/10, Order of September 16, 2010; *In the Matter of the Rehabilitation of Professional Liability Insurance Company of America*, S.Ct., N.Y. County, Index #400986/10, Order of April 30, 2010; *In the Matter of the Rehabilitation of Colonial Cooperative Insurance Company*, S.Ct., N.Y. County, Index #400236/10, Order of March 1, 2010; *In the Matter of the Rehabilitation of The Insurance Corporation of New York*, S.Ct., N.Y. County, Index #401477/09, Order of June 30, 2009; *In the Matter of the Rehabilitation of Frontier Insurance Company*, S.Ct., N.Y. County, Index #405090/2001, Order of October 15, 2001. Copies of the rehabilitation orders in each of these rehabilitation proceedings are annexed hereto as Exhibit 2. These injunctions, in short, are standard and crucial for an orderly rehabilitation.

29. In addition to granting the Permanent Injunctions, it is important that this Court grant the temporary restraining orders sought in the Order to Show Cause (the “TROs”), which preserve the status quo pending the hearing and determination of this Petition. The TROs will prevent waste, dissipation, and transfer of assets and proprietary information, and will ensure that no policyholder or creditor obtains a judgment or a litigation advantage before the Petition is heard and determined and, in so doing, ensure that no policyholder or creditor receives a preference by being paid ahead of other policyholders or creditors solely because it obtained a judgment or took

other adverse action against the estate in the time frame between the signing of the Order to Show Cause and the hearing on this Petition.

30. It is further requested that, in accordance with Insurance Law § 7405, the Court vest all rights in CML's contracts and agreements, including treaties and agreements of reinsurance, however described, in the Rehabilitator and recognize the Rehabilitator's discretion to reject any executory contracts to which CML is a party, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of rejection.

31. It is further requested that the Court order that any bank, savings and loan association, other financial institution, or any other entity or person, that has on deposit or in its possession, custody, or control any of CML's funds, accounts (including escrow accounts) or assets shall immediately, upon the Rehabilitator's request and direction: (a) turn over custody and control of such funds, accounts, or assets to the Rehabilitator; (b) transfer title of such funds, accounts, or assets to the Rehabilitator; (c) change the name of such accounts to the name of the Rehabilitator; (d) transfer funds from such bank, savings and loan association, or other financial institution; and (e) take any other action reasonably necessary for the proper conduct of the rehabilitation proceeding.

32. It is further requested that the Court order that all persons and entities having property, papers (including attorney work product and documents held by attorneys), and/or information (whether in electronic or paper form), including, but not limited to, insurance policies, underwriting data, reinsurance policies, claims files, actuarial reports, audit reports, financial statements, emails or other communications related to each of the reports and financial statements discussed herein, computer equipment, software programs, and/or bank records owned by, belonging to, or relating to CML shall preserve such property and/or information and immediately,

upon the Rehabilitator's request and direction, and without further order of the Court, assign, transfer, turn over, and deliver such information to the Rehabilitator.

33. It is further requested that in accordance with Insurance Law § 7405, the Court authorize, permit, and allow the Rehabilitator to sell, assign, or transfer any and all stocks, bonds, or other securities at the best price reasonably obtainable at such times and upon such terms and conditions as in her discretion she deems to be in the best interest of the creditors of CML, and further authorize the Rehabilitator to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers, and assignments, without the further approval of the Court.

34. It is further requested that the Court enter an order authorizing and granting discretion to the Rehabilitator to refrain from adjudicating claims other than Administrative Claims or policyholder claims unless and until (a) it may be reasonably expected that adjudication of such claims would be in the best interests of the estate or (b) it is certain that the CML estate will have sufficient assets to pay claims of such class.

35. It is further requested that the Court order that the Rehabilitator of CML, the NYLB, their successors in office, and their agents and employees, be granted 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 Article 74. The Rehabilitator would be acting in a "judicial and private" capacity under the supervision of the Court pursuant to Article 74 of the Insurance Law. *See Dinallo, supra* at 103. In addition, the Supreme Court, New York County has held that "a court-appointed receiver [in this case, the Rehabilitator] acts as an arm of the court and is immune from

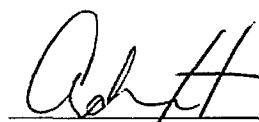
liability for actions grounded in his or her conduct as receiver.” *In the Matter of the Liquidation of U.S. Capital Insurance Company*, 36 Misc.3d 635, 637 (Supreme Court, N.Y. County 2012).

36. The Superintendent further 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 CML policyholders, creditors, and others interested in the affairs of CML, and (c) the method of service of notice, *i.e.*, by (i) overnight delivery upon Columbian Mutual Life Insurance Company, c/o Michael C.S. Fosbury, President and Chief Executive Officer, 4704 Vestal Parkway East, P.O. Box 1381, Binghamton, New York 13902; (ii) publication of notice of this application, in a form substantially similar to the notice attached hereto as Exhibit 3, in *USA Today* once a week for two consecutive weeks, commencing within 30 days after the entered Order to Show Cause is posted to the New York State Courts Electronic Filing (“NYSCEF”) system; and (iii) posting on the Internet web page for Legal and Estates Notices maintained by the NYLB at <http://www.nylb.org> within five (5) days after the entered Order to Show Cause is posted to the NYSCEF system.

37. There has been no previous application for the relief requested herein.

WHEREFORE, it is respectfully requested that the Petition be granted, that this Court enter an order substantially in the form of the order annexed hereto as Exhibit 1, and that the Court grant the Superintendent such other and further relief as is just and proper.

Dated: New York, New York
June 20, 2024



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

EXHIBIT

1

At IAS Part ___ of the Supreme Court of the State of New York, County of Broome, at the courthouse located at 92 Court Street, Binghamton, New York, on the ___ day of _____, 2024.

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF BROOME

-----X
In the Matter of Index No.

the Application of **ORDER**

Adrienne A. Harris, Superintendent of Financial Services of the State of New York, for an order to take possession and rehabilitate the business and affairs of

COLUMBIAN MUTUAL LIFE INSURANCE COMPANY.
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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, *inter alia*, placing Columbian Mutual Life Insurance Company (“CML” or “Company”) into rehabilitation, appointing the Superintendent and her successors in office as rehabilitator (“Rehabilitator”) of CML, and directing that, subject to the Court’s oversight, the Rehabilitator shall have exclusive authority to take exclusive possession and/or control of CML’s property, conduct its business, and take such steps as she deems necessary to remove the causes and conditions that made this proceeding necessary; and

Upon reading and filing the petition of the Superintendent, duly verified on June 20, 2024 (“Petition”), the affidavit of Mark McLeod, dated June 14, 2024, and the exhibits annexed thereto, this Court finds that CML should be placed into rehabilitation under Article 74 of the New York Insurance Law (“Insurance Law”) because (i) CML’s Board of Directors has unanimously consented to the entry of an order of rehabilitation; and (ii) the Superintendent has

found, after examination, that CML's continued operation of its insurance business without the protection of Article 74 of the Insurance Law and the supervision of this Court would be hazardous to its policyholders, creditors or the public; and

NOW, on 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 Petition for an order of rehabilitation ("Order") is granted;
2. The Superintendent and her successors in office are appointed Rehabilitator of CML;
3. The Rehabilitator is vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in this Order;
4. The Rehabilitator is directed, subject to this Court's oversight, to take exclusive possession and/or control of CML's property, conduct its business, and take such steps as she deems necessary to remove the causes and conditions that made this proceeding necessary, and to deal with the property and business of CML in CML's name or in the name of the Rehabilitator;
5. All persons and entities are permanently enjoined and restrained from wasting the assets of CML, and are permanently enjoined and restrained, except as authorized by the Rehabilitator, from transacting CML's business (including the issuance of insurance policies) or disposing of CML's property;
6. All persons and entities are permanently enjoined and restrained from interfering with the Rehabilitator or this proceeding, obtaining any preferences, judgments, attachments, or other liens, or making any levy against CML, its assets or any part thereof, and commencing, advancing, or prosecuting any actions, claims, lawsuits, arbitrations, alternative dispute resolution proceedings, or other legal or administrative proceedings against the Rehabilitator, CML, the New York Liquidation Bureau ("NYLB), which serves as the staff for the Superintendent in her capacity as Rehabilitator, or their present or former employees, attorneys or agents, relating to this proceeding or the discharge of their duties under Insurance Law Article 74 in relation thereto;
7. All persons and entities are permanently enjoined and restrained from taking any steps to transfer, foreclose, sell, assign, garnish, levy, encumber, attach, dispose

- of, or enforce purported rights in or against any claimed interest in any property or assets of CML;
8. All persons and entities are permanently enjoined and restrained from exercising any contractual right that permits such persons and entities, including, but not limited to, any party to a reinsurance agreement, to withhold, fail to pay, set-off, accelerate payment, declare a default, recapture funds, or take similar action with respect to any obligation owed by or to CML;
 9. All persons and entities are permanently enjoined and restrained from commuting, terminating, accelerating, or modifying any agreement of reinsurance, or asserting a default or event of default or otherwise exercising, asserting, or relying upon any other right or remedy, based upon (a) application for or consent to the appointment of a receiver of property or assets; (b) a finding of impairment or insolvency; (c) the filing of or consent to filing of a petition for receivership; or (d) becoming the subject of an order of rehabilitation or liquidation;
 10. All litigation matters in which CML is a party are stayed for a period of 90 days from the date this Order is signed;
 11. The Rehabilitator is vested with all rights in CML's contracts and agreements, including treaties and agreements of reinsurance, however described, and is permitted to, in her discretion, reject any executory contracts to which CML is a party, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of rejection;
 12. Any bank, savings and loan association, other financial institution, or any other entity or person, that has on deposit or in its possession, custody, or control any of CML's funds, accounts (including escrow accounts), or assets, shall immediately, upon the Rehabilitator's request and direction, and without further order of the Court: (a) turn over custody and control of such funds, accounts, or assets to the Rehabilitator; (b) transfer title of such funds, accounts, or assets to the Rehabilitator; (c) change the name of such accounts to the name of the Rehabilitator; (d) transfer funds from such bank, savings and loan association, or other financial institution; and (e) take any other action requested by the Rehabilitator that is reasonably necessary for the proper conduct of the rehabilitation proceeding;
 13. All persons and entities, including CML, its directors, officers, managers and employees, Columbian Financial Services Corporation, Production Partners, LLC, Administrative Partners, Inc., New Vision Service Corporation of New York, or any other affiliate of CML, having property, papers (including attorney work product and documents held by attorneys), and/or information (whether in electronic or paper form), including, but not limited to, insurance policies, underwriting data, annuity, reinsurance policies, claims files, actuarial reports, audit reports, financial statements, emails or other communications related to each

of the reports and financial statements discussed in the Petition, or computer equipment, software programs and licenses and/or bank records or any other documents, property or information owned by, belonging to, or relating to CML, shall preserve such property and/or information and immediately, upon the Rehabilitator's request and direction, and without further order of the Court, assign, transfer, turn over, and deliver such property, documents, and/or information to the Rehabilitator;

14. The Rehabilitator is authorized, permitted and allowed to sell, assign or transfer any and all stocks, bonds, or other securities at the best price reasonably obtainable at such times and upon such terms and conditions as, in her discretion, she deems to be in the best interest of the creditors of CML, and the Rehabilitator is further authorized to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers and assignments, without the further approval of this Court;
15. The Rehabilitator is authorized, in her discretion, to refrain from adjudicating claims of any class other than administrative claims or policyholder claims unless and until (a) she reasonably believes that adjudication of such claims would be in the best interests of the estate or (b) it is certain that the CML estate will have sufficient assets to pay claims of such class;
16. Immunity is extended to the Superintendent in her capacity as Rehabilitator of CML, the NYLB, their successors in office, 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 Article 74;
17. The Rehabilitator may at any time make further application to this Court for such further and different relief as she sees fit;
18. The Rehabilitator shall serve a copy of this Order by overnight delivery upon: (a) Columbian Mutual Life Insurance Company, c/o Michael C.S. Fosbury, President and Chief Executive Officer, 4704 Vestal Parkway East, Vestal, New York 13850; and (b) any person or entity who or that timely filed and served papers in opposition to the relief sought;
19. The Rehabilitator shall provide notice of this Order to all creditors, claimants, and interested persons by (i) publishing notice of this Order in *USA Today* once a week for two consecutive weeks, commencing within 30 days after the entered Order is posted to the New York State Courts Electronic Filing ("NYSCEF") system; and (ii) posting an entered copy of this Order on the Internet web page maintained by the NYLB at <http://www.nylb.org> within 5 days after the entered Order is posted to the NYSCEF system;
20. This Court shall retain jurisdiction over this matter for all purposes;

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

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF BROOME

-----X
In the Matter of

the Rehabilitation of

COLUMBIAN MUTUAL LIFE INSURANCE COMPANY.
-----X

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

E N T E R

J.S.C.

IN THE MATTER OF THE REHABILITATION OF
COLUMBIAN MUTUAL LIFE INSURANCE COMPANY
Supreme Court, County of Broome
Index No.:

Notice is Hereby Given:

Adrienne A. Harris, Superintendent of Financial Services of the State of New York (“Superintendent”), has been appointed by an order (“Order”) of the Supreme Court of the State of New York, County of Broome (“Court”), entered on _____, 2024, as the rehabilitator (“Rehabilitator”) of Columbian Mutual Life Insurance Company (“CML”) and, as such, has been: (i) vested with all powers and authority expressed or implied under New York Insurance Law (“Insurance Law”) Article 74, in addition to the powers and authority set forth in the Order; and (ii) directed, subject to the Court’s oversight, to take exclusive possession and/or control of CML’s property, conduct its business, and take such steps and as she deems necessary to remove the causes and conditions that made this proceeding necessary. The Rehabilitator has, pursuant to Insurance Law Article 74, appointed David Axinn, Special Deputy Superintendent (“Special Deputy”), as her agent to carry out her duties as Rehabilitator. The Special Deputy carries out his duties through the New York Liquidation Bureau (“NYLB”), 180 Maiden Lane, New York, New York 10038. The Order provides that:

- I. The Rehabilitator is permitted to deal with the property and business of CML in CML’s name or in the name of the Rehabilitator;
- II. All persons and entities are permanently enjoined and restrained from wasting the assets of CML, and are permanently enjoined and restrained, except as authorized by the Rehabilitator, from transacting CML’S business (including the issuance of insurance policies) or disposing of CML’s property;
- III. All persons and entities are permanently enjoined and restrained from interfering with the Rehabilitator or this proceeding, obtaining any preferences, judgments, attachments or other liens, or making any levy against CML, its assets or any part thereof, and commencing, advancing, or prosecuting any actions, claims, lawsuits, arbitrations, alternative dispute resolution proceedings, or other legal or administrative proceedings against the Rehabilitator, CML, the NYLB, which serves as the staff for the Superintendent in her capacity as Rehabilitator, or their present or former employees, attorneys, or agents, relating to this proceeding or the discharge of their duties under Insurance Law Article 74 in relation there;
- IV. All persons and entities are permanently enjoined and restrained from taking any steps to transfer, foreclose, sell, assign, garnish, levy, encumber, attach, dispose of, or enforce purported rights in or against any claimed interest in any property or assets of CML;
- V. All persons and entities are permanently enjoined and restrained from exercising any contractual right that permits such persons and entities, including, but not limited to, any

- party to a reinsurance agreement, to withhold, fail to pay, set-off, accelerate payment, declare a default, recapture funds, or take similar action with respect to any obligation owed by or to CML;
- VI. All persons and entities are permanently enjoined and restrained from commuting, terminating, accelerating, or modifying any agreement of reinsurance, or asserting a default or event of default or otherwise exercising, asserting or relying upon any other right or remedy, based upon (a) application for or consent to the appointment of a receiver of property or assets; (b) a finding of impairment or insolvency; (c) the filing of or consent to filing of a petition for receivership; or (d) becoming the subject of an order of rehabilitation or liquidation.
- VII. All litigation matters in which CML is a party are stayed for a period of 90 days from the date the Order is signed;
- VIII. The Rehabilitator is vested with all rights in CML's contracts and agreements, including treaties and agreements of reinsurance, however described, and is permitted to, in her discretion, reject any executory contracts to which CML is a party, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of rejection;
- IX. Any bank, savings and loan association, other financial institution, or any other entity or person, that has on deposit or in its possession, custody, or control any of CML's funds, accounts (including escrow accounts), or assets, shall immediately, upon the Rehabilitator's request and direction and without further order of the Court: (a) turn over custody and control of such funds, accounts, or assets to the Rehabilitator; (b) transfer title of such funds, accounts, or assets to the Rehabilitator; (c) change the name of such accounts to the name of the Rehabilitator; (d) transfer funds from such bank, savings and loan association, or other financial institution; and (e) take any other action reasonably necessary for the proper conduct of the rehabilitation proceeding;
- X. All persons and entities, including CML, its directors, officers, managers and employees, Columbian Financial Services Corporation, Production Partners, LLC, Administrative Partners, Inc., New Vision Service Corporation of New York, or any other affiliate of CML, having property, papers (including attorney work product and documents held by attorneys), and/or information (whether in electronic or paper form), including, but not limited to, insurance policies, underwriting data, annuity, reinsurance policies, claims files, actuarial reports, audit reports, financial statements, emails or other communications, related to each of the reports and financial statements discussed in the Petition, or computer equipment, software programs and licenses and/or bank records or any other documents, property or information owned by, belonging to, or relating to CML, shall preserve such property and/or information and immediately, upon the Rehabilitator's request and direction, and without further order of the Court, assign, transfer, turn over, and deliver such property, documents, and/or information to the Rehabilitator;

- XI. The Rehabilitator is authorized, permitted, and allowed to sell, assign, or transfer any and all stocks, bonds, or other securities at the best price reasonably obtainable at such times and upon such terms and conditions as, in her discretion, she deems to be in the best interest of the creditors of CML, and the Rehabilitator is further authorized to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers, and assignments, without the further approval of the Court;
- XII. The Rehabilitator is authorized, in her discretion, to refrain from adjudicating claims of any class other than administrative claims or policyholder claims unless and until (a) she reasonably believes that adjudication of such claims would be in the best interests of the estate or (b) it is certain that the CML estate will have sufficient assets to pay claims of such class;
- XIII. Immunity is extended to the Superintendent in her capacity as Rehabilitator of CML, the NYLB, their successors in office, 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 the Court, or in the performance of their duties pursuant to Insurance Law Article 74;
- XIV. The Rehabilitator may at any time make further application to the Court for such further and different relief as she sees fit;
- XV. The Court shall retain jurisdiction over this matter for all purposes; and
- XVI. All communications relating to CML and to the rehabilitation proceeding thereof should be addressed to:

New York Liquidation Bureau
180 Maiden Lane, 15th Floor
Attention: Legal Department
New York, New York 10038
legal@nylb.org

A copy of the Order may be viewed at <http://www.nylb.org>. To the extent there are any discrepancies between this notice and the Order, then the language of the Order controls.

Adrienne A. Harris
Superintendent of Financial Services of
the State of New York as Rehabilitator of
Columbian Mutual Life Insurance Company

DAVID AXINN
Special Deputy Superintendent
and Agent of the Rehabilitator

EXHIBIT

2

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

PRESENT: RAKOWER
Justice

PART 15

ATLANTIC MUTUAL INSURANCE CO,
ET AL.

INDEX NO. 402424/10

MOTION DATE _____

MOTION SEQ. NO. 01

MOTION CAL. NO. _____

- v -
RE:

The following papers, numbered 1 to _____ were read on this motion to/for _____

Notice of Motion/ Order to Show Cause – Affidavits – Exhibits ...

Answering Affidavits – Exhibits _____

Replying Affidavits _____

PAPERS NUMBERED	

Cross-Motion: Yes No

Upon the foregoing papers, It is ordered that this motion

FILED
SEP 16 2010
NEW YORK
COUNTY CLERK'S OFFICE

MOTION IS DECIDED IN ACCORDANCE WITH
THE ACCOMPANYING MEMORANDUM AND
ORDERS

Dated: 9/14/10

HON. EILEEN A. RAKOWER ¹⁵⁶

Check one: FINAL DISPOSITION NON-FINAL DISPOSITION

Check if appropriate: DO NOT POST REFERENCE

SUBMIT ORDER/ JUDG.

SETTLE ORDER/ JUDG.

MOTION/CASE IS RESPECTFULLY REFERRED TO JUSTICE
FOR THE FOLLOWING REASON(S):

At IAS Part 15 of the Supreme Court of the State of New York, County of New York, at the courthouse, 80 Centre Street, in the County, City and State of New York, on the 14 day of SEPT, 2010.

P R E S E N T:

HON. EILEEN A. RAKOWER, J.S.C.

-----X

In the Matter of

the Application of

James J. Wrynn, Superintendent of Insurance of the State of New York, for an order of rehabilitation of

ATLANTIC MUTUAL INSURANCE COMPANY and CENTENNIAL INSURANCE COMPANY.

-----X

Index No.: 40242170

FILED

SEP 16 2010

NEW YORK COUNTY CLERK'S OFFICE

ORDER OF REHABILITATION OF ATLANTIC MUTUAL INSURANCE COMPANY

Petitioner, James J. Wrynn, Superintendent of Insurance of the State of New York (the "Superintendent"), having moved this Court for an order placing Atlantic Mutual Insurance Company ("Atlantic Mutual") into rehabilitation, and upon reading and filing the petition of the Superintendent, duly verified the 23rd day of August, 2010, the affidavit of Eugene Bienskie, sworn to August 18, 2010, and the exhibits annexed thereto; this Court finds that:

1. Atlantic Mutual was incorporated under the laws of the State of New York on April 11, 1842;
2. Atlantic Mutual's statutory home office is located at 100 Wall Street, 28th Floor, New York, New York, 10005;
3. Atlantic Mutual is subject to the New York Insurance Law ("Insurance Law") and, in particular, to Article 74 thereof;
4. Atlantic Mutual is insolvent; and

5. Atlantic Mutual and the Board of Trustees of Atlantic Mutual have consented, to an entry of an order of rehabilitation pursuant to Article 74 of the New York Insurance Law;

NOW, on motion of Andrew M. Cuomo, Attorney General of the State of New York, it is

ORDERED as follows:

1. The relief requested in the petition for an order of rehabilitation is granted;
2. The Superintendent, and his successors in office, are appointed rehabilitator ("Rehabilitator") of Atlantic Mutual and are: (i) vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in this Order; and (ii) authorized and directed to take such steps and enter into such arrangements as they deem necessary to take possession and/or control of Atlantic Mutual's property, conduct Atlantic Mutual's business and remove the causes and conditions that make this proceeding necessary as they shall deem prudent and advisable;
3. The Rehabilitator may deal with the property and business of Atlantic Mutual in its name or in the name of the Rehabilitator;
4. Notice directing all persons having claims against Atlantic Mutual to file or present their claims to the Rehabilitator is deferred until further order of this Court;
5. Atlantic Mutual and each of its officers, directors, shareholders, members, depositories, trustees, policyholders, agents, servants, employees, attorneys, managers and affiliates, and all firms, corporations, associations and other persons or entities having any property belonging to or relating to Atlantic Mutual, including but not limited to business records, insurance policies, claims files (electronic or paper), software programs, bank records or any tangible or intangible items of value, shall preserve such property and are directed, upon the Rehabilitator's request, to promptly assign, transfer, turn over and deliver such property to the Rehabilitator or his designees;
6. Any person or entity providing claims processing services, data processing services, electronic records retention services or other information technology services to Atlantic Mutual shall maintain and preserve all information in its possession ("Information") relating in any way to Atlantic Mutual, wherever located, including but not limited to all documents, data, electronic files and records, computer equipment (*i.e.*, servers and printers), software programs and software licenses owned or leased by Atlantic Mutual and are directed, upon the Rehabilitator's request, to promptly submit all such Information to the Rehabilitator or his designees;
7. Any bank, savings and loan association, other financial institution or any other entity or person, which has on deposit or in its possession, custody or control of

- any of Atlantic Mutual's funds, accounts or assets shall immediately upon the Rehabilitator's request and direction: (i) turn over custody and control of such funds, accounts or assets to the Rehabilitator or his designees; (ii) transfer title of such funds, accounts or assets to the Rehabilitator or his designees; (iii) change the name of such accounts to the name of the Rehabilitator; (iv) transfer funds from such bank, savings and loan association or other financial institution; or (v) take any other action necessary for the proper conduct of the rehabilitation proceeding;
8. The officers, directors, shareholders, members, depositories, trustees, policyholders, agents, servants, employees, attorneys, managers and affiliates of Atlantic Mutual and all other persons other than the Superintendent and his agents are permanently enjoined and restrained, except as authorized by the Superintendent, from: (i) transacting the business of Atlantic Mutual, (ii) wasting or disposing of or permitting to be done any act or thing that might waste or dispose of Atlantic Mutual's property; (iii) interfering with the Rehabilitator in the possession, control and management of Atlantic Mutual's property or in the discharge of his duties; and (iv) disclosing the name, address or contact information of Atlantic Mutual's policyholders, or any other information that is proprietary to Atlantic Mutual's or not in the public domain, except as may be authorized by the Rehabilitator;
 9. All persons are permanently enjoined and restrained from commencing or prosecuting any actions or proceedings against Atlantic Mutual, the Rehabilitator or the New York Liquidation Bureau, its employees, attorneys or agents, with respect to any claims against Atlantic Mutual;
 10. All persons are permanently enjoined and restrained from obtaining preferences, judgments, attachments or other liens, or making any levy against Atlantic Mutual's assets or any part thereof;
 11. All parties to actions, lawsuits or special or other proceedings ("Litigation") in which Atlantic Mutual is obligated to defend a party pursuant to an insurance policy, bond, contract or otherwise are enjoined and restrained from prosecuting, advancing or otherwise taking any action within such Litigation, including but not limited to trials, hearings, conferences or other court proceedings, applications or other requests to the court of any nature, proceedings on defaults, settlements or judgments, service of documents, motions, discovery or any other litigation tasks or procedures for a period of 180 days from the date of entry of this Order;
 12. The Rehabilitator may at any time make further application to this Court for such further and different relief as he sees fit;
 13. A copy of this Order shall be served forthwith by certified and regular mail upon: Nancy Hahon, President of Atlantic Mutual, at the statutory home office of Atlantic Mutual, located at 100 Wall Street, 28th floor, New York, NY, 10005.

14. The Rehabilitator shall provide notice of this Order to all creditors, claimants and other interested persons by posting on the internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> within 30 days after the entry of this Order;
15. Judicial immunity is extended to the Superintendent in his capacity as Rehabilitator and his successors in office and their agents and employees and such immunity is extended to them for any cause of action of any nature against them, individually or jointly, for any action or omission by any one or more of them when acting in good faith, in accordance with this Order, or in the performance of their duties pursuant to Insurance Law Article 74;
16. This Court shall retain jurisdiction over this matter for all purposes;
17. All further papers with respect to Atlantic Mutual in this proceeding shall bear the caption:

In the Matter of

the Rehabilitation of

ATLANTIC MUTUAL INSURANCE COMPANY

E N T E R


HON. EILEEN A. RAKOWER

At IAS Part 15 of the Supreme Court of the State of New York, County of New York, at the courthouse, 80 Centre Street, in the County, City and State of New York, on the 14 day of SEPT, 2010.

P R E S E N T:

HON. EILEEN A. RAKOWER, J.S.C.

-----X

In the Matter of

the Application of

Index No.: 402424/10

James J. Wrynn, Superintendent of Insurance of the State of New York, for an order of rehabilitation of

ATLANTIC MUTUAL INSURANCE COMPANY and
CENTENNIAL INSURANCE COMPANY.

-----X

ORDER OF REHABILITATION OF CENTENNIAL INSURANCE COMPANY

Petitioner, James J. Wrynn, Superintendent of Insurance of the State of New York (the "Superintendent"), having moved this Court for an order placing Centennial Insurance Company ("Centennial") into rehabilitation, and upon reading and filing the petition of the Superintendent, duly verified the 23rd day of August, 2010, the affidavit of Eugene Bienskie, sworn to August 18, 2010, and the exhibits annexed thereto; this Court finds that:

1. Centennial was incorporated under the laws of the State of New York on September 5, 1941;
2. Centennial's statutory home office is located at 100 Wall Street, 28th Floor, New York, New York, 10005;
3. Centennial is subject to the New York Insurance Law ("Insurance Law") and, in particular, to Article 74 thereof;
4. Centennial is insolvent; and

5. Centennial and the Board of Directors of Centennial have consented, to an entry of an order of rehabilitation pursuant to Article 74 of the New York Insurance Law;

NOW, on motion of Andrew M. Cuomo, Attorney General of the State of New York, it is ORDERED as follows:

1. The relief requested in the petition for an order of rehabilitation is granted;
2. The Superintendent, and his successors in office, are appointed rehabilitator ("Rehabilitator") of Centennial and are: (i) vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in this Order; and (ii) authorized and directed to take such steps and enter into such arrangements as they deem necessary to take possession and/or control of Centennial's property, conduct Centennial's business and remove the causes and conditions that make this proceeding necessary as they shall deem prudent and advisable;
3. The Rehabilitator may deal with the property and business of Centennial in its name or in the name of the Rehabilitator;
4. Notice directing all persons having claims against Centennial to file or present their claims to the Rehabilitator is deferred until further order of this Court;
5. Centennial and each of its officers, directors, shareholders, members, depositories, trustees, policyholders, agents, servants, employees, attorneys, managers and affiliates, and all firms, corporations, associations and other persons or entities having any property belonging to or relating to Centennial, including but not limited to business records, insurance policies, claims files (electronic or paper), software programs, bank records or any tangible or intangible items of value, shall preserve such property and are directed, upon the Rehabilitator's request, to promptly assign, transfer, turn over and deliver such property to the Rehabilitator or his designees;
6. Any person or entity providing claims processing services, data processing services, electronic records retention services or other information technology services to Centennial shall maintain and preserve all information in its possession ("Information") relating in any way to Centennial, wherever located, including but not limited to all documents, data, electronic files and records, computer equipment (*i.e.*, servers and printers), software programs and software licenses owned or leased by Centennial and are directed, upon the Rehabilitator's request, to promptly submit all such Information to the Rehabilitator or his designees;
7. Any bank, savings and loan association, other financial institution or any other entity or person, which has on deposit or in its possession, custody or control of any of Centennial's funds, accounts or assets shall immediately upon the

- Rehabilitator's request and direction: (i) turn over custody and control of such funds, accounts or assets to the Rehabilitator or his designees; (ii) transfer title of such funds, accounts or assets to the Rehabilitator or his designees; (iii) change the name of such accounts to the name of the Rehabilitator; (iv) transfer funds from such bank, savings and loan association or other financial institution; or (v) take any other action necessary for the proper conduct of the rehabilitation proceeding;
8. The officers, directors, shareholders, members, depositories, trustees, policyholders, agents, servants, employees, attorneys, managers and affiliates of Centennial and all other persons other than the Superintendent and his agents are permanently enjoined and restrained, except as authorized by the Superintendent, from: (i) transacting the business of Centennial, (ii) wasting or disposing of or permitting to be done any act or thing that might waste or dispose of Centennial's property; (iii) interfering with the Rehabilitator in the possession, control and management of Centennial's property or in the discharge of his duties; and (iv) disclosing the name, address or contact information of Centennial's policyholders, or any other information that is proprietary to Centennial's or not in the public domain, except as may be authorized by the Rehabilitator;
 9. All persons are permanently enjoined and restrained from commencing or prosecuting any actions or proceedings against Centennial, the Rehabilitator or the New York Liquidation Bureau, its employees, attorneys or agents, with respect to any claims against Centennial;
 10. All persons are permanently enjoined and restrained from obtaining preferences, judgments, attachments or other liens, or making any levy against Centennial's assets or any part thereof;
 11. All parties to actions, lawsuits or special or other proceedings ("Litigation") in which Centennial is obligated to defend a party pursuant to an insurance policy, bond, contract or otherwise are enjoined and restrained from prosecuting, advancing or otherwise taking any action within such Litigation, including but not limited to trials, hearings, conferences or other court proceedings, applications or other requests to the court of any nature, proceedings on defaults, settlements or judgments, service of documents, motions, discovery or any other litigation tasks or procedures for a period of 180 days from the date of entry of this Order;
 12. The Rehabilitator may at any time make further application to this Court for such further and different relief as he sees fit;
 13. A copy of this Order shall be served forthwith by certified and regular mail upon: Nancy Hahon, President of Centennial, at the statutory home office of Centennial, located at 100 Wall Street, 28th floor, New York, NY, 10005.
 14. The Rehabilitator shall provide notice of this Order to all creditors, claimants and other interested persons by posting on the internet web page maintained by the

New York Liquidation Bureau at <http://www.nylb.org> within 30 days after the entry of this Order;

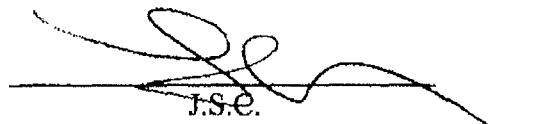
15. Judicial immunity is extended to the Superintendent in his capacity as Rehabilitator and his successors in office and their agents and employees and such immunity is extended to them for any cause of action of any nature against them, individually or jointly, for any action or omission by any one or more of them when acting in good faith, in accordance with this Order, or in the performance of their duties pursuant to Insurance Law Article 74;
16. This Court shall retain jurisdiction over this matter for all purposes;
17. All further papers with respect to Centennial in this proceeding shall bear the caption:

In the Matter of

the Rehabilitation of

CENTENNIAL INSURANCE COMPANY

E N T E R


J.S.C.
HON. EILEEN A. RAKOWER

FILED

SEP 16 2010

NEW YORK
COUNTY CLERKS OFFICE

FILED: BROOME COUNTY CLERK 07/10/2024 09:40 AM

NYSCEF DOC. NO. 3

INDEX NO. EFCA2024001871

RECEIVED NYSCEF: 07/10/2024

PRESENT: HON. MICHAEL D. STALLMAN
Justice

PART 21

Motion of
Jessie J. WRYNA, Capt of Police
Re: Professional Liability Ins Co. of Am
America (Rehabilitation)

INDEX NO. 400986/10
MOTION DATE 4/28/10
MOTION SEQ. NO. 001
MOTION CAL. NO. _____

The following papers, numbered 1 to 3 were read on this motion to/for an order of rehabilitation

Notice of Motion/ Order to Show Cause - Affidavits - Exhibits A-4
Supplemental Affidavit - Exhibit A
Answering Affidavits - Exhibits _____

PAPERS NUMBERED
<u>1-3</u>

Replying Affidavits _____

Cross-Motion: Yes No

After being counsel (see appearance on record)
Upon the foregoing papers, it is ordered that this ~~motion~~ application for an order of rehabilitation of Professional Liability Insurance Company of America is granted for the reasons stated on the record today (Evelyn Mysch, court reporter). Long-form order signed.

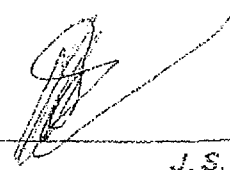
MOTION/CASE IS RESPECTFULLY REFERRED TO JUSTICE FOR THE FOLLOWING REASON(S):

FILED

APR 30 2010

NEW YORK COUNTY CLERKS OFFICE

Dated: 4/28/10 - 5:28 PM


J.S.C.

Check one: FINAL DISPOSITION NON-FINAL DISPOSITION

Check if appropriate: DO NOT POST REFERENCE

APPEAR Part 21 of the Supreme Court of the State of New York, County of New York, at the courthouse, 80 Centre Street, in the County, City and State of New York, on the 19th day of April, 2010.

P R E S E N T:

HON. MICHAEL D. STALLMAN, J.S.C.

-----X

In the Matter of

the Application of

James J. Wrynn, Superintendent of Insurance of the State of New York, for an order of rehabilitation of

PROFESSIONAL LIABILITY INSURANCE COMPANY OF AMERICA.

-----X

Index No.: 400986/10

ORDER OF REHABILITATION

Petitioner, James J. Wrynn, Superintendent of Insurance of the State of New York (the "Superintendent"), having moved this Court for an order placing Professional Liability Insurance Company of America ("PLICA") into rehabilitation, and upon reading and filing the petition of the Superintendent, duly verified the 19th day of April, 2010, the affidavit of Eugene Bienskie, sworn to April 12, 2010, the supplemental affidavit of Jon G. Rothblatt, sworn to April 20, 2010, and the exhibits annexed thereto; *and after hearing held on this record;* this Court finds that:

1. PLICA was incorporated under the laws of the State of New York on March 6, 1958;
2. PLICA's statutory home office is located at 300 Park Avenue, 17th Floor, New York, New York, 10022 and its main administrative office is located at 1300 South Berniston Avenue, Suite 506, St. Louis, MO, 63105;
3. PLICA is subject to the New York Insurance Law ("Insurance Law") and, in particular, to Article 74 thereof;
4. PLICA has been placed into conservatorship in another state; and

FILED
JUL 10 2010
COUNTY CLERK'S OFFICE

5. ~~PLICA, Stephen Kraysler, alleged current President and CEO of PLICA, and Howard Nathans, alleged former President and CEO of PLICA, do not oppose the granting of the~~

Since the disagreement at the Central office, it cannot be said that
NOW, on motion of Andrew M. Cuomo, Attorney General of the State of New York, it is

ORDERED as follows:

1. The relief requested in the petition for an order of rehabilitation is granted;
2. The Superintendent, and his successors in office, are appointed rehabilitator ("Rehabilitator") of PLICA and are: (i) vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in this Order; and (ii) authorized and directed to take such steps and enter into such arrangements as they deem necessary to take possession and/or control of PLICA's property, conduct PLICA's business and remove the causes and conditions that make this proceeding necessary as they shall deem prudent and advisable;
3. The Rehabilitator may deal with the property and business of PLICA in its name or in the name of the Rehabilitator;
4. Notice directing all persons having claims against PLICA to file or present their claims to the Rehabilitator is deferred until further order of this Court;
5. PLICA, and each of its officers, directors, shareholders, members, depositories, trustees, policyholders, agents, servants, employees, attorneys, managers and affiliates, and all firms, corporations, associations and other persons or entities having any property belonging to or relating to PLICA, including but not limited to business records, insurance policies, claims files (electronic or paper), software programs, bank records or any tangible or intangible items of value, shall preserve such property and are directed, upon the Rehabilitator's request, to promptly assign, transfer, turn over and deliver such property to the Rehabilitator or his designees;
6. Any person or entity providing claims processing services, data processing services, electronic records retention services or other information technology services to PLICA shall maintain and preserve all information in its possession ("Information") relating in any way to PLICA, wherever located, including but not limited to all documents, data, electronic files and records, computer equipment (i.e., servers and printers), software programs and software licenses owned by PLICA, and are directed, upon the Rehabilitator's request, to promptly submit all such Information to the Rehabilitator or his designees for examination and copying;

*PLI
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7. Any bank, savings and loan association, other financial institution or any other entity or person, which has on deposit or in its possession, custody or control of any of PLICA's funds, accounts or assets shall immediately upon the Rehabilitator's request and direction: (i) turn over custody and control of such funds, accounts or assets to the Rehabilitator or his designees; (ii) transfer title of such funds, accounts or assets to the Rehabilitator or his designees; (iii) change the name of such accounts to the name of the Rehabilitator; (iv) transfer funds from such bank, savings and loan association or other financial institution; or (v) take any other action necessary for the proper conduct of the rehabilitation proceeding;
8. The officers, directors, shareholders, members, depositories, trustees, policyholders, agents, servants, employees, attorneys, managers and affiliates of PLICA and all other persons other than the Superintendent and his agents are permanently enjoined and restrained, except as authorized by the Superintendent, from: (i) transacting the business of PLICA; (ii) wasting or disposing of or permitting to be done any act or thing that might waste or dispose of PLICA's property; (iii) interfering with the Rehabilitator in the possession, control and management of PLICA's property or in the discharge of his duties; and (iv) disclosing the name, address or contact information of PLICA's policyholders, or any other information that is proprietary to PLICA or not in the public domain, except as may be authorized by the Rehabilitator;
9. All persons are permanently enjoined and restrained from commencing or prosecuting any actions or proceedings against PLICA, the Rehabilitator or the New York Liquidation Bureau, its employees, attorneys or agents, with respect to any claims against PLICA;
10. All persons are permanently enjoined and restrained from obtaining preferences, judgments, attachments or other liens, or making any levy against PLICA's assets or any part thereof;
11. All parties to actions, lawsuits or special or other proceedings ("Litigation") in which PLICA is obligated to defend a party pursuant to an insurance policy, bond, contract or otherwise are enjoined and restrained from prosecuting, advancing or otherwise taking any action within such Litigation, including but not limited to trials, hearings, conferences or other court proceedings, applications or other requests to the court of any nature, proceedings on defaults, settlements or judgments, service of documents, motions, discovery or any other litigation tasks or procedures for a period of 90 days from the date of entry of this Order;
12. The Rehabilitator may at any time make further application to this Court for such further and different relief as he sees fit;
13. A copy of this Order shall be served forthwith by first class mail upon: (i) Stephen Kraysler, alleged current President and CEO of PLICA, and Howard Nathans, alleged former President and CEO of PLICA, at both the statutory and main

administrative offices of PLICA, located at 300 Park Avenue, 17th floor, New York, NY, 10022, and 130 South Bemiston Avenue, Suite 506, St. Louis, MO, 63105, respectively; (ii) Stephen Kraysler at the law offices of D'Amato and Lynch, LLP, at Two World Financial Center, New York, NY 10281; (iii) Stephen Kraysler at his current residential address at 151 Smallwood Drive, Unit 3B, Chokoloskee, FL 34138; (iv) Howard Nathans and Howard Wittner at the law offices of Joseph E. Gasperetti, Esq., at 115 Broadway, Suite 1505, New York, NY 10006; (v) Stephen Kraysler and Howard Nathans in care of the Conservator of PLICA appointed in another state; (vi) PLICA, in accordance with the provisions of the Insurance Law, to the Superintendent of Insurance of the State of New York, at 25 Beaver Street, New York, NY 10004; and (vii) any conservator, receiver, trustee, custodian or sequestrator of PLICA appointed in another state;

- 14. The Rehabilitator shall provide notice of this Order to all creditors, claimants and other interested persons by posting on the internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> within 30 days after the entry of this Order;
- 15. This Court shall retain jurisdiction over this matter for all purposes;
- 16. All further papers in this proceeding shall bear the caption:

In the Matter of

the Rehabilitation of

PROFESSIONAL LIABILITY INSURANCE COMPANY OF AMERICA.

ENTER

4/28/10 - 5:28 PM

J.S.C.

MICHAEL D. STALLMAN J.
J.S.C.

FILED
APR 30 2010
NEW YORK
COUNTY CLERK'S OFFICE

At IAS Part 10 of the Supreme Court of the State of New York, County of New York, at the courthouse, 60 Centre Street, in the County, City and State of New York, on the 26 day of February, 2010.

P R E S E N T:

HON. JUDITH J. GISCHE, J.S.C.

-----X

In the Matter of

the Application of

James J. Wrynn, Superintendent of Insurance of the State of New York, for an order to take possession of the property of and rehabilitate

COLONIAL COOPERATIVE INSURANCE COMPANY.

-----X

Index No.: 400236/10

ORDER OF REHABILITATION

Petitioner, James J. Wrynn, Superintendent of Insurance of the State of New York (the "Superintendent"), having moved this Court for an order to rehabilitate and take possession of the property of Colonial Cooperative Insurance Company ("CCIC"), and upon reading and filing the petition of the Superintendent, duly verified the 28th day of January, 2010, and the exhibits annexed thereto; this Court finds that:

1. CCIC was licensed under the laws of the State of New York on May 14, 1896, to transact business as a cooperative fire insurance corporation;
2. CCIC's principal office is located at 130 North Front Street, Kingston, New York 12402;
3. CCIC is subject to the New York Insurance Law ("Insurance Law") and, in particular, to Article 74 thereof;
4. A Mandatory Control Event under Insurance Law Section 1327(g) has occurred with regard to CCIC;
5. CCIC has consented to the entry of an order of rehabilitation; and

FILED
MAR 01 2010
NEW YORK
COUNTY CLERK'S OFFICE

6. It is in the best interest of CCIC's policyholders, creditors and the general public that the Superintendent be directed to take possession of CCIC's property and to rehabilitate its business and affairs;

NOW, on motion of the Honorable Andrew M. Cuomo, Attorney General of the State of New York, it is ORDERED as follows:

1. The petition is granted;
2. The Superintendent, and his successors in office, are appointed rehabilitator ("Rehabilitator") of CCIC and are: (i) vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in this Order; and (ii) authorized and directed to immediately take possession of CCIC's property, conduct CCIC's business and take such steps toward the removal of the causes and conditions which made this proceeding necessary as they shall deem wise and expedient;
3. The Rehabilitator may deal with the property and business of CCIC in its name or in the name of the Rehabilitator;
4. Notice directing all persons having claims against CCIC to file or present their claims to the Rehabilitator is deferred until further order of this Court;
5. CCIC, and each of its officers, directors, shareholders, members, depositories, trustees, policyholders, agents, servants, employees, attorneys, managers and affiliates, and all firms, corporations, associations and other persons or entities having any property, records, books or papers belonging to or relating to CCIC, including but not limited to insurance policy, claims files (electronic or paper), software programs and/or bank records, shall preserve all of them and are directed, upon the Rehabilitator's request, to promptly assign, transfer, turn over and deliver them to the Rehabilitator;
6. Any person or entity providing claims processing services, data processing services, electronic records retention services or other information technology services to CCIC shall maintain and preserve all information in its possession ("Information") relating in any way to CCIC, wherever located, including but not limited to all documents, data, electronic files and records, computer equipment (*i.e.*, servers and printers), software programs and software licenses owned by CCIC, and are directed, upon the Rehabilitator's request, to promptly submit all such Information to the Rehabilitator for examination and copying;

7. Any bank, savings and loan association, other financial institution or any other entity or person, which has on deposit or in its possession, custody or control of any of CCIC's funds, accounts or assets shall immediately upon the Rehabilitator's request and direction: (i) turn over custody and control of such funds, accounts or assets to the Rehabilitator; (ii) transfer title of such funds, accounts or assets to the Rehabilitator; (iii) change the name of such accounts to the name of the Rehabilitator; (iv) withdraw funds from such bank, savings and loan association or other financial institution, or (v) take any lesser action necessary for the proper conduct of the rehabilitation proceeding;
8. The officers, directors, shareholders, members, depositories, trustees, policyholders, agents, servants, employees, attorneys, managers and affiliates of CCIC and all other persons other than the Superintendent and his agents are permanently enjoined and restrained, except as authorized by the Superintendent, from: (i) transacting the business of CCIC; (ii) wasting or disposing of or permitting to be done any act or thing that might waste or dispose of CCIC's property; (iii) interfering with the Rehabilitator in the possession, control and management of CCIC's property or in the discharge of his duties; and (iv) disclosing the name, address or contact information of CCIC's policyholders, or any other information that is proprietary to CCIC or not in the public domain;
9. All persons are permanently enjoined and restrained from commencing or prosecuting any actions or proceedings against CCIC, the Rehabilitator or the New York Liquidation Bureau, its employees, attorneys or agents, with respect to any claims against CCIC;
10. All persons are permanently enjoined and restrained from obtaining preferences, judgments, attachments or other liens, or making any levy against CCIC's assets or any part thereof;
11. All parties to actions, lawsuits or special or other proceedings ("Litigation") in which CCIC is obligated to defend a party pursuant to an insurance policy, bond, contract or otherwise are enjoined and restrained from prosecuting, advancing or otherwise taking any action within such Litigation, including but not limited to trials, hearings, conferences or other court proceedings, applications or other requests to the court of any nature, proceedings on defaults, settlements or judgments, service of documents, motions, discovery or any other litigation tasks or procedures for a period of 180 days from the date of entry of this Order;


- 12. All persons who have first-party or New York Comprehensive Automobile Insurance Reparations Act (No Fault) policyholder loss claims pursuant to Article 51 of the Insurance Law against CCIC are enjoined from presenting and filing claims with Rehabilitator for a period of 90 days from the date of entry of this Order;
- 13. Judicial immunity is extended to the Superintendent in his capacity as rehabilitator and his successors in office and their agents and employees and such immunity is extended to them for any cause of action of any nature against them, individually or jointly, for any action or omission by any one or more of them when acting in good faith, in accordance with this Order, or in the performance of their duties pursuant to Insurance Law Article 74;
- 14. The Rehabilitator may at any time make further application to this Court for such further and different relief as he sees fit;
- 15. A copy of this Order shall be served forthwith upon CCIC or its attorney;
- 16. This Court shall retain jurisdiction over this matter for all purposes;
- 17. All further papers in this proceeding shall bear the caption:

In the Matter of

the Rehabilitation of

COLONIAL COOPERATIVE INSURANCE COMPANY.

E N T E R



 J.S.C.
JUDITH J. GISCHE, J.S.C.

*ated: NYK
2/28/10-*

FILED

MAR 01 2010

**NEW YORK
COUNTY CLERKS OFFICE**

Sir:
Please take notice that the within is a true copy of duly filed and entered in the office of the clerk of the County, on the day of 20

Yours, etc.,
ANDREW M. CUOMO
Attorney General,

Attorney for
Office and Post Office Address
120 Broadway, New York, N.Y. 10271
To , Esq.

Attorney for

Sir
Please take notice that the within

will be presented for settlement and signature herein to the Hon. one of the judges of the within named Court, at

in the Borough of
City of New York, on the , 20 , at M.
Date, N.Y., Yours, etc.,

ANDREW M. CUOMO
Attorney General,

Attorney for
Office and Post Office Address
120 Broadway, New York, N.Y. 10271

To , Esq.
Attorney for

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

In the Matter of
the Application of

James J. Wrynn, Superintendent of Insurance
of the State of New York, for an order to take possession
of the property of and rehabilitate

COLONIAL COOPERATIVE INSURANCE COMPANY

ORDER OF REHABILITATION

ANDREW M. CUOMO
Attorney General

Attorney for the Superintendent of
Insurance
Office and Post Office Address
120 Broadway, New York, N.Y. 10271
Tel. (212) 416-8658

Personal service of a copy of

within day of
is admitted this day of
..... 20

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

PRESENT: J. GISCHE
JUDITH J. GISCHE, J.S.C. Justice

PART 10

Wryna
- v -
COLONIA / Group INSURE

INDEX NO. 400236/10
MOTION DATE _____
MOTION SEQ. NO. 001
MOTION CAL. NO. _____

The following papers, numbered 1 to _____ were read on this motion to/for _____

	PAPERS NUMBERED
Notice of Motion/ Order to Show Cause - Affidavits - Exhibits ...	_____
Answering Affidavits - Exhibits _____	_____
Replying Affidavits _____	_____

Cross-Motion: Yes No

Upon the foregoing papers, it is ordered that this motion

despite due proof of service- no one has interposed opposition either in writing or in person (12:20 pm). Motion Petition is granted on default. Separate order of Rehabilitation signed.

FILED
MAR 01 2010
NEW YORK COUNTY CLERK'S OFFICE

Dated: 2/25/10

J. GISCHE
JUDITH J. GISCHE, J.S.C. J.S.C.

Check one: FINAL DISPOSITION NON-FINAL DISPOSITION
Check if appropriate: DO NOT POST REFERENCE

THIS CASE IS RESPECTFULLY REFERRED TO JUSTICE FOR THE FOLLOWING REASON(S):

COO1

At IAS Part 8 of the Supreme Court of the State of New York, County of New York, at the Courthouse, 80 Centre Street, New York, New York, on the 29 day of June, 2009.

PRESENT:

HON. MARILYN SHAFER, J.S.C.

RECEIVED JUN 29 2009 PART 8 NYS SUPREME COURT - CIVIL

FILED

JUN 30 2009

In the Matter of

the Application of

Index No.: 401477/09

Eric R. Dinallo, Superintendent of Insurance of the State of New York, for an order to take possession of the property of and rehabilitate

COUNTY CLERKS OFFICE NEW YORK ORDER OF REHABILITATION

THE INSURANCE CORPORATION OF NEW YORK.

-----X

Petitioner, Eric R. Dinallo, Superintendent of Insurance of the State of New York (the "Superintendent"), having moved this Court for an order to rehabilitate and take possession of the property of The Insurance Corporation of New York ("INSCORP"), and upon reading and filing the petition of the Superintendent, duly verified the 10th day of June, 2009, and the exhibits annexed thereto; this Court finds that:

1. INSCORP was incorporated as a stock insurance company on May 29, 1968 and was licensed under the laws of the State of New York on July 11, 1968;
2. INSCORP's principal office is located at 125 W. 55th Street, New York, New York 10019;
3. INSCORP is subject to the New York Insurance Law ("Insurance Law") and, in particular, to Article 74 thereof;
4. INSCORP is insolvent;
5. INSCORP has consented to the entry of an order of rehabilitation; and
6. It is in the best interest of INSCORP's policyholders, creditors and the general

public that the Superintendent be directed to take possession of INSCORP's property and to rehabilitate its business and affairs;

NOW, on motion of the Honorable Andrew M. Cuomo, Attorney General of the State of

New York, it is ORDERED as follows:

1. The petition is granted;
2. The Superintendent, and his successors in office, are appointed rehabilitator ("Rehabilitator") of INSCORP and are: (i) vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in this Order; and (ii) authorized and directed to immediately take possession of INSCORP's property, conduct INSCORP's business and take such steps toward the removal of the causes and conditions which made this proceeding necessary as they shall deem wise and expedient;
3. The Rehabilitator may deal with the property and business of INSCORP in its name or in the name of the Rehabilitator;
4. Notice directing all persons having claims against INSCORP to file or present their claims to the Rehabilitator is deferred until further order of this Court;
5. INSCORP, and each of its officers, directors, shareholders, members, depositories, trustees, policyholders, agents, servants, employees, attorneys, managers and affiliates, and all other persons having any property or records belonging to or relating to INSCORP, including but not limited to insurance policy, loss claim and legal files, shall preserve all of them and are directed, upon the Rehabilitator's request, to promptly assign, transfer, turn over and deliver them to the Rehabilitator;
6. Any persons, firms, corporations or associations having any books, papers or records relating to the business of INSCORP shall preserve all of them and, upon the Rehabilitator's request, promptly submit them to the Rehabilitator for examination and copying;
7. Any person or entity furnishing claims processing, data processing, electronic records retention or other information technology services to INSCORP shall, upon the Rehabilitator's request, maintain and preserve all information in its possession ("Information") relating in any way to INSCORP, including but not limited to all documents, data, electronic files and records, and are directed to assign, transfer, turn over and deliver all Information to the Rehabilitator;

8. Any bank, savings and loan association, other financial institution or any other entity or person, which has on deposit or in its possession, custody or control of any of INSCORP's funds, accounts or assets ("Assets") shall immediately upon the Rehabilitator's request and direction: (i) turn over custody and control of such Assets to the Rehabilitator; and (ii) change the name of such Assets, withdraw them from such bank, savings and loan association or other financial institution, or take any lesser action necessary for the proper conduct of the rehabilitation proceeding;
9. The officers, directors, shareholders, members, depositories, trustees, policyholders, agents, servants, employees, attorneys, managers and affiliates of INSCORP are permanently enjoined and restrained from: (i) transacting the business of INSCORP; (ii) wasting or disposing of or permitting to be done any act or thing that might waste or dispose of INSCORP's property; and (iii) interfering with the Rehabilitator in the possession, control and management of INSCORP's property or in the discharge of his duties;
10. All persons are permanently enjoined and restrained from commencing or prosecuting any actions or proceedings against INSCORP, the Rehabilitator or the New York Liquidation Bureau, its employees, attorneys or agents, with respect to any claims against INSCORP;
11. All persons are permanently enjoined and restrained from obtaining preferences, judgments, attachments or other liens, or making any levy against INSCORP's assets or any part thereof;
12. All parties to actions, lawsuits or special or other proceedings ("Litigation") in which INSCORP is obligated to defend a party pursuant to an insurance policy, bond, contract or otherwise are enjoined and restrained from prosecuting, advancing or otherwise taking any action within such Litigation, including but not limited to trials, hearings, conferences or other court proceedings, applications or other requests to the court of any nature, proceedings on defaults, settlements or judgments, service of documents, motions, discovery or any other litigation tasks or procedures for a period of ~~180~~ days from the date of entry of this Order;
13. All persons who have ^{120 days} first-party policyholder no-fault loss claims pursuant to Article 51 of the Insurance Law against INSCORP are enjoined from presenting and filing claims with Rehabilitator for a period of 90 days from the date of entry of this Order;
14. The Rehabilitator, his successors in office and their agents and employees are relieved of any liability for any cause of action of any nature against them for any actions or omissions of any one or more of them when acting in good faith, in accordance with the orders of this Court, or in the

performance of their powers and duties pursuant to Insurance Law Article 74;

- 15. The Rehabilitator may at any time make further application to this Court for such further and different relief as he sees fit;
- 16. A copy of this Order shall be served forthwith upon INSCORP or its attorney;
- 17. This Court shall retain jurisdiction over this matter for all purposes;
- 18. All further papers in this proceeding shall bear the caption:

In the Matter of

the Rehabilitation of

THE INSURANCE CORPORATION OF NEW YORK

- 19. The Rehabilitator shall serve a conformed copy of this Order upon the county clerk and the clerk of the trial support office for amendment of the court and computer records.

ENTER

MARILYN SHAPER

J.S.C.

FILED

JUN 30 2009

COUNTY CLERK'S OFFICE
NEW YORK

SUPREME COURT OF THE STATE OF NEW YORK — NEW YORK COUNTY
EDWARD H. LEHNER

PRESENT: Hon. _____

PART 19

Justice

INDEX NO.

405090/01

MOTION DATE

MOTION SEQ. NO.

001

MOTION CAL. NO.

Gregory V. Serio

- v -

Frontier Insurance Co.

The following papers, numbered 1 to _____ were read on this motion to/for _____

Notice of Motion/ Order to Show Cause — Affidavits — Exhibits ...

Answering Affidavits — Exhibits _____

Replying Affidavits _____

PAPERS NUMBERED

Cross-Motion: Yes No

Upon the foregoing papers, it is ordered that this motion by petitioner

for an order of rehabilitation
is granted per decision on
record (last date).

Order signed.

FILED
OCT 15 2001
NEW YORK
COUNTY CLERK'S OFFICE

MOTION/CASE IS RESPECTFULLY REFERRED TO
JUSTICE

Dated: _____

OCT 10 2001

J.S.C.

Check one: FINAL DISPOSITION

NON-FINAL DISPOSITION

At IAS Part 19 of the Supreme Court of the State of New York, County of New York, at the Courthouse, 60 Centre Street, New York, New York on the 10th day of October, 2001.

P R E S E N T :

HON. EDWARD H. LEHNER

JUSTICE

-----x

In the Matter of

Index No.: 405090/01

The Application of

ORDER OF REHABILITATION

GREGORY V. SERIO, as Superintendent of Insurance of the State of New York, for an order to take possession of the property of and rehabilitate

FRONTIER INSURANCE COMPANY

-----x

FILED
OCT 15 2001
NEW YORK
COUNTY CLERK'S OFFICE

Petitioner, Gregory V. Serio, Superintendent of Insurance of the State of New York (the "Superintendent"), having moved this Court for an order to take possession of the property of and rehabilitate Frontier Insurance Company ("Frontier");

NOW, upon reading and filing the order to show cause signed August 27, 2001, the petition of Gregory V. Serio, Superintendent of Insurance, by Kevin Rampe, First Deputy Superintendent, duly verified August 24, 2001 and the emergency affidavit of Kevin Rampe sworn to on August 27, 2001; (the exhibits annexed thereto); the cross motion by Frontier Insurance Group dated September 7, 2001, the annexed proposed petition, the affidavit of Suzanne Loughlin sworn to on September 7, 2001, the exhibits annexed thereto; the affirmation in opposition by Mary Nicholls dated September 7, 2001; the affirmation in opposition by Adam J. Glatt dated September 7, 2001; the affidavit of Kevin Rampe sworn to on October 3, 2001, and the exhibits annexed thereto;

and the reply affidavit of Joseph Termini sworn to on October 3, 2001 and it appearing to my satisfaction that:

1. Frontier was incorporated in New York as a stock property/casualty insurer on November 2, 1962 and commenced business on August 17, 1966;
2. Frontier's principal place of business is located at 195 Lake Louise Marie Road, Rock Hill, New York in Sullivan County. Frontier's tax ID number is 13-2559805;
3. Frontier is subject to the New York Insurance Law and particularly to article 74 thereof;
4. Frontier is insolvent;
5. Frontier has failed to cure its impairment of capital or minimum surplus to policyholders;
6. Frontier has consented to the entry of the order of rehabilitation; and
7. It is in the best interest of Frontiers's policyholders, creditors and the general public that the Superintendent be directed to take possession of Frontier's property and to rehabilitate its business and affairs;

And, the Petitioner, having appeared by the Hon. Eliot Spitzer, Attorney General of the State of New York, and due deliberation having been had;

NOW, on motion of Hon. Eliot Spitzer, Attorney General of the State of New York, it is ORDERED as follows:

1. The petition is granted and the cross-motion is withdrawn;
2. Gregory V. Serio, Superintendent, and his successors in office as Superintendent, is appointed Rehabilitator of Frontier and is authorized and directed to immediately take possession of its property, conduct its business, including but not limited to settling claims within his sole discretion, take such steps toward the removal of the causes and conditions which made this proceeding necessary as he shall deem wise and expedient, and deal with the property and business of Frontier in its name or in the name of the Superintendent as Rehabilitator;

3. Notice to all persons having claims against Frontier to file or present their claims to the Superintendent as Rehabilitator is deferred until further order of this court;
4. Frontier, its officers, directors, depositories, trustees, agents, servants, employees, and all other persons, having any property or records belonging or relating to Frontier, including, but not limited to insurance policy, loss claim and legal files are directed, upon request of the Superintendent as Rehabilitator to assign, transfer, set over and deliver to him all such property or records;
5. Any persons, firms, corporations, or associations having any books, papers or records relating to the business of Frontier shall preserve them and submit them to the Superintendent as Rehabilitator for examination and copying at all reasonable times;
6. All persons including, but not limited to the officers, directors, shareholders, trustees, agents, servants, employees, attorneys, and managers of Frontier, are enjoined and restrained from the transaction of Frontier's business, the waste or disposition of its property, interfering with the Superintendent as Rehabilitator in the possession, control and management of Frontier's property or in the discharge of his duties;
7. All persons are enjoined and restrained from commencing or prosecuting any actions, lawsuits, or proceedings against Frontier, or the Superintendent as Rehabilitator;
8. All persons are enjoined and restrained from obtaining preferences, judgments, attachments or other liens or making any levy against Frontier's assets or any part thereof.
9. All parties to actions, lawsuits, and special or other proceedings in which Frontier is obligated to defend a party pursuant to an insurance policy, bond, contract or otherwise are enjoined and restrained from proceeding with any discovery, court conferences including but not limited to pre-trial conference, trial, application for judgment or proceedings on settlements or judgments for a period of one hundred and eighty days from the date of entry of this order.
10. Those persons who may have first-party or New York Comprehensive Automobile Insurance Reparations Act (No-Fault) policyholder loss claims against Frontier coming within the purview of Article 76 of the Insurance Law are enjoined from presenting and filing such claims in this proceeding for 90 days from the date of entry of this order.

- 11. In addition to the powers enumerated above and those delegated to the Rehabilitator in the New York Insurance Law, the Rehabilitator, by Order to Show Cause on notice to interested parties, including without limitation Frontier's sole shareholder, and subject to court approval, may sell or otherwise dispose of all or any part of the real and personal property of Frontier, sell any line of insurance, and take such other actions as set forth in Section 7428 of the New York Insurance Law.
- 12. That the Superintendent of Insurance, as Rehabilitator, may at any time make further application at the foot of this Order to this Court for such further and different relief as he sees fit.
- 13. All further papers in this proceeding shall bear the caption:

In the Matter of

The Rehabilitation of

FRONTIER INSURANCE COMPANY

E N T E R



J.S.C.

RehOrder 1

FILED
OCT 15 2008
NEW YORK
COUNTY CLERK'S OFFICE

Sir: Please take notice that the within is a true copy of duly filed and entered in the office of the clerk of County, on the day of 2001 Yours, etc.,

ELIOT SPITZER Attorney General,

Attorney for Office and Post Office Address 120 Broadway, New York, N.Y. 10271

To: Esq. Attorney for

Sir Please take notice that the within

will be presented for settlement and signature herein to the Hon. one of the Judges of the within named Court, at

In the Borough of City of New York, on the day of 2001. Date, N.Y., Yours, etc. 2001

ELIOT SPITZER Attorney General,

Attorney for Office and Post Office Address 120 Broadway, New York, N.Y. 10271

To: Esq. Attorney for

SUPREME COURT : NEW YORK COUNTY

In the Matter of the Application of

GREGORY V. SERIO, as Superintendent of Insurance of the State of New York, for an order to take possession of the property of and rehabilitate

FRONTIER INSURANCE COMPANY

ORDER OF REHABILITATION

ELIOT SPITZER Attorney General

Attorney for the Superintendent of Insurance Office and Post Office Address 120 Broadway, New York, N.Y. 10271

Tel. Personal Service of a copy of

within is admitted this day of 2001

EXHIBIT 3

To all persons or entities interested in the affairs of
COLUMBIAN MUTUAL LIFE INSURANCE COMPANY

Notice is Hereby Given:

Adrienne A. Harris, Superintendent of Financial Services of the State of New York (“Superintendent”), has submitted a motion to the Supreme Court of the State of New York, County of Broome (“Court”), seeking an order pursuant to Article 74 of the New York Insurance Law (“Insurance Law”), *inter alia*: (1) placing Columbian Mutual Life Insurance Company (“CML”) into rehabilitation under Insurance Law Article 74; (2) appointing the Superintendent, and her successors in office, as rehabilitator of CML (“Rehabilitator”); (3) vesting the Rehabilitator with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in the Rehabilitation Order; (4) directing the Rehabilitator, subject to the Court’s oversight, to take exclusive possession and/or control of CML’s property, conduct its business, and take such steps as she deems necessary to remove the causes and conditions that made this proceeding necessary, and to deal with the property and business of CML in CML’s name or in the name of the Rehabilitator; (5) granting the injunctions provided for in Insurance Law § 7419(a), permanently enjoining and restraining all persons and entities from wasting the assets of CML, and permanently enjoining and restraining all persons and entities, except as authorized by the Rehabilitator, from transacting CML’s business (including the issuance of insurance policies) or disposing of CML’s property; (6) granting the injunctions provided for in Insurance Law § 7419(b), permanently enjoining and restraining all persons and entities from interfering with the Rehabilitator or this proceeding, obtaining any preferences, judgments, attachments or other liens, or making any levy against CML, its assets or any part thereof, and commencing, advancing or prosecuting any actions, claims, lawsuits, arbitrations, alternative dispute resolution proceedings, or other legal or administrative proceedings against the Rehabilitator, CML, the New York Liquidation Bureau (“NYLB”), which serves as the staff for the Superintendent in her capacity as Rehabilitator, or their present or former employees, attorneys or agents, relating to this proceeding or the discharge of their duties under Insurance Law Article 74 in relation thereto; (7) permanently enjoining and restraining all persons and entities from taking any steps to transfer, foreclose, sell, assign, garnish, levy, encumber, attach, dispose of, or enforce purported rights in or against any claimed interest in any property or assets of CML; (8) permanently enjoining and restraining all persons and entities from exercising any contractual right that permits such persons and entities, including, but not limited to, any party to a reinsurance agreement, to withhold, fail to pay, set-off, accelerate payment, declare a default, recapture funds, or take similar action with respect to any obligation owed by or to CML; (9) permanently enjoining and restraining all persons and entities from commuting, terminating, accelerating or modifying any agreement of reinsurance, or asserting a default or event of default or otherwise exercising, asserting or relying upon any other right or remedy, based upon (a) application for or consent to the appointment of a receiver of property or assets; (b) a finding of impairment or insolvency; (c) the filing of or consent to filing of a petition for receivership; or (d) becoming the subject of an order of rehabilitation or liquidation; (10) temporarily staying all litigation matters in which CML is a party pending a determination on the petition in this matter (“Petition”) and then for an additional period of 90 days from the date an order of rehabilitation is signed; (11) vesting all rights in CML’s contracts and agreements, including treaties and agreements of reinsurance, however described, in the Rehabilitator and permitting the Rehabilitator to, in her discretion, reject

any executory contracts to which CML is a party, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of rejection; (12) requiring that any bank, savings and loan association, other financial institution, or any other entity or person, that has on deposit or in its possession, custody, or control any of CML's funds, accounts (including escrow accounts), or assets, shall immediately, upon the Rehabilitator's request and direction and without further order of the Court: (a) turn over custody and control of such funds, accounts or assets to the Rehabilitator; (b) transfer title of such funds, accounts, or assets to the Rehabilitator; (c) change the name of such accounts to the name of the Rehabilitator; (d) transfer funds from such bank, savings and loan association, or other financial institution; and (e) take any other action requested by the Rehabilitator that is reasonably necessary for the proper conduct of the rehabilitation proceeding; (13) requiring that all persons and entities, including CML, its directors, officers, managers, and employees, Columbian Financial Services Corporation, Production Partners, LLC, Administrative Partners, Inc., New Vision Service Corporation of New York, or any other affiliate of CML, having property, papers (including attorney work product and documents held by attorneys) and/or information (whether in electronic or paper form), including, but not limited to, insurance policies, underwriting data, annuity, reinsurance policies, claims files, actuarial reports, audit reports, financial statements, emails or other communications related to each of the reports and financial statements discussed in the Petition, computer equipment, software programs and licenses, and/or bank records or any other documents, property or information owned by, belonging to, or relating to CML shall preserve such property and/or information and immediately, upon the Rehabilitator's request and direction, and without further order of the Court, assign, transfer, turn over and deliver such property, documents, and/or information to the Rehabilitator; (14) authorizing, permitting and allowing the Rehabilitator to sell, assign, or transfer any and all stocks, bonds, or other securities at the best price reasonably obtainable at such times and upon such terms and conditions as, in her discretion, she deems to be in the best interest of the creditors of CML, and further authorizing the Rehabilitator to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers and assignments, without the further approval of this Court; (15) authorizing the Rehabilitator, in her discretion, to refrain from adjudicating claims of any class other than administrative claims or policyholder claims unless and until (a) she reasonably believes that adjudication of such claims would be in the best interests of the estate or (b) it is certain that the CML estate will have sufficient assets to pay claims of such class; (16) extending immunity to the Superintendent in her capacity as Rehabilitator of CML, the NYLB, their successors in office, 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 Article 74; and (17) granting such other and further relief as the Court may deem proper and just.

A hearing is scheduled on the application on the ___ day of _____, 2024, ("Return Date") at ___:___ .m., before the Court at the Courthouse, IAS Part ____, 92 Court Street, Room ____, Binghamton, New York. Any answering papers in support of or in opposition to this application ("Answering Papers") must be served so as to be received by the Superintendent at least seven (7) days prior to the Return Date; such service shall be made at the following addresses:

Office of the Attorney General
State Office Building, 17th Floor
44 Hawley Street
Binghamton NY 13901
Att'n: Michael Danaher
Michael.Danaher@ag.ny.gov

With copy to:

New York Liquidation Bureau
legal@nylb.org

and any such Answering Papers must be e-filed with the Court on or before the Return Date.

The application in support of the motion is available for inspection at <http://www.nylb.org>. In the event of any discrepancy between this notice and the documents submitted to Court, the documents control.

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

the same time, the Company commenced operations as a cooperative life and accident and health insurance company. On March 11, 1952, the Company converted to a mutual life insurance company and adopted its present name.

3. Between 1996 and 2011, six life insurance companies – Golden Eagle Mutual Life Insurance Corporation, Columbian Family Life Insurance Company, Philanthropic Mutual Life Insurance Company, Farmers and Traders Life Insurance Company, Mutual of Detroit Life Insurance Company, and Unity Mutual Life Insurance Company – merged with CML.

4. CML owns Columbian Life Holdings, Inc., which, in turn, wholly owns Columbian Life Insurance Company (“CLIC”), an Illinois domiciled life insurer. CLIC, in turn, owns Securitas Financial Group, Inc., a Delaware domiciled company. CML and its subsidiaries and affiliates refer to themselves as the Columbian Financial Group (“CFG”). Other members of CFG include Columbian Financial Services Corporation, a general agency; Production Partners, LLC, a limited liability corporation, which owns 100% of Administrative Partners, Inc., an administrative service company; and New Vision Service Corporation of New York, an administrative service company. The organizational structure of the Company and its affiliates is depicted in the chart annexed hereto as Exhibit A.

5. As of December 31, 2023, CML was licensed to carry out the business of insurance in 50 states, the District of Columbia, and the U.S. Virgin Islands. The Company’s primary business has been life insurance with low face values.

6. In New York, CML is licensed to transact the business of insurance in accordance with subsections (1) (Life Insurance), (2) (Annuities), and (3) (Accident and Health Insurance) of Insurance Law § 1113(a).

7. CML's principal office is located at 4704 Vestal Parkway East, P.O. Box 1381, Binghamton, New York 13902.

8. CML is believed to have approximately 700,000 in force policies.

9. On May 31, 2024, the Board of Directors of CML unanimously voted to consent to either rehabilitation or liquidation under Insurance Law Article 74. A copy of the consent is annexed hereto as Exhibit B.

10. DFS conducted an examination of CML's financial condition and issued a report on examination ("Examination Report") that was signed on June 6, 2022. Although the Examination Report cited several areas of concern, it noted that CML was making efforts to improve its financial position. Specifically, Section 7 of the Examination Report reported that on June 29, 2021, CML's Board of Directors approved a strategic transaction with Constellation Insurance Holdings, Inc. ("Constellation"), in which CML would seek to demutualize and be acquired by Constellation. In May 2024, Constellation advised DFS that it could not comply with DFS's reserve requirements that are necessary to protect policyholders. As such, Constellation no longer wished to pursue the deal.

11. On May 31, 2024, following the collapse of the proposed merger with Constellation, DFS directed CML to stop writing new business.

12. CML's Annual Financial Statement for the Year Ended December 31, 2023 ("2023 Financial Statement"), provides a five-year history of the Company's net cash from operations and surplus. An excerpt from the 2023 Financial Statement indicates that the Company's financial condition has been declining since 2019. A copy of the 2023 Financial Statement is annexed hereto as Exhibit C.

13. According to the 2023 Financial Statement, net cash from operations has steadily declined from a net positive of \$21.5 million in 2019, to a negative \$8.3 million in 2023. *See* Exhibit C, Line 29. Similarly, the Company's reported surplus has steadily declined from \$87.1 million in 2019 to \$29.2 million in 2023. *See* Exhibit C, Line 28.

14. CML's First Quarter 2024 Financial Statement showed a further decline of surplus to \$24.9 million. An excerpt, pages 2-3, from the First Quarter 2024 Financial Statement is annexed hereto as Exhibit D.

15. DFS has engaged Matczak Consulting, LLC ("MCLLC"), an independent actuarial firm, to perform an asset adequacy analysis under New York Insurance Regulation 126¹ of CML's year-end 2023 cash flow testing models, assumptions, and projections, and to opine on the adequacy of CML's assets to support the reported reserves. On May 28, 2024, MCLLC issued a report ("MCLLC Report") detailing that under any of seven different scenarios, CML's reserves were understated. A copy of the MCLLC Report is annexed hereto as Exhibit E.

16. Pursuant to DFS published guidance, MCLLC valued CML's Asset Adequacy Reserve at \$104 million. This means an additional \$104 million in assets is required to satisfy DFS' reserving requirements. *See* Exhibit E, pg. 2.

17. On January 10, 2022, DFS and CML entered into a Consent Order wherein CML (i) paid a \$3,000,000 civil fine as a result of its repeated failures to comply with numerous sections of Insurance Law § 3240 and Insurance Regulation 200, and (ii) agreed to a remediation plan to correct its failures to comply with statutory and regulatory mandates. A copy of the 2022 Consent Order is annexed hereto as Exhibit F.

¹ Insurance Regulation 126 establishes standards to test the adequacy of assets to support reported reserves under seven fixed interest rate scenarios. *See* 11 NYCRR § 95.8.

18. On April 26, 2024, CML reported to DFS a liability for unclaimed life insurance policy benefits in the amount of \$16.5 million. DFS continues to monitor this reported liability and believes the actual amount of unclaimed liability may be higher.

19. CML's indirect subsidiary, CLIC, is currently in a conservation proceeding in Illinois under the supervision of the Acting Director of the Illinois Department of Insurance. Upon information and belief, on May 30, 2024, CLIC's Board of Directors consented in principle to a rehabilitation proceeding in Illinois.

20. On June 7, 2024, AM Best, a credit rating agency, downgraded the Financial Strength Rating of CML and CLIC from C+ (marginal) to C (weak), and their Long-Term Issuer Credit Ratings from b- (marginal) to ccc (weak). Also on June 7, 2024, CML announced its intention to lay off 25 percent of its workforce (approximately 70 employees).

Mark M Cleod

MARK MCLEOD
Deputy Chief Examiner, Life Bureau
New York State Department of Financial Services

Sworn to before me this

14th day of June 2024

[Signature]
Notary Public



EXHIBIT

A

Organizational Chart

An organization chart reflecting the relationship between the Company and significant entities in its holding company system:

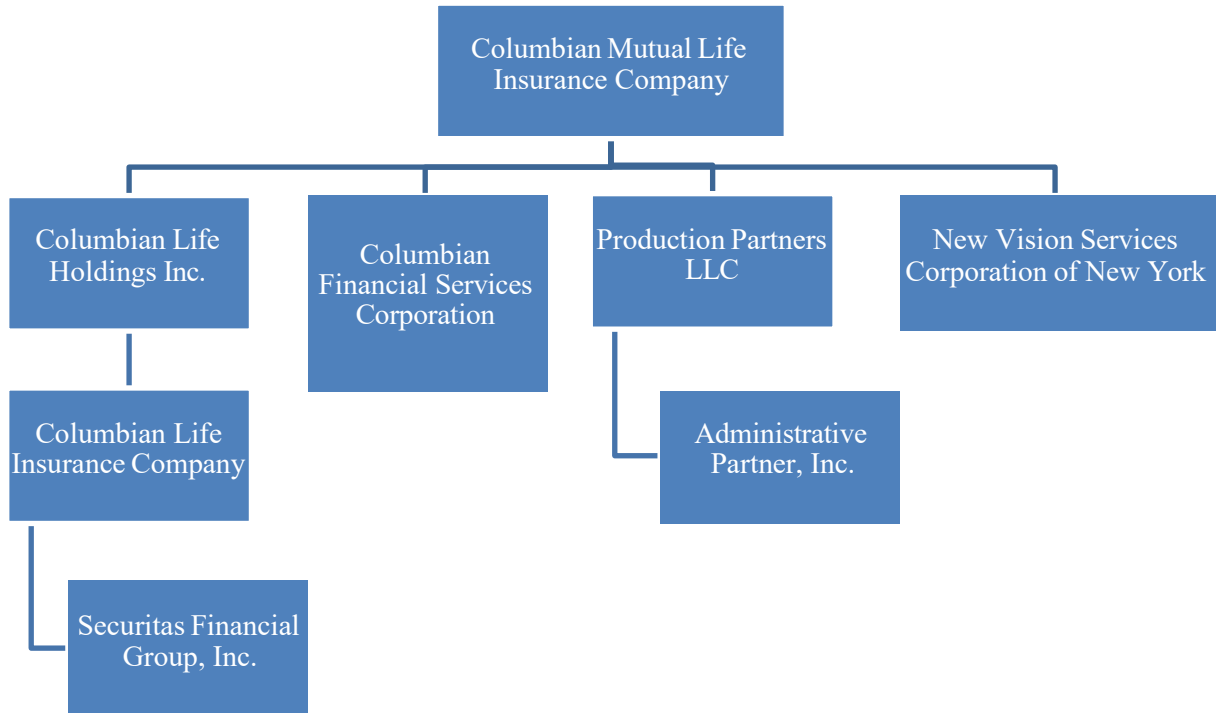


EXHIBIT B

WAIVER OF NOTICE OF MEETING AND
UNANIMOUS WRITTEN CONSENT TO ACTION
BY THE
BOARD OF DIRECTORS
OF
COLUMBIAN MUTUAL LIFE INSURANCE COMPANY

We, being all the members of the Board of Directors of Columbian Mutual Life Insurance Company, do hereby waive notice of a meeting and consent to the adoption of the following resolutions:

WHEREAS, the Superintendent of Financial Services of the State of New York (the “Superintendent”) has requested the Board of Directors of Columbian Mutual Life Insurance Company (“CML” or the “Company”) to consent to and authorize the matters set forth in the resolutions below;

WHEREAS, upon full discussion and consideration of the Company’s circumstances and options, and upon the advice of the Company’s counsel, the Board recognizes that it is in the best interests of the Company and its policyholders that the Company be positioned to be placed into rehabilitation or liquidation if the Superintendent should find that necessary; and

WHEREAS, the Board of Directors of the Company does not oppose, and will not otherwise legally challenge, the entry by the Supreme Court of the State New York (the “Supervising Court”), of an Order of Rehabilitation or an Order of Liquidation, as the case may be, against the Company and affirming the Superintendent as the statutory rehabilitator (the “Rehabilitator”) or the statutory liquidator (Liquidator”), as the case may be, of the Company;

NOW, THEREFORE, BE IT RESOLVED, that the Company, by unanimous vote of its Board of Directors, hereby ratifies, agrees and otherwise consents to the commencement of a rehabilitation proceeding (“Rehabilitation Proceeding”) by way of the filing of a Verified Complaint for Rehabilitation, to the entry of an Order of Rehabilitation against the Company and the resulting commencement and prosecution of the Rehabilitation Proceeding;

BE IT FURTHER RESOLVED, that, should the Superintendent at any time in the future determine that a rehabilitation of CML would be futile or that the liquidation of CML would otherwise be superior for CML’s policyholders to a Rehabilitation Proceeding, CML consents to the entry of an Order of Liquidation appointing the Superintendent as Liquidator of CML, and to the resulting commencement and prosecution of the liquidation proceeding (“Liquidation Proceeding”);

BE IT FURTHER RESOLVED, that the Company, by unanimous vote of its Board of Directors, agrees and irrevocably consents to waive service of process and any right to appear and answer or otherwise plead in response to the Verified Complaint for Rehabilitation or for Liquidation;

BE IT FURTHER RESOLVED, that the Company, by unanimous vote of its Board of Directors, agrees and irrevocably consents to waive any right to appeal an Order of Rehabilitation or an Order of Liquidation;

BE IT FURTHER RESOLVED, that the officers of the Company be and they hereby are authorized and directed, by unanimous vote of the Company’s Board of Directors, to take all necessary and proper action on behalf of the Company to give full force and effect to the foregoing Resolutions; and

BE IT FURTHER RESOLVED that the recitals and prefatory phrases and paragraphs set forth above are incorporated in full as part of the foregoing Resolutions.

SIGNED AND EFFECTIVE THIS 31st DAY OF MAY, 2024.



John A. Dore, Chairman of the Board



Michael C. S. Fosbury, President & CEO



H. Stacey Boyer 05.31.2024 10:23 AM



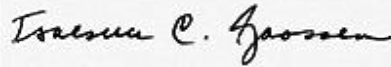
Michael W. Lowe 05.31.2024 10:15 AM



Sharon A. Brangman, MD 05.31.2024 10:13 PM



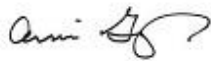
Patrick A. Mannion 05.31.2024 10:49 AM



Isabelle C. Goossen 05.31.2024 10:14 PM



Edward R. Morrissey 05.31.2024 2:24 PM



Arnold G. Gough, Jr. 05.31.2024 3:57 PM

EXHIBIT C



LIFE, AND ACCIDENT AND HEALTH COMPANIES/FRATERNAL BENEFIT SOCIETIES - ASSOCIATION EDITION

ANNUAL STATEMENT
For the Year Ended December 31, 2023
OF THE CONDITION AND AFFAIRS OF THE
COLUMBIAN MUTUAL LIFE INSURANCE COMPANY

NAIC Group Code 00535, NAIC Company Code 62103, Employer's ID Number 15-0274455
Organized under the Laws of New York, State of Domicile or Port of Entry New York
Country of Domicile United States
Licensed as business type: Life, Accident and Health [X]
Incorporated/Organized 11/01/1882, Commenced Business 02/01/1883
Statutory Home Office 4704 Vestal Parkway East, P.O. Box 1381, Binghamton, NY, US 13902-1381
Main Administrative Office 4704 Vestal Parkway East, P.O. Box 1381, Binghamton, NY, US 13902-1381
Mail Address 4704 Vestal Parkway East, P.O. Box 1381, Binghamton, NY, US 13902-1381
Primary Location of Books and Records 4704 Vestal Parkway East, P.O. Box 1381, Binghamton, NY, US 13902-1381
Internet Web Site Address www.cflife.com
Statutory Statement Contact Steven Dennis Szubert, 607-724-2472-6215
Steven.Szubert@cflife.com

OFFICERS

Table with 4 columns: Name, Title, Name, Title. Michael Charles Swinburn Fosbury, President and C.E.O., David Michael Grande, Senior V.P., CFO

OTHER OFFICERS

Table with 4 columns: Name, Title, Name, Title. Jeanne Marie Clarke, Senior Vice President, Simone Elizabeth Davis, Senior Vice President, Lesley Ann Frey, Vice President, Alan Lew Igielski, Vice President, Richard Samuel Relf, Senior Vice President, Gregory Joseph Sim, Vice President, Dale Arthur Spencer, Vice President, Todd Michael Swenson, Vice President, Steven Dennis Szubert, Vice President

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Name, Name, Name. Helen Stacey Boyer, Sharon Anne Brangman, John Ansano Dore, Michael Charles Swinburn Fosbury, Isabelle Czarkowski Goossen, Arnold Gregory Gough Jr., Michael Willi Lowe, Patrick Augustine Mannion, Edward Ronald Morrissey

State of New York
County of Broome

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Michael Charles Swinburn Fosbury, President and C.E.O., David Michael Grande, Senior V. P., CFO

Subscribed and sworn to before me this day of 2024

a. Is this an original filing? Yes [X] No []
b. If no:
1. State the amendment number
2. Date filed
3. Number of pages attached

Kathy A. Eger, Notary Public, State of New York No. 01EG6172068
Qualified in Broome County. My commission expires Aug. 6, 2027.

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE COLUMBIAN MUTUAL LIFE INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e., 17.6.
\$000 omitted for amounts of life insurance

	1 2023	2 2022	3 2021	4 2020	5 2019
Life Insurance in Force					
(Exhibit of Life Insurance)					
1. Ordinary-whole life and endowment (Line 34, Col. 4)	4,088,098	4,462,234	4,663,634	4,756,351	4,772,217
2. Ordinary-term (Line 21, Col. 4, less Line 34, Col. 4)	426,848	452,553	486,419	529,445	574,991
3. Credit life (Line 21, Col. 6)	0	0	0	0	0
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4)	235,993	245,373	248,909	229,498	216,629
5. Industrial (Line 21, Col. 2)	74,636	77,485	80,455	83,705	87,133
6. FEGLI/SGLI (Lines 43 & 44, Col. 4)	0	0	0	0	0
7. Total (Line 21, Col. 10)	4,825,580	5,237,645	5,479,417	5,598,999	5,650,970
7.1 Total in force for which VM-20 deterministic/ stochastic reserves are calculated	0	0	0	0	0
New Business Issued					
(Exhibit of Life Insurance)					
8. Ordinary-whole life and endowment (Line 34, Col. 2)	35,610	36,617	42,674	32,727	60,383
9. Ordinary-term (Line 2, Col. 4, less Line 34, Col. 2)	169	435	463	1,170	23,353
10. Credit life (Line 2, Col. 6)	0	0	0	0	0
11. Group (Line 2, Col. 9)	0	0	0	0	79
12. Industrial (Line 2, Col. 2)	0	0	0	0	0
13. Total (Line 2, Col. 10)	35,779	37,052	43,137	33,897	83,815
Premium Income - Lines of Business					
(Exhibit 1 - Part 1)					
14. Individual life (Line 20.4, Col. 2)	115,055,594	26,249	29,409	153,846	158,122
15. Group life (Line 20.4, Col. 3)	13,482,329	142,510,932	165,169,478	167,269,694	177,135,627
16. Individual annuities (Line 20.4, Col. 4)	286,296	241,968	531,454	557,943	674,663
17. Group annuities (Line 20.4, Col. 5)	13,489	16,299	78,208	110,025	35,954
18. Accident & Health (Line 20.4, Col. 6)	120,408	136,029	153,732	175,294	230,839
19. Other lines of business (Line 20.4, Col. 8)	0	0	0	0	0
20. Total	128,958,115	142,931,478	165,962,281	168,266,802	178,235,204
Balance Sheet					
(Pages 2 and 3)					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3)	1,422,756,553	1,448,071,154	1,478,133,173	1,482,520,179	1,455,720,665
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26)	1,393,557,618	1,408,089,077	1,401,000,391	1,421,962,322	1,368,593,357
23. Aggregate life reserves (Page 3, Line 1)	1,267,500,660	1,276,903,527	1,276,815,783	1,267,767,694	1,255,107,218
23.1 Excess VM-20 deterministic/stochastic reserve over NPR related to Line 7.1	0	0	0	0	0
24. Aggregate A & H reserves (Page 3, Line 2)	238,681	191,412	258,010	309,280	353,076
25. Deposit-type contract funds (Page 3, Line 3)	26,484,455	27,472,918	29,011,129	30,247,493	30,896,920
26. Asset valuation reserve (Page 3, Line 24.01)	10,267,645	9,446,831	9,569,366	11,160,926	10,433,590
27. Capital (Page 3, Lines 29 & 30)	0	0	0	0	0
28. Surplus (Page 3, Line 37)	29,198,934	39,982,077	77,132,782	60,557,856	87,127,308
Cash Flow (Page 5)					
29. Net cash from operations (Line 11)	(8,256,080)	136,818	12,160,553	19,930,712	21,489,373
Risk-Based Capital Analysis					
30. Total adjusted capital	39,466,579	49,428,908	86,702,148	71,718,782	100,090,492
31. Authorized control level risk-based capital	15,185,864	18,258,034	15,034,927	15,663,440	14,791,326
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line No./Page 2, Line 12, Col. 3) x 100.0					
32. Bonds (Line 1)	77.4	77.9	76.1	77.7	77.2
33. Stocks (Lines 2.1 and 2.2)	1.1	2.2	3.3	3.1	2.1
34. Mortgage loans on real estate (Lines 3.1 and 3.2)	15.7	14.8	14.2	13.7	14.8
35. Real estate (Lines 4.1, 4.2 and 4.3)	0.1	0.2	0.2	0.2	0.2
36. Cash, cash equivalents and short-term investments (Line 5)	1.4	0.6	0.1	0.3	0.5
37. Contract loans (Line 6)	3.8	3.9	4.0	4.2	4.4
38. Derivatives (Page 2, Line 7)	0.0	0.0	0.0	0.0	0.0
39. Other invested assets (Line 8)	0.6	0.5	0.8	0.8	0.8
40. Receivables for securities (Line 9)	0.0	0.0	1.4	0.0	0.0
41. Securities lending reinvested collateral assets (Line 10)	0.0	0.0	0.0	0.0	0.0
42. Aggregate write-ins for invested assets (Line 11)	0.0	0.0	0.0	0.0	0.0
43. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
44. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
45. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
46. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	10,307,593	26,209,935	41,319,089	38,214,076	23,358,013
47. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
48. Affiliated mortgage loans on real estate	0	0	0	0	0
49. All other affiliated	439,065	315,089	50,955	407,590	317,718
50. Total of above Lines 44 to 49	10,746,658	26,525,024	41,370,044	38,621,666	23,675,731
51. Total investment in parent included in Lines 44 to 49 above	0	0	0	0	0

EXHIBIT D



LIFE, ACCIDENT AND HEALTH COMPANIES/FRATERNAL BENEFIT SOCIETIES — ASSOCIATION EDITION

QUARTERLY STATEMENT

AS OF MARCH 31, 2024
OF THE CONDITION AND AFFAIRS OF THE
COLUMBIAN MUTUAL LIFE INSURANCE COMPANY

NAIC Group Code 00535, 00535, NAIC Company Code 62103, Employer's ID Number 15-0274455
Organized under the Laws of New York, State of Domicile or Port of Entry New York
Country of Domicile United States
Licensed as business type: Life, Accident and Health [x]
Incorporated/Organized 11/01/1882, Commenced Business 02/01/1883
Statutory Home Office 4704 Vestal Parkway East, P.O. Box 1381, Binghamton, NY, US 13902-1381
Main Administrative Office 4704 Vestal Parkway East, P.O. Box 1381, Binghamton, NY, US 13902-1381, 607-724-2472
Mail Address 4704 Vestal Parkway East, P.O. Box 1381, Binghamton, NY, US 13902-1381
Primary Location of Books and Records 4704 Vestal Parkway East, P.O. Box 1381, Binghamton, NY, US 13902-1381, 607-724-2472-6208
Internet Web Site Address www.cfqlife.com
Statutory Statement Contact Steven Dennis Szubert, 607-724-2472-6215
Steven.Szubert@cfqlife.com, 607-771-7251

OFFICERS

Table with 4 columns: Name, Title, Name, Title. Michael Charles Swinburn Fosbury, President and C.E.O., David Michael Grande, Senior V.P., CFO

OTHER OFFICERS

Table with 4 columns: Name, Title, Name, Title. Jeanne Marie Clarke, Senior Vice President, Simone Elizabeth Davis, Senior Vice President, Lesley Ann Frey, Vice President, Alan Lew Iqielski, Vice President, Richard Samuel Relf, Senior Vice President, Gregory Joseph Sim, Vice President, Dale Arthur Spencer, Vice President, Todd Michael Swenson, Vice President, Steven Dennis Szubert, Vice President

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Name, Name, Name. Helen Stacey Boyer, Sharon Anne Brangman, John Ansano Dore, Michael Charles Swinburn Fosbury, Isabelle Czarkowski Goossen, Arnold Gregory Gough Jr., Michael Willi Lowe, Patrick Augustine Mannion, Edward Ronald Morrissey

State of New York
County of Broome ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Michael Charles Swinburn Fosbury
President and C.E.O.

David Michael Grande
Senior V.P., CFO

a. Is this an original filing? Yes [X] No []

b. If no:
1. State the amendment number
2. Date filed
3. Number of pages attached

Kathy A. Eger, Notary Public, State of New York No. 01EG66172068
Qualified in Broome County. My commission expires Aug. 6, 2027.

STATEMENT AS OF MARCH 31, 2024 OF THE COLUMBIAN MUTUAL LIFE INSURANCE COMPANY

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	1,047,899,100		1,047,899,100	1,052,073,930
2. Stocks:				
2.1 Preferred stocks	885,008		885,008	885,008
2.2 Common stocks	13,730,432	394,470	13,335,962	13,564,417
3. Mortgage loans on real estate:				
3.1 First liens	207,641,569		207,641,569	213,221,738
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ _____ encumbrances)	1,439,194		1,439,194	1,509,025
4.2 Properties held for the production of income (less \$ _____ encumbrances)			0	0
4.3 Properties held for sale (less \$ _____ encumbrances)			0	0
5. Cash (\$ _____ 4,506,767), cash equivalents (\$ _____ 14,951,946) and short-term investments (\$ _____)	19,458,715		19,458,715	18,450,959
6. Contract loans (including \$ _____ premium notes)	52,271,364	11,225	52,260,139	52,245,527
7. Derivatives			0	0
8. Other invested assets	7,827,748	51,917	7,775,831	7,801,383
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets			0	0
11. Aggregate write-ins for invested assets			0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	1,351,153,130	457,611	1,350,695,519	1,359,751,987
13. Title plants less \$ _____ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	13,790,896		13,790,896	12,424,558
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	9,348,407	9,105,062	243,345	787,750
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ _____ earned but unbilled premiums)	33,632,152		33,632,152	34,633,631
15.3 Accrued retrospective premiums (\$ _____) and contracts subject to redetermination (\$ _____)			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	3,445,826		3,445,826	1,730,416
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts	8,088,877		8,088,877	6,194,406
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	1,668,122
18.2 Net deferred tax asset	25,825,109	23,842,272	1,982,837	2,583,977
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software	7,727,010	7,049,227	677,783	775,193
21. Furniture and equipment, including health care delivery assets (\$ _____)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	3,225,628		3,225,628	484,710
24. Health care (\$ _____) and other amounts receivable			0	0
25. Aggregate write-ins for other-than-invested assets	2,384,995	856,000	1,528,995	1,721,802
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	1,458,622,032	41,310,172	1,417,311,860	1,422,756,553
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	1,458,622,032	41,310,172	1,417,311,860	1,422,756,553
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Accounts Receivable	1,272,304		1,272,304	1,507,366
2502. Fixed Asset	129,400		129,400	97,050
2503. Deferred Premium Asset	127,292		127,292	117,385
2598. Summary of remaining write-ins for Line 25 from overflow page	856,000	856,000	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	2,384,995	856,000	1,528,995	1,721,802

STATEMENT AS OF MARCH 31, 2024 OF THE COLUMBIAN MUTUAL LIFE INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for life contracts \$ 1,262,664,757 less \$ included in Line 6.3 (including \$ 604,055 Modco Reserve)	1,262,664,757	1,267,500,660
2. Aggregate reserve for accident and health contracts (including \$ Modco Reserve)	229,790	238,681
3. Liability for deposit-type contracts (including \$ Modco Reserve)	26,117,038	26,484,455
4. Contract claims:		
4.1 Life	43,584,609	41,657,346
4.2 Accident and health	19,272	16,083
5. Policyholders' dividends/refunds to members \$ 149 and coupons \$ due and unpaid	149	202
6. Provision for policyholders' dividends, refunds to members and coupons payable in following calendar year—estimated amounts:		
6.1 Policyholders' dividends and refunds to members apportioned for payment (including \$ Modco)	0	0
6.2 Policyholders' dividends and refunds to members not yet apportioned (including \$ Modco)	0	0
6.3 Coupons and similar benefits (including \$ Modco)	0	0
7. Amount provisionally held for deferred dividend policies not included in Line 6	0	0
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ discount; including \$ 1,612 accident and health premiums	570,585	377,249
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts	0	0
9.2 Provision for experience rating refunds, including the liability of \$ accident and health experience rating refunds of which \$ is for medical loss ratio rebate per the Public Health Service Act	0	0
9.3 Other amounts payable on reinsurance, including \$ 34,587 assumed and \$ 1,602,434 ceded	1,637,021	1,252,400
9.4 Interest Maintenance Reserve	5,716,629	5,837,479
10. Commissions to agents due or accrued-life and annuity contracts \$ accident and health \$ 2,220 and deposit-type contract funds \$	2,220	944
11. Commissions and expense allowances payable on reinsurance assumed	2,987,571	2,906,608
12. General expenses due or accrued	979,900	893,793
13. Transfers to Separate Accounts due or accrued (net) (including \$ accrued for expense allowances recognized in reserves, net of reinsured allowances)	0	0
14. Taxes, licenses and fees due or accrued, excluding federal income taxes	418,296	334,532
15.1 Current federal and foreign income taxes, including \$ on realized capital gains (losses)	143,208	0
15.2 Net deferred tax liability	0	0
16. Unearned investment income	191,308	194,858
17. Amounts withheld or retained by reporting entity as agent or trustee	19,683,046	16,391,175
18. Amounts held for agents' account, including \$ 129,253 agents' credit balances	129,253	98,940
19. Remittances and items not allocated	654,402	762,264
20. Net adjustment in assets and liabilities due to foreign exchange rates	0	0
21. Liability for benefits for employees and agents if not included above	0	0
22. Borrowed money \$ and interest thereon \$	0	0
23. Dividends to stockholders declared and unpaid	0	0
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve	10,281,887	10,267,645
24.02 Reinsurance in unauthorized and certified (\$) companies	86,821	88,367
24.03 Funds held under reinsurance treaties with unauthorized and certified (\$) reinsurers	43,513	43,513
24.04 Payable to parent, subsidiaries and affiliates	0	0
24.05 Drafts outstanding	0	0
24.06 Liability for amounts held under uninsured plans	0	0
24.07 Funds held under coinsurance	0	0
24.08 Derivatives	0	0
24.09 Payable for securities	0	0
24.10 Payable for securities lending	0	0
24.11 Capital notes \$ and interest thereon \$	0	0
25. Aggregate write-ins for liabilities	16,315,014	16,210,426
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25)	1,392,456,288	1,393,557,618
27. From Separate Accounts statement	0	0
28. Total liabilities (Lines 26 and 27)	1,392,456,288	1,393,557,618
29. Common capital stock	0	0
30. Preferred capital stock	0	0
31. Aggregate write-ins for other than special surplus funds	400,000	400,000
32. Surplus notes	0	0
33. Gross paid in and contributed surplus	340,000	0
34. Aggregate write-ins for special surplus funds	0	0
35. Unassigned funds (surplus)	24,115,572	28,798,934
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 29 \$)	0	0
36.2 shares preferred (value included in Line 30 \$)	0	0
37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$ in Separate Accounts Statement)	24,855,571	29,198,934
38. Totals of Lines 29, 30 and 37	24,855,571	29,198,934
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)	1,417,311,860	1,422,756,553
DETAILS OF WRITE-INS		
2501. Unclaimed Funds	7,127,763	6,856,811
2502. Interest Unpaid on Policy or Contract Funds	4,770,646	4,074,579
2503. Pension Liability	2,601,399	3,907,367
2598. Summary of remaining write-ins for Line 25 from overflow page	1,815,205	1,371,670
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	16,315,014	16,210,426
3101. Guaranty Fund - State of Colorado	400,000	400,000
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page		
3199. Totals (Lines 3101 through 3103 plus 3198) (Line 31 above)	400,000	400,000
3401.		
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page		
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0

EXHIBIT E

New York State Department of Financial Services

**Review of Statutory Reserves
and Other Actuarial Analyses**

**Proposed Sponsored Demutualization of
Columbian Mutual Life Insurance Company
(NAIC Code 62104)**

May 28, 2024

MATCZAK CONSULTING L.L.C.

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May 28, 2024

William B. Carmello, Jr., F.S.A., M.A.A.A.
Chief Life Actuary
New York State Department of Financial Services
One Commerce Plaza
Albany, NY 12257

Dear Bill:

This report documents the review by Matczak Consulting L.L.C. ("MCLLC") of reserves and other actuarial analyses of Columbian Mutual Life Insurance Company ("CML") as of December 31, 2023. Our review was completed in conjunction with the proposed demutualization of CML sponsored by Constellation Insurance Holdings, Inc.

The results of our review and other actuarial analyses documented herein were completed pursuant to the terms and conditions defined in the Engagement Letter dated December 21, 2021 between MCLLC, the New York State Department of Financial Services ("NYSDFS"), and CML.

Section 1 of our report provides an overview of the nature and scope of our analyses, as well as our conclusion as the amount of Asset Adequacy Reserves required to be established by CML as of December 31, 2023. Section 2 documents in detail the results of our review and analyses.

This report has been prepared solely for the NYSDFS and, except as defined in Section 1 under "Limitations on Use and Distribution of this Report", may not be distributed, disclosed, copied, or otherwise provided in whole or in part to any other party without the prior written consent of MCLLC unless such distribution or disclosure is required or authorized by law. The report cannot be used in any filings with any other public body including, but not limited to, the Securities and Exchange Commission, the Internal Revenue Service, and state insurance departments (other than those of New York) without the written consent of MCLLC.

Questions regarding our report posed by any authorized recipient must be directed to MCLLC for review and response.

MCLLC also requests that this report be treated as trade secret confidential information not subject to any Freedom of Information Act or similar laws.



MATCZAK CONSULTING L.L.C.

This report is considered a statement of actuarial opinion under the guidelines promulgated by the American Academy of Actuaries. The MCLLC principals that authored this report are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained herein.

Yours truly,

Robert J. Matczak, F.S.A., M.A.A.A.
Principal

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Table of Contents

Section 1: Introduction.....	1
Section 2: Results of Our Review of Year-end 2023 Cash Flow Testing	4

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Section 1: Introduction

The Superintendent of the New York State Department of Financial Services (“NYSDFS”, or “the Department”) appointed Matczak Consulting LLC (“MCLLC”, “we”, or “us”) as actuarial consultants to advise and assist the Department in its review of the proposed sponsored demutualization of Columbian Mutual Life Insurance Company (“Insurer”, or “CML”), pursuant to Section 7312 of the New York State Insurance Law. Our work was completed pursuant to the terms and conditions defined in the Engagement Letter dated December 21, 2021 between MCLLC, the Department, and CML.

In conjunction with the proposed demutualization, CML will be acquired by Constellation Insurance Holdings, Inc. (“Constellation”). Upon completion, the transaction will result in the conversion of CML from a mutual insurance company that is owned and operated for the benefit of policyholders into a stock insurance company that is indirectly owned by Constellation. This process is known as a sponsored demutualization.

MCLLC also was asked by the Department to act as examiner, pursuant to §310 of the Insurance Law, to assist the Superintendent of the NYSDFS (the “Superintendent”) and other NYSDFS personnel in conducting a review of reserves CML as of December 31, 2023, pursuant to §§309 and 4217(a)(1) of the Insurance Law and N.Y. Compilation of Codes Rules and Regulations, Title 11, §92 (1997) (Regulation 11). The primary objective of our examination was to determine if Asset Adequacy Reserves (“AAR”) need to be established by CML as of December 31, 2023.

Professional Qualifications

This report is considered a statement of actuarial opinion under the guidelines promulgated by the American Academy of Actuaries. The principals of MCLLC who developed this report, whose names are listed in the transmittal letter for this report, are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render this statement of actuarial opinion.

Conclusion

As a part of our review of CML's year-end 2023 Cash Flow Testing ("CFT") models, assumptions, and projections, MCLLC developed adjusted CFT results (i.e., adjusted present values of ending market values of surplus) so as to eliminate overstatements of results caused by faulty methodology or insufficiently conservative assumptions.

The worst-case adjusted CFT result under the NY7 interest rate scenarios leads MCLLC to conclude that Asset Adequacy Reserves equal to **\$104 million** need to be established by CML as of December 31, 2023.

CML's statutory surplus as of December 31, 2023 was **\$29.2 million**.

Reliances

In preparing our actuarial analysis as reported in this presentation, MCLLC relied upon information supplied by CML as well as upon published financial information. We performed no audits or independent verification of the information furnished.

The principal materials relied upon include, but are not necessarily limited to, the following:

- The 12/31/2023 statutory statement of CML.
- The year-end 2023 Regulation 126 Actuarial Memorandum of CML, including reporting of Cash Flow Testing results under various sensitivity scenarios.
- CML's detailed base case Cash Flow Testing projections of income statements and balances sheets under each of the NY7 interest rate scenarios.
- Cash Flow Testing projections under sensitivity analyses requested by MCLLC:
 1. Borrowing rates assumed equal to new money reinvestment rates
 2. Use of alternative mortality scaling factors and removal of assumed mortality improvement
 3. Combined impact of sensitivity scenarios #1 and #2
- Details underlying CML's most recent updated mortality experience study.
- Net yield pick-up calculations for assets in force on 9/30/2023, as derived for CML's base case CFT projections.

- Option Adjusted Spreads and Weighted Average Life as calculated by CML's Axis projection system on a seriatim basis for CML's 9/30/2023 modeled assets.
- Responses provided by Simone Davis (SVP, Chief Actuary and CRO of Columbian Financial Group) to various inquiries posed by MCLLC during the course of our review.

Limitations on Use and Distribution

This report has been prepared solely for the NYSDFS, and may not be distributed, disclosed, copied, or otherwise provided, in whole or in part, to any other party unless such distribution or disclosure is required or authorized by law.

We do consent, however, to the distribution of this report to Foley & Lardner LLP, the Department's outside legal counsel on the review of the proposed sponsored demutualization of CML. Distribution of the report to Foley & Lardner LLP must be in its entirety.

This report, or any other documents or work papers related to MCLLC's actuarial analyses developed herein, may not be used in any filings with the Securities and Exchange Commission, Internal Revenue Service, or any other public bodies without the prior written consent of one of the principals of MCLLC.

MCLLC requests that this report be treated as trade secret confidential information not subject to any Freedom of Information Act or similar laws.

Questions regarding our report posed by any authorized recipient must be directed to MCLLC for review and response.

* * * *

Section 2: Results of Our Review of Year-end 2023 Cash Flow Testing

MCLLC's observations, recommendations, and conclusions resulting from the examination of CML are presented below.

CML prepared asset adequacy analysis as of December 31, 2023 in compliance with the requirement of New York Regulation 126, applicable Actuarial Standards of Practice, as well as the applicable letter of the Department documenting special considerations relating to year-end 2023 reserves ("Special Considerations Letter", or "SCL")

- Aggregation of Cash Flow Testing ("CFT") Results
 - Ms. Simone Davis (CML's appointed actuary) in accordance with Section 95.10(a)(2) of Regulation 126, aggregated the results of asset adequacy analysis across the Life and Annuity lines of business in formulating her year-end 2023 opinion. Ms. Davis received permission to aggregate these lines of business in an e-mail dated February 6, 2024 from Seth Bieler-Snow, Principal Actuary – Life, New York State Department of Financial Services.
 - Columbian Mutual is domiciled in the state of New York and is subject to the requirements of the SCL.

- CFT Results
 - CFT results (i.e., present values of ending market values of surplus, or "PVMVS") reported by CML in its year-end Regulation 126 Actuarial Memorandum, and as shown in the table on the next page of this report, were positive in the aggregate across the Life and Annuity lines of business under the "NY7" interest rate scenarios specified in Sections 95.10(d)(1) (i), (ii), (iii), (iv), (v), (vi), and (vii) of Regulation 126.

CFT Results as of 9/30/2023
PVMVS (in millions)

Scenario		As Reported in YE23 Regulation 126 Actuarial Memorandum
1	Level	54
2	Rising	110
3	Up/Down	13
4	Pop-Up	62
5	Falling	8
6	Down/Up	52
7	Pop-Down	16

- Borrowing Rate Assumed in CFT Projections
 - CML made a significant change in the borrowing rate assumed in year-end 2023 (“YE23”) CFT (i.e., the rate assumed when invested assets are projected to be extinguished, resulting in the need to borrow).
 - Rather than appropriately assuming, as had been done in prior years, that the borrowing rate would be the negative new money reinvestment rate appropriately calculated for each of the NY7 interest rate scenarios, CML inappropriately assumed that the borrowing rate would be the overall initial asset portfolio yield of 4.05%:
 - In each projection year; and
 - In each of the NY7 interest rate scenarios.
 - This resulted in an overstatement of reported CFT results, as the use of this inappropriately assumed borrowing rate creates “leverage” in the CFT projections under increasing interest rate scenarios.
 - For example, under the Pop-up interest rate scenario – model segments that were reinvesting would be reinvesting at 8.80% (the new money rate under the Pop-up scenario) while model segments that would be borrowing would be doing so at 4.05%.

- To illustrate the leveraging effect – if \$800 million of assets were reinvested in LOB1 while \$200 million of assets were borrowed in LOB2, the aggregate investment earnings rate would be 10.38%.
 - $(\$800M \times 8.80\% = \$70.4M)$ plus $(-\$200M \times 4.05\% = -\$8.1M) = \$70.4M - \$8.1M = \$62.3M$
 - $\$62.3M$ divided by $(\$800M - \$200M) = \$62.3M$ divided by $\$600M = 10.38\%$
- The appropriate assumption would be that model segments that were reinvesting under the Pop-up scenario would be reinvesting at 8.80% while model segments that would be doing so at 8.80%, resulting in net reinvestments at 8.80%.
- CML's year-end 2019, 2020, 2021 and 2022 AOMs stated "*Borrowing is assumed where assets are completely liquidated by negative cash flows. If that is the case, the rate on loans is set to approximately equal the reinvestment rate, so that borrowing is effectively assumed from other lines.*"
 - This statement was misleading in 2019 and 2020 in that the CFT models assumed borrowing at a short-term new money rate and not at the long-term new money rate assumed for reinvestments.
 - CML changed the borrowing new money rate to match the long-term new money reinvestment rate starting in 2021 as a result of Liz Todaro's company examination and subsequent required "fix" of the NYSDFS.
 - Nonetheless, CML apparently had no issue with assuming borrowing rates equal to new money reinvestment rates at the previous 2 years-end.
- CML's year-end 2023 change in the assumed borrowing rates had the impact of dramatically improving CFT results under the increasing interest rate scenarios, which produce the worst CFT results for CML.
- It should also be noted that the view of both the NYSDFS and MCLLC that the borrowing rate should be equal to the new money reinvestment rate is consistent with the view presented to other companies examined by the NYSDFS and MCLLC.
- The impact of assuming borrowing rates equal to new money reinvestment rates, rather than the initial asset portfolio earnings rate, is shown in the table found at the top of the next page.

Columbian Mutual

Cash Flow Testing Results as of 9/30/2023
Present Value of Ending Market Value of Surplus (in millions)

	Scenario	As Reported in YE23 AOM	Set Borrowing Rates = New Money Rates ¹	SUBTOTAL - MCLLC Baseline
1	Level	54	(25)	29
2	Rising	110	(110)	(0)
3	Up/Down	13	(27)	(14)
4	Pop-Up	62	(86)	(25)
5	Falling	8	17	24
6	Down/Up	52	(22)	30
7	Pop-Down	16	14	30

¹ Derived from CML sensitivity requested by MCLLC

- The revised baseline results make more intuitive sense than those reported in the YE23 Regulation 126 Actuarial Memorandum, as the increasing interest rate scenarios consistently show worse results than the level and decreasing scenarios.
- The lower PVMVS under rising interest rate scenarios arise due to the amount of asset sales projected in the early projection years.
- As shown in the table at the top of the following page, projected capital losses realized upon asset sales are of a higher magnitude under the increasing interest rate scenarios as the increased interest rates reduce the projected market values of invested assets relative to the market values projected under the level and decreasing interest rate scenarios.

Cash Flow Testing Results as of 9/30/2023
PVMVS (in millions)

Scenario	Excluding impact of realized CG/L	PV of realized CG/L	SUBTOTAL - MCLLC Baseline
1 Level	78	(49)	29
2 Rising	94	(94)	(0)
3 Up/Down	83	(97)	(14)
4 Pop-Up	87	(112)	(25)
5 Falling	44	(20)	24
6 Down/Up	55	(25)	30
7 Pop-Down	36	(6)	30

- Mortality Assumptions
 - CML's mortality assumption for YE23 CFT was developed as follows:
 - 2019 and prior issues – CML developed trended experience-based mortality scaling factors using the 2015 VBT 150% Relative Risk tables as the base mortality tables. Experience for all policy years was combined in the development of the scaling factors.
 - 2020 and later issues – Swiss Re had developed base mortality pricing assumptions for 2016 and later issues, onto which CML then added mortality improvement factors. CML used these pricing assumptions (including mortality improvement) for 2020 and later issues.
 - MCLLC requested a mortality sensitivity for the Final Expense business using revised mortality scaling factors which were derived based on CML's historical experience excluding experience from the first 3 policy years where mortality is lower primarily due to contested claims.
 - MCLLC's derivation of the revised mortality scaling factors was based on CML's experience from 2015 to 2019 and 2022 to 2023 (i.e., experience from the COVID years of 2020 and 2021 was excluded).
 - After excluding experience from the first 3 policy years there was not sufficient experience to develop scalars for 2016 to 2019 issues, so pricing assumptions were used in these instances.

- The future mortality improvement factors built into CML’s pricing mortality tables for 2016 and later issues were eliminated.
 - MCLLC also had CML assign all graded benefit policies to the “uni-smoke” underwriting class in partial recognition that graded benefit policies have materially higher mortality than full benefit policies.
- The alternative mortality scaling factors developed by MCLLC for use in the requested sensitivity projection, as compared to the mortality scaling factors assumed by CML in YE23 CFT, are as follows:

	ALTERNATE				CML		
	Gender/Tob	Post Drug Database	FE2014		Gender/Tob	Post Drug Database	FE14-16
2015-2023*, Excl. 20&21	FNS	164%	154%	2023CFT	FNS	169%	109%
	FS	181%	124%		FS	186%	101%
	MNS	168%	159%		MNS	171%	126%
	MS	194%	176%		MS	199%	140%
	FUN	272%	492%		FUN	211%	n/a
	MUN	329%	547%		MUN	243%	n/a

- The impact of using MCLLC’s alternative mortality assumptions was to reduce PVMVS across all NY7 interest rate scenarios, as shown in the following table.

Adjusted CFT Results as of 9/30/2023
PVMVS (in millions)

Scenario	SUBTOTAL - MCLLC Baseline	Mortality Adjustments	PRELIMINARY TOTAL ADJUSTED PVMVS
1 Level	29	(35)	(6)
2 Rising	(0)	(40)	(40)
3 Up/Down	(14)	(41)	(55)
4 Pop-Up	(25)	(42)	(66)
5 Falling	24	(31)	(6)
6 Down/Up	30	(31)	(1)
7 Pop-Down	30	(29)	1

- Please note that while MCLLC considers the alternative mortality scaling factors used in the mortality sensitivity projection to be more appropriate for use in CFT than CML’s mortality scaling factors, MCLLC nonetheless believes that the general

approach of applying flat mortality scaling factors, varying only by gender, smoker class, and issue era, to base tables developed from fully underwritten experience does not appropriately capture all of the material mortality risk characteristics of its simplified and guaranteed issue products.

- For example:
 - In general, the slope of mortality rates by attained age would be expected to differ between guaranteed issue, simplified issue, and fully underwritten business.
 - CML's mortality study showed anti-selection at younger issues ages and experience varying by duration for both Final Expense and Preneed policies.
 - The graded benefit Final Expense products do not have a contestable period and show significantly higher mortality than the full benefit version.
- Bulk Treaty Expense Allowances
 - As of March 31, 2024, the intercompany reinsurance treaty between CML and its subsidiary Columbian Life (referred to as the "Bulk Treaty") was amended to reflect a change to Final Expense reinsurance allowances for policies issued after June 30, 2023.
 - The NYSDFS requested that CML's YE23 CFT projections reflect this change in allowances. However, the change in allowances was not finalized in time for CML to reflect this change in its baseline YE23 CFT projections.
 - In its YE23 Regulation 126 Actuarial Memorandum, CML did report results under a sensitivity projection developed to assess the impact of the change in allowances.
 - MCLLC and the NYSDFS believe this assumption to be more appropriate than CML's base case assumption of ignoring the change in reinsurance allowances.
- Preneed Growth Rates
 - The Preneed policies of CML are mostly assumed from CML's directly owned subsidiary Columbian Life Insurance Company ("CLIC"). The benefit growth rates are determined by CLIC.

- It was reported in CML’s Regulation 126 Actuarial Memorandum that the Preneed growth rates assumed in YE23 CFT were:
 - Zero in all projection years under the Level and all Increasing Interest Rate Scenarios
 - 0.07% in all projection years under Scenario 5 (Falling)
 - 0.10% in all projection years under Scenario 6 (Down/Up) and Scenario 7 (Pop-down)
- However, historical Preneed growth rates have been higher and have moved upward in both 2023 and 2024:

Historical Preneed Growth Rates (as of December 31)						
	12/31/19	12/31/20	12/31/21	12/31/22	12/31/23	03/31/24
Wt Avg Growth Rate	1.35%	1.23%	0.89%	0.15%	0.26%	0.46%
NII Rate	4.63%	4.42%	4.03%	3.94%	3.93%	--

- In its YE23 Reg. 126 Actuarial Memorandum, CML included the results of a sensitivity scenario in which growth rates were assumed equal to 0.50% in all projection years under all NY7 interest rate scenarios. MCLLC believes this assumption to be more appropriate for use in YE23 CFT than CML’s base case assumption.
- Net Yield Pick-up
 - CML’s derivation of total default costs reflecting the fixed income asset spread cap, or Net Yield Pick-up (“NYPU”), limitations of the NYSDFS resulted in an understatement of current market spreads and resultant total default costs assumed for commercial mortgages, resulting in an overstatement of PVMVS.
 - CML used an indexed approach to implement the NYPU limitation at year-end 2023.
 - CML created a table of default costs by quality rating and years to maturity (“YTM”) using NAIC non-callable bond spreads (minimum of current and long-term spreads) as a proxy for gross market spreads.
 - CML’s base default costs by quality rating were subtracted from the NAIC spreads and compared to the NYSDFS’s spread caps (referenced by YTM) to determine the NYPU adjustment (i.e., additional default costs).

- In order to check the reasonableness of CML’s indexed approach, MCLLC developed NYPU adjustments using Option Adjusted Spreads (“OAS”) calculated by AXIS (CML’s actuarial projection software) on a seriatim asset basis.
- The OAS were used as proxies for gross market spreads.
- Axis also calculated weighted average life (“WAL”) for each in-force asset which was used to reference the appropriate SCL asset spread cap.
- As is shown in the following table, the OAS spreads differ from CML’s indexed spreads most dramatically for mortgages:

	Quality	BV	MV	MV/BV	YTM	WAL	Book Yield	Gross Market Spread		
								CML	OAS	DIFF
BOND	1 AAA	127	105	83%	19	15	3.85%	1.19%	1.20%	0.02%
	2 AA+	65	51	77%	18	17	3.64%	1.19%	1.25%	0.06%
	3 AA	118	88	75%	19	18	3.56%	1.21%	1.30%	0.09%
	4 AA-	69	53	77%	20	18	3.71%	1.25%	1.36%	0.11%
	5 A+	92	71	77%	20	19	3.90%	1.26%	1.30%	0.04%
	6 A	117	89	76%	23	22	3.94%	1.26%	1.37%	0.11%
	7 A-	157	121	77%	20	20	4.16%	1.35%	1.43%	0.09%
	8 BBB+	172	129	75%	21	21	4.11%	1.51%	1.53%	0.02%
	9 BBB	139	103	74%	22	22	4.01%	1.69%	1.53%	-0.16%
	10 BBB-	4	3	64%	25	25	3.72%	2.00%	2.09%	0.08%
	TOTAL	1,061	812	77%	20	20	3.92%	1.35%	1.39%	0.03%
COMM MTG	7 A-	175	157	90%	8	6	4.49%	1.31%	2.06%	0.76%
	10 BBB-	34	30	89%	7	6	4.38%	1.94%	2.07%	0.13%
	TOTAL	209	187	90%	8	6	4.47%	1.41%	2.06%	0.65%
TOTAL		1,270	1,000	79%	18	17	4.01%	1.36%	1.50%	0.14%

- The OAS for commercial mortgages is approximately 200 bp, which is consistent with CML’s current view on spreads-to-Treasuries for Commercial Mortgages
- The increased gross market spread under the OAS approach results in increases to total default costs of like amounts (i.e., 3 bp for Bonds, and 65 bp for mortgages)
- The YE23 CFT results adjusted for more appropriate assumptions for: (1) bulk treaty reinsurance allowances; (2) Pneed growth rates; and (3) additional default costs due to SCL net yield pick-up limitations can be seen in the table at the top of the following page.

Adjusted CFT Results as of 9/30/2023
PVMVS (in millions)

Scenario	SUBTOTAL - MCLLC Baseline	Mortality Adjustments	PRELIMINARY TOTAL ADJUSTED PVMVS	Bulk Treaty Expense Allowances Corrected	Preneed Growth Rates Set Equal to 0.50%	Revised Net Yield Pickup Methodology	TOTAL ADJUSTED PVMVS (After-tax Discount Rates)
1 Level	29	(35)	(6)	(4)	(5)	(8)	(23)
2 Rising	(0)	(40)	(40)	(5)	(5)	(8)	(58)
3 Up/Down	(14)	(41)	(55)	(5)	(4)	(8)	(73)
4 Pop-Up	(25)	(42)	(66)	(5)	(4)	(8)	(84)
5 Falling	24	(31)	(6)	(3)	(5)	(8)	(23)
6 Down/Up	30	(31)	(1)	(3)	(4)	(8)	(17)
7 Pop-Down	30	(29)	1	(3)	(5)	(8)	(15)

- Other Considerations
 - *9/30/2023 CFT Models and Treasury Yield Curve*
 - CML's YE23 CFT projections were developed using 9/30/2023 asset and liability models, and the 9/30/2023 Treasury yield curve.
 - Treasury yields declined between 9/30/2023 and 12/31/2023:

	9/30/2023	12/29/2023	12/29/2023 vs. 9/30/2023
3-month	5.55	5.40	(0.15)
6-month	5.53	5.26	(0.27)
1-year	5.46	4.79	(0.67)
2-year	5.03	4.23	(0.80)
3-year	4.80	4.01	(0.79)
5-year	4.60	3.84	(0.76)
7-year	4.61	3.88	(0.73)
10-year	4.59	3.88	(0.71)
20-year	4.92	4.20	(0.72)
30-year	4.73	4.03	(0.70)

- Use of the 12/31/2023 Treasury yield curve in place of the 9/30/2023 yield curve will have two somewhat offsetting impacts on CFT results:
 - Projected new money reinvestment rates will be lower, which will have the impact of decreasing PVMVS.
 - The market value of invested assets will increase, which will have the impact of reducing projected capital losses realized upon the sale of invested assets, which will increase PVMVS.

- The “12/31/2023 Treasury Yield Curve” sensitivity presented in CML’s YE23 Regulation 126 Actuarial Memorandum only accounts for the first of these two impacts. MCLLC therefore did not utilize the results of this sensitivity analysis in its review of CML’s YE23 CFT results.
- Projected Negative Federal Income Tax
 - CML’s YE23 CFT projections included significant negative income tax values.
 - CML did not provide evidence to demonstrate that there were other sources of positive income tax to offset the negative tax values inherent in the YE23 CFT projections.
 - Including negative income tax values is essentially equivalent to assuming future cash payments from the Federal government into CML.
 - Such an assumption is inappropriate.
 - The impact on PVMVS of excluding projected negative income taxes is shown in the following table:

Adjusted CFT Results as of 9/30/2023
PVMVS (in millions)

Scenario	TOTAL ADJUSTED PVMVS (After-tax Discount Rates)	----->	TOTAL ADJUSTED PVMVS (Pre-tax Discount Rates)	PV of Projected Negative F.I.T. (Pre-tax Discount Rates)	PVMVS Excluding Negative Federal Income Tax
1 Level	(23)		(18)	19	(37)
2 Rising	(58)	----->	(24)	49	(74)
3 Up/Down	(73)		(42)	43	(85)
4 Pop-Up	(84)	----->	(40)	64	(104)
5 Falling	(23)		(16)	14	(30)
6 Down/Up	(17)	----->	(14)	16	(29)
7 Pop-Down	(15)		(11)	12	(23)

- **CONCLUSION:** The worst-case results shown in the last column indicate that Asset Adequacy Reserves of \$104 million should be established by CML as of 12/31/2023.

* * * *

EXHIBIT F



NEW YORK STATE
DEPARTMENT OF FINANCIAL SERVICES
ONE STATE STREET
NEW YORK, NEW YORK 10004

-----X
In the Matter of :
COLUMBIAN MUTUAL LIFE INSURANCE COMPANY :
-----X

CONSENT ORDER

The New York State Department of Financial Services (the “Department” or “DFS”) and Columbian Mutual Life Insurance Company (“Columbian Mutual” or the “Company”) are willing to resolve the matters described herein without further proceedings.

WHEREAS, in 2012 the Department issued a regulation requiring life insurance companies to regularly seek out beneficiaries to pay death benefits, rather than waiting for claims to be filed;

WHEREAS, but for the promulgated regulation, Regulation 200, a significant number of New York residents would not have been aware they were named on life insurance policies and would not have filed claims;

WHEREAS, DFS commenced an investigation (“Investigation”) of Columbian Mutual, in connection with unclaimed death benefits, for the period of July 1, 2011 through March 31, 2021 (“the Relevant Period”);

WHEREAS, the Department investigated Columbian Mutual's compliance with the requirements of Regulation 200 and related law with respect to unclaimed death benefits;

WHEREAS, the Department found that, in violation of New York law, Columbian Mutual (1) failed to cross-check all Columbian Mutual policies against the Death Master File ("DMF") on a quarterly and annual basis; (2) failed to commence beneficiary outreach within ninety (90) days, following the identification of DMF Matches in numerous instances; and (3) failed to escheat death benefit proceeds when Columbian Mutual could reasonably confirm the deaths of certain insureds but was unable to locate beneficiaries;

WHEREAS, the Department found Columbian Mutual failed to consider exact DMF Matches on contract holders' Social Security Numbers as matches for further review independent of other criteria, as required by New York law; and

WHEREAS, the Department found that while Columbian Mutual had Inexact DMF Match ("Fuzzy Match") procedures in place during the Relevant Period since September 2013, these procedures failed to comply with New York law.

NOW, THEREFORE, to resolve this matter without further proceedings pursuant to the Superintendent's authority under the New York Insurance Law, the Department finds as follows:

THE DEPARTMENT'S FINDINGS

Respondent

1. Columbian Mutual is a domestic mutual life insurance company, incorporated in the State of New York.
2. Columbian Mutual is authorized to write life insurance, annuities, and accident and health insurance, and is licensed to transact business in the District of Columbia and fifty states, including New York State.

3. Colombian Mutual's principal products subject to the Department's investigation during the Relevant Period were fixed annuities and life insurance, including individual whole life and term life insurance contracts.

4. Colombian Mutual primarily sold and issued small face value life insurance policies during the Relevant Period.

5. Independent agents market Colombian Mutual's products.

6. Colombian Mutual is headquartered in Binghamton, New York.

Terms

7. For purposes of this Consent Order, the following terms shall have the meanings set forth herein:

- a. "Policy" means a life insurance policy, annuity contract, or certificate under a life insurance or annuity contract, under which benefits are to be paid by Colombian Mutual upon the death of an insured, including policies that lapsed or terminated, as provided in Insurance Law § 3240(a)(6).
- b. "Insured" means an individual covered by a policy or an annuitant when the annuity contract provides for benefits to be paid or other monies to be distributed upon the death of the annuitant, as provided in Insurance Law § 3240(a)(3).
- c. "Beneficiary" or "Beneficiaries" means the person(s) entitled to receive death benefit proceeds under a policy.
- d. "Death Master File" or "DMF" is a data source created from internal Social Security Administration ("SSA") records of deceased persons

containing social security numbers, names, dates of birth, and dates of death and whose deaths were reported to the SSA. The DMF contains more than 94 million records.

- e. “DMF Match” means a match of the insured contained in Columbian Mutual’s policy records to an individual listed in the DMF, as required by the matching criteria and standards set forth in Insurance Law § 3240 and Regulation 200.
- f. “Fuzzy Match” means a DMF Match, accounting for common variations in data that would otherwise preclude an exact match with the DMF or a comparable death index, as provided in 11 NYCRR 226.4(e).
- g. “Escheat” means the transfer of unclaimed death benefits to state authorities as abandoned property as required, for example, by the New York State Abandoned Property Law.

Background

8. A life insurance policy is a contract between a purchaser and an insurance company in which the insured agrees to make regular timely periodic payments, known as premium, in exchange for a guarantee that the insurer will pay a lump sum death benefit to the named beneficiary upon the insured’s death. An annuity is a contract between a purchaser and an insurance company in which the contract holder agrees to make a lump sum payment or series of payments to the insurer in return for a regular stream of income payments for a specified period or the remainder of life. Upon the contract holder’s death, an annuity with a death benefit is designed to provide the beneficiary with remaining guaranteed payments pursuant to the payout option.

9. Sometimes, individuals may not know that they were named as beneficiaries under life insurance policies or annuities. Insurers are uniquely suited, however, to initiate and facilitate the death claims process to locate beneficiaries. Among other things, insurers have the means to determine whether insureds have died by reviewing the DMF.

10. In July 2011, the Department's Life Bureau sent an industry-wide letter request for information to life insurers, including Columbian Mutual, pursuant to Insurance Law § 308. The July 2011 § 308 letter put insurers on notice that "[t]he Department expects life insurers to identify any death benefits that may be due under life insurance policies . . . that have not been previously reported through the historical claim reporting processes, implement procedures to locate the appropriate beneficiaries, and make prompt payments as necessary."¹

11. The Department requested life insurers to cross-check the DMF with insureds' personal information and to include policies in-force as far back as electronic records permitted. Upon completion, insurers were required to file reports with DFS indicating if death benefit payments were due, and the procedures implemented to locate beneficiaries and pay proceeds.

12. In making this request, the Department was concerned of the possibility that following insureds' deaths, life insurers were continuing to deduct premiums from policies' cash values; declaring certain policies to have lapsed or terminated even though premiums were no longer due; and failing to make death benefit payments to beneficiaries.²

13. Columbian Mutual purchased the DMF in July 2011, after receiving the Department's July 2011 § 308 Request. Prior to July 2011, Columbian Mutual did not cross-check policies against the DMF.

¹ Department's July 5, 2011 letter, pursuant to Insurance Law § 308, to life insurers.

² *Id.*

14. In 2012, DFS promulgated Regulation 200 to ensure contract holders and beneficiaries are provided with the benefits for which they have paid and to which they are entitled. *See* Section 226(c). The Legislature subsequently enacted Insurance Law § 3240, which became effective in June 2013, and served to codify Regulation 200.

15. In addition to measures that require life insurers to use the DMF to cross-check every policy on a quarterly basis, pursuant to Insurance Law § 3240(d)(1) and 11 NYCRR 226.4(b)(1), life insurers must also perform cross-checks of every policy using the entire DMF at least once annually, as provided in Insurance Law § 3240(d)(1) and 11 NYCRR 226.4(b)(3). Insurance Law § 3240(d)(2) and 11 NYCRR 226.4(b)(2) require that the DMF cross-checks are performed using: (1) the insured's social security number; or (2) where the insurer does not know the insured's social security number, the name and date of birth of the insured.

16. Moreover, Insurance Law § 3240 and New York Regulation 200 require life insurers to implement procedures to account for common variations in data while performing cross-checks that would otherwise preclude exact matches with the DMF.³

17. New York Insurance Law sets forth standards for insurers to locate beneficiaries, make prompt payments, and remit unclaimed proceeds to states as abandoned property. Insurance Law § 3240(f)(1), for example, provides that life insurers must reasonably confirm the deaths of insureds and begin to locate beneficiaries within ninety (90) days following the identification of potential DMF Matches. If an insurer cannot locate a beneficiary within 90 days after the identification of a potential DMF Match, then the insurer must continue to search for the

³ *See* 11 NYCRR 226.4(e), for example, which sets forth the Fuzzy Match criteria that insurers must account for in identifying and confirming potential DMF Matches, including: (1) nicknames, initials used in lieu of first or middle names, use of middle names, compound first and middle names, and interchanged first and middle names; (2) compound last names, and blank spaces or apostrophes in last names; (3) incomplete date of birth data, and transposition of the "month" and "date" portions of the date of birth; (4) incomplete social security numbers; and (5) common data entry errors in name, date of birth and social security data.

beneficiary, until the death benefits escheat in accordance with applicable state law.

18. Additionally, at no later than policy delivery, insurers must request detailed information sufficient to ensure death benefits are distributed to the appropriate persons upon the insured's death, including at a minimum: the name, address, social security number, date of birth, and telephone number of every owner, insured, and beneficiary under a policy, as provided in Insurance Law § 3240(c)(1) and 11 NYCRR 226.4(a)(1).

Factual Findings

19. Failure to cross-check policies against the DMF costs beneficiaries unclaimed death benefits.

20. Columbian Mutual failed to perform quarterly and annual DMF cross-checks for more than a year after the enactment of Regulation 200. In sum, Columbian Mutual failed to perform required cross-checks between June 2012 and October 2013, for a period of sixteen months following the effective date of Emergency Regulation 200.

21. When Columbian Mutual began performing quarterly cross-checks, it carved out policies from the cross-checks. Between November 2013 and October 2018, Columbian Mutual failed to cross-check quarterly against the DMF (1) policies with face values less than \$100, and (2) policies with recurring premiums paid by electronic funds transfers (EFTs).

22. Likewise, Columbian Mutual failed to cross-check every policy against the entire DMF at least once annually for more than eight years -- from June 2012 to November 2020 -- as required by 11 NYCRR 226.4(b)(3) and Insurance Law § 3240(d)(1).

23. In addition, from November 2013 through October 2016, Columbian Mutual failed to perform quarterly cross-checks on policies from two companies Columbian Mutual

acquired: Mutual of Detroit Life Insurance Company and Philanthropic Mutual Life Insurance Company.

24. During the Relevant Period, Columbian Mutual placed numerous policies in lapsed, terminated, and non-forfeiture statuses for missed premium payments even though the insureds responsible for payments were deceased.

25. In other cases, following the deaths of insureds, Columbian Mutual continued to deduct premiums from policy cash values until whole life policies lapsed without value or terminated. Similarly, the Company placed hundreds of term life policies in expired statuses following insureds' deaths.

26. Furthermore, in many cases where the Company identified DMF Matches and did not locate beneficiaries, the Company failed to continue to search for beneficiaries or escheat death benefits in accordance with applicable state law, in violation of Insurance Law § 3240(f)(1).

27. In many instances where the Company confirmed insureds' deaths through the DMF Matching process or alternative sources, the Company closed claim files pursuant to its internal policies, if certified death certificates were not provided by beneficiaries.

28. For thousands of policies where Columbian Mutual could reasonably confirm that certain insureds had died but could not identify or locate beneficiaries, Columbian Mutual failed to escheat death benefit proceeds to New York State as required by law.

29. Moreover, Columbian Mutual failed to timely commence beneficiary outreach within 90 days following the identification of potential DMF Matches on numerous occasions, as required by Insurance Law § 3240(f)(1). For thousands of policies, Columbian Mutual initiated outreach efforts months following the 90-day statutory period. In hundreds of additional cases,

Columbian Mutual failed to commence any beneficiary outreach for confirmed DMF Matches during the Relevant Period.

30. From November 2013 through August 2018, Columbian Mutual sent letters to the last-known addresses of insureds when Columbian Mutual identified potential DMF Matches but could not otherwise validate the deaths through a third-party database. In numerous instances, however, a third-party database provided Columbian Mutual with potential insured deceased dates based on "fuzzy" standards. After receiving no responses from insureds on thousands of occasions, Columbian Mutual failed to conduct follow-up research into policy statuses or conduct further outreach, as required by law, and omitted the policies from subsequent DMF cross-checks.

31. After August 2018, Columbian Mutual discontinued the practice of sending letters to insureds with respect to the DMF Match validation process yet failed to conduct due diligence to reasonably validate or confirm potential DMF Matches for approximately 2,300 policies. Columbian Mutual failed to have procedures in place to reasonably validate potential DMF Matches in many instances.

32. Throughout the Relevant Period, Columbian Mutual also omitted numerous policies from subsequent DMF cross-checks that were identified as potential DMF Matches but not validated, in violation of Insurance Law § 3240(d)(1) and 11 NYCRR 226.4(b)(1).

33. The Department's investigation found that Columbian Mutual failed to recognize exact Social Security Number matches alone as potential DMF Matches independent of other criteria, in violation of Insurance Law § 3240(d)(2)(A) and 11 NYCRR 226.4(b)(2)(i).

34. As a result of these facts, the Department finds that Columbian Mutual did not satisfy its obligations regarding the identification and payment of unclaimed benefits, as required

by Insurance Law § 3240 and Regulation 200.

35. Pursuant to Emergency Regulation 200, life insurers were required to implement DMF Fuzzy Match procedures by November 2012 and within 150 days of the effective date of Section 226.4(f)(2),⁴ to account for common variations in data that would otherwise preclude exact matches with the DMF or a comparable death index. Columbian Mutual first implemented DMF Match procedures to account for Fuzzy Match criteria in September 2013, ten months late.

36. Even after Columbian Mutual finally implemented DMF Fuzzy Match procedures, the procedures did not comply with Regulation 200. In sum, the procedures failed to account for common variations in data that would otherwise preclude exact DMF Matches in some instances, as required by 11 NYCRR 226.4(e).

37. Since June 2013, some of Columbian Mutual's life insurance application forms did not request beneficiaries' dates of birth, as required by Insurance Law § 3240(c)(1) and 11 NYCRR 226.4(a)(1).

38. Moreover, Columbian Mutual failed to file copies of annual reports of unclaimed benefits with the Department for calendar years 2014 through 2020, as required by 11 NYCRR 226.6 and Insurance Law § 3240(i).

Violations of Law and Regulations

39. Based on the foregoing, the Department finds that Columbian Mutual violated Insurance Law § 3240 and Regulation 200.

NOW, THEREFORE, to resolve this matter without further proceedings, the Department and the Company stipulate and agree to the following terms and conditions:

⁴ Citation to earlier version of Regulation 200 at 11 NYCRR 226.4(f)(2) (2012).

SETTLEMENT PROVISIONS**Monetary Penalty**

40. No later than ten (10) days after the Effective Date of this Consent Order, the Company shall pay a civil monetary penalty pursuant to Insurance Law § 109 to the Department in the amount of three million dollars (\$3,000,000). The payment shall be in the form of a wire transfer in accordance with instructions provided by the Department.

41. The Company shall not claim, assert, or apply for a tax deduction or tax credit with regard to any U.S. federal, state, or local tax, directly or indirectly, for any portion of the civil monetary penalty paid pursuant to this Consent Order.

42. The Company shall neither seek nor accept, directly or indirectly, reimbursement or indemnification with respect to payment of the penalty amount from any other person or entity, including but not limited to, payment made pursuant to any insurance policy.

Injunctive Relief

43. Going forward, Columbian Mutual will perform cross-checks against the full DMF annually and against DMF updates quarterly for every policy required by Insurance Law § 3240 and Regulation 200. Policies will be included in quarterly and annual DMF cross-checks regardless of face amount or policy issue date. Within 30 days of the Effective Date of this Consent Order, Columbian Mutual will submit revised Unclaimed Property, Unclaimed Property Death Master Search and DMF Fuzzy Match procedures to the Department for review and approval.

44. Columbian Mutual shall comply with Insurance Law § 3240 and Regulation 200, as well as all applicable provisions of the New York State Abandoned Property Law, including all reporting, mailing, and remittance requirements.

Remediation

45. Columbian Mutual and the Department have agreed upon the Remediation Plan set forth below in paragraphs 46 through 66 for Columbian Mutual to identify and remediate all policies with payable death benefits that have not yet been paid or escheated.

46. Columbian Mutual will identify policies for remediation by (i) reviewing all prior DMF Matching efforts since July 1, 2011 and (ii) performing a new comprehensive cross-check against the entire DMF of all New York policies in-force at any time since July 1, 2011 pursuant to the terms of the Remediation Plan described below. Columbian Mutual will conduct beneficiary outreach and due diligence to promptly pay beneficiaries or escheat appropriate death benefit proceeds due (the “Review and Remediation Process”).

47. New DMF Cross-Check of Policies in-force since July 2011. Within ninety (90) days of the Effective Date of this Consent Order or other time period approved by the Department, Columbian Mutual will perform a new comprehensive DMF cross-check of all New York policies in-force at any time on or after July 1, 2011, irrespective of whether the policies are listed as active, and including, but not limited to, policies identified as terminated, lapsed, expired, matured, or rescinded, and including policies in non-forfeiture statuses, such as reduced paid-up and extended term, but not including policies where the full death benefit was already paid to a beneficiary, policies where the full death benefit was already escheated, surrendered policies, or policies not taken. The new DMF cross-check will incorporate all policies regardless of face amount or issue date. Columbian Mutual will perform the new cross-check pursuant to revised Unclaimed Property Death Master Search procedures and DMF Fuzzy Match criteria, subject to the Department’s approval, to ensure compliance with Regulation 200 and Insurance Law § 3240.

48. Review of Potential Matches from July 2011 DMF Cross-Check. Within one hundred eighty (180) days of the Effective Date of this Consent Order or other time period approved by the Department, Columbian Mutual will review the full set of potential matches identified from its July 2011 DMF cross-check of all policies in-force during the period from January 1986 through October 2011 (i.e., 8,732 policies identified as “Exact Matches to be Investigated” and 20,021 policies identified as “SSN/Name Mismatch, Other Inconsistencies”). For any policy with a valid DMF Match that has not been paid or escheated, Columbian Mutual will commence outreach efforts to locate beneficiaries within ninety (90) days of the confirmation of a DMF Match, or other time period approved by the Department, in accordance with the requirements set forth in Insurance Law § 3240(f).

49. Review of Potential Matches from all DMF Cross-Checks Performed Since July 2011. Within one hundred eighty (180) days of the Effective Date of this Consent Order or other time period approved by the Department, Columbian Mutual will review the potential matches identified from all DMF cross-checks performed subsequent to the cross-check responsive to the Department’s July 2011 § 308 letter. Columbian Mutual will perform a review of every DMF potential match list in Columbian Mutual’s records and previously provided to DFS to identify all policies with payable death benefits that have not yet been paid or escheated. For every potential DMF Match identified as invalid and not payable pursuant to prior efforts, Columbian Mutual will review the policy in accordance with revised DMF Match validation procedures, subject to the Department’s approval. For any potential DMF Match categorized by Columbian Mutual as “No DMF Match” in inventories previously produced to DFS, these policies shall be cross-checked against the DMF and the potential matches reviewed pursuant to revised

validation procedures. Columbian Mutual shall provide supporting documentation (i.e., policy data compared to DMF data) in reports to the Department with further justification for any match identified as a potential match that Columbian Mutual subsequently concludes is either (i) not a DMF Match or (ii) not confirmed as a valid and payable DMF Match.

50. Columbian Mutual has retained an independent third-party administrator (“TPA”) to assist with the Review and Remediation Process. Columbian Mutual will conduct a review of its DMF Match cross-check criteria and technical matching standards (i.e., DMF Matching criteria, algorithms and logic; DMF Fuzzy Match criteria; and DMF Match validation process) with the TPA and will submit revised procedures to the Department for approval. Columbian Mutual and the Department have agreed upon procedures regarding the TPA’s independent policy review and validation function to ensure policies are appropriately categorized for remediation. Columbian Mutual and the Department have agreed that any validation sampling proposal will be subject to DFS’s review and approval.

51. The TPA will assist Columbian Mutual in DMF Matching (i.e., identification and confirmation of potential matches), beneficiary search and outreach, payment, escheatment, and remediation efforts pursuant to the terms of this Consent Order. Columbian Mutual shall be fully and solely responsible for all proper fees, expenses, and disbursements of the TPA in connection with the Review and Remediation Process provided for in this Consent Order and the TPA’s retainer agreement.

52. Columbian Mutual will submit detailed DMF Match validation procedures to the Department within thirty (30) days of the Effective Date of this Order for review and approval. The DMF Match validation procedures shall describe the specific criteria (i.e., including match categories, scores, and standards) used by Columbian Mutual to validate potential DMF

Matches, and clearly explain validation criteria used for Fuzzy Matches. Columbian Mutual shall conduct individualized reviews of policy files, insureds' personal information compared to DMF information, and third-party source data, such as Accurint records, to reasonably confirm whether the individuals identified in the DMF are the same insureds identified in Columbian Mutual policy records.

53. Columbian Mutual and the Department have agreed upon remediation for certain identified beneficiaries. Proceeds under life insurance policies for affected beneficiaries shall be determined in accordance with policy terms as of the insureds' dates of death and shall include reversals of any amounts deducted from the policies following the dates of death, including, but not limited to, amounts deducted for premium payments, loans and loan interest charged, or service charges. Proceeds under annuity contracts with death benefits shall be determined in accordance with the specific annuity payout options and contract terms as of the insureds' dates of death. Columbian Mutual will include in these amounts the applicable interest, agreed to by the Department and Columbian Mutual. Interest shall be calculated from the insured's date of death through the payment date.

54. In accordance with the Review and Remediation Process, Columbian Mutual will continue to identify all policies with payable death benefits that have not yet been paid or escheated. Columbian Mutual will administer the beneficiary outreach and payment provisions discussed below in paragraphs 55 to 66 for all validated DMF Matches warranting remediation.

Beneficiary Search and Outreach

55. For every policy identified as a validated DMF Match pursuant to the Review and Remediation Process, Columbian Mutual will promptly commence efforts to locate current beneficiary contact information.

56. Columbian Mutual will use available information in Columbian Mutual policy records and will engage a third-party vendor with expertise in person-searching to search for current beneficiary contact information. The third-party vendor will use online search tools such as InfoAge, LexisNexis or a comparable database to search for current beneficiary contact information.

57. For those cases where Columbian Mutual is unsuccessful in locating current beneficiary contact information pursuant to the preceding paragraph, Columbian Mutual will engage a third-party vendor with expertise in person-searching to perform additional data searches to identify contact information for the insured's relatives. If an identified relative is the beneficiary named in Columbian Mutual policy records, Columbian Mutual will update beneficiary information accordingly.

58. If beneficiary contact information still has not been located, Columbian Mutual will send letters to at least three (3) relatives of the insured, using the contact information obtained from the third-party vendor, to inquire whether the insureds' relatives have current contact information with respect to the beneficiary.

59. Once beneficiary contact information is obtained, Columbian Mutual will follow the outreach process outlined in paragraph 60 in an effort to pay the claims.

60. Columbian Mutual will promptly commence efforts to contact beneficiaries using the best available, updated beneficiary contact information and proceed with beneficiary

outreach as follows: (i) Columbian Mutual will send two (2) letters by mail to the identified beneficiary at the best available current address; (ii) Columbian Mutual will make at least two telephone calls to the beneficiary, if a telephone number is available; and (iii) Columbian Mutual will send two emails to the beneficiary, if an email address is available.

61. If no address can be located for the beneficiary or relatives pursuant to the foregoing process, Columbian Mutual will send a letter to the beneficiary at the last known address of the insured.

62. For any letter to a beneficiary that is returned to Columbian Mutual as undeliverable with a forwarding address, Columbian Mutual shall resend a letter to the beneficiary at the updated address within 15 days of receipt of the returned letter.

63. For policies with total face values less than \$100 (i.e., total amount must be in accordance with policy terms as of the insured's date of death) and with dates of death prior to calendar year 2000, Columbian Mutual may satisfy its beneficiary search and outreach obligations by making at least one attempt to contact the beneficiary by mail at the best available address pursuant to Columbian Mutual records.

64. Columbian Mutual will perform continuous searches and outreach in an ongoing effort to locate the beneficiary prior to escheatment, in accordance with Insurance Law § 3240(f)(1).

65. Columbian Mutual's delegation of any unclaimed property functions to the third-party vendor, including, but not limited to, beneficiary search and outreach efforts, does not relieve the Company of its compliance obligations under Insurance Law § 3240 and Regulation 200. Columbian Mutual fully retains responsibility for compliance with the terms of this Consent Order and all applicable laws, rules, and regulations.

66. Colombian Mutual shall maintain clear documentation of every attempt to contact each beneficiary, relative, or insured pursuant to the terms of the Remediation Plan. Colombian Mutual shall also preserve all records and documents related to the subject matter of this Consent Order, including but not limited to, the Company's basis for dispositions and all TPA and third-party vendor records with respect to beneficiary outreach, DMF Match, and policy review and validation efforts, in accordance with Regulation 152, 11 NYCRR 243.

Payment of Death Benefit Proceeds and Escheatment

67. If Colombian Mutual is successful in locating the beneficiary through the Beneficiary Search and Outreach efforts set forth above, Colombian Mutual will follow its claim procedures to promptly pay death benefit proceeds to the identified beneficiary in accordance with Insurance Law § 3240(f)(2).

68. Colombian Mutual shall provide beneficiaries with information necessary to make claims; shall process all claims; and make prompt payments in accordance with all applicable laws, rules, and regulations. Colombian Mutual will work with each beneficiary to pay the claim irrespective of whether the beneficiary can provide a death certificate and will accept satisfactory alternate forms of proof of loss, as required by Insurance Law § 3240(f)(3).

69. Colombian Mutual shall determine and calculate the death benefit payout amounts in accordance with policy terms as of the insureds' dates of death and include reversals of any amounts deducted from policies after death, including, but not limited to, amounts deducted for premium payments, loans and loan interest charged, or service charges. Proceeds under annuity contracts with death benefits shall be determined in accordance with the specific annuity payout options and contract terms as of the dates of death. Colombian Mutual will include in these

amounts the applicable interest, agreed to by the Department and Columbian Mutual. Interest shall be calculated from the insured's date of death through the payment date.

70. Columbian Mutual shall deposit checks in the facilities of the U.S. Post Office, for delivery by first-class mail to all affected beneficiaries, or through other payment means approved by the Department, in the required amounts. All checks must be valid for six months. For any payment to a beneficiary that is mailed and returned undeliverable or any check not deposited within six months of the payment date, Columbian Mutual shall conduct a reasonable search for a current address. Should the search show a more current address, Columbian Mutual shall re-issue a check valid for six months in the amount of the returned or undeposited check, within 15 days. If a beneficiary did not cash his or her check before the expiration date of the check or the check was returned after Columbian Mutual re-sent it as described above, Columbian Mutual shall follow all applicable provisions of the New York State Abandoned Property Law.

71. If Columbian Mutual is unsuccessful in locating the beneficiary or in paying the claim pursuant to the required steps set forth in this Remediation Plan, Columbian Mutual shall follow all applicable provisions of the New York State Abandoned Property Law, including all reporting, mailing, and remittance requirements, and shall remit unclaimed proceeds to the New York Comptroller⁵, with payout amounts calculated pursuant to policy terms as of the insureds' dates of death and applicable interest calculated from the dates of death through the payment dates.

⁵ For policies reportable as unclaimed property in states other than New York, Columbian Mutual shall comply with the unclaimed property laws of the applicable state.

Reporting Obligations

72. Columbian Mutual will document, with the assistance of the TPA, the review and remediation steps taken for each New York issued policy. Columbian Mutual will validate to the TPA that each New York issued policy has been resolved appropriately in accordance with the Review and Remediation Process. Columbian Mutual will submit reports to the Department, documenting dispositions and validation results for the policies.

73. Upon 30 days of the commencement of the Review process or other time period approved by the Department, Columbian Mutual will begin to provide certified monthly periodic reports to DFS, detailing the review statuses, dispositions, and beneficiary outreach results for each policy until the review and remediation is completed.

74. For every potential DMF Match identified, Columbian Mutual will document the review and provide to the Department the specific DMF Match disposition and supporting validation results and documentation, including, but not limited to, Columbian Mutual policy data compared to DMF data with explanations, for any potential match subsequently categorized as i) invalid or ii) not a DMF Match. Columbian Mutual will provide ongoing monthly periodic updates and reports to the Department on the status of the remediation plan and a final report on remediation for all New York issued policies. Columbian Mutual will follow the same review and remediation steps in this plan for the non-New York policies identified and provide updates of the same to the Department.

75. The periodic reports to the Department shall summarize i) every attempt to contact each beneficiary, relative, or insured, if applicable, and ii) the efforts used to identify current beneficiary contact information. The Department will require validation and certification that the policies subject to the Remediation Plan have been correctly identified and appropriately

cross-checked against the DMF, and that Columbian Mutual used the best available data for all insureds based on policy records to perform the cross-check. If Columbian Mutual concludes that certain potential DMF Matches are not valid or payable, the reports shall clearly detail the specific reasons why Columbian Mutual reached those determinations with accompanying TPA validation statuses. The periodic reports will also list the total payment amount made for each policy identified for remediation (i.e., check mailed or funds deposited) calculated in accordance with policy terms as of the insured's date of death, the number of policies remediated, including checks or proceeds deposited, undelivered, and/or not deposited, if applicable.

76. For policies where Columbian Mutual is unsuccessful in locating the beneficiary or in paying the claim, the reports shall describe the status of escheatment efforts. Upon completion of the remediation process, Columbian Mutual will provide a certified final report on the statuses of all potential DMF Matches to the Department.

Full and Complete Cooperation

77. The Company commits and agrees that it will fully cooperate with the Department regarding all terms of this Consent Order.

Further Action by the Department

78. No further action will be taken by the Department against the Company or its successors for the conduct set forth in this Consent Order, or in connection with the remediation set forth in this Consent Order, provided that the Company fully complies with the terms of the Consent Order.

79. Notwithstanding any other provision in this Consent Order, however, the Department may undertake additional action against the Company for conduct or transactions

that were not disclosed in written materials submitted to the Department in connection with this matter.

Waiver of Rights

80. The Company submits to the authority of the Superintendent to effectuate this Consent Order.

81. The parties understand and agree that no provision of this Consent Order is subject to review in any court, tribunal, or agency outside of the Department.

Parties Bound by the Consent Order

82. This Consent Order is binding on the Department and the Company, as well as any successors and assigns. This Consent Order does not bind any federal or other state agency or any law enforcement authority.

Breach of Consent Order

83. In the event that the Department believes the Company to be in material breach of the Consent Order, the Department will provide written notice to the Company of the breach, and the Company must, within ten (10) days of receiving such notice, or on a later date if so determined in the Department's sole discretion, appear before the Department to demonstrate that no breach has occurred or, to the extent pertinent, that the breach is not material or has been cured.

84. The Company understands and agrees that its failure to make the required showing within the designated time period set forth in Paragraph 83 shall be presumptive evidence of the Company's breach. Upon a finding that a breach of this Consent Order has occurred, the Department has all the remedies available to it under the New York State Insurance

Law, Financial Services Law, or other applicable laws, and may use any evidence available to the Department in any ensuing hearings, notices, or orders.

Notices

85. All notices or communications regarding this Consent Order shall be sent to:

For the Department:

Laura C. Sarli
Senior Assistant Deputy Superintendent for
Consumer Protection and Financial Enforcement
New York Department of Financial Services
One State Street
New York, New York 10004

For Columbian Mutual:

Frank L. Lettera
Senior Vice President, General Counsel and Secretary
Columbian Financial Group
4704 Vestal Parkway East
Binghamton, NY 13902

Wilson G. Barmeyer
Eversheds Sutherland (US) LLP
700 Sixth St. NW, Suite 700
Washington DC 20001-3980

Miscellaneous

86. This Consent Order and any dispute thereunder shall be governed by the laws of the State of New York without regard to any conflicts of laws principles.

87. This Consent Order may not be altered, modified, or changed unless in writing and signed by the parties hereto.

88. This Consent Order constitutes the entire agreement between the Department and the Company and supersedes any prior communication, understanding, or agreement, whether written or oral, concerning the subject matter of this Consent Order.

89. The Department has agreed to the terms of this Consent Order based on, among other things, representations made to the Department by the Company. To the extent that representations made by the Company are later found to be materially incomplete or inaccurate, this Consent Order is voidable by the Department in its sole discretion.

90. Each provision of this Consent Order shall remain effective and enforceable against the Company, its successors, and assigns, until stayed, modified, suspended, or terminated by the Department.

91. In the event that one or more provisions contained in this Consent Order shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Consent Order.

92. No promise, assurance, representation, warranty or understanding other than those contained in this Consent Order has been made to induce any party to agree to the provisions of this Consent Order.

93. Nothing in this Consent Order shall be construed to prevent any consumer or any other third party from pursuing any right or remedy at law.

94. This Consent Order may be executed in one or more counterparts and shall become effective when such counterparts have been signed by each of the parties hereto and the Consent Order is So Ordered by the Superintendent of Financial Services or her designee (the "Effective Date").

IN WITNESS WHEREOF, the parties have caused this Consent Order to be signed on the dates set forth below.

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

COLUMBIAN MUTUAL LIFE INSURANCE COMPANY

By: *Laura C. Sarli*
LAURA C. SARLI
Senior Assistant Deputy Superintendent for Consumer Protection and Financial Enforcement

By: *Frank L. Lettera*
FRANK L. LETTERA
Senior Vice President, General Counsel and Secretary

December 16, 2021

December 16, 2021

By: *Christopher B. Mulvihill*
CHRISTOPHER B. MULVIHILL
Deputy Superintendent for Consumer Protection and Financial Enforcement

By: *Wilson G. Barmeyer*
WILSON G. BARMeyer
Eversheds Sutherland (US) LLP
Attorney for Columbian Mutual Life Ins. Co.

December 16, 2021

December 16, 2021

By: *Katherine A. Lemire*
KATHERINE A. LEMIRE
Executive Deputy Superintendent for Consumer Protection and Financial Enforcement

December 17, 2021

THE FOREGOING IS HEREBY APPROVED. IT IS SO ORDERED.

Adrienne A. Harris
ADRIENNE A. HARRIS
Acting Superintendent of Financial Services

January 10, 2022

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF BROOME

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In the Matter of

Index No.

the Application of

**SUPPLEMENTAL
AFFIRMATION**

Adrienne A. Harris, Superintendent of Financial
Services of the State of New York, for an order to take
possession and rehabilitate the business and affairs of

COLUMBIAN MUTUAL LIFE INSURANCE COMPANY.
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KATE POWERS, an attorney duly admitted to practice in the courts of the State of New
York, affirms the following under penalties of perjury pursuant to CPLR 2106:

1. I am employed at the New York State Department of Financial Services (“DFS”) as Deputy Superintendent for Insurance and am presently also serving as Acting Deputy Superintendent for Life Insurance. I submit this supplemental affirmation (a) in support of the Verified Petition filed by the Superintendent of Financial Services of the State of New York (“Superintendent”) for an order placing Columbian Mutual Life Insurance Company (“CML”) into rehabilitation and appointing the Superintendent and her successors-in-office as rehabilitator of CML under Article 74 of the New York Insurance Law and (b) to underscore the urgency of this proceeding, and ask that the Court set a return date within 26 to 30 days of signing the Order to Show Cause, in order to give the Office of the Attorney General sufficient time to meet its service and notice obligations,¹ while permitting the matter to be heard in an expedited manner.

2. This affirmation is based upon personal knowledge, the sources of which are conversations with DFS employees, communications with CML, and records maintained by DFS.

¹ The Order to Show Cause provides for service of the supporting papers and/or notice by (1) overnight delivery upon CML, (2) publication in USA Today for two consecutive weeks following signing of the Order to Show Cause, and (3) posting on the Legal and Estates Notices webpage of the website maintained by the New York Liquidation Bureau. It is estimated that it will take approximately 26 days to complete the notice requirements.

3. CML owns Columbian Life Holdings, Inc., which, in turn, wholly owns Columbian Life Insurance Company (“CLIC”), an Illinois domiciled life insurer. Thus, CLIC is CML’s indirect subsidiary.

4. CLIC is currently in a conservation proceeding in Illinois under the supervision of the Acting Director of the Illinois Department of Insurance (“Illinois Director”). Upon information and belief, on May 30, 2024, CLIC’s Board of Directors consented in principle to a rehabilitation proceeding in Illinois.

5. Upon information and belief, the Illinois Director imminently intends to file in Illinois court the papers required to place CLIC into rehabilitation. The Illinois court will likely issue a rehabilitation order for CLIC within seven to twelve days after the Illinois Director files the CLIC rehabilitation papers. Once CLIC is subject to the Illinois court’s rehabilitation order, CLIC will be under the control of the Illinois Director and her receivership staff at the Illinois Office of the Special Deputy Receiver.

6. Upon information and belief, CML and CLIC have entered into one or more administrative and management services agreements, which provide that all of the infrastructure used by CLIC to administer its business is provided to CLIC using employees, property, and systems owned and/or managed by CML. Upon information and belief, CLIC has no employees, equipment, or systems of its own.

7. Given the close financial and operational ties between CML and CLIC, it will not be feasible for one company to operate in rehabilitation if the other continues to operate as a going concern. If either of the two companies is in rehabilitation while the other is not, it could easily lead to confusion or conflict concerning control and deployment of the shared resources necessary

to operate both businesses. This state of uncertainty could result in prejudice or financial harm to either company and lead to a disruption in operations that could injure policyholders.

8. Because CML and CLIC rely upon the same employees, systems, and IT, we are seeking to have CML enter rehabilitation in an expedited manner so as to closely coordinate with the impending rehabilitation of CLIC.

9. Accordingly, the Superintendent respectfully requests that the Court sign the accompanying Order to Show Cause and establish a return date between 26 and 30 days after the signing of the Order to Show Cause in order to give the Office of the Attorney General sufficient time to meet its service and notice obligations, but also have the matter brought on for expedited review.



KATE POWERS

Deputy Superintendent for Insurance

New York State Department of Financial Services

At IAS Part ___ of the Supreme Court of the State of New York, County of Broome, at the courthouse located at 92 Court Street, Binghamton, New York, on the ___ day of _____, 2024.

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF BROOME

-----X

In the Matter of

Index No.

the Application of

ORDER TO SHOW CAUSE

Adrienne A. Harris, Superintendent of Financial Services of the State of New York, for an order to take possession and rehabilitate the business and affairs of

COLUMBIAN MUTUAL LIFE INSURANCE COMPANY.

-----X

Based on the verified petition (“Petition”) of Adrienne A. Harris, Superintendent of Financial Services of the State of New York (“Superintendent”), duly verified on June 20, 2024, the supporting affidavit of Mark McLeod, Deputy Chief Examiner in the Life Bureau at the New York State Department of Financial Services (“DFS”), sworn to on the 14th day of June 2024, and the exhibits attached thereto, and it appearing that the relief sought should be granted;

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 Columbian Mutual Life Insurance Company (“CML”) and all creditors, claimants, and interested persons show cause before this Court at IAS Part ___ Room ___ thereof, at the Courthouse located at 92 Court Street, Binghamton, New York, on the ___ day of _____, 2024, at ___ o’clock __.m., or remotely via Microsoft Teams or as soon thereafter as counsel can be heard (“Return Date”), why an order substantially in the form of the order annexed as

Exhibit 1 to the Petition (“Rehabilitation Order”) should not be made, pursuant to Article 74 of the New York Insurance Law (“Insurance Law”), *inter alia*: (1) placing CML into rehabilitation under Insurance Law Article 74; (2) appointing the Superintendent, and her successors in office, as rehabilitator of CML (“Rehabilitator”); (3) vesting the Rehabilitator with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in the Rehabilitation Order; (4) directing the Rehabilitator, subject to the Court’s oversight, to take exclusive possession and/or control of CML’s property, conduct its business, and take such steps as she deems necessary to remove the causes and conditions that made this proceeding necessary, and to deal with the property and business of CML in CML’s name or in the name of the Rehabilitator; (5) granting the injunctions provided for in Insurance Law § 7419(a), permanently enjoining and restraining all persons and entities from wasting the assets of CML, and permanently enjoining and restraining all persons and entities, except as authorized by the Rehabilitator, from transacting CML’s business (including the issuance of insurance policies) or disposing of CML’s property; (6) granting the injunctions provided for in Insurance Law § 7419(b), permanently enjoining and restraining all persons and entities from interfering with the Rehabilitator or this proceeding, obtaining any preferences, judgments, attachments or other liens, or making any levy against CML, its assets or any part thereof, and commencing, advancing or prosecuting any actions, claims, lawsuits, arbitrations, alternative dispute resolution proceedings, or other legal or administrative proceedings against the Rehabilitator, CML, the New York Liquidation Bureau (“NYLB”), which serves as the staff for the Superintendent in her capacity as Rehabilitator, or their present or former employees, attorneys or agents, relating to this proceeding or the discharge of their duties under Insurance Law Article 74 in relation thereto; (7) permanently enjoining and restraining all persons and entities from taking any steps to transfer, foreclose, sell,

assign, garnish, levy, encumber, attach, dispose of, or enforce purported rights in or against any claimed interest in any property or assets of CML; (8) permanently enjoining and restraining all persons and entities from exercising any contractual right that permits such persons and entities, including, but not limited to, any party to a reinsurance agreement, to withhold, fail to pay, set-off, accelerate payment, declare a default, recapture funds, or take similar action with respect to any obligation owed by or to CML; (9) permanently enjoining and restraining all persons and entities from commuting, terminating, accelerating or modifying any agreement of reinsurance, or asserting a default or event of default or otherwise exercising, asserting or relying upon any other right or remedy, based upon (a) application for or consent to the appointment of a receiver of property or assets; (b) a finding of impairment or insolvency; (c) the filing of or consent to filing of a petition for receivership; or (d) becoming the subject of an order of rehabilitation or liquidation; (10) temporarily staying all litigation matters in which CML is a party pending a determination on the Petition and then for an additional period of 90 days from the date an order of rehabilitation is signed; (11) vesting all rights in CML's contracts and agreements, including treaties and agreements of reinsurance, however described, in the Rehabilitator and permitting the Rehabilitator to, in her discretion, reject any executory contracts to which CML is a party, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of rejection; (12) requiring that any bank, savings and loan association, other financial institution, or any other entity or person, that has on deposit or in its possession, custody, or control any of CML's funds, accounts (including escrow accounts), or assets, shall immediately, upon the Rehabilitator's request and direction, and without further order of the Court: (a) turn over custody and control of such funds, accounts or assets to the Rehabilitator; (b) transfer title of such funds, accounts, or assets to the Rehabilitator; (c) change the name of such accounts to the name of the Rehabilitator;

(d) transfer funds from such bank, savings and loan association, or other financial institution; and

(e) take any other action requested by the Rehabilitator that is reasonably necessary for the proper conduct of the rehabilitation proceeding; (13) requiring that all persons and entities, including CML, its directors, officers, managers and employees, Columbian Financial Services Corporation, Production Partners, LLC, Administrative Partners, Inc., New Vision Service Corporation of New York, or any other affiliate of CML, having property, papers (including attorney work product and documents held by attorneys) and/or information (whether in electronic or paper form), including, but not limited to, insurance policies, underwriting data, annuity, reinsurance policies, claims files, actuarial reports, audit reports, financial statements, emails or other communications related to each of the reports and financial statements discussed in the Petition, computer equipment, software programs and licenses, and/or bank records or any other documents, property or information owned by, belonging to, or relating to CML, shall preserve such property and/or information and immediately, upon the Rehabilitator's request and direction, and without further order of the Court, assign, transfer, turn over, and deliver such property, documents, and/or information to the Rehabilitator; (14) authorizing, permitting and allowing the Rehabilitator to sell, assign, or transfer any and all stocks, bonds, or other securities at the best price reasonably obtainable at such times and upon such terms and conditions as, in her discretion, she deems to be in the best interest of the creditors of CML, and further authorizing the Rehabilitator to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers, and assignments, without the further approval of this Court; (15) authorizing the Rehabilitator, in her discretion, to refrain from adjudicating claims of any class other than administrative claims or policyholder claims unless and until (a) she reasonably believes that adjudication of such claims would be in the best interests of the estate or (b) it is

certain that the CML estate will have sufficient assets to pay claims of such class; (16) extending immunity to the Superintendent in her capacity as Rehabilitator of CML, the NYLB, their successors in office, 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 Article 74; and (17) granting such other and further relief as the Court may deem proper and just.

AND, sufficient cause having been shown therefor, pursuant to Insurance Law § 7418(a)(1), let service of a copy of this order to show cause and its supporting papers be made by (i) overnight delivery upon (a) Columbian Mutual Life Insurance Company, c/o Michael C.S. Fosbury, President and Chief Executive Officer, 4704 Vestal Parkway East, Vestal, New York 13850; (ii) publication of notice of this application, in a form substantially similar to the notice attached as Exhibit 3 to the Petition, in *USA Today* once a week for two consecutive weeks, commencing within 30 days after the entered Order to Show Cause is posted to the New York State Courts Electronic Filing (“NYSCEF”) system; and (iii) posting on the Internet web page for Legal and Estates Notices maintained by the NYLB at <http://www.nylb.org> within five (5) days after the entered Order to Show Cause is posted to the NYSCEF system; and such service shall be deemed good and sufficient service; and it is hereby

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 seven (7) days prior to the Return Date; that such service shall be made at the following addresses:

Office of the Attorney General
State Office Building, 17th Floor
44 Hawley Street
Binghamton NY 13901
Att’n: Michael Danaher
Michael.Danaher@ag.ny.gov

With a copy to:

New York Liquidation Bureau
legal@nylb.org

and that any such Answering Papers be e-filed with the Court on or before the Return Date; and it is further

ORDERED, that pursuant to Insurance Law § 7419(a), CML, its officers, directors, shareholders, members, trustees, agents, servants, employees, policyholders, attorneys, managers, and all other persons are restrained from wasting the assets of CML, or, except as authorized by the Superintendent, from transacting CML's business (including the issuance of new insurance policies) or disposing of CML's property; and it is further

ORDERED, that that pursuant to Insurance Law § 7419(a), pending the determination of this Petition, all persons and entities, including Columbian Financial Services Corporation, Production Partners, LLC, Administrative Partners, Inc., New Vision Service Corporation of New York, and CML, and their directors, officers, managers and employees, are hereby directed to (a) preserve all computer software and hardware, financial and business documents (whether in paper or electronic form), including but not limited to any emails or other communications, related to each of the reports and financial statements discussed in the Petition; and (b) cooperate with reasonable requests from the Superintendent or DFS for information, documents, or assistance; and it is further

ORDERED, that pursuant to Insurance Law § 7419(b), pending the determination of this
Petition, all actions or proceedings against CML are stayed.

ENTER

J. S. C.