

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF ALBANY

..... X

In the Matter of the

Index No. 000097/2006

Rehabilitation of

VERIFIED PETITION

FRONTIER INSURANCE COMPANY

..... X

**VERIFIED PETITION TO ESTABLISH A BAR DATE FOR CERTAIN
CLAIMS AGAINST FRONTIER INSURANCE COMPANY AND
TERMINATION OF FUTURE LIABILITY ON BONDS**

Kermitt J. Brooks, Acting Superintendent of Insurance of the State of New York, as Rehabilitator ("Rehabilitator") of the Frontier Insurance Company, a New York insurance company in rehabilitation ("Frontier"), by his Agent and Special Deputy Superintendent, MARK G. PETERS, hereby petitions this Court, pursuant to Article 74 of the New York Insurance Law ("Insurance Law"), for an order ("Order"): (1) establishing a date certain ("Terramar Notice Date") as the last date on which a notice ("Terramar Notice") regarding any insurance policy or insurance or reinsurance contract issued by Terramar Insurance Company, Terramar Insurance Agency, Advanced Risk International, Ltd. or Terramar General Agency ("Terramar Policy") may be submitted to the Rehabilitator so as to preserve any obligation of Frontier pursuant to such Terramar Policy; (2) directing that the Terramar Notice shall be made on forms prescribed by the Rehabilitator and shall accurately and sufficiently set forth the required information identifying (a) the Terramar Policy pursuant to which Frontier has or may have an obligation ("Identified Terramar Policy"), (b) the policyholder(s) of such Identified Terramar Policy, (c) the person(s) with an interest in the Terramar Policy who, by submitting a Terramar Notice, seeks to preserve such person's interest in the Identified Terramar Policy ("Submitting Terramar Policy

Interest Holder”), and (d) any claim under such Identified Terramar Policy where the Submitting Terramar Policy Interest Holder has knowledge of such claim prior to the Terramar Notice Date; (3) barring any claim against Frontier pursuant to any Terramar Policy unless such Terramar Policy and the policyholder(s) of such Terramar Policy have been accurately and sufficiently identified in a timely Terramar Notice; (4) barring any claim against Frontier pursuant to any Terramar Policy where the Submitting Terramar Policy Interest Holder had knowledge concerning such claim prior to the Terramar Notice Date and did not submit a timely Terramar Notice setting forth the required information concerning such claim; (5) barring any claim against Frontier pursuant to any Terramar Policy by any person other than the Submitting Terramar Policy Interest Holder who submits a timely, accurate and sufficient Terramar Notice in connection with such Terramar Policy; (6) establishing a date certain as the last date (“Bond Bar Date”) on which a notice (“Bond Notice”) regarding any bond issued by Frontier, including any surety bond or other bond or guaranty identified in New York Insurance Law Sections 1113(16) or 6801 (“Bond”), may be filed with the Rehabilitator so as to preserve any obligation of Frontier pursuant to such Bond; (7) directing that any Bond Notice shall be made on forms prescribed by the Rehabilitator and shall accurately and sufficiently identify (a) the Bond pursuant to which it is alleged that Frontier has an obligation, (b) the default, event, accident, or occurrence allegedly giving rise to a claim pursuant to such Bond (“Triggering Event”), (c) the date of the Triggering Event, (d) the alleged injury, loss or damage caused by the Triggering Event, (e) the dollar amount of the claim alleged as a result of the Triggering Event, and (f) the obligee or principal under such Bond who, by submitting a Bond Notice, seeks to preserve such person’s rights under the Bond (“Submitting Bond Interest Holder”); (8) barring any claim against Frontier pursuant to any Bond unless a timely Bond Notice has been submitted that

accurately and sufficiently identifies the Bond, the claim alleged pursuant to such Bond, and all other information required by the Bond Notice; (9) barring any claim under any Bond in which the Triggering Event occurs after a date certain (“Bond Cutoff Date”); (10) barring any claim against Frontier pursuant to any Bond by any person other than the Submitting Bond Interest Holder who submits a timely, accurate and sufficient Bond Notice in connection with such Bond; (11) approving the form and manner of notice to be given to all persons with an interest in a Terramar Policy or a Bond and all other interested parties (collectively, “Interested Persons”) regarding this Petition and the relief sought herein; (12) approving the form and manner of notice to be given to all Interested Persons regarding the Terramar Notice Date, the Bond Cutoff Date, the Bond Bar Date and all other relief ordered herein; and (13) for other related relief as is just.

A. Introduction

1. Frontier was placed in rehabilitation pursuant to an order of the Supreme Court of the State of New York, New York County, dated October 10, 2001 (“Rehabilitation Order,” a copy of which is annexed hereto as Exhibit A). The Rehabilitator is now developing a Rehabilitation Plan (“Plan”) to resolve Frontier’s liabilities and thereby conclude these rehabilitation proceedings. The first step in the formulation of the Plan is to establish a greater degree of certainty with respect to Frontier’s liabilities. In particular, Frontier requires greater certainty regarding policies issued under its name by Terramar Insurance Company, Terramar Insurance Agency, Advanced Risk International, Ltd., and Terramar General Agency (collectively, “Terramar”). Frontier also requires information concerning possible claims against Bonds, in particular bail bonds issued by Spencer Douglass Insurance Associates, Inc. and Douglass/Frontier, LLC (“Douglass Agencies”). Lastly, Frontier seeks to eliminate

uncertainty associated with open Bonds, which by their terms, still permit the filing of claims against Frontier based on new occurrences.

2. Once the Rehabilitator obtains a greater degree of certainty with regard to Frontier's liabilities, he will be able to determine whether the company's financial position permits him to propose a Plan. If such a Plan is not possible, he may determine that it is appropriate to seek an order converting the proceedings to a liquidation.

3. Upon information and belief, Terramar sold Frontier policies and insurance and reinsurance contracts, but Frontier possesses few records relating to such policies and contracts and so cannot, at present, identify or quantify its liabilities, as it must in order to formulate a Plan. Upon information and belief, Terramar is no longer in business and so cannot be contacted for further information. To quantify its Terramar liabilities, the Rehabilitator must gather information regarding the Terramar Policies and cut off liabilities for any Terramar Policies that are not disclosed. Accordingly, the Rehabilitator seeks to establish the Terramar Notice Date as a date certain by which any person with an interest in a Terramar Policy ("Terramar Policy Interest Holder") must file a Terramar Notice identifying, *inter alia*, the Terramar Policy and any known claims under such Terramar Policy. A proposed Terramar Notice is attached hereto as Exhibit B, which subject to the Court's order, may be modified following submission of this Petition.

4. The Rehabilitator also lacks information concerning Frontier's obligations under Bonds and so cannot identify the universe of potential Bond claimants or quantify its Bond liabilities. As with the Terramar Policies, in order to quantify Frontier's Bond liabilities, the Rehabilitator must gather information on Bonds and cut off liabilities on Bonds that are not identified. Accordingly, the Rehabilitator seeks to establish the Bond Bar Date as a date certain

by which principals with claims for unearned premium and obligees under Bonds (“Bond Interest Holders”) who have not yet identified themselves or asserted claims against Frontier must file Bond Notices disclosing their identities and claims under Bonds. A proposed Bond Notice is attached hereto as Exhibit C, which subject to the Court’s order, may be modified following submission of this Petition. The Rehabilitator proposes that the Terramar Notice Date and the Bond Bar Date both be established 120 days after entry of the order granting the relief sought in this Petition.

5. In addition, one of the causes and conditions of Frontier’s insolvency is that some Bond Interest Holders continue to report claims based on new occurrences, thereby diluting the recovery of other creditors, even though the Bond principals are free to replace their coverage with solvent insurers in the marketplace. Barring Bond Interest Holders from asserting claims based on future occurrences will thus help remove an important cause of Frontier’s insolvency. Accordingly, the Petition seeks to establish the Bond Cutoff Date as a date certain after which Frontier will no longer incur liability for future occurrences under its Bonds, helping to remove a cause and condition of the rehabilitation. The Rehabilitator proposes that the Bond Cutoff Date be established 60 days after entry of the order granting the relief sought in this petition, which is 60 days prior to the Bond Bar Date

B. Proceedings to Date

6. This Court adjudged Frontier, a New York-domiciled insurer, to be insolvent and placed it into rehabilitation under the Rehabilitation Order. The Rehabilitation Order appointed the Rehabilitator pursuant to Insurance Law Article 74 and charged him with, *inter alia*, removing the causes of Frontier’s insolvency. Rehab. Order, Ex. A at 2-4.

7. Since Frontier entered rehabilitation in 2001, the Rehabilitator has operated the company from its headquarters in Rock Hill, New York, in an effort to return it to solvency. Frontier employs approximately 91 employees in Rock Hill, many of whom worked for the company prior to rehabilitation. Frontier issued direct and assumed insurance policies covering commercial risks, including but not limited to workers compensation and general liability. Frontier also issued thousands of Bonds.

8. After eight years of rehabilitation, the Rehabilitator has been unable to determine Frontier's liabilities under Terramar Policies and certain Bonds. According to Frontier's electronic records, the company issued over 350,000 insurance policies since 1995 and currently has approximately 1,340 open insurance policy claims. In addition, Frontier's records reflect approximately 4,900 open surety bonds with approximately 1,000 claims pending.

9. In 2002, the Rehabilitation Court approved a claim adjudication process in which claimants and Frontier may seek to resolve claims with the assistance of a court-appointed referee. Approximately 235 surety claims and 14 non-surety claims are presently participating in the adjudication process.

10. Frontier has attempted to settle its open claims in an effort to return to solvency. Since 2001, Frontier has settled approximately 12,000 claims, paid approximately \$750 million in losses, and reduced its insolvency on a statutory accounting basis from an estimated \$170 million in 2001 to \$90.6 million as of December 31, 2008.

C. Terramar Claim Date

11. The Rehabilitator believes that he has a clear and accurate understanding of Frontier's liability under its direct and assumed insurance policies, except for the Terramar Policies. Terramar was an insurance agency operating in Houston, Texas, which was affiliated

with Frontier through common ownership. Upon information and belief, Terramar ceased operations in February 2001, providing Frontier with limited explanation or documentation of its business activities. The Rehabilitator has attempted to obtain further records from Terramar regarding its underwriting activities, including records pertaining to Frontier policies. On the basis of these efforts, the Rehabilitator has concluded that such records do not exist.

12. Based on Frontier's limited records and upon information and belief, Terramar issued policies and insurance and reinsurance contracts to insureds with businesses in the United States, Europe and the Middle East. The Rehabilitator possesses no Terramar Policies, but he does possess approximately 200 cover notes in Frontier's name issued by Terramar containing little information.

13. In order to formulate a Plan, the Rehabilitator requires more precise information concerning the extent of Frontier's liabilities under Terramar Policies, which have had at least eight years to develop a claims history. To gather such information, the Rehabilitator seeks to require persons with interests in Terramar Policies to identify basic information concerning themselves, the Terramar Policies in which they have an interest and any known claims they may assert under such Terramar Policies. Frontier may then examine and investigate such information and thereby estimate its liability under the Identified Terramar Policies.

14. The Terramar Notices will provide the information necessary for the Rehabilitator to assess Frontier's liabilities under Terramar Policies. For example, the Terramar Notice requires the Terramar Policy Interest Holder to set forth the Terramar policy, insurance contract or reinsurance contract under which Frontier is alleged to have an obligation (*i.e.*, the Identified Terramar Policy). This information will provide Frontier with the baseline of existing Terramar Policies pursuant to which it may incur liabilities. The Submitting Terramar Policy

Interest Holder is also required to set forth all known information or information in its custody and control concerning known and existing claims under Terramar Policies. This reporting of known claims will permit the Rehabilitator to further quantify Frontier's liabilities under Terramar Policies. In addition, the Terramar Notice requires the Submitting Terramar Policy Interest Holder to identify itself and the policyholder(s) of such Identified Terramar Policy, which in many cases will be the same person. In order to provide greater certainty concerning the universe of claimants, only claims asserted by Submitting Terramar Policy Interest Holders, or their attorneys or authorized agents, will be permitted to share in the distributions from Frontier. All other claims will be barred.

15. The Rehabilitator requests that the Terramar Notice Date be established 120 days after entry of the order granting the relief sought in the Petition.

16. Because the Rehabilitator is unaware of the identities of practically all Terramar Policy Interest Holders, he respectfully requests authority to provide notice through the customary practice of publication, substantially in the form of Exhibit D ("Notice"), one time each week for three consecutive weeks in The Wall Street Journal and Business Insurance commencing within two weeks after issuance of the order granting the Petition. The Rehabilitator will also post the Notice to Terramar Policy Interest Holders on the internet web page maintained for the New York Liquidation Bureau, <http://www.nylb.org> ("NYLB Website"), within ten days following the entry of an order granting the relief sought in this Petition. For the few Terramar Policy Interest Holders with names and addresses known to the Rehabilitator as a result of his due diligence, the Rehabilitator will send the Notice to such Terramar Policy Interest Holders by first class mail at the addresses reflected on Frontier's books and records at least 30 days in advance of the Return Date.

D. Bond Bar Date and Bond Cutoff Date

17. The Rehabilitator also faces uncertainty with regard to Frontier's liabilities under its Bonds. It is possible that the Rehabilitator has not yet been notified of substantial claims under Bonds due, in part, to the absence of records concerning the underwriting of Bonds. For some Bonds, the Rehabilitator does not have detailed information concerning the principal or obligee under the Bond or the type of Bond that was issued. In fact, for some Bonds, the Rehabilitator lacks records entirely, including certain bail bonds issued on behalf of Frontier by the Douglass Agencies, which were affiliated with Frontier. Upon information and belief, the Douglass Agencies operated in Phoenix, Arizona; Reno and Las Vegas, Nevada; and San Jose, Orange County and La Jolla, California. The Douglass Agencies issued Bonds on Frontier's behalf pursuant to a power of attorney, but, in most cases, Frontier did not receive the names of principals or beneficiaries related to these Bonds.

18. The Rehabilitator has made extensive good faith efforts to obtain records relating to these Bonds, but has not been able to do so. Accordingly, the Rehabilitator seeks an order establishing the Bond Bar Date as a date certain prior to which any Bond Interest Holder must file a Bond Notice with respect to a Bond or thereafter be barred from asserting any claim against Frontier or its estate pursuant to such Bond. Any person who does not personally, or through an attorney or authorized agent submit a timely, accurate and complete Bond Notice will be forever barred from asserting any claim against Frontier pursuant to any Bond. However, Bond claims that have already been submitted to the Rehabilitator in connection with the adjudication procedures established by the Court in this proceeding will be deemed submitted and do not require any further filing of a Bond Notice under the proposed order. This relief is intended to require persons with information concerning claims under Bonds to report such

claims in the Bond Notice in order to eliminate uncertainty and permit Frontier to accurately estimate its liabilities. If a timely Bond Notice accurately and sufficiently identifies the required information, the Bond Interest Holder may supplement its Bond claims with additional evidence of loss until such time as submission of new information is barred by court order or by law.

19. The Rehabilitator respectfully requests that the Bond Bar Date be established on the same date as the Terramar Notice Date, *i.e.*, 120 days after entry of the order granting the relief sought in the Petition.

20. The Rehabilitator also seeks to bar any future Bond Claims based on a Triggering Event that occurs after the Bond Cutoff Date. One of the causes and conditions of Frontier's insolvency is that many Bonds do not have an express termination date and, therefore, continue in effect, giving rise to new liabilities. The submission of these new Bond claims dilutes the recovery for existing creditors, adds to the uncertainty regarding Frontier's liabilities and delays the Rehabilitator's efforts to submit a Plan. Thus, the Bond Cutoff Date will remove an important cause and condition of the rehabilitation. Principals of such Bonds should be able to obtain replacement coverage in the marketplace from solvent carriers and beneficiaries will no longer have to rely on an insolvent company for coverage. The Rehabilitator still receives annual premium payments on some of the Bonds and, because Bonds are purchased and maintained by the principals, it is possible that some beneficiaries do not know that they have been relying on an insolvent insurer for coverage. Once the Bond Cutoff Date is effective, the Rehabilitator will no longer accept premium on any Bonds for any coverage period after the Bond Cutoff Date.

21. The Rehabilitator requests that the Bond Cutoff Date be established 60 days after entry of the order granting the relief sought in this Petition, which would be 60 days prior to the

Bond Bar Date. Establishing the Bond Cutoff Date prior to the Bond Bar Date is intended to provide Bond Interest Holders sufficient time after the Bond Cutoff Date to identify and submit claims so as to comply with the Bond Bar Date.

22. The Rehabilitator proposes to provide notice of the Bond Bar Date and the Bond Cutoff Date by sending a notice thereof, in substantially the form of Exhibit E hereto (“Notice to Bond Interest Holder”), to each known principal and obligee of a Bond shown in the books and records of Frontier, except as to Bonds for which Frontier has a release of liability or for which the time for making a claim under the Bond has expired under the Bond’s own terms.

23. The Rehabilitator will also post the Bond Notice to Bond Interest Holders on the NYLB Website within ten days following the entry of an order granting the relief sought in this Petition.

24. In addition, with regard to any Bonds for which the Rehabilitator lacks records, including Bonds issued by the Douglass Agencies, as well as all other Bonds, the Rehabilitator proposes to publish the Notice to Bond Interest Holders in the following newspapers once a week for three consecutive weeks in the Wall Street Journal and Business Insurance commencing within two weeks after issuance of the Order granting this Petition.

E. Legal Authority for Relief

25. The Court has authority under Insurance Law Article 74 to enter an order establishing the Terramar Notice Date, the Bond Bar Date and the Bond Cutoff Date (collectively, the “Bar Dates”). Under Insurance Law Section 7403(a), the Rehabilitator is directed “to take such steps toward the removal of the causes and conditions which have made such proceedings necessary as the court shall direct.” *See Matter of Lawyers Mortg. Co.*, 169 Misc. 802, 828 (Sup. Ct., N.Y. Co. 1938). Bar dates are commonly established in connection

with a receiver's efforts to determine the liabilities of an estate so that such liabilities may be identified and resolved. *See, e.g., In the Matter of Dominion Ins. Co.*, Index No. 40924/1986 (Sup. Ct., N.Y. Co., Apr. 5, 1999) (approving bar date) (annexed hereto as Exhibit F); *In the Matter of Ideal Mut. Ins. Co.*, Index No. 40275/85 (Sup. Ct., N.Y. Co., Dec. 9, 2003) (same) (annexed hereto as Exhibit G).

26. The Court may establish a bar date under Insurance Law Section 7432(b), which provides:

[A]ll persons who may have claims against such insurer shall present the same to the liquidator, rehabilitator or conservator at a place specified by him within four months from the date of the entry of such order, or, if the superintendent shall certify that it is necessary, within such longer time as the court shall prescribe.

The Court also has broad authority to enter injunctive relief necessary to facilitate the rehabilitation as provided in Insurance Law Section 7419.

27. Furthermore, the administration of an estate under Insurance Law Article 74 is founded upon equitable principles designed to protect creditors and ensure the fair distribution of assets. *See Dinallo v. Dinapoli*, 9 N.Y.3d 94, 97 (2007) (“This statutory scheme was devised for the protection of creditors, policyholders and the general public by furnishing a comprehensive mechanism for collecting the assets of a distressed insurer and paying its creditors”); *Corcoran v. Frank B. Hall & Co.*, 149 A.D.2d 165, 171 (1st Dep’t 1989) (“the pre-eminent purpose of article 74 is to insure equitable treatment for its creditors and to avoid preferences upon the liquidation of an insurer”) (citations omitted). Consistent with these goals, Article 74 confers upon the Court the power to grant injunctive and other equitable relief under Insurance Law Section 7419 and the Court may also exercise its inherent powers to ensure equitable results. *In Re Steinway*, 159 N.Y. 250, 255-58 (1899) (discussing equitable powers of Supreme Court).

28. Under Article 74, the receiver of an estate has the authority to cancel future liability on policies, as in the Cutoff Date, if the receiver concludes that such steps are necessary to prevent dissipation of the estate's assets or to otherwise ensure the equitable and fair administration of the estate. *See Mathias v. Lennon*, 474 F. Supp. 949, 957 (S.D.N.Y. 1979) (a "state court's undisputed control over the assets of Empire necessarily gave it the authority to prevent dissipation of those assets by ordering the Rehabilitator to terminate payments on out-of-state policies"); *see also Ballesteros v. New Jersey Prop. Liab. Ins. Guar. Ass'n*, 530 F. Supp. 1367, 1372 (D.N.J.) ("the New York court, acting in the interests of the policyholders and the public, determined that in order to successfully rehabilitate the company, it was necessary to cancel the policies held by non-resident insureds"), *aff'd*, 696 F.2d 980 (3d Cir. 1982).

29. The establishment of the Bar Dates is in the best interests of Frontier's creditors. As discussed above, the Bar Dates will require Terramar Policy Interest Holders and Bond Interest Holders to come forward with their claims so that the Rehabilitator may determine the number and the nature of claims asserted against Frontier and thereby accurately estimate its liabilities. This will permit the Rehabilitator to formulate and submit a Plan to the Court in the interests of maximizing creditor recoveries and closing the estate.

30. The Bond Cutoff Date also serves the best interests of Frontier's creditors. Some of Frontier's Bonds permit the continued reporting of report claims related to new occurrences. Frontier acknowledges its obligation to address claims that arose prior to the Rehabilitation Order, but the Rehabilitator believes it is harmful to existing creditors to permit continued reporting of new claims when the principals under such Bonds should be able to replace their coverage in the marketplace. The reporting of new claims also dilutes the limited assets available for existing creditors, taxes Frontier with administrative costs and delays the

Rehabilitator's efforts to close the estate. Accordingly, the Bond Cutoff Date serves the best interests of Frontier's creditors and removes an important cause and condition of the rehabilitation.

31. Once Frontier's liabilities are reasonably known, the Rehabilitator can finish developing a Plan that provides for closure of the rehabilitation. By doing so, the Rehabilitator would take a substantial step toward "the removal of the causes and conditions which have made such proceeding necessary," as directed by Insurance Law Section 7403. In addition, the proposed action would resolve deficiencies in Frontier's records which is another cause of the current proceedings.

32. After eight years in rehabilitation, significant action is required to resolve Frontier's rehabilitation. It is reasonable under the circumstances to require Terramar Policy Interest Holders and Bond Interest Holders to come forward and submit notices setting forth the sources of Frontier's liabilities or be barred from asserting such liability. It is also appropriate for the Rehabilitator to establish a Bond Cutoff Date so that Bond liabilities do not accrue indefinitely against Frontier.

33. No prior application, petition or order to show cause has been filed by the Rehabilitator requesting the relief requested in this Petition.

34. The Rehabilitator therefore respectfully requests that the Court issue an order:

- (i) establishing the Terramar Notice Date as the last date on which on which a Terramar Notice may be filed with the Rehabilitator so as to preserve any obligation of Frontier pursuant to a Terramar Policy;
- (ii) directing that any Terramar Notice shall be made on forms prescribed by the Rehabilitator and shall identify information concerning: (a) the Identified Terramar Policy, (b) the named policyholder(s) of such Identified Terramar Policy, (c) the Submitting Terramar Policy Interest Holder, and (d) any claim under such Identified Terramar Policy where the Submitting Terramar Policy Interest Holder has knowledge of such claim

prior to the Terramar Notice Date;

- (iii) barring any claim against Frontier pursuant to any Terramar Policy unless such Terramar Policy and the policyholders of such Terramar Policy have been accurately and sufficiently identified in a timely Terramar Notice;
- (iv) barring any claim against Frontier pursuant to any Terramar Policy where the Submitting Terramar Policy Interest Holder had knowledge concerning such claim prior to the Terramar Notice Date and did not submit a timely Terramar Notice setting forth the required information concerning such claim;
- (v) barring any claim against Frontier pursuant to any Terramar Policy by any persons other than the Submitting Terramar Policy Interest Holder(s);
- (vi) establishing the Bond Bar Date as the last on which a Bond Notice regarding any Bond may be filed with the Rehabilitator so as to preserve any obligation of Frontier pursuant to such Bond;
- (vii) directing that any Bond Notice shall be made on forms prescribed by the Rehabilitator and shall accurately and sufficiently identify: (a) the Bond pursuant to which Frontier has an obligation, (b) the Triggering Event, (c) the date of the Triggering Event, (d) the alleged injury, loss or damage caused by the Triggering Event, (e) the dollar amount of the claim alleged as a result of the Triggering Event, and (f) the Submitting Bond Interest Holder;
- (viii) barring any claim against Frontier pursuant to any Bond unless a timely Bond Notice has been submitted accurately and sufficiently identifying the Bond, the claim pursuant to such Bond and other information required by the Bond Notice;
- (ix) barring any claim under any Bond in which the Triggering Event occurs after the Bond Cutoff Date;
- (x) barring any claims against Frontier pursuant to any Bond by any person(s) other than the Submitting Bond Interest Holder;
- (xi) approving the form and manner of notice to be given to all Interested Persons regarding the Petition and the relief sought herein;
- (xii) approving the form and manner of notice to be given to Interested Persons regarding the Terramar Notice Date, the Bond Cutoff Date, the Bond Bar Date and other relief requested herein; and
- (xiii) for other related relief as is just.

WHEREFORE, Petitioner respectfully requests that the Court issue an order granting the relief sought in this petition, a proposed form of which is attached hereto as Exhibit H.

Dated: New York, New York
July 21, 2009

KERMITT J. BROOKS,
Acting Superintendent of
Insurance of the State of New York as
Rehabilitator of Frontier Insurance
Company

By: 

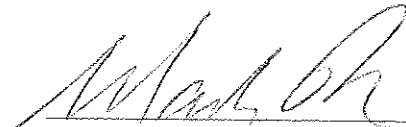
Mark G. Peters
Special Deputy Superintendent and
Agent of the Superintendent of
Insurance of the State of New York
as Rehabilitator of Frontier Insurance
Company

STATE OF NEW YORK)
) ss:
COUNTY OF NEW YORK)

MARK G. PETERS, being duly sworn, deposes and says:

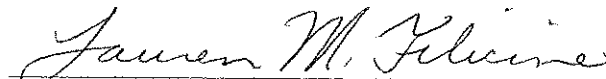
That I have read the foregoing Verified Petition, and that the same is true to my knowledge except as to the matters therein stated to be alleged on information and belief, and as to those matters I believe them to be true; that the reason this petition is verified by me rather than by the Superintendent of Insurance is that I am appointed Special Deputy Superintendent and Agent of the Superintendent of Insurance as Rehabilitator of Frontier Insurance Company, and as such, am acquainted with the facts alleged therein.

I further say that the sources of my information and the grounds of my belief as to the matters to be alleged on information and belief are records, books and papers of said company in the possession of the Rehabilitator and communications made to me by employees of the Superintendent of Insurance.



Mark G. Peters
Special Deputy Superintendent and
Agent of the Rehabilitator

Sworn and subscribed to before me this
21st day of July, 2009.



Notary Public
No. 02FE4975578
Qualified in New York County
My Commission Expires December 10, 2010

LAUREN M. FELICIONE
Notary Public, State of New York
No. 02FE4975578
Qualified in Queens County
Commission Expires December 10, 20 10

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

PRESENT: Hon. _____

PART 19

Justice

Gregory V. Serio

INDEX NO.

405090/01

MOTION DATE

MOTION SEQ. NO.

001

MOTION CAL. NO.

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 this date.

Order Signed.

MOTION/CASE IS RESPECTFULLY REFERRED TO
JUSTICE

Dated: _____

OCT 10 2001

FILED
OCT 15 2001
NEW YORK
COUNTY CLERK'S OFFICE

Check one: ☐ FINAL DISPOSITION

☐ NON-FINAL DISPOSITION

J.S.C.

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

NEW YORK
COUNTY CLERK'S OFFICE
OCT 15 2001

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

ENTER



J.S.C.

RehOrder 1

FILED
OCT 15 2001
NEW YORK
COUNTY CLERK'S OFFICE

TERRAMAR NOTICE

In the Matter of FRONTIER INSURANCE COMPANY, Index No. 000097/2006

THIS TERRAMAR NOTICE WILL NOT BE ACCEPTED AS TIMELY UNLESS POSTMARKED OR SENT BY OVERNIGHT COURIER BY _____, 2009

Policy number(s) and description _____ AMOUNT OF CLAIM: \$ _____

Name of policyholder named in the policy: _____

Name and address of Claimant _____

Claim is for (Check X or specify below)

- ____ 1. **POLICYHOLDER OR CLAIMANT** Claim against Frontier pursuant to any insurance policy or insurance or reinsurance contract issued by or through Terramar Insurance Company, Terramar Insurance Agency, Advanced Risk International, Ltd. or Terramar General Agency.
- ____ 2. **RETURN OF UNEARNED PREMIUM OR OTHER PREMIUM REFUNDS** Portion of paid premium not earned due to early cancellation of Terramar Policy or retrospectively rated adjustment or audit adjustment.
- ____ 3. **AGENT BALANCES** Agents earned commissions.
- ____ 4. **ALL OTHERS** Describe.

-
- Please set forth facts constituting any known claim, including (attach additional pages as necessary):

(a) the event, accident or occurrence giving rise to the claim _____

(b) the person or property allegedly injured or damaged _____

(c) the nature of the alleged injury or damage _____

- If you have any security backing up your known claim, describe the nature and amount of such security (attach relevant documentation). _____
- If Frontier has made any payments toward the amount of your known claim, describe the amount of such payments and the dates paid. _____
- Is there any setoff, counterclaim, or other defense which should be deducted by Frontier from your known claim? _____

The undersigned Claimant subscribes and affirms as true to the best of my knowledge and belief that the undersigned has the authority to sign and submit this Terramar Notice, that the undersigned has read this Terramar Notice and knows the contents thereof, and that in connection with any claim pursuant to a Terramar Policy, except as stated, no payment of, or on account of, the claim has been made, that there are no offsets or counterclaims thereto, and that the undersigned is not a secured creditor and has no security.

Signature of Claimant's Attorney

Signature of Individual Claimant or Corporate Officer and Title

Claimant's Attorney's Name – Please Print

Individual Claimant or Corporate Name – Please Print

Street

Street

City and State

Zip Code

City and State

Zip Code

TERRAMAR NOTICE INSTRUCTIONS

In the space provided, please set forth and identify:

1. The policy number and proof of the existence of any insurance policy or insurance or reinsurance contract issued by Terramar Insurance Company, Terramar Insurance Agency, Advanced Risk International, Ltd. or Terramar General Agency ("Terramar Policy") under which you seek to preserve an obligation of Frontier Insurance Company ("Frontier"). Please attach copies of the policy, binders, cover notes or other supporting materials evidencing the Terramar Policy identified in this Terramar Notice ("Identified Terramar Policy").
2. The named policyholder(s) of any Identified Terramar Policy.
3. The name and address of the person ("Claimant") who, by submitting this Terramar Notice, seeks to preserve an obligation of Frontier pursuant to an Identified Terramar Policy.
4. A concise statement of facts known to the Claimant or within the Claimant's custody and control constituting any claim under the Identified Terramar Policy. The statement must include, but is not limited to:
 - (a) the event, accident or occurrence giving rise to the claim, including the date and sufficient details to describe the accident or occurrence,
 - (b) the person or property allegedly injured or damaged, and
 - (c) the nature of the alleged injury or damage.
5. The nature and value of any security held by Claimant, or held for the benefit of the Claimant, including other bonds, policies or contracts, covering loss in connection with a Terramar Policy.
6. Any proof of loss submitted to Frontier in connection with any loss asserted by the Claimant under a Terramar Policy (please attach).
7. If the Claimant is asserting a claim for return premium paid by check, submit the original or a photocopy of the check.
8. If any document required under this Terramar Notice has been lost or destroyed, or cannot be produced, describe the document, including its author(s), its intended recipient(s), date of creation, a brief summary of its contents, and the date and circumstances of the loss or destruction.
9. If this Terramar Notice is filed by a receiver, administrator, assignee, attorney-in-fact, guardian or other agent ("Agent"), attach the proof of authority under which the Agent is acting.
10. The Terramar Notice must be signed by the Claimant and must contain the Claimant's current address and zip code.
11. Mail completed Terramar Notice by first class mail, postage paid and postmarked on or before _____, or by overnight courier, fees paid and written acknowledgement of receipt by such courier, on or before _____, to the following address:

Frontier Insurance Company in Rehabilitation
Attn: Legal Department
195 Lake Louise Marie Road
Rock Hill, NY 12775-8000

YOU MUST FILE A SEPARATE TERRAMAR NOTICE FOR EACH CLAIM YOU MAKE.
IF YOU HAVE MORE THAN ONE CLAIM YOU MAY MAKE COPIES OF THIS FORM.
ACKNOWLEDGMENT OF YOUR FILING(S) WILL BE SENT TO YOU.

EXHIBIT C

BOND NOTICE

In the Matter of FRONTIER INSURANCE COMPANY, Index No. 000097/2006

THIS BOND NOTICE WILL NOT BE ACCEPTED AS TIMELY UNLESS POSTMARKED OR SENT BY OVERNIGHT COURIER BY _____, 2009

Bond number(s) and description _____ AMOUNT OF CLAIM: \$ _____

Name of principal named on the Bond _____

Name and address of Bond Claimant filing this notice _____

Claim is for (Check X or specify below)

- ____ 1. **BOND CLAIMANT** Claim by a beneficiary under a Bond issued by Frontier.
- ____ 2. **RETURN OF UNEARNED PREMIUM or OTHER PREMIUM REFUNDS** Portion of paid premium not earned due to early cancellation of bond.
- ____ 3. **AGENT BALANCES** Agents earned commissions.
- ____ 4. **ALL OTHERS** Describe.

- Please set forth facts constituting any claim by Claimant pursuant to a Bond issued by Frontier, including (please attach additional pages as necessary):

(a) the default, event, accident, or occurrence allegedly giving rise to the claim (the "Triggering Event") _____

(b) the date of the Triggering Event _____

(c) the alleged injury, loss or damage caused by the Triggering Event _____

(d) the dollar amount of the claim alleged as a result of the Triggering Event _____

- If you have any security backing up your Bond claim, describe the nature and amount of such security (attach relevant documentation).
- If Frontier has made any payments toward the amount of your Bond claim, describe the amount of such payments and the dates paid.
- Is there any setoff, counterclaim, or other defense which should be considered by Frontier in connection with your claim?

The undersigned Claimant subscribes and affirms as true to the best of my knowledge and belief that the undersigned has the authority to sign and submit this Bond Notice, that the undersigned has read this Bond Notice and knows the contents thereof, that, in connection with any claim, except as stated, no payment of, or on account of, the claim has been made except as stated, that there are no offsets or counterclaims thereto, that the undersigned is not a secured creditor and has no security.

Signature of Claimant's Attorney

Signature of Individual Claimant or Corporate Officer and Title

Claimant's Attorney's Name – Please Print

Individual Claimant or Corporate Name – Please Print

Street

Street

City and State

Zip Code

City and State

Zip Code

BOND NOTICE INSTRUCTIONS

In the space provided, please set forth and identify:

1. The bond identification number and proof of the existence of any bond issued by Frontier, including any surety bond or other bond or guaranty identified in New York Insurance Law Sections 1113(16) or 6801 ("Bond") under which you seek to preserve an obligation of Frontier Insurance Company ("Frontier"). Please attach copies of the Bond, binders, cover notes or other supporting materials evidencing the Bond identified in this Bond Notice ("Identified Bond").
2. The named principal and beneficiaries of any Identified Bond.
3. The name and address of the person ("Claimant") who, by submitting this Bond Notice, seeks to preserve an obligation of Frontier pursuant to an Identified Bond.
4. A concise statement of the facts constituting the claim that must include, but is not limited to:
 - (a) the Bond pursuant to which it is alleged that Frontier has an obligation;
 - (b) the default, event, accident, or occurrence allegedly giving rise to a claim pursuant to a such Bond ("Triggering Event"),
 - (c) the date of the Triggering Event,
 - (d) the alleged injury, loss or damage caused by the Triggering Event, and
 - (e) the dollar amount of the claim alleged as a result of the Triggering Event.
5. The nature and value of any security in connection with a Bond held by Claimant, or for the benefit of the Claimant, including other bonds, policies or contracts covering loss.
6. Any proof of loss submitted to Frontier in connection with any loss asserted by the Claimant under a Bond (please attach).
7. If the Claimant is asserting a claim for return premium which was paid by check, submit the original or a photocopy of the check.
8. If any document required under this Bond Notice has been lost or destroyed, or cannot be produced, describe the document, including its author(s), its intended recipient(s), date of creation, a brief summary of its contents, and the date and circumstances of the loss or destruction.
9. If this Bond Notice is filed by a receiver, administrator, assignee, attorney-in-fact, guardian or other agent ("Agent"), attach the proof of authority under which the Agent is acting.
10. The Bond Notice must be signed by the Claimant and must contain the Claimant's current address and zip code.
11. Mail completed Bond Notice by first class mail, postage paid and postmarked on or before _____, or by overnight courier, fees paid and written acknowledgement of receipt by such courier, on or before _____, to the following address:

Frontier Insurance Company in Rehabilitation
Attn: Legal Department
195 Lake Louise Marie Road
Rock Hill, NY 12775-8000

YOU MUST FILE A SEPARATE BOND NOTICE FORM FOR EACH CLAIM YOU MAKE.

**IF YOU HAVE MORE THAN ONE CLAIM YOU MAY MAKE COPIES OF THIS FORM.
ACKNOWLEDGMENT OF YOUR FILING(S) WILL BE SENT TO YOU.**

FORM OF NOTICE AS TO TERRAMAR POLICIES AND CLAIMS

NOTICE OF CLAIM DATE FOR CLAIMS AGAINST FRONTIER INSURANCE COMPANY ON DIRECT POLICIES ISSUED THROUGH TERRAMAR AGENCIES

By order dated October 10, 2001, the Supreme Court of the State of New York, County of New York, placed Frontier Insurance Company ("Frontier") into rehabilitation ("Rehabilitation Proceeding") and appointed as rehabilitator of Frontier ("Rehabilitator") the then-Superintendent of Insurance of the State of New York, Gregory V. Serio (and his successors in office) ("Rehabilitation Order"). Pursuant to the New York Insurance Law ("Insurance Law") and the Rehabilitation Order, the Rehabilitator was given the responsibility of, among other things, marshalling Frontier's assets and adjudicating claims consistent with Article 74 of the Insurance Law.

PLEASE TAKE NOTICE that the Supreme Court of the State of New York, County of Albany, has issued an order, dated _____, 2009, establishing [_____, 2009] ("Terramar Notice Date") as the last date on which a person may submit a notice ("Terramar Notice") with respect to any insurance policy or insurance or reinsurance contract issued by Terramar Insurance Company, Terramar Insurance Agency, Advanced Risk International, Ltd. or Terramar General Agency ("Terramar Policy") so as to preserve any obligation of Frontier pursuant to such Terramar Policy. The Order further provides as follows:

1. The Terramar Notice shall accurately and sufficiently set forth the required information identifying (a) the Terramar Policy pursuant to which Frontier has or may have an obligation ("Identified Terramar Policy"), (b) the policyholder(s) of such Identified Terramar Policy, (c) the person(s) with an interest in the Terramar Policy who, by submitting a Terramar Notice, seeks to preserve such person's interest in the Identified Terramar Policy ("Submitting Terramar Policy Interest Holder"), and (d) any claim under such Identified Terramar Policy where the Submitting Terramar Policy Interest Holder has knowledge of such claim prior to the Terramar Notice Date;
2. All claims against Frontier pursuant to any Terramar Policy will be barred unless the Terramar Policy and the policyholder(s) of such Terramar Policy have been accurately and sufficiently identified in a timely Terramar Notice;
3. Any claim against Frontier pursuant to any Terramar Policy will be barred where the Submitting Terramar Policy Interest Holder had knowledge concerning such claim prior to the Terramar Notice Date and did not submit a timely Terramar Notice setting forth the required information concerning such claim;
4. All persons will be barred from asserting claims against Frontier pursuant to any Terramar Policy other than Submitting Terramar Policy Interest Holders who submit a timely, accurate and sufficient Terramar Notice in connection with such Terramar Policy; and
5. All Terramar Notices must be made in writing and sent to the Rehabilitator by first class mail, postage paid and postmarked on or before the Terramar Claim Date, or by overnight courier, fees paid and written acknowledgement of receipt by such courier on or before the Terramar Claim Date, to the following address:

Frontier Insurance Company in Rehabilitation
Attn: Legal Department
195 Lake Louise Marie Road
Rock Hill, NY 12775-8000

Further information may be obtained at the web site maintained by the New York Liquidation Bureau at <http://www.nylb.org> or by calling (212) 341-6731.

KERMIT J. BROOKS
Acting Superintendent of Insurance
of the State of New York as Rehabilitator
of Frontier Insurance Company

Exhibit E

FORM OF NOTICE AS TO BOND BOND BAR DATE AND BOND CUTOFF DATE

NOTICE OF BAR DATE FOR CLAIMS AGAINST FRONTIER INSURANCE COMPANY AND TERMINATION OF FUTURE LIABILITY ON BONDS

On October 10, 2001, the Supreme Court of the State of New York, County of New York, placed Frontier Insurance Company ("Frontier") into rehabilitation ("Rehabilitation Proceeding") and appointed as rehabilitator of Frontier ("Rehabilitator") the then-Superintendent of Insurance of the State of New York, Gregory V. Serio (and his successors in office) ("Rehabilitation Order"). Pursuant to the New York Insurance Law ("Insurance Law") and the Rehabilitation Order, the Rehabilitator was given the responsibility of, among other things, marshalling Frontier's assets and adjudicating claims consistent with Article 74 of the Insurance Law.

PLEASE TAKE NOTICE that the Supreme Court of the State of New York, County of Albany, has issued an order, dated _____, 2009, establishing [] ("Bond Bar Date") as the last date on which a notice ("Bond Notice") regarding any bond issued by Frontier, including any surety bond or other bond or guaranty identified in New York Insurance Law Sections 1113(16) or 6801 ("Bond"), may be filed with the Rehabilitator so as to preserve any obligation of Frontier pursuant to such Bond.

The Order further provides as follows:

1. The Bond Notice shall identify (a) the Bond pursuant to which it is alleged that Frontier has an obligation, (b) the default, event, accident, or occurrence allegedly giving rise to a claim pursuant to such Bond ("Triggering Event"), (c) the date of the Triggering Event, (d) the alleged injury, loss or damage caused by the Triggering Event, (e) the dollar amount of the claim alleged as a result of the Triggering Event, and (f) the obligee or principal under such Bond who, by submitting a Bond Notice, seeks to preserve such person's rights under the Bond ("Submitting Bond Interest Holder");

2. Any claim against Frontier pursuant to any Bond shall be barred unless a timely Bond Notice has been submitted that accurately and sufficiently identifies the Bond, the claim alleged pursuant to such Bond, and all other information required by the Bond Notice;

3. Any claim under any Bond in which the Triggering Event occurs after _____, 2009 ("Bond Cutoff Date") shall be barred;

4. All persons will be barred from asserting claims against Frontier pursuant to any Bond other than Submitting Bond Interest Holders who submit a timely, accurate and sufficient Bond Notice in connection with such Bond; and

5. All Proofs of Bond Claim must be made in writing and sent to the Rehabilitator by first class mail, postage paid and postmarked on or before the Bond Bar Date, or by overnight courier, fees paid and written acknowledgement of receipt by such courier on or before the Bond Bar Date, to the following address:

Frontier Insurance Company in Rehabilitation
Attn: Legal Department
195 Lake Louise Marie Road
Rock Hill, NY 12775-8000

Further information may be obtained at the web site maintained by the New York Liquidation Bureau at <http://www.nylb.org> or by calling (212) 341-6731.

KERMIT J. BROOKS
Acting Superintendent of Insurance
of the State of New York as Rehabilitator
of Frontier Insurance Company

55 7.1
At IAS Part 55 of the Supreme Court
of the State of New York, County
of New York, 80 Centre Street,
New York, New York on the 30th
day of MARCH, 1999.

PRESENT:

HON. JANE S. SOLOMON

JUSTICE.

-----X

JAMES P. CORCORAN
In the Matter of

the Liquidation of

DOMINION INSURANCE COMPANY
OF AMERICA

-----X

Index No. 4092/1986

ORDER

NEW YORK SUPREME COURT
RECEIVED
APR 01 1999
FILED
J.P.S. MOTION
SUPPORT OFFICE
APR - 5 1999

COUNTY CLERK'S OFFICE
NEW YORK

UPON the petition of RICHARD S. KARPIN, Assistant Special Deputy
Superintendent and Agent of NEIL D. LEVIN, Superintendent of Insurance of the State
of New York as Liquidator (the "Liquidator") of Dominion Insurance Company of
America, duly verified the 15th day of June 1998, for an order:

- a. Confirming and approving the Liquidator's Report on the Status of the
Liquidation of Dominion Insurance Company of America;
- b. Ratifying and approving the transactions reported in the Report;
- c. Providing that only paid losses and outstanding reserves reported through
December 31, 1995 will be considered for allowance;
- d. Providing that claims for losses and loss adjustment expenses reported after
December 31, 1995 be barred and/or discharged;
- e. Authorizing the Liquidator to make pro-rata distribution of assets to Dominion's
general creditors for allowed claims to the extent that sufficient funds are
available;

f. Providing such other relief as is just.

And upon the order of this Court entered July 29, 1998 directing the form and method of notice of the filing of the petition on Dominion's creditors, the affidavits of service of the notice to creditors of Jeffrey A. Naimoli, sworn to October 21, 1998 and Noel E.

Bennett, Jr. sworn to October 21, 1998, the withdrawal of the objections filed by

Integrity Insurance Company, ~~United States Aircraft Insurance Group~~, Resolution

Reinsurance Services Corp., Dominion Insurance Company Limited, ~~Travelers Indemnity~~ Casualty and Su

Company and Travelers Indemnity Company, and the hearing on January 25, 1999,

and upon due consideration, *no counterproposed order having been presented, notwithstanding the decision of the court made on the record on January 25, 1999, it is*

~~now~~ ORDERED THAT:

1. The Liquidator's Report on the Status of the Liquidation of Dominion Insurance Company of America is confirmed and approved;
2. The transactions reported in the Report are confirmed and approved;
3. Only paid losses and outstanding reserves reported through December 31, 1995 will be considered for allowance;
4. Claims for losses and loss adjustment expenses reported after December 31, 1995 are barred and/or discharged;
5. The Liquidator is authorized to make pro-rata distribution of assets to Dominion's general creditors for allowed claims to the extent that sufficient funds are available;

FILED

APR - 5 1999

COUNTY CLERK'S OFFICE
NEW YORK

ENTER

JANE S. SOLOMON
J.S.C.

J.S.C.

Exhibit G

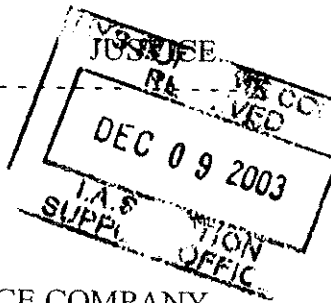
At IAS Part 25 of the Supreme Court of
the State of New York, County of New
York, 60 Centre Street, New York,
New York this 5th day of DEC 2003.

P R E S E N T:

HON. LELAND DEGRASSE

In the Matter of
the Liquidation of

IDEAL MUTUAL INSURANCE COMPANY



Index No. 40275/85

ORDER

FILED
DEC 12 2003

UPON the petition of RICHARD S. KARPIN, ^{NEW YORK} ^{COUNTY} ^{CLERK'S OFFICE} Deputy
Superintendent and Agent of GREGORY V. SERIO, Superintendent of Insurance of the
State of New York as Liquidator (the "Liquidator") of Ideal Mutual Insurance Company
("Ideal"), duly verified the 7th day of August, 2003 and the exhibits annexed thereto, for an
order, inter alia, approving the Liquidator's Report on the Status of the Liquidation of Ideal
(the "Report"), approving the transactions described in the Report, and approving the
Liquidator's proposal.

NOW upon reading and filing the Order to Show Cause, signed on August 11, 2003,
the petition supporting such order of Richard S. Karpin dated August 7, 2003, and the
exhibits annexed thereto, including the Report of the Liquidator; the affirmation in response
of James Veach dated September 12, 2003 and the exhibits annexed thereto; the reply
affirmation of Jack Franceschetti dated September 25, 2003 and the exhibits annexed

thereto; and upon due consideration, the Court in a decision dated October 30, 2003 granted the application;

NOW, on the motion of the Liquidator of Ideal

IT IS ORDERED THAT:

1. This petition ^{is} granted;
2. The Liquidator's Reports on the Status of the Liquidation of Ideal is approved;
3. The transactions described in the Report are approved;
4. Only the amounts of paid and outstanding losses reported by reinsurance claimants through December 31, 2003 will be considered for allowance;
5. Only claims for actual losses and loss adjustment expenses arising under direct policies issued by Ideal reported through December 31, 2003 will be considered for allowance; and
6. All claims for losses and loss adjustment expenses including, without limitation, reinsurance claims and direct policy claims reported after December 31, 2003 will be barred and discharged.

ENTER

[Signature]

J. S. C.

FILED

DEC 12 2003

NEW YORK
COUNTY CLERK'S OFFICE

SRH:cb
Order L1316 9-23-03

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

PRESENT: HON. LELAND DEGRASSE
Justice

PART 25

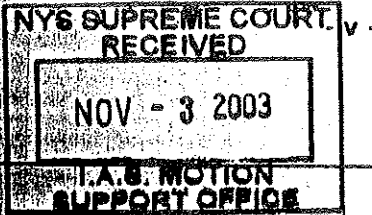
Re: Ideal Mutual Insur Co

INDEX NO. 40275/85

MOTION DATE SEP 29 2003

MOTION SEQ. NO. 104

MOTION CAL. NO. _____



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 _____

Cross-Motion: ☐ Yes ☒ No

Upon the foregoing papers, it is ordered that this motion

This application by the Superintendent of Insurance of the State of New York for an order approving his report on the status of the within liquidation proceeding is granted in all respects. As requested in the petition, December 31, 2003 shall be the bar date for the presentation of claims. Settle order.

Dated: October 30, 2003

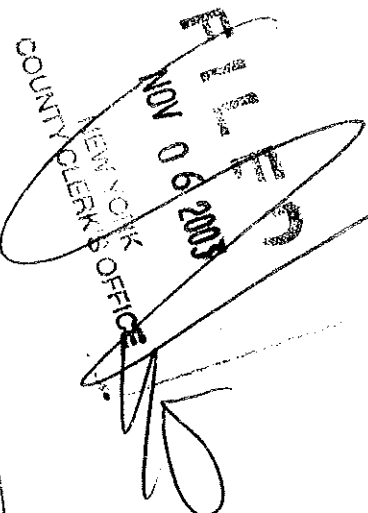
[ideal0040275/85-104]

PAPERS NUMBERED

FILED

DEC 12 2003

NEW YORK
COUNTY CLERK'S OFFICE



Check one: ☒ FINAL DISPOSITION ☐ NON-FINAL DISPOSITION

J.S.C.

Exhibit H

EXHIBIT H

PROPOSED ORDER

At the Supreme Court of the State of
New York, County of Albany, the
Albany County Courthouse, 16
Eagle Street, City of Albany, State
of New York on the ____ day of
_____, 2009

PRESENT:

HON. RICHARD M. PLATKIN

JUSTICE.

..... X

In the Matter of the

Index No. 000097/2006

Rehabilitation of

FRONTIER INSURANCE COMPANY

..... X

**ORDER ESTABLISHING A BAR DATE FOR CERTAIN CLAIMS AGAINST
FRONTIER INSURANCE COMPANY AND TERMINATION OF
FUTURE LIABILITY ON BONDS**

UPON the petition of KERMIT J. BROOKS, Acting Superintendent of Insurance of the State of New York, by his Agent and Special Deputy Superintendent, MARK G. PETERS, as Rehabilitator ("Rehabilitator") of the Frontier Insurance Company, a New York insurance company in rehabilitation ("Frontier"), duly verified the 21st day of July, 2009, and the exhibits annexed thereto (the "Petition"), and due notice thereof having been given to the parties-in-interest pursuant to an Order to Show Cause signed [_____, 2009], it is hereby

ORDERED, that [_____, 2009] ("Terramar Notice Date") is hereby established as the last date on which a person may submit a notice ("Terramar Notice") with respect to any

insurance policy or insurance or reinsurance contract issued by Terramar Insurance Company, Terramar Insurance Agency, Advanced Risk International, Ltd. or Terramar General Agency (“Terramar Policy”) so as to preserve any obligation of Frontier pursuant to such Terramar Policy; and it is further

ORDERED, that The Terramar Notice shall accurately and sufficiently set forth the required information identifying (a) the Terramar Policy pursuant to which Frontier has or may have an obligation (“Identified Terramar Policy”), (b) the policyholder(s) of such Identified Terramar Policy, (c) the person(s) with an interest in the Terramar Policy who, by submitting a Terramar Notice, seeks to preserve such person’s interest in the Identified Terramar Policy (“Submitting Terramar Policy Interest Holder”), and (d) any claim under such Identified Terramar Policy where the Submitting Terramar Policy Interest Holder has knowledge of such claim prior to the Terramar Notice Date; and it is further

ORDERED, that all claims against Frontier pursuant to any Terramar Policy will be barred unless the Terramar Policy and the policyholder(s) of such Terramar Policy have been accurately and sufficiently identified in a timely Terramar Notice; and it is further

ORDERED, that any claim against Frontier pursuant to any Terramar Policy will be barred where the Submitting Terramar Policy Interest Holder had knowledge concerning such claim prior to the Terramar Notice Date and did not submit a timely Terramar Notice setting forth the required information concerning such claim; and it is further

ORDERED, that all persons will be barred from asserting claims against Frontier pursuant to any Terramar Policy other than Submitting Terramar Policy Interest Holders who submit a timely, accurate and sufficient Terramar Notice in connection with such Terramar Policy; and it is further

ORDERED, that all Terramar Notices must be made in writing and sent to the Rehabilitator by first class mail, postage paid and postmarked on or before the Terramar Notice Date, or by overnight courier, fees paid and written acknowledgement of receipt by such courier on or before the Terramar Notice Bar Date, to the following address:

Frontier Insurance Company in Rehabilitation
Attn: Legal Department
195 Lake Louise Marie Road
Rock Hill, NY 12775-8000

ORDERED that [_____, 2009] ("Bond Bar Date") is hereby established as the last date on which a notice ("Bond Notice") regarding any bond issued by Frontier, including any surety bond or other bond or guaranty identified in New York Insurance Law Sections 1113(16) or 6801 ("Bond"), may be filed with the Rehabilitator so as to preserve any obligation of Frontier pursuant to such Bond; and it is further

ORDERED that the Bond Notice shall identify (a) the Bond pursuant to which it is alleged that Frontier has an obligation, (b) the default, event, accident, or occurrence allegedly giving rise to a claim pursuant to such Bond ("Triggering Event"), (c) the date of the Triggering Event, (d) the alleged injury, loss or damage caused by the Triggering Event, (e) the dollar amount of the claim alleged as a result of the Triggering Event, and (f) the obligee or principal under such Bond who, by submitting a Bond Notice, seeks to preserve such person's rights under the Bond ("Submitting Bond Interest Holder"); and it is further

ORDERED that any claim against Frontier pursuant to any Bond shall be barred unless a timely Bond Notice has been submitted that accurately and sufficiently identifies the Bond, the claim alleged pursuant to such Bond, and all other information required by the Bond Notice; and it is further

ORDERED that any claim under any Bond in which the Triggering Event occurs after [_____, 2009] ("Bond Cutoff Date") shall be barred; and it is further

ORDERED that all persons will be barred from asserting claims against Frontier pursuant to any Bond other than the Submitting Bond Interest Holder who submits a timely, accurate and sufficient Bond Notice in connection with such Bond; and it is further

ORDERED, that all Bond Notices must be made in writing and sent to the Rehabilitator by first class mail, postage paid and postmarked on or before the Bond Bar Date, or by overnight courier, fees paid and written acknowledgement of receipt by such courier on or before the Bond Bar Date, to the following address:

Frontier Insurance Company in Rehabilitation
Attn: Legal Department
195 Lake Louise Marie Road
Rock Hill, NY 12775-8000.

E N T E R

J.S.C.