

At IAS Part 23 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 26<sup>th</sup> day of June, 2019.

PRESENT:

HON. **HON. W. FRANC PERRY, III**  
HON. **J.S.C.**

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

-----X  
In the Matter of

Index No.: 450931/2019

the Application of

**ORDER TO SHOW CAUSE**

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

NORTHWESTERN NATIONAL INSURANCE COMPANY OF MILWAUKEE, WISCONSIN.  
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Upon the reading and filing of the annexed verified petition ("Verified Petition") of Linda A. Lacewell, Acting Superintendent of Financial Services of the State of New York ("Superintendent"), duly verified on the 13th day of June, 2019, and the affidavit of Joan L. Riddell, Deputy Chief Insurance Examiner of the Property Bureau, New York State Department of Financial Services, sworn to on the 13th day of May, 2019;

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 Mark Afable, Commissioner of Insurance of the State of Wisconsin, as the duly-appointed Liquidator of Northwestern National Insurance Company of Milwaukee, Wisconsin ("NNIC") or any of his delegees and all creditors, claimants and interested persons located in the

State of New York, <sup>or their counsel</sup> show cause before this Court at IAS Part 23 Room 307, thereof, at the Courthouse located at 80 Centre Street in the County, City and State of New York, on the 8<sup>th</sup> day of August, 2019, at 9:30 o'clock in the a.m., or as soon thereafter as counsel can be heard ("Return Date"), why an order, substantially in the form attached as Exhibit "1" to the Verified Petition ("Order"), should not be made, pursuant to Article 74 of the New York Insurance Law ("Insurance Law"), *inter alia*: (1) commencing a New York ancillary receivership proceeding for NNIC and appointing the Superintendent and her successors in office ancillary receiver of NNIC ("Ancillary Receiver"); (2) vesting the Ancillary Receiver with all rights and obligations granted to and imposed upon her pursuant to Insurance Law Article 74; (3) finding that the material provisions of the May 2, 2019, order of the Circuit Court, Dane County, Madison, Wisconsin placing NNIC into liquidation ("Liquidation Order") including, but not limited to, the injunctions, restrictions, and directions set forth in paragraphs 11, 12, 13, 14, 16 and 23, apply to this ancillary receivership proceeding; (4) finding that in accordance with Insurance Law § 7412(a) the claims bar date of November 2, 2019, established in paragraph 23 of the Liquidation Order, applies to this ancillary receivership proceeding and all New York claims under NNIC policies and evidence supporting such claims must be submitted to the Ancillary Receiver by November 2, 2019, and if not submitted by that date shall be barred; (5) permanently enjoining and restraining all persons from commencing or prosecuting any actions, lawsuits or proceedings in the State of New York against NNIC, the Superintendent as Ancillary Receiver or as administrator of the New York security funds, the New York Liquidation Bureau, and their employees, attorneys or agents, with respect to this proceeding or in the discharge of their duties; (6) enjoining and restraining all parties to actions, lawsuits, and special or other proceedings against insureds of NNIC or in which NNIC is obligated to defend


an insured or provide a defense to a party pursuant to an insurance policy from obtaining any judgment or proceeding with any discovery, court proceedings or other litigation tasks or procedures, including, but not limited to, conferences, trials, applications for judgment or proceedings on settlement or judgment, for a period of 180 days from the date of entry of the Order; (7) extending judicial immunity to the Superintendent in her capacity as Ancillary Receiver of NNIC and as administrator of the New York security funds, her successors in office, the New York Liquidation Bureau, and their agents and employees, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of this Court, or in the performance of their duties pursuant to Insurance Law Articles 74 and 76 and Article 6-A of the New York Workers' Compensation Law; and (8) granting such other and further relief as the Court may deem just and proper;

AND sufficient cause having been <sup>alleged</sup> ~~shown~~ therefor, it is hereby

ORDERED, that service of this Order to Show Cause and its supporting papers shall be deemed good and proper service if served by: (i) <sup>overnight mail delivery</sup> ~~overnight delivery~~ to Mark Afable, Commissioner of Insurance for the State of Wisconsin, 125 South Webster Street, Madison, WI 53703-3474 with a copy to Amy J. Malm, Special Deputy Liquidator for NNIC at the same address at least 10 days before the Return Date; and (ii) posting on the Internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> at least 15 days prior to the Return Date; and it is further

ORDERED, that any answering papers in support of or in opposition to this application ("Answering Papers") be served <sup>uploaded to NYSCEF</sup> so as to be received by the Superintendent <sup>3</sup> at least 3 days prior to the Return Date, that such service shall be made <sup>in accordance with the procedures</sup> at the following ~~addresses:~~

*set forth in the Protocol for Electronically Filed cases.*

  
**HON. W. FRANC PERRY, III**  
**J.S.C.**

Letitia James  
Attorney General of the State of New York  
28 Liberty Street  
New York, NY 10005  
Attention: Rosalie Hronsky

New York Liquidation Bureau  
180 Maiden Lane, 15<sup>th</sup> Floor  
New York, New York 10038  
Attention: General Counsel

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

ORDERED, that pending the hearing ~~and determination~~ of this motion, all actions or proceedings within the jurisdiction of the courts of the State of New York against NNIC are stayed.

*WP*  
**HON. W. FRANC PERRY, III**  
J.S.C.

Oral Argument  
Directed

ENTER

JBC

*WP*  
**HON. W. FRANC PERRY, III**  
J.S.C.

*WP*  
**HON. W. FRANC PERRY, III**  
J.S.C.

Index No. 450931/2019