

At the Ex-Parte Motion Office of
the Supreme Court of the State
of New York, County of New York,
at the Courthouse, 60 Centre
Street, Borough of Manhattan,
City and State of New York, on
the *14th* day of *April*, 1987.

P R E S E N T :

HON. *Xavier C. Riccobono*

JUSTICE.

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In the Matter of
the Application of

Index No. *41550/1987*
ORDER

JAMES P. CORCORAN, as Superintendent
of Insurance of the State of New York,
for an Order of Appointment as
Ancillary Receiver of

INTEGRITY INSURANCE COMPANY,
a stock insurance corporation of the
State of New Jersey

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Upon reading and filing the annexed petition of JAMES P.
CORCORAN, Superintendent of Insurance of the State of New York,
verified the *10th* day of *April*, 1987, for an Order appointing
him Ancillary Receiver for INTEGRITY INSURANCE COMPANY (herein-
after referred to as "INTEGRITY"), and to take possession of the
property and assets of INTEGRITY located in the State of New
York, pursuant to Article 74 of the Insurance Law of the State of
New York, and it appearing to my satisfaction that INTEGRITY was

incorporated under the laws of the State of New Jersey; that it was licensed as a stock casualty insurer in the State of New York; that it conducted insurance business in the State of New York; that it has been declared insolvent by a Court of competent jurisdiction of the State of New Jersey on March 24, 1987 and is unable to meet its insurance obligations; that its license to conduct such business should be revoked by the Superintendent of Insurance of the State of New York; that the Superintendent of Insurance of the State of New Jersey was appointed Liquidator of INTEGRITY; that it is amenable to the Insurance Laws of the State of New York and particularly to Article 74 thereof; that it is to the best interests of all policyholders, claimants, creditors and other interested persons located in the State of New York that the Superintendent of Insurance of the State of New York be directed to take possession of the property of said Company and to liquidate the same, subject to the orders of this Court;

NOW, on motion of Hon. ROBERT ABRAMS, Attorney General of the State of New York, it is

ORDERED, that the petition of JAMES P. CORCORAN, Superintendent of Insurance of the State of New York, be and the same hereby is in all respects granted; and it is further

ORDERED, that the said JAMES P. CORCORAN, as Superin-

tendent of Insurance of the State of New York, and his successors in office as Superintendents of Insurance of the State of New York, be and he is and they are hereby appointed Ancillary Receiver of INTEGRITY, and are hereby authorized and directed forthwith to take possession of the property of the said INTEGRITY located in the State of New York, under and pursuant to the provisions of Article 74 of the Insurance Law of the State of New York and to deal with the property and business of INTEGRITY, and it is further directed to take and preserve all the other assets and claims which are the property of INTEGRITY and to protect same for the benefit of creditors, policyholders and other interested parties within the State of New York and upon the authorization of this Court to pay such claims against INTEGRITY and/or its policyholders as are approved by this Court as being valid; and it is further

ORDERED, that since the New Jersey Liquidator will notify all policyholders and claimants of INTEGRITY of the order of insolvency and direct all persons having claims against respondent to file proof of claims with the Liquidator not later than March 25, 1988, the Ancillary Receiver is relieved of notifying all claimants and policyholders of this order; and it is further

ORDERED, that the notice hereinbefore prescribed is sufficient notice to all persons interested in the assets of INTEGRITY; and it is further

ORDERED, that all persons who have claims against INTEGRITY and present proofs of claim with the Insurance Commissioner of the State of New Jersey as Liquidator in charge of the liquidation proceeding by March 25, 1988 or any extended date obtained by the Liquidator at a place specified in Liquidator's notice shall be deemed to have filed a timely proof of claim in this proceeding; and it is further

that said INTEGRITY, its officers, directors, trustees, policyholders, agents and employees and all other persons having any property or records belonging to the said INTEGRITY located in the State of New York, including but not limited to claim files, legal files and insurance policy files, are hereby directed to assign, transfer and deliver to the Superintendent of Insurance, as Ancillary Receiver, all of such property located in the State of New York in whomsoever name the same may be, and that any persons, firms or corporation having any books, papers or records relating to the business of said corporation shall preserve the same and submit them to the Superintendent of Insurance, as Ancillary Receiver, for examination at such place as he shall reasonably designate or, at his request, make them available for examination at all reasonable times; and it is further

ORDERED, that the officers, directors, trustees, policyholders, agents and employees of said INTEGRITY, and all other persons, be and they hereby are enjoined and restrained from the

further transaction of business or from dealing with or disposing of the property or assets of said corporation located in the State of New York, or doing or permitting to be done any act or thing which might waste its property or assets or allow or suffer the obtaining of preferences, judgments, attachments or other liens, or the making of any levy against said corporation, or its estate while in the possession and control of the Superintendent of Insurance, as Ancillary Receiver; and it is further

ORDERED, that the officers, directors, trustees, policyholders, agents and employees of said INTEGRITY, and all other persons, including but not limited to claimants, plaintiffs and petitioners who have claims against said INTEGRITY, be and they are hereby permanently enjoined and restrained from bringing or further prosecuting any action at law, suit in equity, special or other proceedings against the said corporation or its estate or the Superintendent of Insurance of the State of New York and his successors in office, as Ancillary Receiver thereof, or from making or executing any levy upon the property or estate of said corporation, or from in any way interfering with the Superintendent of Insurance of the State of New York, or his successors in office, in his or their possession, control or management of the property of said corporation, or in the discharge of his or their duties as Ancillary Receiver thereof, or in the liquidation of the business of said corporation; and it is further

ORDERED, that all parties to law suits in this State are

hereby enjoined and restrained from proceeding with any trial, application for judgment or proceeding on judgments or settlements in such actions at law, suits in equity, special or other proceedings in which INTEGRITY INSURANCE COMPANY is obligated to defend a party insured or any other person it is legally obligated to defend by virtue of its insurance contract and any and all actions being defended by a primary or other underlying insurer where such primary or underlying insurer has tendered or offered its full policy limits or where said policy limits have been exhausted by payment of the underlying insurer's aggregate and INTEGRITY INSURANCE COMPANY is the next excess or umbrella layer of insurance for a period of 180 days from the date hereof; and it is further

ORDERED, that those persons who may have first-party or New York Comprehensive Automobile Insurance Reparations Act (No-Fault) policyholder loss claims against INTEGRITY coming within the purview of Article 76 of the Insurance Law, are enjoined for 90 days from the date hereof from presenting and filing such formal claims in this proceeding pursuant to Section 7432 of the Insurance Law; and it is further

ORDERED, that the license of INTEGRITY INSURANCE COMPANY to do business in the State of New York, be and the same is hereby revoked; and it is further

ORDERED, that all further papers in this proceeding shall bear the caption and be entitled:

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

In the Matter of the
Ancillary Receivership of
INTEGRITY INSURANCE COMPANY"

in place and stead of the caption as heretofore used; and it is
f:

ORDERED, that the Superintendent of Insurance, as
Ancillary Receiver, may at any time make further application at
the foot of this order for such further and different relief as
he sees fit.

E N T E R

15/ X.C.R.
J. S. C.

filed

4/14/87

New York County