

At IAS Part 56 of the Supreme Court of the State of New York, County of New York, at the Courthouse, 71 Thomas Street, in the City, County, and State of New York, on the 27th day of March, 2023.

PRESENT: JOHN J. KELLEY

J.S.C.

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

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In the Matter of

Index No.: 450746/2023

the Application of

ORDER TO SHOW CAUSE

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

*MS #1 - OTHER -
APPOINT ANCILLARY
RECEIVER*

UNITED PROPERTY & CASUALTY
INSURANCE COMPANY.

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Upon the annexed verified petition ("Verified Petition") of Adrienne A. Harris, Superintendent of Financial Services of the State of New York ("Superintendent"), duly verified on the 20th day of March 2023, and the affidavit of Eileen Fox, Assistant Chief Insurance Examiner, Property Bureau, New York State Department of Financial Services, sworn to on the 14th day of March 2023;

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 the Florida Department of Financial Services, as the duly-appointed Receiver ("Florida Receiver") of United Property & Casualty Insurance Company ("UPC") or any of its delegees and all creditors, claimants, and interested persons located in the State of New York

show cause before this Court at IAS Part 56 Room 304, thereof, at the Courthouse located at 71 Thomas Street in the City, County, and State of New York, on the 25th day of April, 2023, at 10 o'clock in the a.m., or as soon thereafter as counsel can be heard on papers only, without oral argument ("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 UPC and appointing the Superintendent and her successors in office ancillary receiver of UPC ("Ancillary Receiver"); (2) vesting the Ancillary Receiver with all rights and obligations granted to and imposed upon her pursuant to Insurance Law Article 74; (3) finding that, pursuant to Insurance Law § 7412(a), the February 27, 2024 bar date in the February 27, 2023, order of the Circuit Court of the Second Judicial Circuit in and for Leon County, Florida ("Liquidation Order") applies in this ancillary receivership proceeding; (4) permanently enjoining and restraining all persons from commencing or prosecuting any actions, lawsuits, or proceedings in the State of New York against UPC, the Superintendent as Ancillary Receiver or as administrator ("Administrator") of the New York Property/Casualty Insurance Security Fund ("P/C Fund"), the New York Liquidation Bureau, and their employees, attorneys, or agents, with respect to this proceeding or in the discharge of their duties; (5) enjoining and restraining all parties to actions, lawsuits, and special or other proceedings against insureds of UPC or in which UPC is obligated to defend an insured or provide a defense to a party pursuant to an insurance policy from obtaining any judgment or proceeding with any discovery, court proceedings, or other litigation tasks or procedures, including, but not limited to, conferences, trials, applications for judgment, or proceedings on settlement or judgment, for a period of 180 days from the date the Order is signed; (6) enjoining and restraining all persons who have first party policyholder loss claims

against UPC in the State of New York from presenting and filing such claims with the Ancillary Receiver for a period of 90 days from the date the Order is signed; (7) providing that payment of eligible unearned premiums by the P/C Fund shall be made only if there is sufficient funding available, all the necessary data is provided by the Florida Receiver, and no sooner than 270 days after entry of the Order commencing the ancillary receivership have elapsed; (8) extending judicial immunity to the Superintendent in her capacity as Ancillary Receiver of UPC and as Administrator of the P/C Fund, her successors in office, the New York Liquidation Bureau, and their agents and employees, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of this Court, or in the performance of their duties pursuant to Insurance Law Articles 74 and 76; and (9) granting such other and further relief as the Court may deem just and proper;

AND sufficient cause having been shown therefor, it is hereby

ORDERED, that service of this Order to Show Cause and its supporting papers shall be deemed good and proper service if served by: (i) overnight delivery to the Florida Department of Financial Services c/o Michael B. Dobson, General Counsel on behalf of the Receiver of United Property & Casualty Insurance Company, at 400 South Monroe Street, PL 11, Tallahassee, FL 32399; Florida Department of Financial Services, Division of Rehabilitation and Liquidation c/o Lorrie Arterburn, Division Director, at 325 John Knox Road, Suite 101, The Atrium, Tallahassee, Florida 32303; and Florida Department of Financial Services, Division of Rehabilitation and Liquidation c/o Miriam O. Victorian, Chief Attorney, at 325 John Knox Road, Suite 101, The Atrium, Tallahassee, Florida 32303 at least ten (10) days before the Return Date; and (ii) posting on the Internet web page for Legal and Estates Notices maintained by the New

York Liquidation Bureau at <http://www.nylb.org> at least ten (10) 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 so as to be received by the Superintendent at least 7 days prior to the Return Date; that such service shall be made at the following addresses:

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

With a copy to:

New York Liquidation Bureau
legal@nylb.org

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

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

ORDERED, that pursuant to Insurance Law § 7419(b), pending the ^{hearing} ~~determination~~ of this application, UPC, its officers, directors, shareholders, members, trustees, agents, servants, employees, attorneys, and managers, and all other persons are hereby restrained from obtaining preferences, judgments, attachments, or other liens, or making any levy or commencing or

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prosecuting any actions or proceedings within the jurisdiction of the courts of the State of New York against UPC; and it is further

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

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ENTER

[Handwritten Signature]

JOHN J. KELLEY, J.S.C.

~~ORIGINAL DOCUMENT
DIRECTED
J.S.C.~~