

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF QUEENS

-----X
In the Matter of

Index No.

the Application of

VERIFIED PETITION

Maria T. Vullo, Superintendent of Financial
Services of the State of New York, for an order to take
possession and liquidate the business and affairs of

FIDUCIARY INSURANCE COMPANY OF AMERICA.
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Maria T. Vullo, Superintendent of Financial Services of the State of New York (the “Superintendent”), respectfully petitions the Court for an order, *inter alia*, placing Fiduciary Insurance Company of America (“Fiduciary”) into liquidation under Article 74 of the New York Insurance Law (“Insurance Law”), Insurance Law §§ 7401 *et. seq.*; appointing the Superintendent and her successors in office as liquidator of Fiduciary (“Liquidator”); and, among other things, directing the Liquidator to liquidate the business and affairs of Fiduciary on the grounds that: (i) Fiduciary’s board of directors and shareholders unanimously consented to the entry of an order of liquidation; (ii) Fiduciary is insolvent; (iii) Fiduciary has refused to submit specified reports to the Superintendent as required by the Insurance Law; and (iv) Fiduciary has been found, after examination, to be in such condition that the further transaction of its business will be hazardous to its policyholders, creditors, or the public. Each of these grounds, by itself, is sufficient to place Fiduciary into liquidation and grant the relief sought.

Background

1. As set forth in the affidavit of Marc Allen, Assistant Chief, Property Bureau, New York State Department of Financial Services (“DFS”), sworn to on February 16, 2017 (“Allen Aff.”), attached hereto as Exhibit 2, Fiduciary was incorporated in the State of New York on or

about October 24, 1977 as a stock accident and health insurance company, and commenced business in the State of New York on or about January 1, 1978. Fiduciary is licensed to do the business of insurance in the State of New York in accordance with ¶¶ (3) (Accident and Health), (13) (Personal Injury Liability), (14) (Property Damage Liability), and (19) (Motor Vehicle and Aircraft Physical Damage) of Insurance Law § 1113(a). Fiduciary is not licensed to conduct the business of insurance in any other state. Allen Aff. ¶ 2.

2. Fiduciary's principal office is located at 45-07 Davis Street, 3rd Floor, Long Island City, New York 11101. Allen Aff. ¶ 2.

3. The New York State Insurance Department (the "Insurance Department," a predecessor to DFS) converted Fiduciary's license to conduct business in the State of New York from that of an accident and health insurance company to that of a property and casualty insurance company, effective January 1, 2005. Allen Aff. ¶ 4.

Grounds for Liquidation

4. Under Insurance Law § 7404, the Superintendent may apply for an order seeking the liquidation of an insurer if sufficient grounds exist pursuant to Insurance Law § 7402.

5. Insurance Law § 7402(l) provides that an insurer may be placed into liquidation if the majority of its directors, shareholders, or members consent to liquidation. By a written resolution dated November 4, 2016, Fiduciary's board of directors and shareholders unanimously consented to the entry of an order of liquidation pursuant to Insurance Law Article 74. Allen Aff. ¶ 9 & Schedule C.

6. The unanimous consent of Fiduciary's board of directors and shareholders to the entry of an order of liquidation, by itself, is grounds to place Fiduciary into liquidation. Insurance Law § 7402(l).

7. There are additional and independent reasons why the relief sought in this petition should be granted. Insurance Law § 7402(a) provides that sufficient grounds exist to place an insurance carrier into liquidation if the carrier is “insolvent within the meaning of” Insurance Law § 1309. Insurance Law § 1309(a) states in pertinent part:

[w]henver the superintendent finds from a financial statement or report on examination that an authorized insurer is unable to pay its outstanding lawful obligations as they mature in the regular course of business, as shown by an excess of required reserves and other liabilities over admitted assets, or by its not having sufficient assets to reinsure all outstanding risks with other solvent authorized assuming insurers after paying all accrued claims owed, such insurer shall be deemed insolvent and the superintendent may proceed against it pursuant to the provisions of article seventy-four of this chapter.

8. Under Insurance Law Article 13, Insurance Law §§ 1301 *et. seq.*, and Article 41, Insurance Law §§ 4101 *et. seq.*, Fiduciary is required to maintain a minimum surplus to policyholders of \$450,000.00. Based upon Fiduciary’s quarterly statement for the period ended September 30, 2015 (“Statement”), which was submitted to DFS on or about November 23, 2015 (and which, it should be noted, was the last such statement filed by Fiduciary, ¶ 12, *infra*), Fiduciary’s reported liabilities of \$123,541,760 exceeded its admitted assets of \$90,722,057, resulting in a negative surplus to policyholders in the amount of \$32,819,703. Allen Aff. ¶ 5 & Schedule A. Clearly, Fiduciary is insolvent. Insurance Law § 1309(a). *See Stewart v. Citizens Cas. Co. of New York*, 34 A.D.2d 525 (1st Dep’t), *aff’d*, 27 N.Y.2d 685 (1970), *cert. denied*, 401 U.S. 910 (1971) (finding a financially distressed insurer to be insolvent when liabilities and required reserves exceeded assets, and granting the application of the Superintendent to place the insurer into rehabilitation based upon that insolvency).¹

¹ Shortly after Citizens Casualty was placed into rehabilitation, the Supreme Court, New York County granted a motion to convert the rehabilitation to a liquidation proceeding, finding that: (1) the First Department decision established that Citizens Casualty was insolvent; and (2) permitting Citizens Casualty to continue to conduct

9. The Statement demonstrates, and the Superintendent has found, that Fiduciary is unable to pay its outstanding lawful obligations as they mature in the regular course of business, as shown by an excess of required reserves and other liabilities over admitted assets. Accordingly, Fiduciary is insolvent within the meaning of Insurance Law § 1309(a), which by itself is independent and sufficient grounds to place Fiduciary into liquidation. Insurance Law § 1309(a); *Stewart, supra*; *Schenck, supra*.

10. A third, separate, reason exists for Fiduciary to be placed into liquidation. Insurance Law § 7402(b) provides that an insurer may be placed into liquidation if it “[h]as refused to submit its books, papers, accounts or affairs to the reasonable inspection of the [s]uperintendent, [her] deputy or examiner.” Insurance Law § 7402(b).

11. Fiduciary is required, under Insurance Law § 307(a), to submit to the Superintendent an annual statement for each calendar year, showing its year-end condition and verified by the oath of at least two principal officers, by no later than March 1 of the following calendar year (the “Annual Statement”). Fiduciary is also required, under Insurance Law § 307(b)(1), to submit to the office of the Superintendent an audited annual financial statement for each calendar year by no later than May 31 of the following year (the “Audited Statement”). In addition, Fiduciary is required under Insurance Law § 308(b) to file quarterly financial statements as the Superintendent may require.

12. Fiduciary has not filed its Annual Statement for 2015 (which it was required to file by March 1, 2016), nor has it filed its Audited Statement for 2015 (which it was required to file by May 31, 2016). Moreover, Fiduciary has not filed any quarterly financial statements since filing the Statement with DFS in November 2015. Allen Aff. ¶ 6. Fiduciary’s failure to

business was hazardous to policyholders, creditors and the public at large. *Schenck v. Citizens Cas. Co. of N.Y.*, 66 Misc.2d 811 (S.Ct. N.Y. Cty. 1971).

file these financial statements is, by itself, an independent and sufficient reason to place it into liquidation under Insurance Law § 7402(b).

13. A fourth reason exists for Fiduciary to be placed into liquidation. Insurance Law § 7402(e) provides that an insurer may be placed into liquidation if the insurer, after examination, is found to be in such a condition that further transaction of its business would be hazardous to its policyholders, creditors, or the public.

14. The Superintendent regulates the insurance industry in the State of New York (*Dinallo v. DiNapoli*, 9 N.Y.3d 94, 97 (2007)) and, through the DFS, monitors and examines Fiduciary's financial statements. As detailed in ¶ 8, *supra*, the Statement shows a negative surplus to policyholders of \$32,819,703. In recognition of Fiduciary's distressed financial condition, DFS sent the company a letter on January 30, 2015, directing it to cease writing any new insurance policies unless and until it submitted a plan to restore its required minimum surplus that obtained the approval of the Superintendent. Fiduciary has since submitted plans on two separate occasions, each of which has been rejected by the Superintendent. Allen Aff. ¶ 7 & Schedule B. Fiduciary has not cured its negative surplus or developed an acceptable plan to do so. The company remains deeply insolvent with no reasonable path to improvement.

15. Based upon the extent of Fiduciary's insolvency and its inability to develop an acceptable plan to cure that insolvency or its negative surplus, coupled with Fiduciary's failure to file financial statements since November 2015, the Superintendent has reasonably concluded that the company does not have, or will not have, sufficient funds to pay policyholder and other claims as they arise, and that its continued operation would be hazardous to its policyholders, creditors and the public. This by itself is another independent and sufficient ground to place Fiduciary into liquidation. *See Schenck, supra* (finding, in addition to insolvency, that the

additional ground to place a financially distressed insurer into liquidation of hazardous condition existed due to the company's inability to restore the minimum required surplus to policyholders); Insurance Law § 7402(e).

Process for Commencing an Article 74 Liquidation Proceeding in this Court

16. An application for liquidation, pursuant to Insurance Law § 7417, is made by order to show cause filed by the Attorney General in the judicial district in which the insurer's principal office is located. This Verified Petition is submitted to Supreme Court, Queens County, the location of Fiduciary's principal office, in support of the application by order to show cause filed by the Office of the Attorney General of the State of New York to place Fiduciary into liquidation.

17. The Insurance Law states that a hearing to place an insurer into liquidation shall be held without delay and a decision on the requested relief made expeditiously:

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

Insurance Law § 7417.

Proposed Plan For Liquidation

18. In order to administer the liquidation proceeding expeditiously, it is necessary to:

(a) cancel all Fiduciary policies which remain in effect after March 1, 2017 within 60 days of the entry of the order of liquidation (the "Cancellation Date"); (b) establish a bar date that is one year after the Cancellation Date for the submission of claims to the Liquidator, including all evidence to establish the existence of an actual loss under a policy; and (c) refrain from adjudicating non-policyholder creditor claims unless the Liquidator, within her business discretion, determines that it is in the interest of the estate to do so.

a. Canceling Policies

19. 5,476 Fiduciary policies expire by their terms on March 1, 2017, and Fiduciary has already sent out notices of non-renewal in respect of these policies. Allen Aff. ¶ 8. However, 69 policies will remain in force past March 1, 2017 (the “Remaining Policies”). The Remaining Policies expire on various dates, the latest of which is November 26, 2017. Allen Aff. ¶ 8. A necessary prerequisite to liquidating an insurance company is canceling its policies. Because Fiduciary has limited assets, all of which are expected to be utilized to pay administrative claims and claims under policies, it is not in the interest of policyholders and other creditors that these policies remain in effect. Given Fiduciary’s financial condition, it is necessary that these policies be terminated as soon as possible in order to permit the remaining policyholders to arrange for new insurance with a solvent insurer. For these reasons, the order of liquidation cancels all existing insurance policies of Fiduciary at 12:01 a.m. local time on the Cancellation Date.

20. The cancellation of insurance policies is in accordance with the Insurance Law. Section 7405(b) permits the Court to fix the rights and liabilities of insurers and policyholders as of the liquidation date, and permits the cancellation of insurance policies upon the insurer’s liquidation. *See In the Matter of Transit Casualty Co.*, 79 N.Y.2d 13, 580 N.Y.S.2d 140 (1992). The relief requested ensures that Fiduciary policies are cancelled in an orderly and fair manner and provides policyholders a reasonable period to obtain replacement insurance.

b. Setting a Bar Date

21. Establishing a bar date for the filing of claims will fix the number of claims against Fiduciary and will enable the Liquidator to wind down Fiduciary's business affairs in a fair, orderly and expeditious manner.

22. The Insurance Law imposes an automatic four month bar date for the filing of claims against the liquidating insurer unless the Superintendent certifies that a longer period of time is necessary:

Where a liquidation . . . order has been entered in a proceeding against an insurer under this article, all persons who may have claims against such insurer shall present the same to the liquidator . . . at a place specified by him within four months from the date of entry of such order, or, if the superintendent shall certify that it is necessary, within such longer time as the court shall prescribe.

Insurance Law §7432(b).

23. The Superintendent hereby certifies that, based upon the information available at this time, it is in the best interest of Fiduciary's policyholders and claimants to set a bar date that is one year after the Cancellation Date (the "Bar Date") for the submission of all claims against the estate (including all evidence to establish the existence of an actual loss under a policy), except for the Liquidator's claims for administrative expenses and claims for reimbursement submitted by the New York Property/Casualty Insurance Security Fund (the "P/C Fund") and the New York Public Motor Vehicle Liability Security Fund (the "PMV Fund", and collectively with the P/C Fund, the "Security Funds").² Establishing the Bar Date one year from the Cancellation Date will enable the Liquidator to expeditiously fix the actual number and total amount of claims eligible to receive distributions from the insolvent estate while also providing adequate time for

² The Security Funds were established pursuant to Insurance Law Article 76 to ameliorate the impact of the insolvency of insurers licensed to conduct business in the State of New York. The Security Funds are designed to pay eligible claims up to the lesser of the statutory limit or the limit of the underlying policy, where such claims remain unpaid by reason of an insolvent insurer's inability to meet its obligations to policyholders.

policyholders and creditors to file claims with the Liquidator or the Security Funds, as applicable. For these reasons, the order of liquidation seeks the Bar Date of one year from the Cancellation Date for submission of claims (including all evidence to establish the existence of an actual loss under a policy), except for claims of administration and claims for reimbursement submitted by the Security Funds against the Fiduciary estate.

c. Refraining from Adjudication

24. Among the duties of the liquidator are the conservation of the property and the administration of the assets of an insolvent estate in an orderly and fair manner for the benefit of policyholders and creditors. *Dinallo, supra* at 97. An important element of this process is the adjudication of claims to determine whether payment should be made, in whole or in part, in accordance with the priority of distribution scheme set forth in Insurance Law § 7434(a).

25. In order to conserve Fiduciary's assets, the Superintendent proposes that any claim falling below Class two of Insurance Law § 7434 not be adjudicated unless the Liquidator determines in her discretion that it is in the interest of the estate to do so. Insurance Law § 7434 provides that all members of a senior class be paid in full before members of the next class may receive any payment. Based upon Fiduciary's limited financial resources, there is no reasonable expectation that Fiduciary will have sufficient monies to pay on any claims below Class two, which are claims of policyholders and security funds. Unless the Liquidator determines that it would benefit the Fiduciary estate to adjudicate claims below Class two, estate resources should not be expended to adjudicate them. Permitting the Liquidator to adjudicate claims only for those classes that are likely to receive a distribution within the liquidation proceeding will reduce administrative expenses, promote judicial economy, and help the Liquidator to maximize assets available for distribution to claimants.

Process of Liquidation and Relief Requested

26. Article 74 of the Insurance Law requires that the Liquidator take control of and manage Fiduciary's property in order to liquidate Fiduciary's business (Insurance Law §7405(a)). Therefore, it is respectfully requested that the Court issue an order of liquidation, *inter alia*: (a) appointing the Superintendent, and her successors in office, as Liquidator of Fiduciary; (b) directing the Liquidator to take possession of Fiduciary's property, and to liquidate Fiduciary's business and affairs; (c) vesting title to all of Fiduciary's property, contracts, rights of action and all of its books and records, wherever located, in the Liquidator and her successors; and (d) permitting the Liquidator to deal with the property and business of Fiduciary in Fiduciary's name or in the name of the Liquidator.

27. In order to take possession and manage the business affairs of Fiduciary and to liquidate its assets in an orderly and fair manner for the benefit of policyholders and creditors, the Liquidator requires certain injunctive relief.

28. Under Insurance Law § 7419(a), the Court may issue an injunction permanently enjoining and restraining the insurer, its officers, directors, shareholders, members, trustees, agents, servants, employees, policyholders, attorneys, managers, and all other persons from the transaction of Fiduciary's business or the waste or disposition of Fiduciary's property (the "Interference with Business Injunctions").

29. Under Insurance Law § 7419(b), the Court may issue such other permanent injunctions or orders as it deems necessary to prevent interference with the Liquidator or this proceeding, or the waste of Fiduciary's assets or the commencement or prosecution of any actions or proceedings (a) against the Liquidator, Fiduciary, the New York Liquidation Bureau, which acts as the staff of the Liquidator, or their present or former employees, attorneys or

agents, with respect to this proceeding or the discharge of their duties under Article 74 in relation thereto or (b) to assert preferences, judgments, attachments, liens, or any levy against Fiduciary, its assets or any part thereof (the “Interference with Liquidator Duties Injunctions”, and collectively with the Interference with Business Injunctions, the “Permanent Injunctions”).

30. The Permanent Injunctions are crucial for the performance of the Liquidator’s duties. If the Interference with Business Injunctions are not granted, there will be no legal protections against the wasting of the assets of Fiduciary and the transaction of Fiduciary’s business. Allowing anyone other than the Liquidator to manage the business affairs of Fiduciary would defeat the legislative scheme of liquidation set out in Article 74. *See, e.g., Knickerbocker Agency, Inc. v. Holz*, 4 A.D.2d 71, 73 (1st Dept. 1957), *aff’d*, 4 N.Y.2d 245 (1958). For the same reasons, the Interference with Liquidator Duties Injunctions should be granted. Failure to grant this relief could result in one or more persons or entities obtaining attachments, liens or levies against Fiduciary or its assets, or pursuing legal action (including collections on judgments) against Fiduciary, any and all of which would enable them to obtain preferences over others in a manner incompatible with Insurance Law § 7434(a)(1), which prohibits preferences and provides that: (i) claimants are classified into classes of creditors; (ii) each higher class of creditor shall be paid before the next class of creditor; and (iii) all creditors in the same class shall receive the same *pro rata* distribution.

31. In short, the Permanent Injunctions are necessary for the liquidation process and serve as legal protections to ensure that the Liquidator may fulfill the duties of marshaling the property and administering the assets of Fiduciary in an orderly and fair manner. *Dinallo, supra* at 97. The Interference with Business Injunctions may be granted “without notice” under Insurance Law §7419(a), and the Interference with Liquidator’s Duties Injunctions may be

granted as the Court “deems necessary” under Insurance Law § 7419(b). Thus, the Permanent Injunctions should be granted because they are necessary to enable the orderly liquidation of Fiduciary in accordance with Article 74 of the Insurance Law.

32. In addition to the Permanent Injunctions, the Superintendent seeks an order, under Insurance Law § 7419(b), temporarily staying all litigation matters in which Fiduciary’s policyholders or insureds are a party or are obligated to defend a party pursuant to an insurance policy, bond, contract or otherwise, for a period of 180 days from the date of entry of an order of liquidation against Fiduciary (the “180-Day Stay”).

33. The 180-Day Stay will allow the Liquidator sufficient time to: (i) obtain and review Fiduciary’s claims files and the litigation files of matters currently in suit; (ii) assign claims examiners; (iii) review settlement status or opportunities, if any; (iv) analyze legal issues; (v) set reserves; and (vi) assign or retain counsel on matters required to be defended under Fiduciary policies. Without the 180-Day Stay, there is a real potential for prejudice to Fiduciary’s insureds as legal matters could move forward, or judgments be obtained, before the Liquidator has had time to review and address the status of each particular case. Respectfully, the 180-Day Stay is necessary to permit the Liquidator to liquidate Fiduciary in an orderly and fair manner.

34. It is further respectfully requested that the Court temporarily enjoin and restrain all persons who have first-party policyholder loss claims, from presenting and filing claims with the Liquidator or the Administrator for a period of 90 days from the date of entry of an order of liquidation of Fiduciary (the “90-Day Stay”). First party claims, such as claims for property damage, involve a direct relationship with the insured, i.e., the person who or entity that purchased insurance is making a claim for an event that person or entity believes is covered by

the insurance policy. The Liquidator will refer eligible first party claims in New York to the Security Funds which will, in turn, determine coverage on such claims up to the lesser of the Security Fund limits or the limits of the relevant insurance policy. A period of 90 days is reasonable and adequate to: (i) obtain and review the insurance policies; (ii) collect and review the relevant claims data; (iii) assign claims examiners; (iv) determine if there is insurance coverage; (v) set reserves; (vi) negotiate resolution of all coverage issues; and (vii) assign or retain counsel or a claims adjuster, if necessary.

35. The 180-Day Stay and 90-Day Stay sought in the foregoing paragraphs, as well as the Permanent Injunctions, have been included in virtually all liquidation orders for at least the past 30 years. *See, e.g., In the Matter of the Liquidation of Eveready Insurance Company*, S.Ct., N.Y. County, Index #160307/2014, Order of December 3, 2014; *In the Matter of the Liquidation of ICM Insurance Company*, S.Ct., N.Y. County, Index #452122/13, Order of December 23, 2013; *In the Matter of the Liquidation of Colonial Cooperative Insurance Company*, S.Ct., N.Y. County, Index #400235/10, Order of September 30, 2010; *In the Matter of the Liquidation of Realm National Insurance Company*, S.Ct., N.Y. County, Index #401876/05, Order of June 15, 2005; *In the Matter of the Liquidation of Midland Insurance Company*. S.Ct., N.Y. County, Index #41294/1986, Order of April 3, 1986. Copies of the liquidation orders in each of these liquidation proceedings are annexed hereto as Exhibit 4. These injunctions, in short, are standard and necessary for an orderly liquidation.

36. In addition to granting the Permanent Injunctions, the 180-Day Stay and the 90-Day Stay, it is important that this Court grant the temporary restraining orders sought in the Order to Show Cause (the “TROs”), which preserve the status quo pending the hearing and determination of this petition on the Return Date (as defined in the Order to Show Cause). The

TROs will prevent waste and transfer of assets, will ensure that no one policyholder or creditor rushes and obtains a judgment or a litigation advantage before the petition is heard and determined and, in so doing, ensures that no policyholder or creditor receives a preference by being paid ahead of other policyholders or creditors solely because it obtained a judgment in the time frame between the signing of the Order to Show Cause and the hearing on this petition.

37. It is further respectfully requested that, in accordance with Insurance Law § 7405, the Court vest all rights in Fiduciary's contracts and agreements, however described, in the Liquidator and permit the Liquidator the discretion to reject any executory contracts to which Fiduciary is a party, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of rejection.

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

39. It is further respectfully requested that the Court order that all persons or entities having property, papers (including attorney work product and documents held by attorneys) and/or information, including, but not limited to, insurance policies, underwriting data, reinsurance policies, claims files (electronic or paper), software programs and/or bank records

owned by, belonging to or relating to Fiduciary shall preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over and deliver such information to the Liquidator.

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

41. It is further respectfully requested that the Court, for the reasons described in ¶¶ 19–20 above, order that all existing insurance policies of Fiduciary are cancelled at 12:01 A.M. local time on the date that is 60 days after the entry of an order of liquidation of Fiduciary.

42. It is further respectfully requested that the Court, for the reasons described in ¶¶ 21–23 above, enter an order establishing the date that is one year after the Cancellation Date as the bar date by which all claims by any claimant against Fiduciary or its insureds, except for the Liquidator's claims for administrative expenses and claims for reimbursement submitted by the Security Funds, must be actually received by the Liquidator, including all evidence to establish the existence of an actual loss under the policy.

43. It is further respectfully requested that the Court, for the reasons described in ¶¶ 24–25 above, enter an order authorizing, and granting the discretion to, the Liquidator to refrain from adjudicating some or all claims falling into Classes three through nine (Insurance

Law § 7434(a)(1)(iii)-(ix)) unless and until it may be reasonably expected that adjudication of such claims would be in the best interests of the estate.

44. It is further respectfully requested that the Court order that the Liquidator of Fiduciary, her successors in office, the New York Liquidation Bureau and their agents and employees, be granted immunity from any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of the Court, or in the performance of their duties pursuant to Insurance Law Article 74. The Liquidator would be acting in a “judicial and private” capacity under the supervision of the Court pursuant to Article 74 of the Insurance Law. *See Dinallo, supra* at 103. In addition, the Supreme Court, New York County has held that “a court-appointed receiver [in this case, the Liquidator] acts as an arm of the court and is immune from liability for actions grounded in his or her conduct as receiver.” *In the Matter of the Liquidation of U.S. Capital Insurance Company*, 36. Misc.3d 635, 637 (2012).

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

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

Dated: New York, New York

Feb. 24, 2017



Maria T. Vullo
Superintendent of Financial Services
of the State of New York

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

Maria T. Vullo, being duly sworn, deposes and says:

That I am the Superintendent of Financial Services of the State of New York and that I executed the foregoing petition; that I am acquainted with the facts therein stated; that I know the contents of the petition and that the same is true to my own knowledge, except as to the matters therein stated to be alleged upon information and belief and that as to those matters I believe them to be true.

The sources of information and the grounds of my belief as to the matters stated in said petition to be alleged upon information and belief are the records of the New York State Department of Financial Services and the affidavit of Marc Allen, Assistant Chief, Property Bureau, New York State Department of Financial Services, sworn to on February 16, 2017, in support of the verified petition.



Maria T. Vullo
Superintendent of Financial Services
of the State of New York

Sworn to before me this
24th day of FEBRUARY, 2017


Notary Public

MICHAEL J. CAMPANELLI
Notary Public, State of New York
No. 02-4096425
Qualified in Suffolk County
Certificate Filed in New York County
Commission Expires May 18, 2018

2018

EXHIBIT 1

[Form of Liquidation Order]

At IAS Part __ of the Supreme Court of the State of New York, County of Queens, at the courthouse located at 88-11 Sutphin Boulevard, Jamaica, New York, on the ____ day of _____, 2017.

P R E S E N T:

HON. _____, J.S.C

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In the Matter of

Index No. _____

the Application of

ORDER OF LIQUIDATION

Maria T. Vullo, Superintendent of Financial Services of the State of New York, for an order to take possession and liquidate the business and affairs of

FIDUCIARY INSURANCE COMPANY OF AMERICA.

-----X

Maria T. Vullo, Superintendent of Financial Services of the State of New York (“Superintendent”), having moved this Court by order to show cause (“Order to Show Cause”) for an order appointing the Superintendent and her successors in office as liquidator (“Liquidator”) of Fiduciary Insurance Company of America (“Fiduciary”) and directing the Liquidator to take possession of the property of Fiduciary and to liquidate its business and affairs, and upon reading and filing the petition of the Superintendent, duly verified on February 24, 2017 (the “Petition”), the affidavit of Marc Allen, sworn to on February 16, 2017, and the exhibits and schedules annexed thereto, this Court finds that:

1. Fiduciary is insolvent within the meaning of Section 1309(a) of the New York Insurance Law (“Insurance Law”); and

2. Fiduciary should be placed into liquidation under Insurance Law Article 74 because: (i) its board of directors and shareholders unanimously consented to the entry of an

order of liquidation; (ii) it is insolvent; (iii) it has refused to submit specified reports and other financial information to the Superintendent as required by the Insurance Law; and (iv) permitting Fiduciary to remain in business would be hazardous to policyholders, creditors, and the public at large; and

NOW, on motion of the Honorable Eric T. Schneiderman, Attorney General of the State of New York, it is hereby

ORDERED as follows:

1. The relief requested in the Petition for an order of liquidation (“Order”) is granted;
2. The Superintendent and her successors in office are appointed Liquidator of Fiduciary;
3. The Liquidator is directed to take possession of Fiduciary’s property and liquidate Fiduciary’s business and affairs in accordance with Insurance Law Article 74;
4. The Liquidator is vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in this Order and with title to Fiduciary’s property, contracts, rights of action and all of its books and records, wherever located, as of the date of entry of this Order;
5. The Liquidator may deal with the property and business of Fiduciary in Fiduciary’s name or in the name of the Liquidator;
6. All persons are permanently enjoined and restrained, except as authorized by the Liquidator, from transacting Fiduciary’s business (including the issuance of insurance policies) or from the waste or disposition of Fiduciary’s property;
7. All parties are permanently enjoined and restrained from interfering with the Liquidator or this proceeding, obtaining any preferences, judgments, attachments or other liens, making any levy against Fiduciary, its assets or any part thereof, and commencing or prosecuting any actions or proceedings against the Superintendent as Liquidator of Fiduciary, the New York Liquidation Bureau, or their present or former employees, attorneys or agents, relating to this proceeding or the discharge of their duties under Insurance Law Articles 74 and 76 in relation thereto;
8. All parties to actions, lawsuits, and special or other proceedings in which Fiduciary’s policyholders or insureds are a party or are obligated to defend a party

pursuant to an insurance policy, bond, contract or otherwise, are enjoined and restrained from 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 this Order;

9. All persons who have first party policyholder loss claims are enjoined and restrained from presenting and filing claims with the Liquidator or with the Administrator for a period of 90 days from the date of entry of this Order;
10. The Liquidator is vested with all rights in Fiduciary's contracts and agreements, however described, and is permitted, in her discretion, to reject any executory contracts to which Fiduciary is a party, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of rejection;
11. Any bank, savings and loan association, other financial institution or any other entity or person, that has on deposit or in its possession, custody or control any of Fiduciary's funds, accounts (including escrow accounts) or assets shall immediately, upon the Liquidator's request and direction: (a) turn over custody and control of such funds, accounts or assets to the Liquidator; (b) transfer title of such funds, accounts or assets to the Liquidator; (c) change the name of such accounts to the name of the Liquidator; (d) transfer funds from such bank, savings and loan association or other financial institution; and (e) take any other action reasonably necessary for the proper conduct of the liquidation proceeding;
12. All persons or entities having property, papers (including attorney work product and documents held by attorneys) and/or information, including, but not limited to, insurance policies, underwriting data, reinsurance policies, claims files (electronic or paper), software programs and/or bank records owned by, belonging to or relating to Fiduciary shall preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over and deliver such property and/or information to the Liquidator;
13. The Liquidator is authorized, permitted, and allowed to sell, assign or transfer any and all stocks, bonds, or other securities at the best price reasonably obtainable at such times and upon such terms and conditions as, in her discretion, she deems to be in the best interest of the creditors of Fiduciary, and is further authorized to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers and assignments, without the further approval of this Court;
14. All existing insurance policies of Fiduciary will be cancelled at 12:01 a.m. local time on the date that is 60 days after the entry of this Order (the "Cancellation Date");

15. All claims against Fiduciary, including all evidence to establish the existence of an actual loss under a policy, must be presented to the Liquidator by the date that is one year after the Cancellation Date (the "Bar Date"), except that the Bar Date shall not apply to the Liquidator's claims for administrative expenses or to claims for reimbursement submitted by the Security Funds (as defined in the accompanying Petition);
16. The Liquidator is authorized, in her discretion, to refrain from adjudicating some or all claims falling into Classes three through nine (N.Y. Ins. Law § 7434(a)(1)(iii)-(ix)) unless and until she believes, exercising her discretion, that adjudication of such claims would be in the best interests of the estate;
17. Immunity is extended to the Superintendent in her capacity as Liquidator of Fiduciary, 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 Article 74;
18. Any distribution of assets shall be in accordance with the priorities set forth in Insurance Law Article 74;
19. The Liquidator may at any time make further application to this Court for such further and different relief as she sees fit;
20. The Liquidator shall serve a copy of this Order upon: John J. Hession, Executive Vice-President and General Counsel, Fiduciary Insurance Company of America, 45-07 Davis Street, 3rd Floor, Long Island City, New York 11101, by overnight delivery or by certified mail;
21. The Liquidator shall provide notice of this Order to the holders of the Remaining Policies (as defined in the accompanying Petition) by: (i) by first-class mail to the holders of the Remaining Policies within 30 days of entry of this Order; (ii) publication of notice of this Order, in a form substantially similar to the one attached hereto as Annex A, in the *New York Post* once a week for two consecutive weeks, commencing within 30 days of entry of this Order; and (iii) posting this Order on the Internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> within 15 days of entry of this Order;
22. This Court shall retain jurisdiction over this matter for all purposes;

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

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF QUEENS

-----X
In the Matter of

the Liquidation of

FIDUCIARY INSURANCE COMPANY OF AMERICA.

-----X

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

E N T E R

J.S.C.

ANNEX A

[Form of Notice of Liquidation Order]

NEW YORK LIQUIDATION BUREAU
110 WILLIAM STREET
NEW YORK, NEW YORK 10038
(212) 341-6400

To all persons or entities interested in the affairs of
FIDUCIARY INSURANCE COMPANY OF AMERICA

Notice is Hereby Given:

Maria T. Vullo, Superintendent of Financial Services of the State of New York ("Superintendent"), has been appointed by an order (the "Order") of the Supreme Court of the State of New York, County of Queens ("Court"), entered on _____, 2017, as the liquidator (the "Liquidator") of Fiduciary Insurance Company of America ("Fiduciary") and, as such, has been: (i) directed to take possession of Fiduciary's property and liquidate Fiduciary's business and affairs in accordance with New York Insurance Law ("Insurance Law") Article 74; and (ii) vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in the Order and with title to Fiduciary's property, contracts, rights of action and all of its books and records, wherever located, as of the date of entry of the Order. The Liquidator has, pursuant to Insurance Law Article 74, appointed David Axinn, Special Deputy Superintendent (the "Special Deputy"), as her agent to carry out her duties as Liquidator. The Special Deputy carries out his duties through the New York Liquidation Bureau ("NYLB"), 110 William Street, New York, New York 10038. The Order provides that:

- I. The Liquidator is permitted to deal with the property and business of Fiduciary in Fiduciary's name or in the name of the Liquidator;
- II. All persons are permanently enjoined and restrained, except as authorized by the Liquidator, from transacting Fiduciary's business (including the issuance of insurance policies) or from the waste or disposition of Fiduciary's property;
- III. All parties are permanently enjoined and restrained from interfering with the Liquidator or the proceeding, obtaining any preferences, judgments, attachments or other liens, making any levy against Fiduciary, its assets or any part thereof, and commencing or prosecuting any actions or proceedings against the Superintendent as Liquidator of Fiduciary, the New York Liquidation Bureau, or their present or former employees, attorneys or agents, relating to the proceeding or the discharge of their duties under Insurance Law Articles 74 and 76 in relation thereto;
- IV. All parties to actions, lawsuits, and special or other proceedings in which Fiduciary's policyholders or insureds are a party or are obligated to defend a party pursuant to an insurance policy, bond, contract or otherwise, are enjoined and restrained from 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;
- V. All persons who have first party policyholder loss claims are enjoined and restrained from presenting and filing claims with the Liquidator or with the Administrator for a period of 90 days from the date of entry of the Order;
- VI. The Liquidator is vested with all rights in Fiduciary's contracts and agreements, however described and permitting the Liquidator, in her discretion, to reject any executory contracts to

which Fiduciary is a party, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of rejection;

- VII. Any bank, savings and loan association, other financial institution or any other entity or person, that has on deposit or in its possession, custody or control any of Fiduciary's funds, accounts (including escrow accounts) or assets shall immediately, upon the Liquidator's request and direction: (a) turn over custody and control of such funds, accounts or assets to the Liquidator; (b) transfer title of such funds, accounts or assets to the Liquidator; (c) change the name of such accounts to the name of the Liquidator; (d) transfer funds from such bank, savings and loan association or other financial institution; and (e) take any other action reasonably necessary for the proper conduct of the liquidation proceeding;
- VIII. All persons or entities having property, papers (including attorney work product and documents held by attorneys) and/or information, including, but not limited to, insurance policies, underwriting data, reinsurance policies, claims files (electronic or paper), software programs and/or bank records owned by, belonging to or relating to Fiduciary shall preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over and deliver such property and/or information to the Liquidator;
- IX. The Liquidator is authorized, permitted and allowed to sell, assign or transfer any and all stocks, bonds, or other securities at the best price reasonably obtainable at such times and upon such terms and conditions as, in her discretion, she deems to be in the best interest of the creditors of Fiduciary, and is further authorized to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers and assignments, without the further approval of the Court;
- X. All existing insurance policies of Fiduciary will be cancelled at 12:01 a.m. local time on the date that is 60 days from the entry of the Order (the "Cancellation Date");
- XI. All claims against Fiduciary, including all evidence to establish the existence of an actual loss under a policy, must be presented to the Liquidator by [insert date that is one year after the Cancellation Date] (the "Bar Date"), except that the Bar Date shall not apply to the Liquidator's claims for administrative expenses or to claims for reimbursement submitted by the New York Property/Casualty Insurance Security Fund and the New York Public Motor Vehicle Liability Security Fund;
- XII. The Liquidator is authorized, in her discretion, to refrain from adjudicating some or all claims falling into Classes three through nine (N.Y. Ins. Law Sec. 7434(a)(1)(iii)-(ix)) unless and until she believes, exercising her discretion, that adjudication of such claims would be in the best interests of the estate;
- XIII. Immunity is extended to the Superintendent in her capacity as Liquidator of Fiduciary, 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 the Court, or in the performance of their duties pursuant to Insurance Law Article 74;
- XIV. Fiduciary is insolvent within the meaning of Insurance Law § 1309(a);
- XV. Any distribution of assets shall be in accordance with the priorities set forth in Insurance Law Article 74;

- XVI. The Liquidator may at any time make further application to the Court for such further and different relief as she sees fit;
- XVII. The Court shall retain jurisdiction over this matter for all purposes.
- XVIII. All communications relating to Fiduciary and to the liquidation proceeding thereof should be addressed to:

New York Liquidation Bureau
110 William Street, 15th Floor
Attention: Special Deputy Superintendent
New York, New York 10038
(212) 341-6400

MARIA T. VULLO
Superintendent of Financial Services of
the State of New York as Liquidator
of Fiduciary Insurance Company of America
and as Administrator of the Security Funds

DAVID AXINN
Special Deputy Superintendent
and Agent for the Superintendent as
Liquidator and as Administrator

EXHIBIT 2

[Affidavit of Marc Allen]

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF QUEENS-----X
In the Matter of

Index No.

the Application of

AFFIDAVIT

Maria T. Vullo, Superintendent of Financial
Services of the State of New York, for an order to take
possession and liquidate the business and affairs of

FIDUCIARY INSURANCE COMPANY OF AMERICA.
-----X

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

Marc Allen, being duly sworn, deposes and says:

1. I am employed as an Assistant Chief in the Property Bureau of the New York State Department of Financial Services ("DFS") and submit this affidavit, upon information and belief based upon my review of the files maintained by DFS, in support of the petition of Maria T. Vullo, Superintendent of Financial Services of the State of New York ("Superintendent"), for an order commencing a liquidation proceeding for Fiduciary Insurance Company of America ("Fiduciary") and appointing the Superintendent and her successors in office as liquidator of Fiduciary as authorized by Article 74 of the New York Insurance Law ("Insurance Law").

2. Fiduciary is a property and casualty insurance company organized under the laws of the State of New York, and its principal office is located at 45-07 Davis Street, 3rd Floor, Long Island City, New York 11101. Fiduciary was incorporated in the State of New York on or about October 24, 1977 as a stock accident and health insurance company, and commenced business in the State of New York on or about January 1, 1978. Fiduciary is licensed to do the business of insurance in the State of New York in accordance with paragraphs (3) (Accident and Health),

(13) (Personal Injury Liability), (14) (Property Damage Liability) and (19) (Motor Vehicle and Aircraft Physical Damage) of Insurance Law § 1113(a). Fiduciary wrote liability and disability insurance, comprehensive and collision coverage, and commercial auto insurance for the for-hire automobile industry. Fiduciary is not licensed to conduct the business of insurance in any other state.

3. Fiduciary's parent company is Transportation Risk Group, which purchased 100% of Fiduciary's issued and outstanding common stock in 2004.

4. The New York State Insurance Department (the "Insurance Department," a predecessor to DFS) converted Fiduciary's license to conduct business in the State of New York from that of an accident and health insurance company to that of a property and casualty insurance company, effective January 1, 2005.

5. Under Insurance Law Articles 13 and 41, Fiduciary is required to maintain a minimum surplus to policyholders of \$450,000.00. Based upon Fiduciary's most recently prepared quarterly statement for the period ended September 30, 2015 ("Statement"), which was submitted to DFS on or about November 23, 2015, Fiduciary's reported liabilities of \$123,541,760 exceeded its admitted assets of \$90,722,057, resulting in a negative surplus to policyholders in the amount of \$32,819,703. A copy of the Statement is attached as Schedule A.

6. Fiduciary has not filed any quarterly financial statements as required by Insurance Law § 308(b) since filing the Statement with DFS in November 2015. In addition: (i) Fiduciary has not filed the annual statement, showing its year-end condition and verified by the oath of at least two principal officers, for 2015, which it was required under Insurance Law § 307(a) to file by March 1, 2016; and (ii) Fiduciary has not filed the audited annual financial statement for 2015, which it was required under Insurance Law § 307(b)(1) to file by May 31, 2016.

7. DFS sent Fiduciary a letter on January 30, 2015 (the "1310 Letter"), directing it to cease writing any new insurance policies until and unless it submitted a plan to restore its required minimum surplus that obtained the approval of the Superintendent. A copy of the 1310 Letter is attached as Schedule B. Fiduciary has since submitted plans on two separate occasions, each of which has been rejected by the Superintendent.

8. 5,476 Fiduciary policies expire by their terms on March 1, 2017, and Fiduciary has already sent out notices of non-renewal in respect of these policies. However, 69 policies will remain in force past March 1, 2017. These remaining policies expire on various dates, the latest of which is November 26, 2017.

9. On November 4, 2016, Fiduciary's board of directors and shareholders passed a written resolution consenting to the entry of an order of liquidation. A copy of the resolution is attached hereto as Schedule C.



Marc Allen

Sworn to before me this
16th day of Feb, 2017


Notary Public



SCHEDULE A



QUARTERLY STATEMENT
AS OF SEPTEMBER 30, 2015
OF THE CONDITION AND AFFAIRS OF THE
Fiduciary Insurance Company Of America Inc.

NAIC Group Code	0000	0000	NAIC Company Code	88625	Employer's ID Number	132913461
	(Current Period)	(Prior Period)				
Organized under the Laws of	New York		State of Domicile or Port of Entry	New York		
Country of Domicile	United States of America					
Incorporated/Organized	10/24/1977		Commenced Business	01/01/1978		
Statutory Home Office	45-07 Davis Street, 3rd Floor		Long Island City, NY, 11101			
	(Street and Number)		(City or Town, State, Country and Zip Code)			
Main Administrative Office	45 07 Davis Street, 3rd Floor					
	(Street and Number)					
	Long Island City, NY, 11101		(718)706-7114			
	(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)			
Mail Address	45-07 Davis Street, 3rd Floor		Long Island City, NY, 11101			
	(Street and Number or P.O. Box)		(City or Town, State, Country and Zip Code)			
Primary Location of Books and Records	45-07 Davis Street 3rd Floor					
	(Street and Number)					
	Long Island City, NY, 11101		(718)706-7114			
	(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)			
Internet Web Site Address	ficagroup.com					
Statutory Statement Contact	S. Toulas Lettas		(718)706-7114			
	(Name)		(Area Code)(Telephone Number)(Extension)			
	tlettas@ficagroup.com		(718)706-8854			
	(E-Mail Address)		(Fax Number)			

OFFICERS

Name	Title
Robert Palm	Chief Executive Officer
S. Toulas Lettas	Chief Financial Officer
Stephen P. Bilasz	Vice President of Operations
Aaron Miller	Vice President of Claims

OTHERS

Gus Kodogiannis, Chairman
 Barbara Kodogiannis-Skenderis

Maria Kodogiannis-Olszewski, Corporate Treasurer
 Hedy Kodogiannis, Secretary

DIRECTORS OR TRUSTEES

Gus Kodogiannis
 Barbara Kodogiannis-Skenderis
 Stephen P. Bilasz
 Robert Palm
 S. Toulas Lettas

Maria Kodogiannis-Olszewski
 Sebastian Olszewski
 Chuck Arcabasso
 Albert B Lewis
 Hon. Gabriel Krauseman

State of New York
 County of Queens ss

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

(Signature) Gus Kodogiannis (Printed Name) 1. Chairman (Title)	(Signature) Stephen P. Bilasz (Printed Name) 2. Vice President of Operations (Title)	(Signature) S. Toulas Lettas (Printed Name) 3. Chief Financial Officer (Title)
-------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------

Subscribed and sworn to before me this
 23 day of November, 2015

a. Is this an original filing?
 b. If no, 1. State the amendment number
 2. Date filed
 3. Number of pages attached

Yes[X] No[]

(Notary Public Signature)

DIRECTORS OR TRUSTEES (continued)

ASSETS

		Current Statement Date			4
		1	2	3	
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31 Prior Year Net Admitted Assets
1.	Bonds	59,527,810		59,527,810	16,936,073
2.	Stocks:				
2.1	Preferred stocks				98,120
2.2	Common stocks				19,024,845
3.	Mortgage loans on real estate:				
3.1	First liens				
3.2	Other than first liens				
4.	Real estate:				
4.1	Properties occupied by the company (less \$.....0 encumbrances)				
4.2	Properties held for the production of income (less \$.....0 encumbrances)				
4.3	Properties held for sale (less \$.....0 encumbrances)				
5.	Cash (\$.....11,736,961), cash equivalents (\$.....0) and short-term investments (\$.....121,267)	11,858,228		11,858,228	27,711,379
6.	Contract loans (including \$.....0 premium notes)				
7.	Derivatives				
8.	Other invested assets				
9.	Receivables for securities	2,276,991		2,276,991	12,408,218
10.	Securities lending reinvested collateral assets				
11.	Aggregate write-ins for invested assets				
12.	Subtotals, cash and invested assets (Lines 1 to 11)	73,663,029		73,663,029	76,178,635
13.	Title plants less \$.....0 charged off (for Title insurers only)				
14.	Investment income due and accrued	416,976		416,976	168,907
15.	Premiums and considerations:				
15.1	Uncollected premiums and agents' balances in the course of collection	763,328		763,328	2,865,570
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums)	12,565,969		12,565,969	
15.3	Accrued retrospective premiums				
16.	Reinsurance:				
16.1	Amounts recoverable from reinsurers	2,464,572		2,464,572	3,934,757
16.2	Funds held by or deposited with reinsured companies				
16.3	Other amounts receivable under reinsurance contracts				
17.	Amounts receivable relating to uninsured plans				
18.1	Current federal and foreign income tax recoverable and interest thereon	327,646		327,646	718,071
18.2	Net deferred tax asset				
19.	Guaranty funds receivable or on deposit				
20.	Electronic data processing equipment and software				
21.	Furniture and equipment, including health care delivery assets (\$.....0)				
22.	Net adjustments in assets and liabilities due to foreign exchange rates				
23.	Receivables from parent, subsidiaries and affiliates				2,000,000
24.	Health care (\$.....0) and other amounts receivable				
25.	Aggregate write-ins for other than invested assets	699,542	179,005	520,537	7,360
26.	TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	90,901,062	179,005	90,722,057	85,873,300
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28.	TOTAL (Lines 26 and 27)	90,901,062	179,005	90,722,057	85,873,300
DETAILS OF WRITE-INS					
1101.	.....			
1102.	.....			
1103.	.....			
1198.	Summary of remaining write-ins for Line 11 from overflow page				
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501.	Prepaid Legal	10,000	10,000		
2502.	Rental Security	124,198	124,198		
2503.	Automobile	44,807	44,807		
2598.	Summary of remaining write-ins for Line 25 from overflow page	520,537		520,537	7,360
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	699,542	179,005	520,537	7,360

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$.....0)	72,034,321	53,889,352
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses	13,592,198	12,706,877
4. Commissions payable, contingent commissions and other similar charges	148,864	1,017,387
5. Other expenses (excluding taxes, licenses and fees)	39,042	51,576
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	1,255,138	39,947
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses))		
7.2 Net deferred tax liability		
8. Borrowed money \$.....0 and interest thereon \$.....0		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$.....0 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act)	24,846,535	10,896,014
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)		6,627,128
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated		
16. Provision for reinsurance (including \$.....0 certified)	11,596,828	
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates		
20. Derivatives		
21. Payable for securities		2,345
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$.....0 and interest thereon \$.....0		
25. Aggregate write-ins for liabilities	28,834	28,254
26. TOTAL liabilities excluding protected cell liabilities (Lines 1 through 25)	123,541,760	85,258,880
27. Protected cell liabilities		
28. TOTAL liabilities (Lines 26 and 27)	123,541,760	85,258,880
29. Aggregate write-ins for special surplus funds		
30. Common capital stock	1,900,000	1,900,000
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes	992,197	992,197
34. Gross paid in and contributed surplus	5,398,658	5,398,658
35. Unassigned funds (surplus)	(41,110,558)	(7,676,435)
36. Less treasury stock, at cost:		
36.1 .....0 shares common (value included in Line 30 \$.....0)		
36.2 .....0 shares preferred (value included in Line 31 \$.....0)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	(32,819,703)	614,420
38. TOTALS (Page 2, Line 28, Col. 3)	90,722,057	85,873,300
DETAILS OF WRITE-INS		
2501. Payroll Tax Liabilities	203	
2502. Unclaimed Funds	11,717	11,717
2503. Due Alma Bank	16,332	16,332
2598. Summary of remaining write-ins for Line 25 from overflow page	582	205
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	28,834	28,254
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. TOTALS (Lines 3201 through 3203 plus 3298) (Line 32 above)		

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned			
1.1 Direct (written \$.....59,934,467)	49,645,624	57,039,884	77,751,570
1.2 Assumed (written \$.....0)			
1.3 Ceded (written \$.....(177,688))	3,483,991	15,815,280	21,497,863
1.4 Net (written \$.....60,112,155)	46,161,633	41,224,604	56,253,707
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....32,788,326)			
2.1 Direct	53,694,617	47,220,832	64,154,404
2.2 Assumed			
2.3 Ceded	11,636,251	15,021,030	20,354,960
2.4 Net	42,058,366	32,199,802	43,799,444
3. Loss adjustment expenses incurred	13,455,779	10,717,665	11,631,059
4. Other underwriting expenses incurred	13,965,855	10,692,483	11,793,075
5. Aggregate write-ins for underwriting deductions			2,718
6. TOTAL underwriting deductions (Lines 2 through 5)	69,480,000	53,609,950	67,226,296
7. Net income of protected cells			
8. Net underwriting gain or (loss) (Line 1 minus Line 6 + Line 7)	(23,318,367)	(12,385,346)	(10,972,589)
INVESTMENT INCOME			
9. Net investment income earned	830,518	936,551	1,138,793
10. Net realized capital gains (losses) less capital gains tax of \$.....936,755	936,755	118,758	487,604
11. Net investment gain (loss) (Lines 9 + 10)	1,767,273	1,055,309	1,626,397
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0)			
13. Finance and service charges not included in premiums	350,422	386,598	558,109
14. Aggregate write-ins for miscellaneous income			
15. TOTAL other income (Lines 12 through 14)	350,422	386,598	558,109
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(21,200,672)	(10,943,439)	(8,788,083)
17. Dividends to policyholders			
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(21,200,672)	(10,943,439)	(8,788,083)
19. Federal and foreign income taxes incurred			
20. Net income (Line 18 minus Line 19) (to Line 22)	(21,200,672)	(10,943,439)	(8,788,083)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	614,420	7,382,287	7,382,287
22. Net income (from Line 20)	(21,200,672)	(10,943,439)	(8,788,083)
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....(620,029)	(620,029)	485,635	167,158
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax			
27. Change in nonadmitted assets	(16,594)	7,725	(38,046)
28. Change in provision for reinsurance	(11,596,828)		
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from Protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in			2,000,000
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus			(108,896)
38. Change in surplus as regards policyholders (Lines 22 through 37)	(33,434,123)	(10,450,079)	(6,767,867)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	(32,819,703)	(3,067,792)	614,420
DETAILS OF WRITE-INS			
0501. Rounding			2,718
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page			
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)			2,718
1401.			
1402. Fee Income			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			
3701. Correction of Prior Period			(108,896)
3702. Adjustment to Income for Prior Period			
3703. Change in Prior Period - Income			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)			(108,896)

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	44,498,481	50,258,386	64,129,740
2. Net investment income	1,134,650	975,674	1,183,704
3. Miscellaneous income	350,422	386,598	558,109
4. TOTAL (Lines 1 to 3)	45,983,553	51,620,658	65,871,553
5. Benefit and loss related payments	22,438,200	22,527,646	41,221,394
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	27,404,836	19,178,606	23,826,656
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	(390,425)	(108,897)	(108,897)
10. TOTAL (Lines 5 through 9)	49,452,611	41,597,355	64,939,153
11. Net cash from operations (Line 4 minus Line 10)	(3,469,058)	10,023,303	932,400
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	8,054,060	6,244,399	16,771,203
12.2 Stocks	24,544,173	39,841,449	44,270,978
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets		681,251	681,251
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	29		
12.7 Miscellaneous proceeds	10,748,902	2,661,498	253
12.8 TOTAL investment proceeds (Lines 12.1 to 12.7)	43,347,164	49,428,597	61,723,685
13. Cost of investments acquired (long-term only):			
13.1 Bonds	50,546,422	9,918,460	21,513,668
13.2 Stocks	5,185,386	20,870,367	22,368,299
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets		50,616	50,616
13.6 Miscellaneous applications	29	671,992	12,404,554
13.7 TOTAL investments acquired (Lines 13.1 to 13.6)	55,731,837	31,511,435	56,337,137
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(12,384,673)	17,917,162	5,386,548
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			2,000,000
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)	580	(155,072)	9,727,061
17. Net cash from financing and miscellaneous sources (Line 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	580	(155,072)	11,727,061
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(15,853,151)	27,785,393	18,046,009
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	27,711,379	9,665,370	9,665,370
19.2 End of period (Line 18 plus Line 19.1)	11,858,228	37,450,763	27,711,379

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001			
20.0002			
20.0003			
20.0004			
20.0005			
20.0006			

NYSCEF DOC. NO. 1

STATEMENT AS OF September 30, 2015 OF THE Fiduciary Insurance Company Of America Inc.

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

RECEIVED NYSCEF: 03/08/2017

20.0007				
20.0008				
20.0009				

Notes to Financial Statement**ANNUAL STATEMENT FOR THE YEAR 2014
Of The Fiduciary Insurance Company of America****Notes to Financial Statements****Note 1 Summary of Significant Accounting Policies****A. Accounting Practices**

The accompanying financial statements of Fiduciary Insurance Company of America (the "Company", "FICA") have been prepared on the basis of accounting practices prescribed or permitted by the New York Department of Financial Services (the "Department"). The state of New York requires insurance companies domiciled in the state of New York to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* (NAIC "SAP") subject to any deviations prescribed or permitted by the State of New York Financial Services Commissioner.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of New York is shown below:

	State of Domicile	2015	2014
<u>NET INCOME</u>			
1. Fiduciary Insurance Company State Basis (Page 4, Line 20, Column 1 & 2)	New York	\$(21,200,672)	\$(8,788,083))
2. State Prescribed Practices that increase (decrease) NAIC SAP	New York		
3. State Permitted Practices that increase (decrease) NAIC SAP	New York		
4. Net Income, NAIC SAP(1-2-3=4)	New York	\$(21,200,672)	\$(8,788,083)
<u>SURPLUS</u>			
5. Fiduciary Insurance Company State Basis (Page 3, Line 37, Column 1 & 2)	New York	\$(32,819,703)	\$614,420
6. State Prescribed Practices that increase (decrease) NAIC SAP	New York		
7. State Permitted Practices that increase (decrease) NAIC SAP	New York	\$(32,819,703)	\$614,420
8. NAIC, SAP (5-6-7=8)			

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements, in the conformity with Annual Statement Instructions and Accounting Practices and Procedures Manual, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

No Change.

In addition, the Company uses the following accounting principles:

1. No Change.
2. No Change.
3. No Change.

Notes to Financial Statement

4. No Change.
5. No Change.
6. Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair value. The retrospective adjustment method is used to value all securities except for interest only securities or securities where the yield had become negative, that are valued using the prospective method.
7. No Change.
8. No Change.
9. No Change.
10. No Change.
11. No Change.
12. No Change.
13. No Change.

2. Accounting Changes and Corrections of Errors

NONE

3. Business Combinations and Goodwill

- A. Statutory Purchase Method: Not applicable
- B. Statutory Merger: Not applicable
- C. Impairment Loss: Not applicable

4. Discontinued Operations

As of September 30, 2015, The Company did not discontinue any of its operations.

5. Investments

- A. No Change.
- B. No Change.
- C. No Change.
- D. Loan-Backed Securities: Not Applicable
- E. Repurchase Agreements and/or Securities Lending Transactions: Not Applicable
- F. No Change.
- G. No Change.
- H. No Change.
- I. Working Capital Finance (Investments): Not Applicable
- J. Offsetting and Netting of Assets and Liabilities: Not Applicable
- K. No Change.

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. No Change.
- B. No Change.

7. Investment Income

- A. No Change.
- B. No Change.

8. Derivative Instruments

The Company has no derivative instruments

- A. Not Applicable
- B. Not Applicable.
- C. Not Applicable
- D. Not Applicable
- E. Not Applicable
- F. Not Applicable

9. Income Taxes

No Change

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

No Change

Notes to Financial Statement**11. Debt**

- A. No Change.
- B. Not Applicable

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

- A. Defined Benefit Plan: Not Applicable
- B. No Change.
- C. No Change.
- D. No Change.
- E. No Change.
- F. No Change.
- G. No Change.
- H. No Change.
- I. No Change.
- J. No Change.

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

No Change

14. Liabilities, Contingencies, and Assessments

- A. No Change.
- B. No Change.
- C. No Change.
- D. No Change.
- E. No Change.
- F. No Change.

15. Leases

No Change

16. Information About Financial Instruments With Off-Balance-Sheet Risk And Financial Instruments With Concentrations of Credit Risk

No Change.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

- A. Transfers of Receivables Reported as Sales: Not Applicable
- B. Transfer and Servicing of Financial Assets: Not Applicable
- C. Wash Sales: Not Applicable

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

- A. ASO Plans: Not Applicable
- B. ASC Plans: Not Applicable
- C. Medicare or Similarly Structured Cost of Based Reimbursement Contract: Not Applicable

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

No Change

20. Fair Value Measurements

- A. (1) Fair Value Measurements at Reporting Date
Not Applicable

Notes to Financial Statement

C Fair Value Measurements at Reporting Date

Type Of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level (1)	Level (2)	Level (3)	Not Practicable (Carrying Value)	
Bond	59,129,922	59,393,275	54,097,227	4,271,222	583,801	177,672	
MBS	133,283	134,527	133,283				
Perpetual Preferred Stocks							
Common Stock							
Short Term	121,266	121,266	121,266				
Cash and Cash Equivalents	11,736,961	11,736,961	11,736,961				
TOTALS	71,127,822	71,393,410	71,127,822	4,271,222	583,801	177,672	

21. Other Items

- A. No Change.
- B. No Change.
- C. No Change.
- D. No Change.
- E. No Change.
- F. No Change.
- G. No Change.
- H. No Change.

22. Events Subsequent

Not Applicable

23. Reinsurance

There is no reinsurance for the 2015 policy year. The Letter of Credit from Asphalia Re Ltd., a related reinsurer, is not sufficient to cover the applicable losses. Credit was not taken for the insufficiency; a provision for reinsurance was recorded.

24. Retrospectively Rated Contracts & Contracts Subject to Re-determination

Not Applicable

25. Change in Incurred Losses and Loss Adjustment Expense

Net reserves as of December 31, 2014 were \$67M. As of September 30, 2015, \$30M has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. As a result of re-estimation of unpaid claims and claim adjustment expenses principally on commercial automobile liability line of insurance reserves remaining for prior years are now \$59M. Therefore, there has been a \$22M unfavorable prior-years' development since December 31, 2014. The increase is generally the result of ongoing analysis of recent loss development trends and original estimates are increased or decreased as additional information becomes known regarding individual claims. In addition the company implemented significant operational and claims handling changes by bringing the claim function in-house. This change is reflected by a change in the methodology used to calculate related claim adjustments expenses and reserves.

26. Inter-company Pooling Arrangements

Not Applicable

27. Structured Settlements

Not Applicable

28. Health Care Receivables

Not Applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes ☐ No ☒
- 1.2 If yes, has the report been filed with the domiciliary state? Yes ☐ No ☒
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes ☐ No ☒
- 2.2 If yes, date of change:
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes ☒ No ☐
If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes ☐ No ☒
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes:
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes ☐ No ☒
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile
.....

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? If yes, attach an explanation. Yes ☐ No ☒ N/A ☒
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2013
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 09/16/2010
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 12/10/2010
- 6.4 By what department or departments?
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes ☐ No ☒ N/A ☒
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes ☐ No ☒ N/A ☒
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes ☐ No ☒
- 7.2 If yes, give full information
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes ☐ No ☒
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes ☐ No ☒
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC
.....	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code. Yes ☒ No ☐
- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended? Yes ☐ No ☒
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes ☐ No ☒
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes ☐ No ☒
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. \$ 0

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes ☐ No ☒
- 11.2 If yes, give full and complete information relating thereto:
12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ 0
13. Amount of real estate and mortgages held in short-term investments: \$ 0
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes ☐ No ☒

GENERAL INTERROGATORIES (Continued)

INVESTMENT

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds		
14.22 Preferred Stock		
14.23 Common Stock		
14.24 Short-Term Investments		
14.25 Mortgages Loans on Real Estate		
14.26 All Other		
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)		
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above		

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes ☐ No ☒
Yes ☐ No ☐ N/A ☒15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement.

16. For the reporting entity's security lending program, state the amount of the following as of the current statement date:

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

\$ 0

16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

\$ 0

16.3 Total payable for securities lending reported on the liability page

\$ 0

17. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes ☐ No ☒

17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
.....

17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter?

Yes ☐ No ☒

17.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....

17.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity.

1 Central Registration Depository	2 Name(s)	3 Address
149777	Morgan Stanley	1300 Franklin Avenue Garden City NY 11530
.....

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes ☒ No ☐

18.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change?
If yes, attach an explanation. Yes[] No[] N/A[X]
2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured?
If yes, attach an explanation. Yes[] No[X]
- 3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes[X] No[]
- 3.2 If yes, give full and complete information thereto
The policy year 2015 reinsurance contract has been cancelled. We believe that the current related party reinsurance company will not be able to fulfill the contract in its entirety. Thereby, the ceded portion that reflects this shortage was not taken into consideration in the preparation of this statement.
- 4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see annual statement instructions pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero? Yes[] No[X]
- 4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Discount Rate	TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 TOTAL	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 TOTAL
04.2999 Total										

5. Operating Percentages:
- 5.1 A&H loss percent 30.620%
- 5.2 A&H cost containment percent 0.000%
- 5.3 A&H expense percent excluding cost containment expenses 15.000%
- 6.1 Do you act as a custodian for health savings accounts? Yes[] No[X]
- 6.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ 0
- 6.3 Do you act as an administrator for health savings accounts? Yes[] No[X]
- 6.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ 0

STATEMENT AS OF September 30, 2015 OF THE Fiduciary Insurance Company Of America Inc.

SCHEDULE F - CEDED REINSURANCE

Showing all new reinsurers - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Type of Reinsurer	6 Certified Reinsurer Rating (1 through 6)	7 Effective Date of Certified Reinsurer Rating
			NONE			

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

1 States, Etc.	Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date
1. Alabama (AL)	N						
2. Alaska (AK)	N						
3. Arizona (AZ)	N						
4. Arkansas (AR)	N						
5. California (CA)	N						
6. Colorado (CO)	N						
7. Connecticut (CT)	N						
8. Delaware (DE)	N						
9. District of Columbia (DC)	N						
10. Florida (FL)	N						
11. Georgia (GA)	N						
12. Hawaii (HI)	N						
13. Idaho (ID)	N						
14. Illinois (IL)	N						
15. Indiana (IN)	N						
16. Iowa (IA)	N						
17. Kansas (KS)	N						
18. Kentucky (KY)	N						
19. Louisiana (LA)	N						
20. Maine (ME)	N						
21. Maryland (MD)	N						
22. Massachusetts (MA)	N						
23. Michigan (MI)	N						
24. Minnesota (MN)	N						
25. Mississippi (MS)	N						
26. Missouri (MO)	N						
27. Montana (MT)	N						
28. Nebraska (NE)	N						
29. Nevada (NV)	N						
30. New Hampshire (NH)	N						
31. New Jersey (NJ)	N						
32. New Mexico (NM)	N						
33. New York (NY)	L	59,934,467	79,328,061	35,185,883	29,321,864	99,336,145	74,244,880
34. North Carolina (NC)	N						
35. North Dakota (ND)	N						
36. Ohio (OH)	N						
37. Oklahoma (OK)	N						
38. Oregon (OR)	N						
39. Pennsylvania (PA)	N						
40. Rhode Island (RI)	N						
41. South Carolina (SC)	N						
42. South Dakota (SD)	N						
43. Tennessee (TN)	N						
44. Texas (TX)	N						
45. Utah (UT)	N						
46. Vermont (VT)	N						
47. Virginia (VA)	N						
48. Washington (WA)	N						
49. West Virginia (WV)	N						
50. Wisconsin (WI)	N						
51. Wyoming (WY)	N						
52. American Samoa (AS)	N						
53. Guam (GU)	N						
54. Puerto Rico (PR)	N						
55. U.S. Virgin Islands (VI)	N						
56. Northern Mariana Islands (MP)	N						
57. Canada (CAN)	N						
58. Aggregate other alien (OT)	X X X						
59. Totals	(a) 1	59,934,467	79,328,061	35,185,883	29,321,864	99,336,145	74,244,880

DETAILS OF WRITE-INS

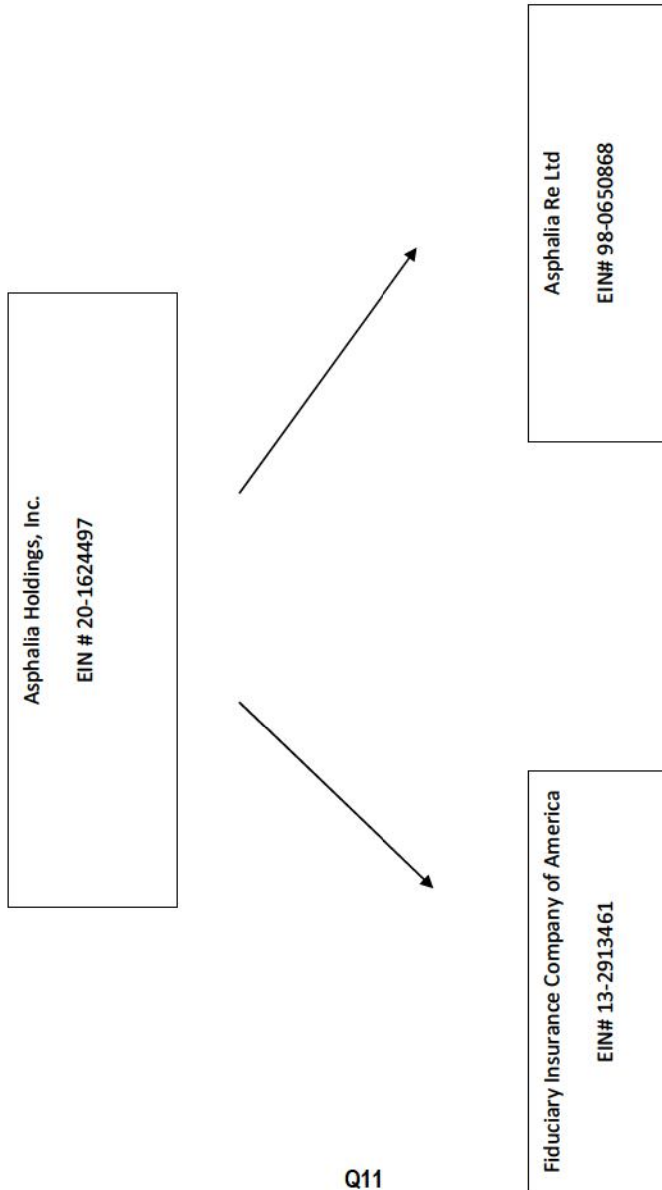
58001	X X X						
58002	X X X						
58003	X X X						
58998	Summary of remaining write-ins for Line 58 from overflow page	X X X					
58999	TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X					

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and Other Alien.

STATEMENT AS OF September 30, 2015 OF THE Fiduciary Insurance Company Of America Inc.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



Q11

NYSCEF DOC. NO. 1

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STATEMENT AS OF September 30, 2015 OF THE Fiduciary Insurance Company Of America Inc.

SCHEDULE Y
PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	ID Number	FEDERAL RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies) / Person(s)	
														*
		00000												
Asterisk														
0000001														

NONE

Q12

PART 1 - LOSS EXPERIENCE

RECEIVED NYSCEF: 03/08/2017

Line of Business	Current Year to Date			Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical professional liability - occurrence				
11.2 Medical professional liability - claims made				
12. Earthquake				
13. Group accident and health	96,702	29,615	30.625	26.978
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability - occurrence				
17.2 Other liability - claims made				
17.3 Excess Workers' Compensation				
18.1 Products liability - occurrence				
18.2 Products liability - claims made				
19.1 19.2 Private passenger auto liability				
19.3 19.4 Commercial auto liability	46,148,998	52,595,786	113.970	87.513
21. Auto physical damage	3,399,924	1,069,216	31.448	24.992
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
31. Reinsurance-Nonproportional Assumed Property	X X X	X X X	X X X	X X X
32. Reinsurance-Nonproportional Assumed Liability	X X X	X X X	X X X	X X X
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X	X X X	X X X	X X X
34. Aggregate write-ins for other lines of business				
35. TOTALS	49,645,624	53,694,617	108.156	82.786
DETAILS OF WRITE-INS				
3401.				
3402.				
3403.				
3498. Summary of remaining write-ins for Line 34 from overflow page				
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)				

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire			
2. Allied lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine			
10. Financial guaranty			
11.1 Medical professional liability - occurrence			
11.2 Medical professional liability - claims made			
12. Earthquake			
13. Group accident and health	26,133	86,316	143,529
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1 Other liability - occurrence			
17.2 Other liability - claims made			
17.3 Excess Workers' Compensation			
18.1 Products liability - occurrence			
18.2 Products liability - claims made			
19.1 19.2 Private passenger auto liability			
19.3 19.4 Commercial auto liability	(1,332,471)	57,555,041	73,692,148
21. Auto physical damage	57,550	2,293,110	5,492,384
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International			
30. Warranty			
31. Reinsurance-Nonproportional Assumed Property	X X X	X X X	X X X
32. Reinsurance-Nonproportional Assumed Liability	X X X	X X X	X X X
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X	X X X	X X X
34. Aggregate write-ins for other lines of business			
35. TOTALS	(1,248,788)	59,934,467	79,328,061
DETAILS OF WRITE-INS			
3401.			
3402.			
3403.			
3498. Summary of remaining write-ins for Line 34 from overflow page			
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)			

STATEMENT AS OF September 30, 2015 OF THE Fiduciary Insurance Company Of America Inc.

PART 3 (000 omitted)
LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2015 Loss and LAE Payments on Claims Reported as of Prior Year-End	2015 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2015 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings) Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings) Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserves Developed (Savings) Deficiency (Cols. 11 + 12)
1. 2012 + Prior	13,810	6,112	19,922	12,724	8	12,732	14,773	7	4,951	19,731	13,687	(1,146)	12,541
2. 2013	10,543	7,290	17,833	7,492	52	7,544	12,812	66	3,644	16,522	9,761	(3,528)	6,233
3. Subtotals 2013 + Prior	24,353	13,402	37,755	20,216	60	20,276	27,585	73	8,595	36,253	23,448	(4,674)	18,774
4. 2014	10,188	18,654	28,842	9,118	787	9,905	14,019	1,284	7,482	22,785	12,949	(9,101)	3,848
5. Subtotals 2014 + Prior	34,541	32,056	66,597	29,334	847	30,181	41,604	1,357	16,077	59,038	36,397	(13,775)	22,622
6. 2015	X X X	X X X	X X X	X X X	6,169	6,169	X X X	10,186	16,401	26,587	X X X	X X X	X X X
7. Totals	34,541	32,056	66,597	29,334	7,016	36,350	41,604	11,543	32,478	85,625	36,397	(13,775)	22,622
											Col. 11, Line 7 As % of Col. 1 Line 7	Col. 12, Line 7 As % of Col. 2 Line 7	Col. 13, Line 7 As % of Col. 3 Line 7
8. Prior Year-End Surplus As Regards Policyholders											1. 105,373	2. (42,972)	3. 33,969
													Col. 13, Line 7 Line 8
													4.

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?
4. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

RESPONSES

No
No
No
No

Explanations:

1. Not Applicable
2. Not Applicable
3. Not Applicable
4. Not Applicable

Bar Codes:

Trusteed Surplus Statement



8862520154900003

2015

Document Code: 490

Supplement A to Schedule T



88625201545500003

2015

Document Code: 455

Medicare Part D Coverage Supplement



88625201536500003

2015

Document Code: 365

Director and Officer Supplement



88625201550500003

2015

Document Code: 505

OVERFLOW PAGE FOR WRITE-INS

ASSETS

	Current Statement Date			4
	1	2	3	
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31 Prior Year Net Admitted Assets
1197. Summary of remaining write-ins for Line 11 (Lines 1104 through 1196)				
2504. Other Receivables				2,702
2505. Other Receivables	520,537		520,537	4,657
2506. Rounding				1
2597. Summary of remaining write-ins for Line 25 (Lines 2504 through 2596)	520,537		520,537	7,360

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31, Prior Year
2504. MVLE Fees	575	205
2505. Rounding	7	
2597. Summary of remaining write-ins for Line 25 (Lines 2504 through 2596)	582	205
2997. Summary of remaining write-ins for Line 29 (Lines 2904 through 2996)		
3297. Summary of remaining write-ins for Line 32 (Lines 3204 through 3296)		

STATEMENT OF INCOME

	1	2	3
	Current Year to Date	Prior Year to Date	Prior Year Ended December 31
0597. Summary of remaining write-ins for Line 5 (Lines 0504 through 0596)			
1497. Summary of remaining write-ins for Line 14 (Lines 1404 through 1496)			
3704. Change In Prior Period - Federal Income Tax			
3797. Summary of remaining write-ins for Line 37 (Lines 3704 through 3796)			

SCHEDULE A - VERIFICATION

RECEIVED NYSCEF: 03/08/2017

Real Estate

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

SCHEDULE B - VERIFICATION

Mortgage Loans

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mortgage interest paid		
9. Total foreign exchange change in book value/recorded investment		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)		
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)		

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	36,059,038	52,635,823
2. Cost of bonds and stocks acquired	55,731,807	43,881,967
3. Accrual of discount	35,055	9,823
4. Unrealized valuation increase (decrease)	(620,020)	199,882
5. Total gain (loss) on disposals	936,737	419,768
6. Deduct consideration for bonds and stocks disposed of	32,598,232	61,042,181
7. Deduct amortization of premium	16,575	46,044
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	59,527,810	36,059,038
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	59,527,810	36,059,038

STATEMENT AS OF September 30, 2015 OF THE Fiduciary Insurance Company Of America Inc.

SCHEDULE D - PART 1B**Showing the Acquisitions, Dispositions and Non-Trading Activity****During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation**

	1	2	3	4	5	6	7	8
NAIC Designation	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a)	55,397,988	899,243	4,501,215	(236,780)	35,264,410	55,397,988	51,559,236	28,574,265
2. NAIC 2 (a)	7,447,610	393,804		248,418	5,754,225	7,447,610	8,089,832	1,872,801
3. NAIC 3 (a)	155,195		154,965	(230)	396,016	155,195		306,712
4. NAIC 4 (a)								
5. NAIC 5 (a)								
6. NAIC 6 (a)								
7. Total Bonds	63,000,793	1,293,047	4,656,180	11,408	41,414,651	63,000,793	59,649,068	30,753,778
PREFERRED STOCK								
8. NAIC 1								98,120
9. NAIC 2								
10. NAIC 3								
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock								98,120
15. Total Bonds & Preferred Stock	63,000,793	1,293,047	4,656,180	11,408	41,414,651	63,000,793	59,649,068	30,851,898

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$

0; NAIC 2 \$

0; NAIC 3 \$

0; NAIC 4 \$

0; NAIC 5 \$

0; NAIC 6 \$

0

SCHEDULE DA - PART 1

Short - Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals	121,267	X X X	121,266	8	

SCHEDULE DA - Verification

Short-Term Investments

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	8,217,763	248,325
2. Cost of short-term investments acquired	1,914,283	22,332,047
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals	60	243
6. Deduct consideration received on disposals	10,010,839	14,360,749
7. Deduct amortization of premium		2,103
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	121,267	8,217,763
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	121,267	8,217,763

SI04 Schedule DB - Part A Verification NONE

SI04 Schedule DB - Part B Verification NONE

SI05 Schedule DB Part C Section 1 NONE

SI06 Schedule DB Part C Section 2 NONE

SI07 Schedule DB - Verification NONE

SCHEDULE E - Verification

(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	5,599,939	.....
2. Cost of cash equivalents acquired	20,069,753	27,999,231
3. Accrual of discount .....	.....	.....
4. Unrealized valuation increase (decrease) .....	.....	.....
5. Total gain (loss) on disposals	(41)	.....
6. Deduct consideration received on disposals	25,669,651	22,399,292
7. Deduct amortization of premium .....	.....	.....
8. Total foreign exchange change in book/adjusted carrying value .....	.....	.....
9. Deduct current year's other than temporary impairment recognized .....	.....	.....
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9) .....	.....	5,599,939
11. Deduct total nonadmitted amounts .....	.....	.....
12. Statement value at end of current period (Line 10 minus Line 11) .....	.....	5,599,939

E01 Schedule A Part 2 NONE

E01 Schedule A Part 3 NONE

E02 Schedule B Part 2 NONE

E02 Schedule B Part 3 NONE

E03 Schedule BA Part 2 NONE

E03 Schedule BA Part 3 NONE

STATEMENT AS OF September 30, 2015 OF THE Fiduciary Insurance Company Of America Inc.

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - Industrial and Miscellaneous (Unaffiliated)									
0258MDV8	AMERICAN EXPRESS OR CORP MTNBE		09/11/2015	ALLIANCE BROKER	XXX	199,800	200,000	460	IFE
00206RCL4	AT&T INC		09/11/2015	ALLIANCE BROKER	XXX	98,467	100,000	898	2FE
37045XAR7	GENERAL MTRS FINL CO INC		09/11/2015	ALLIANCE BROKER	XXX	99,388	100,000	534	2FE
489200HM6	INTERNATIONAL BUSINESS MACHS		09/11/2015	ALLIANCE BROKER	XXX	98,180	100,000	546	1FE
48127HA47	JPMORGAN CHASE & CO		09/11/2015	ALLIANCE BROKER	XXX	99,750	100,000	880	1FE
58013MET7	MCDONALDS CORP MED TERM NT BE		09/11/2015	ALLIANCE BROKER	XXX	99,558	100,000	672	1FE
58933YA54	MERCK & CO INC NEW		09/11/2015	ALLIANCE BROKER	XXX	99,394	100,000	185	1FE
718549A46	PHILLIPS 66 PARTNERS LP		09/11/2015	ALLIANCE BROKER	XXX	98,054	100,000	228	2FE
88166HAD9	TEVA PHARMACEUTICAL FINANCE IV		09/11/2015	ALLIANCE BROKER	XXX	97,895	100,000	1,113	2FE
904764AR8	UNILEVER CAP CORP		09/11/2015	ALLIANCE BROKER	XXX	199,612	200,000	537	1FE
91324PC86	UNITEDHEALTH GROUP INC		09/11/2015	ALLIANCE BROKER	XXX	98,970	100,000	5	1FE
3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					XXX	1,289,668	1,300,000	6,058	XXX
8399997 Subtotal - Bonds - Part 3					XXX	1,289,668	1,300,000	6,058	XXX
8399998 Summary Item from Part 5 for Bonds (N/A to Quarterly)					XXX	XXX	XXX	XXX	XXX
8399999 Subtotal - Bonds					XXX	1,289,668	1,300,000	6,058	XXX
8999998 Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)					XXX	XXX	XXX	XXX	XXX
9799998 Summary Item from Part 5 for Common Stocks (N/A to Quarterly)					XXX	XXX	XXX	XXX	XXX
9999999 Subtotal - Preferred and Common Stocks					XXX	XXX	XXX	XXX	XXX
9999999 Total - Bonds, Preferred and Common Stocks					XXX	1,289,668	1,300,000	6,058	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0.

STATEMENT AS OF September 30, 2015 OF THE Fiduciary Insurance Company Of America Inc.

SCHEDULE D - PART 4 **Show All Long-Term Bonds and Stocks Sold, Redeemed or Otherwise Disposed of** **During the Current Quarter**

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
CUSIP Identification	Description	Disposal Date		Name of Purchaser	Number of Shares	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	11	12	13	14	15	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. States, Territories and Possessions																					
130530W3	CALIFORNIA ST FOR PREVIOUS ISS	09/29/2015		MORGAN STANLEY	XXX	501,360	500,000	490,470			310				490,760		10,800	10,800	8,083	03/01/2029	IFE
1799999	Subtotal - Bonds - U.S. States, Territories and Possessions				XXX	501,360	500,000	490,470			310				490,760		10,800	10,800	8,083	XXX	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions																					
01537070	ALEXANDRIA VA	09/29/2015		MORGAN STANLEY	XXX	274,362	275,000	273,653			44				273,656		666	666	6,577	06/15/2030	IFE
12282625	CAMBRIDGE MASS	09/29/2015		MORGAN STANLEY	XXX	498,860	500,000	498,856			86				498,943		1,907	1,907	5,042	02/15/2031	IFE
2499999	Subtotal - Bonds - U.S. Political Subdivisions of States, Territories and Possessions				XXX	773,212	775,000	770,508			132				770,639		2,573	2,573	14,519	XXX	XXX
Bonds - U.S. Special Revenue, Special Assessment																					
101028U1	BOSTON MASS WTR & SWRCOMM REV.	08/24/2015		MORGAN STANLEY	XXX	246,600	250,000	247,658	247,702		46				247,747		1,753	1,753	7,194	11/01/2036	FE
31284U57	FLAHC PC GOLD COMB 30	09/15/2015		PRINCIPAL RECEIPT	XXX	6,987	5,987	6,987	(507)		(507)				6,987				50	06/10/2044	1
57583UP1	MASACHUSETTS ST DEV FIN AGY R	09/29/2015		MORGAN STANLEY	XXX	498,000	500,000	491,880	491,897		333				492,230		3,770	3,770	11,625	07/01/2029	FE
99876CQ0	WESTERN NASSAU CNTY NY WTR AU	09/29/2015		MORGAN STANLEY	XXX	496,155	500,000	492,656			192				492,887		3,268	3,268	42	04/01/2029	FE
3199999	Subtotal - Bonds - U.S. Special Revenue, Special Assessment				XXX	1,246,842	1,256,987	1,239,766	739,599		64				1,239,851		8,791	8,791	18,951	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
48124WH6	JPMORGAN CHASE & CO GLOBAL MTN	07/29/2015		CALLED @ 100,000,000	XXX	100,000	100,000	100,000	100,000		(1,067)				100,000		808	808	4,000	07/29/2025	IFE
00080Q41	ABN AMRO BKN NY AMSTERDAM BRH	08/20/2015		MORGAN STANLEY	XXX	155,774	150,000	157,658	155,033		(1,067)				154,965				5,057	06/04/2018	FE
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				XXX	255,774	250,000	257,658	255,033		(1,067)				254,965		808	808	9,057	XXX	XXX
8399999	Subtotal - Bonds - Part 4				XXX	2,779,208	2,761,987	2,758,402	956,632		(561)				2,756,235		22,972	22,972	50,710	XXX	XXX
8399999	Summary Item from Part 5 for Bonds (N/A to Quarterly)				XXX	XXX	XXX	XXX	XXX		XXX				XXX		XXX	XXX	XXX	XXX	XXX
8399999	Subtotal - Bonds				XXX	2,779,208	2,761,987	2,758,402	956,632		(561)				2,756,235		22,972	22,972	50,710	XXX	XXX
8399999	Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)				XXX	XXX	XXX	XXX	XXX		XXX				XXX		XXX	XXX	XXX	XXX	XXX
9799999	Summary Item from Part 5 for Common Stocks (N/A to Quarterly)				XXX	XXX	XXX	XXX	XXX		XXX				XXX		XXX	XXX	XXX	XXX	XXX
9999999	Subtotal - Preferred and Common Stocks				XXX	XXX	XXX	XXX	XXX		XXX				XXX		XXX	XXX	XXX	XXX	XXX
9999999	Total - Bonds, Preferred and Common Stocks				XXX	2,779,208	2,761,987	2,758,402	956,632		(561)				2,756,235		22,972	22,972	50,710	XXX	XXX

(a) For all common stock bearing the NAC market indicator "U" provide the number of such issues: 0.

E06 Schedule DB Part A Section 1 NONE

E07 Schedule DB Part B Section 1 NONE

E08 Schedule DB Part D Section 1 NONE

E09 Schedule DB Part D Section 2 - Collateral Pledged By Reporting Entity NONE

E09 Schedule DB Part D Section 2 - Collateral Pledged To Reporting Entity NONE

E10 Schedule DL - Part 1 - Securities Lending Collateral Assets NONE

E11 Schedule DL - Part 2 - Securities Lending Collateral Assets NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
open depositories								
MORGAN STANLEY BANK 7698 Morgan Stanley 487								
MONEY MARKET 077698 000			45		449,800	982,311	1,670,023	X X X
Alma Bank Checking 28-31 31 Street Astoria, New York 11102					2,568,634	2,389,948	1,078,367	X X X
Alma Money Market 28-31 31 Street Astoria New York 11102					7,075,353	7,550,755	488,571	X X X
Cash In Transfer							8,500,000	X X X
MORGAN STANLEY BANK 7698 Morgan Stanley 487								
MONEY MARKET 077698 000								X X X
Alma Bank- checking 28-31 31 St Astoria NY 11105								X X X
Alma Bank - MM 28-31 31 St Astoria NY 11105								X X X
In Transit								X X X
0199998 Deposits in 0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - open depositories	X X X	X X X						X X X
0199999 Totals - Open Depositories	X X X	X X X	45		10,093,787	10,923,014	11,736,961	X X X
0299998 Deposits in 0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - suspended depositories	X X X	X X X						X X X
0299999 Totals - Suspended Depositories	X X X	X X X						X X X
0399999 Total Cash On Deposit	X X X	X X X	45		10,093,787	10,923,014	11,736,961	X X X
0499999 Cash in Company's Office	X X X	X X X	X X X	X X X				X X X
0599999 Total Cash	X X X	X X X	45		10,093,787	10,923,014	11,736,961	X X X

STATEMENT AS OF September 30, 2015 OF THE Fiduciary Insurance Company Of America Inc.

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter							
1	2	3	4	5	6	7	8
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
NONE							
8699999 Total - Cash Equivalents							

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SCHEDULE B



NEW YORK STATE
DEPARTMENT *of*
FINANCIAL SERVICES

Andrew M. Cuomo
Governor

Benjamin M. Lawsby
Superintendent

January 30, 2015

By E-mail

Mr. Peter May, President
Fiduciary Insurance Company of America
45-07 Davis Street, 3rd Floor Maiden Lane
Long Island City, NY 11101

RE: Fiduciary Insurance Company of America – Section 1310(a) of the
New York Insurance Law

Dear Mr. May:

This is a follow-up to the New York Department of Financial Services' ("DFS") letter, dated November 26, 2014, regarding Fiduciary Insurance Company of America ("FICA") reporting a negative surplus to policyholders of \$(3,176,688) as of September 30, 2014. In the letter, DFS had directed FICA to cure the insolvency, pursuant to Section 1310(a) of the New York Insurance Law.

On January 16, 2015, FICA presented a balance sheet as of November 30, 2014 indicating that the Company's insolvency had been reduced to a negative surplus to policyholders of \$(1,551,051). In addition, FICA reported a surplus contribution of \$1,960,000 in cash and securities on January 13, 2015 resulting in an adjusted surplus to policyholders of \$438,939 as of November 30, 2014, which exceeded FICA's minimum surplus requirement of \$400,000.

It is noted that FICA reported itself with loss and loss adjustment expense reserves of \$64.5 million as of November 30, 2014 and premiums earned of \$70.8 million through the first eleven months of 2014. With a reported surplus to policyholders of only \$438,939 as of November 30, 2014, FICA is projected to be at a Mandatory Control Level Event, as provided for in Section 1324 of the Insurance Law.

As such, FICA is directed to submit an RBC Plan to this Department within 45 days detailing how the Company will increase its capital and/or reduce its risks to meet the minimum statutory RBC ratio requirement of 200%. Further, FICA is directed not to issue any new insurance policies until its RBC plan has been approved by the Superintendent.

Very truly yours,

A handwritten signature in cursive script, appearing to read "James Davis".

James Davis, CFE
Assistant Chief Examiner
Property Bureau

SCHEDULE C

**CORPORATE RESOLUTION OF
FIDUCIARY INSURANCE COMPANY OF AMERICA**

WE HEREBY CERTIFY to the New York State Department of Financial Services and all others that come to know these presents, that at a joint meeting of the Board of Directors (the "Board") and all of the stockholders of Fiduciary Insurance Company of America (the "Company"), a duly chartered insurance company organized and existing under the laws of the state of New York, was duly called and held at 45-07 Davis Street, Long Island City, New York 11101, in the city and state of New York, at 11:00 a.m. on the 4th day of November, 2016 and the Company unanimously adopted the following resolutions, to which the secretary of the company shall affix the seal of the company and record in the company minutes:

WHEREAS, a fully discussion and vote were taken among the Board and stockholders, it was unanimously determined that John J. Hession, Esq. is hereby nominated to serve the Company as an officer of the company and to have the title Executive Vice-President and General Counsel and that John J. Hession, Esq. is also to have full authority to negotiate with the New York Insurance Department regarding the Company's current financial condition.

THEREFORE, IT IS RESOLVED that the Company will voluntarily send notices of non-renewal to all existing Policyholders, agree to write no new business, agree to not waste any Company assets, and fully cooperate with the New York State Department of Financial Services in executing a Stipulation and Agreement for the handling of the run-off of all existing claims under the administrative supervision of the Department of Financial

Services and, if necessary, the eventual entry of an order of voluntary liquidation or rehabilitation of the Company.

IT IS FURTHER RESOLVED, that Vice-President of Operations, Stephan Bilasz and board member and Assistant Comptroller, Maria Kodogiannis-Olszewski, are hereby authorized to have full signature authority for the Company in regards to certain bank accounts maintained for the benefit of policyholders at Capital One Bank.

Dated: Long Island City, New York
November 4, 2016


Chairman of The Board

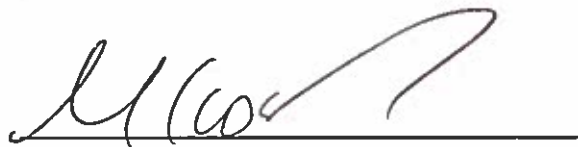

Director

EXHIBIT 3

[Form of Return Date Notice]

To all persons or entities interested in the affairs of
FIDUCIARY INSURANCE COMPANY OF AMERICA

Notice is Hereby Given:

Maria T. Vullo, Superintendent of Financial Services of the State of New York ("Superintendent"), has submitted a motion to the Supreme Court of the State of New York, County of Queens ("Court"), seeking an order: (1) appointing the Superintendent, and her successors in office, as liquidator (the "Liquidator") of Fiduciary Insurance Company of America ("Fiduciary"); (2) directing the Liquidator to take possession of Fiduciary's property and to liquidate Fiduciary's business and affairs; (3) vesting title to all of Fiduciary's property, contracts, and rights of action and all of its books and records, wherever located, in the Liquidator and her successors; (4) permitting the Liquidator to deal with the property and business of Fiduciary in Fiduciary's name or in the name of the Liquidator; (5) granting the injunctions provided for in Section 7419(a) of the New York Insurance Law ("Insurance Law"), permanently enjoining and restraining all persons, except as authorized by the Liquidator, from transacting Fiduciary's business (including the issuance of insurance policies) or from the waste or disposition of Fiduciary's property; (6) granting the injunctions provided for in Insurance Law § 7419(b), permanently enjoining and restraining all parties from interfering with the Liquidator or this proceeding, obtaining any preferences, judgments, attachments or other liens, or making any levy against Fiduciary, its assets or any part thereof, and commencing or prosecuting any actions or proceedings against the Superintendent as Liquidator of Fiduciary, the New York Liquidation Bureau, or their present or former employees, attorneys or agents, relating to this proceeding or the discharge of their duties under Insurance Law Articles 74 and 76 in relation thereto; (7) enjoining and restraining all parties to actions, lawsuits, and special or other proceedings in which Fiduciary's policyholders or insureds are a party or are obligated to defend a party pursuant to an insurance policy, bond, contract or otherwise, from 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 an order of liquidation; (8) enjoining and restraining all persons who have first party policyholder loss claims, from presenting and filing claims with the Liquidator or with the Administrator for a period of 90 days from the date of entry of an order of liquidation; (9) vesting all rights in Fiduciary's contracts and agreements, however described, with the Liquidator and permitting the Liquidator, in her discretion, to reject any executory contracts to which Fiduciary is a party, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of rejection; (10) requiring that any bank, savings and loan association, other financial institution or any other entity or person, that has on deposit or in its possession, custody or control any of Fiduciary's funds, accounts (including escrow accounts) or assets shall immediately, upon the Liquidator's request and direction: (a) turn over custody and control of such funds, accounts or assets to the Liquidator; (b) transfer title of such funds, accounts or assets to the Liquidator; (c) change the name of such accounts to the name of the Liquidator; (d) transfer funds from such bank, savings and loan association or other financial institution; and (e) take any other action reasonably necessary for the proper conduct of the liquidation proceeding; (11) requiring that all persons or entities having property, papers (including attorney work product and documents held by attorneys) and/or information, including, but not limited to, insurance policies, underwriting data, reinsurance policies, claims files (electronic or paper), software programs and/or bank records owned by, belonging to or relating to Fiduciary shall preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over and deliver such property and/or information to the Liquidator; (12) authorizing, permitting and allowing the Liquidator to sell, assign or transfer any and all stocks, bonds, or other securities at the best price reasonably obtainable at such times and upon such terms and conditions as, in her discretion, she deems to be in the best interest of the creditors of Fiduciary, and further authorizing the Liquidator to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers and assignments, without the further approval of this Court; (13) cancelling all existing insurance policies of Fiduciary at 12:01 A.M. local time on the date that is 60 days from the entry of an order of

liquidation of Fiduciary (the “Cancellation Date”); (14) providing that all claims against Fiduciary, including all evidence to establish the existence of an actual loss under a policy, must be presented to the Liquidator by the date that is one year after the Cancellation Date (the “Bar Date”), except that the Bar Date shall not apply to the Liquidator’s claims for administrative expenses or to claims for reimbursement submitted by the New York Property/Casualty Insurance Security Fund and the New York Public Motor Vehicle Liability Security Fund; (15) authorizing the Liquidator, in her discretion, to refrain from adjudicating some or all claims falling into Classes three through nine (Insurance Law § 7434(a)(1)(iii)-(ix)) unless and until she believes, exercising her discretion, that adjudication of such claims would be in the best interests of the estate; (16) extending immunity to the Superintendent in her capacity as Liquidator of Fiduciary, 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 Article 74; (17) declaring Fiduciary insolvent within the meaning of Insurance Law § 1309(a); and (18) granting such other and further relief as the Court may deem proper and just.

A hearing is scheduled on the Superintendent’s motion on the ____ day of _____, 2017, at ____ o’clock ____m., before The Honorable _____, J.S.C. at the Courthouse, IAS Part ____, 88-11 Sutphin Boulevard, Room ____, Jamaica, New York 11435 in the County of Queens, State of New York. If you wish to object to the Verified Petition, you must serve a written statement setting forth your objection(s) and any supporting documentation upon the Superintendent at least seven (7) days before the hearing and upon the Court at IAS Part ____, Room ____ at the Courthouse located at 88-11 Sutphin Boulevard, Room ____, Jamaica, New York 11435 by the day of the hearing. Service on the Superintendent shall be made by first class mail or overnight courier at the following addresses:

Office of the Attorney General
120 Broadway
New York, NY 10271
Attention: Rosalie Hronsky

New York Liquidation Bureau
110 William Street
New York, New York 10038
Attention: General Counsel

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

Requests for further information should be directed to the New York Liquidation Bureau, Creditor & Ancillary Operations Division, at (212)341-6241.

MARIA T. VULLO
Superintendent of Financial Services of
the State of New York

EXHIBIT 4

[Other Orders of Liquidation]

SUPREME COURT OF THE STATE OF NEW YORK NEW YORK COUNTY

PRESENT: BANNON
Justice

PART 42

BENJAMIN M. LAWSKY

INDEX NO. 160307/14

-v-
EVERAID INSURANCE COMPANY

MOTION DATE _____

MOTION SEQ. NO. 01

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

Notice of Motion/Order to Show Cause — Affidavits — Exhibits _____ | No(s). _____

Answering Affidavits — Exhibits _____ | No(s). _____

Replying Affidavits _____ | No(s). _____

Upon the foregoing papers, it is ordered that this motion is granted per the attached Order.

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

Dated: 12/3/14

Nancy M. Bannon, J.S.C.
HON. NANCY M. BANNON

1. CHECK ONE: ☐ CASE DISPOSED ☒ NON-FINAL DISPOSITION
2. CHECK AS APPROPRIATE: MOTION IS: ☐ GRANTED ☐ DENIED ☒ GRANTED IN PART ☐ OTHER
3. CHECK IF APPROPRIATE: ☐ SETTLE ORDER ☐ SUBMIT ORDER
- ☐ DO NOT POST ☐ FIDUCIARY APPOINTMENT ☐ REFERENCE

At IAS Part 42 of the Supreme Court
of the State of New York, County of
New York, at the courthouse located
at 111 Centre Street, New York City,
New York, on the 30 day of
December, 2014.

P R E S E N T:

HON. NANCY M. BANNON, J.S.C.
-----X

In the Matter of

Index No. 160307/2014

the Application of

ORDER OF LIQUIDATION

Benjamin M. Lawskey, Superintendent of Financial
Services of the State of New York, for an order to take
possession and liquidate the business and affairs of

EVEREADY INSURANCE COMPANY.
-----X

Benjamin M. Lawskey, Superintendent of Financial Services of the State of New York
("Superintendent"), having moved this Court by order to show cause ("Order to Show Cause")
for an order appointing the Superintendent and his successors in office as liquidator
("Liquidator") of Eveready Insurance Company ("Eveready") and directing the Liquidator to
take possession of the property of Eveready and to liquidate its business and affairs, and upon
reading and filing the petition of the Superintendent, duly verified on October 9, 2014, the
affidavit of James Davis, sworn to on October 8, 2014, and the exhibits annexed thereto, this
Court finds that:

1. Eveready was incorporated in the State of New York on or about August 8, 1963
and commenced business on May 1, 1965;

2. Eveready is licensed to transact the business of insurance in accordance with
paragraphs (13) (Personal Injury Liability), (14) (Property Damage Liability), and (19) (Motor

Vehicle and Aircraft Physical Damage) of Section 1113(a) of the New York Insurance Law ("Insurance Law") and is licensed to transact the business of insurance only in the State of New York. Eveready writes primarily private passenger auto liability and physical damage insurance, plus a small amount of commercial auto insurance in downstate New York;

3. Eveready's statutory office is located at 59 Maiden Lane, New York City, New York 10038-4502;

4. Eveready is insolvent;

5. On July 7, 2014, Eveready's Board of Directors unanimously passed a written consent for the entry of an order of liquidation pursuant to Insurance Law Article 74;

6. Eveready is subject to the Insurance Law and, in particular, to Article 74 thereof; and

7. It is in the best interest of all persons concerned that, based upon Article 74 of the Insurance Law, the Superintendent should be appointed Liquidator and directed to take possession of the property of Eveready, to liquidate its business and affairs, and be vested with title to all of Eveready's property, contracts and rights of action; and

NOW, on motion of the Honorable Eric T. Schneiderman, Attorney General of the State of New York, it is hereby

ORDERED as follows:

1. The relief requested in the petition for an order of liquidation ("Order") is granted;
2. The Superintendent and his successors in office are appointed Liquidator of Eveready;
3. The Liquidator is directed to take possession of Eveready's property and liquidate Eveready's business and affairs in accordance with Insurance Law Article 74;

4. The Liquidator is vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in this Order and with title to Eveready's property, contracts, rights of action and all of its books and records, wherever located, as of the date of entry of this Order;
5. The Liquidator may deal with the property and business of Eveready in Eveready's name or in the name of the Liquidator;
6. All persons are permanently enjoined and restrained from wasting the assets of Eveready, and are permanently enjoined and restrained, except as authorized by the Liquidator, from transacting Eveready's business (including the issuance of insurance policies) or disposing of Eveready's property;
7. All parties are permanently enjoined and restrained from interfering with the Liquidator or this proceeding, obtaining any preferences, judgments, attachments or other liens, making any levy against Eveready, its assets or any part thereof, and commencing or prosecuting any actions or proceedings against the Liquidator, Eveready, or the New York Liquidation Bureau, or their present or former employees, attorneys or agents, relating to this proceeding or the discharge of their duties under Article 74 in relation thereto;
8. All parties to actions, lawsuits, and special or other proceedings (other than those brought by Eveready) in which Eveready, its policyholders or insureds are a party or obligated to defend a party or provide a defense of any matter insured pursuant to an insurance policy, bond, contract or otherwise, are enjoined and restrained from 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 this Order;
9. All persons who have first party policyholder loss claims are enjoined and restrained from presenting and filing claims with the Liquidator for a period of 90 days from the date of entry of this Order;
10. The Liquidator is vested with all rights in Eveready's contracts and agreements, however described, and is permitted to, in his discretion, reject any executory contracts to which Eveready is a party, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of rejection;
11. Any bank, savings and loan association, other financial institution or any other entity or person, that has on deposit or in its possession, custody or control any of Eveready's funds, accounts (including escrow accounts) or assets shall immediately, upon the Liquidator's request and direction: (a) turn over custody and control of such funds, accounts or assets to the Liquidator; (b) transfer title of such funds, accounts or assets to the Liquidator; (c) change the name of such accounts to the name of the Liquidator; (d) transfer funds from such bank, savings

and loan association or other financial institution; and/or (e) take any other action reasonably necessary for the proper conduct of the liquidation proceeding;

12. All persons or entities having property, papers (including attorney work product and documents held by attorneys) and/or information, including, but not limited to, insurance policies, underwriting data, reinsurance policies, claims files (electronic or paper), software programs and/or bank records owned by, belonging to or relating to Eveready shall preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over and deliver such property and/or information to the Liquidator;
13. The Liquidator is authorized, permitted and allowed to sell, assign or transfer any and all stocks, bonds, or other securities at the best price reasonably obtainable at such times and upon such terms and conditions as, in his discretion, he deems to be in the best interest of the creditors of Eveready, and is further authorized to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers and assignments, without the further approval of this Court;
14. ALL EXISTING INSURANCE POLICIES OF EVEREADY WILL BE CANCELLED AT THE EARLIEST OF: (A) 30 DAYS FROM THE GIVING OF NOTICE OF SUCH CANCELLATION BY EVEREADY, IF SUCH NOTICE IS REQUIRED BY AN INSURANCE POLICY OR APPLICABLE LAW; (B) THE STATED EXPIRATION OR TERMINATION DATE AND TIME OF THE INSURANCE POLICY; (C) THE EFFECTIVE DATE AND TIME OF A REPLACEMENT INSURANCE POLICY OF THE SAME TYPE ISSUED BY ANOTHER INSURER REGARDLESS OF WHETHER THE COVERAGE IS IDENTICAL COVERAGE; (D) THE EFFECTIVE DATE AND TIME THAT THE EVEREADY INSURANCE POLICY OBLIGATION IS TRANSFERRED TO ANOTHER INSURER OR ENTITY AUTHORIZED BY LAW TO ASSUME SUCH OBLIGATION; OR (E) 12:01 A.M. LOCAL TIME ON THE DATE THAT IS 30 DAYS AFTER THE ENTRY OF THIS ORDER;
15. The date that is one year after the entry of this Order is established as the bar date by which all claims by any claimant against Eveready or its insureds, other than the Liquidator's claim for administrative expenses, must be actually be received by the Liquidator, including all evidence supporting the liquidation of such claims;
16. The Liquidator is authorized, in his discretion, to refrain from adjudicating some or all claims falling into Classes three through nine (N.Y. Ins. Law Sec. 7434(a)(1)(iii)-(ix)) unless and until he reasonably believes that adjudication of such claims would be in the best interests of the estate;
17. Immunity is extended to the Superintendent and his successors in office in his capacity as Liquidator of Eveready, 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 Article 74;

18. Eveready is insolvent;
19. Any distribution of assets shall be in accordance with the priorities set forth in Insurance Law Article 74;
20. In accordance with Insurance Law Section 7432(b), all claims against Eveready must be presented to the Liquidator within four months of the date of entry of this Order;
21. The Liquidator may at any time make further application to this Court for such further and different relief as he sees fit;
22. The Liquidator shall serve a copy of this Order upon: Marc Wollerstein, President, Eveready Insurance Company, 59 Maiden Lane, New York, New York 10038-4502, by overnight delivery or by certified mail;
23. The Liquidator shall provide notice of this Order to all creditors, claimants and interested persons by: (i) publication of notice of this Order, in a form substantially similar to the one attached hereto as Exhibit A, in the *New York Daily News*, once a week for two consecutive publication periods, commencing within 30 days of entry of this Order; and (ii) posting this Order on the Internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> within 15 days after the entry of this Order;
24. Such notice shall inform all creditors, claimants and other interested persons that this Order has been entered;
25. The notice prescribed in paragraph 23 above is sufficient notice to all persons interested in Eveready;
26. This Court shall retain jurisdiction over this matter for all purposes;

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

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

-----X

In the Matter of

the Liquidation of

EVEREADY INSURANCE COMPANY.

-----X

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

ENTER

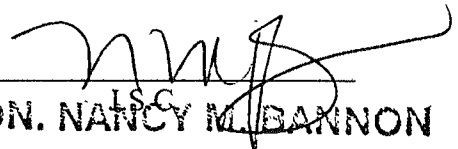

HON. NANCY M. BANNON
J.S.C.

EXHIBIT A

[Form of Notice]

NEW YORK LIQUIDATION BUREAU
110 WILLIAM STREET
NEW YORK, NEW YORK 10038
(212) 341-6400

To all persons or entities interested in the affairs of
EVEREADY INSURANCE COMPANY

Notice is Hereby Given:

Benjamin M. Lawsky, Superintendent of Financial Services of the State of New York ("Superintendent"), has been appointed by an order (the "Order") of the Supreme Court of the State of New York, County of New York ("Court"), entered _____, 2014, as the liquidator (the "Liquidator") of Eveready Insurance Company ("Eveready") and, as such, has been: (i) directed to take possession of Eveready's property and liquidate Eveready's business and affairs in accordance with New York Insurance Law ("Insurance Law") Article 74; and (ii) vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in the Order and with title to Eveready's property, contracts, rights of action and all of its books and records, wherever located, as of the date of entry of the Order. The Liquidator has, pursuant to Insurance Law Article 74, appointed Scott D. Fischer, Acting Special Deputy Superintendent (the "Acting Special Deputy"), as his agent to carry out his duties as Liquidator. The Acting Special Deputy carries out his duties through the New York Liquidation Bureau ("Bureau"), 110 William Street, New York, New York 10038. The Order provides:

- I. The Liquidator is permitted to deal with the property and business of Eveready in Eveready's name or in the name of the Liquidator;
- II. All persons are permanently enjoined and restrained from wasting the assets of Eveready, and all persons are permanently enjoined and restrained, except as authorized by the Liquidator, from transacting Eveready's business (including the issuance of insurance policies) or disposing of Eveready's property;
- III. All parties are permanently enjoined and restrained from interfering with the Liquidator or the proceeding, obtaining any preferences, judgments, attachments or other liens, making any levy against Eveready, its assets or any part thereof, and commencing or prosecuting any actions or proceedings against the Liquidator, Eveready, or the New York Liquidation Bureau, or their present or former employees, attorneys or agents, relating to the proceeding or the discharge of their duties under Article 74 in relation thereto;
- IV. All parties to actions, lawsuits, and special or other proceedings (other than those brought by Eveready) in which Eveready, its policyholders or insureds are a party or obligated to defend a party or provide a defense of any matter insured pursuant to an insurance policy, bond, contract or otherwise, are enjoined and restrained from 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 an order of liquidation;
- V. All persons who have first party policyholder loss claims are enjoined and restrained from presenting and filing claims with the Liquidator for a period of 90 days from the date of entry of an order of liquidation;
- VI. The Liquidator is vested with all rights in Eveready's contracts and agreements, however described and permitting the Liquidator to, in his discretion, reject any executory contracts to which Eveready is a party, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of rejection;

- VII. Any bank, savings and loan association, other financial institution or any other entity or person, that has on deposit or in its possession, custody or control any of Eveready's funds, accounts (including escrow accounts) or assets shall immediately, upon the Liquidator's request and direction: (a) turn over custody and control of such funds, accounts or assets to the Liquidator; (b) transfer title of such funds, accounts or assets to the Liquidator; (c) change the name of such accounts to the name of the Liquidator; (d) transfer funds from such bank, savings and loan association or other financial institution; and/or (e) take any other action reasonably necessary for the proper conduct of the liquidation proceeding;
- VIII. All persons or entities having property, papers (including attorney work product and documents held by attorneys) and/or information, including, but not limited to, insurance policies, underwriting data, reinsurance policies, claims files (electronic or paper), software programs and/or bank records owned by, belonging to or relating to Eveready shall preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over and deliver such property and/or information to the Liquidator;
- IX. The Liquidator is authorized, permitted and allowed to sell, assign or transfer any and all stocks, bonds, or other securities at the best price reasonably obtainable at such times and upon such terms and conditions as, in his discretion, he deems to be in the best interest of the creditors of Eveready, and is further authorized to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers and assignments, without the further approval of the Court;
- X. ALL EXISTING INSURANCE POLICIES OF EVEREADY WILL BE CANCELLED AT THE EARLIEST OF: (A) 30 DAYS FROM THE GIVING OF NOTICE OF SUCH CANCELLATION BY EVEREADY, IF SUCH NOTICE IS REQUIRED BY AN INSURANCE POLICY OR APPLICABLE LAW; (B) THE STATED EXPIRATION OR TERMINATION DATE AND TIME OF THE INSURANCE POLICY; (C) THE EFFECTIVE DATE AND TIME OF A REPLACEMENT INSURANCE POLICY OF THE SAME TYPE ISSUED BY ANOTHER INSURER REGARDLESS OF WHETHER THE COVERAGE IS IDENTICAL COVERAGE; (D) THE EFFECTIVE DATE AND TIME THAT THE EVEREADY INSURANCE POLICY OBLIGATION IS TRANSFERRED TO ANOTHER INSURER OR ENTITY AUTHORIZED BY LAW TO ASSUME SUCH OBLIGATION; OR (E) 12:01 A.M. LOCAL TIME ON THE DATE THAT IS 30 DAYS FROM THE ENTRY OF AN ORDER OF LIQUIDATION OF EVEREADY;
- XI. The date that is one year after the entry of the Order is established as the bar date by which all claims by any claimant against Eveready or its insureds, other than the Liquidator's claim for administrative expenses, must actually be received by the Liquidator, including all evidence supporting the liquidation of such claims;
- XII. The Liquidator is authorized, in his discretion, to refrain from adjudicating some or all claims falling into Classes three through nine (N.Y. Ins. Law Sec. 7434(a)(1)(iii)-(ix)) unless and until he reasonably believes that adjudication of such claims would be in the best interests of the estate;
- XIII. Immunity is extended to the Superintendent in his capacity as Liquidator of Eveready and his 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 the Court, or in the performance of their duties pursuant to Insurance Law Article 74;
- XIV. Eveready is insolvent;

- XV. Any distribution of assets shall be in accordance with the priorities set forth in Insurance Law Article 74;
- XVI. In accordance with Insurance Law Section 7432(b), all claims against Eveready must be presented to the Liquidator within four months of the date of entry of the Order;
- XVII. The Liquidator may at any time make further application to the Court for such further and different relief as he sees fit;
- XVIII. The Court shall retain jurisdiction over this matter for all purposes.
- XIX. All communications relating to Eveready and to the liquidation proceeding thereof should be addressed to:

New York Liquidation Bureau
110 William Street, 15th Floor
Attention: Acting Special Deputy Superintendent
New York, New York 10038
(212) 341-6400

BENJAMIN M. LAWSKY
Superintendent of Financial Services of
the State of New York as Liquidator
of Eveready Insurance Company

SCOTT D. FISCHER
Acting Special Deputy Superintendent
and Agent for the Superintendent as
Liquidator of Eveready Insurance Company

NYSCEF DOC. NO. 1

RECEIVED NYSCEF: 03/08/2017

FILED: NEW YORK COUNTY CLERK 12/24/2013

INDEX NO. 452122/2013

NYSCEF DOC. NO. 8

Scanned to New York EF on 12/23/13

RECEIVED NYSCEF: 12/24/2013

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

PRESENT:

RAKOWER

Justice

PART

15

LAWSKY, BENJAMIN M.

INDEX NO.

452122/13

MOTION DATE

MOTION SEQ. NO.

01

MOTION CAL. NO.

- v -
ICM INSURANCE COMPANY

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

See attached order.

Dated:

12/23/2013

HON. EILEEN A. RAKOWER
J.S.C.Check one: ☐ FINAL DISPOSITION ☐ NON-FINAL DISPOSITIONCheck if appropriate: ☐ DO NOT POST ☐ REFERENCEMOTION/CASE IS RESPECTFULLY REFERRED TO JUSTICE
FOR THE FOLLOWING REASON(S):

At IAS Part 15 of the Supreme Court of the State of New York, County of New York, at the courthouse located at _____, New York, New York, on the 23 day of December, 2013.

P R E S E N T:

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

-----X

In the Matter of

Index No. 452122/13

the Application of

ORDER OF LIQUIDATION

Benjamin M. Lawsky, Superintendent of Financial Services of the State of New York, for an order to take possession and liquidate the business and affairs of

ICM INSURANCE COMPANY.

-----X

Benjamin M. Lawsky, Superintendent of Financial Services of the State of New York ("Superintendent"), having moved this Court by order to show cause ("Order to Show Cause") for an order appointing the Superintendent and his successors in office as liquidator ("Liquidator") of ICM Insurance Company ("ICM") and directing the Liquidator to take possession of the property of ICM and to liquidate its business and affairs, and upon reading and filing the petition of the Superintendent, duly verified the 21st day of November, 2013, the affidavit of Jean Marie Cho, sworn to on November 21, 2013, and the exhibits annexed thereto, this Court finds that:

1. ICM was incorporated under the laws of the State of New York on or about September 23, 1981;

2. ICM is licensed to transact the business of insurance in accordance with paragraphs (4)–(7), (9), (12)–(14), and (19)–(21) of New York Insurance Law Section 1113(a) (“Insurance Law”);

3. ICM’s principal office, as disclosed in its Quarterly Statement as of March 31, 2013, is located at 521 Fifth Avenue, New York, NY 10175;

4. On September 18, 2013, ICM’s Board of Directors unanimously passed a resolution consenting to the entry of a liquidation order pursuant to Insurance Law Article 74;

5. ICM is insolvent;

6. ICM is subject to the Insurance Law and, particularly, to Article 74 thereof;

7. It is in the best interest of all persons concerned that, based upon Article 74 of the Insurance Law, the Superintendent should be appointed Liquidator and directed to take possession of the property of ICM, to liquidate its business and affairs, and be vested with title to all of ICM’s property, contracts and rights of action; and

NOW, on motion of the Honorable Eric T. Schneiderman, Attorney General of the State of New York, it is hereby

ORDERED as follows:

1. The relief requested in the petition for an order of liquidation (“Order”) is granted and ICM is declared to be insolvent;
2. The Superintendent is appointed Liquidator of ICM and is: (i) vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in this Order; (ii) vested with title to ICM’s property, contracts, rights of action and all of its books and records, wherever located, as of the date of entry of this Order; and (iii) directed to liquidate ICM’s business and affairs in accordance with Insurance Law Article 74;
3. The Liquidator may deal with the property and business of ICM in ICM’s name or in the name of the Liquidator;

4. All persons are permanently enjoined and restrained from wasting the assets of ICM and permanently enjoined and restrained, except as authorized by the Liquidator, from disposing of ICM's property;
5. The officers, directors, shareholders, members, depositories, trustees, policyholders, agents, servants, employees, attorneys, managers and affiliates of ICM and all other persons other than the Liquidator and his agents are permanently enjoined and restrained from: (i) transacting ICM's business, except as authorized by the Liquidator; or (ii) interfering with this proceeding or the Liquidator in the possession, control and management of ICM's property or in the discharge of his duties;
6. All persons are permanently enjoined and restrained from commencing or prosecuting any action or proceeding against ICM, the Liquidator or the New York Liquidation Bureau ("Bureau"), or their present or former employees, attorneys or agents with respect to this proceeding or the discharge of their duties under Article 74 in relation thereto;
7. All persons are permanently enjoined and restrained from obtaining any preference, judgment, attachment or other lien, or making any levy against ICM, its assets or any part thereof;
8. All parties to actions, lawsuits, and special or other proceedings (other than those brought by ICM) in which ICM, its policyholders or insureds are a party or obligated to defend a party or to provide a defense of any matter insured pursuant to an insurance policy, bond, contract or otherwise are enjoined and restrained from proceeding with any discovery, court proceeding or other litigation task or procedure, 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 this Order;
9. All persons who have first party policyholder loss claims are enjoined and restrained from presenting and filing claims with the Liquidator for a period of 90 days from the date of entry of this Order;
10. The Liquidator is vested with all rights in ICM's contracts and agreements, including leases, tax agreements, insurance policies and employment contracts, however described, unless the Liquidator expressly terminates such contracts or agreements, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of termination;
11. The Liquidator is authorized, permitted and allowed to sell, assign or transfer any and all stocks, bonds or other securities of ICM at the best price obtainable at such times and upon such terms and conditions as, in

his discretion, he deems to be in the best interest of the creditors of ICM, and he is further authorized to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers and assignments without the further approval of this Court;

12. ICM and each of its officers, directors, shareholders, members, depositories, trustees, policyholders, agents, servants, employees, attorneys, managers and affiliates, and all firms, corporations, associations and other persons or entities having any property, papers (including attorney work product) and/or information, including, but not limited to, insurance policies, underwriting data, reinsurance contracts, claims files (electronic or paper), software programs, and/or bank records owned by, belonging to or relating to ICM, shall preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over and deliver such property and/or information to the Liquidator;
13. Any person or entity providing claims processing services, data processing services, electronic records retention services or other information technology services to ICM shall maintain and preserve all information in its possession relating in any way to ICM, wherever located, including but not limited to all documents, data, electronic files and records, computer equipment (*i.e.*, servers and printers), software programs and software licenses owned or leased by ICM and is directed, upon the Liquidator's request, to promptly submit all such information to the Liquidator or his designees;
14. Any bank, savings and loan association, other financial institution or any other entity or person, which has on deposit or in its possession, custody or control any of ICM's funds, accounts (including escrow accounts) or assets shall immediately, upon the Liquidator's request and direction: (i) turn over custody and control of such funds, accounts or assets to the Liquidator; (ii) transfer title of such funds, accounts or assets to the Liquidator; (iii) change the name of such accounts to the name of the Liquidator; (iv) transfer funds from such bank, savings and loan association or other financial institution; and/or (v) take any other action necessary for the proper conduct of the liquidation proceeding;
15. Any distribution of assets shall be in accordance with the priorities set forth in Insurance Law Article 74;
16. In accordance with Insurance Law Section 7405(f), the Liquidator is hereby permitted to make distributions of ICM's assets to the New York Property/Casualty Insurance Security Fund and similar guaranty funds of other states in accordance with such statute, and any agreement to be

- entered into among the Liquidator and such guaranty fund is hereby approved and the Liquidator is authorized to enter into and perform such agreement;
17. All existing insurance policies of ICM shall terminate at 12:01 A.M. local time on the earliest of 30 days from the entry of this order, 30 days from the giving of notice of such cancellation, if such notice is required by an insurance policy or applicable law, or upon the date and time stated in the policy;
 18. May 16, 2014 is the bar date by which all claims by any claimant against ICM or its insureds, other than the Liquidator's claims for administrative expenses, must be actually received by the Liquidator;
 19. December 31, 2014 is the final date by which evidence supporting the liquidation of any claim presented by the foregoing bar date must be actually received by the Liquidator;
 20. The Liquidator, in his discretion, is authorized to refrain from adjudicating some or all claims falling into Classes three through nine (N.Y. Ins. Law Sec. 7434(a)(1)(iii)-(ix)) unless and until he reasonably believes that adjudication of such claims would be in the best interests of the estate;
 21. Immunity is extended to the Superintendent in his capacity as Liquidator of ICM and his successors in office and their agents and employees, including the Bureau, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of this Court, or in the performance of their duties pursuant to Insurance Law Article 74;
 22. The Liquidator may at any time make further application to this Court for such further and different relief as he sees fit;
 23. The Liquidator shall serve the copy of this Order upon: Marc Tract, Katten Muchin Roseman LLP, 575 Madison Ave, New York, NY 10022, attorneys for ICM Insurance Company, by overnight delivery or by certified mail;
 24. The Liquidator shall provide notice of this Order to all creditors, claimants and interested persons by: (i) publication of the notice of this Order in *The New York Times*, National Edition, once a week for two consecutive weeks, commencing within thirty days of entry of this Order in a form substantially similar to the one attached hereto as Exhibit A; and (ii) posting this Order on the Internet web page maintained by the Bureau at <http://www.nylb.org> within 15 days after the entry of this Order;

25. Such notice shall inform all creditors, claimants and other interested persons that this Order has been entered;
26. The notice prescribed in decretal paragraphs 23 and 24 hereof is sufficient notice to all persons interested in ICM;
27. This Court shall retain jurisdiction over this matter for all purposes;
28. The caption for this proceeding is hereby amended as follows:

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

-----X

In the Matter of

the Liquidation of

ICM INSURANCE COMPANY.

-----X

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

ENTER


J.S.C.

EXHIBIT A

[Form of Notice]

NEW YORK LIQUIDATION BUREAU
110 WILLIAM STREET
NEW YORK, NEW YORK 10038
(212) 341-6755

To all persons or entities
interested in the affairs of
ICM INSURANCE COMPANY
Notice is Hereby Given:

Benjamin M. Lawsky, Superintendent of Financial Services of the State of New York ("Superintendent"), has been appointed by an order (the "Order") of the Supreme Court of the State of New York, New York County ("Court"), entered _____, 2013, as the liquidator (the "Liquidator") of ICM Insurance Company ("ICM") and, as such, has been: (i) vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in the Order; (ii) vested with title to ICM's property, contracts, rights of action and all its books and records, wherever located, as of the date of entry of the Order; and (iii) directed to liquidate ICM's business and affairs in accordance with Insurance Law Article 74. The Liquidator has, pursuant to Insurance Law Article 74, appointed Michael J. Casey, Acting Special Deputy Superintendent of Insurance (the "Acting Special Deputy") as his agent to carry out his duties as Liquidator. The Acting Special Deputy carries out his duties through the New York Liquidation Bureau ("Bureau"), 110 William Street, New York, New York 10038. The Order provides:

I. The Liquidator may deal with the property and business of ICM in ICM's name or in the name of the Liquidator.

II. All persons are permanently enjoined and restrained from wasting the assets of ICM and permanently enjoined and restrained, except as authorized by the Liquidator, from disposing of ICM's property.

III. The officers, directors, shareholders, members, depositories, trustees, policyholders, agents, servants, employees, attorneys, managers and affiliates of ICM and all other persons other than the Liquidator and his agents are permanently enjoined and restrained from: (i) transacting ICM's business, except as authorized by the Liquidator; or (ii) interfering with this proceeding or the Liquidator in the possession, control and management of ICM's property or in the discharge of his duties.

IV. All persons are permanently enjoined and restrained from commencing or prosecuting any action or proceeding against ICM, the Liquidator or the New York Liquidation Bureau ("Bureau"), or their present or former employees, attorneys or agents with respect to this proceeding or the discharge of their duties under Article 74 in relation thereto.

V. All persons are permanently enjoined and restrained from obtaining any preference, judgment, attachment or other lien, or making any levy against ICM, its assets or any part thereof.

VI. All parties to actions, lawsuits, and special or other proceedings (other than those brought by ICM) in which ICM, its policyholders or insureds are a party or obligated to defend a party or to provide a defense of any matter insured pursuant to an insurance policy, bond, contract or otherwise are enjoined and restrained from proceeding with any discovery, court proceeding or other litigation task or procedure, 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 this Order.

VII. All persons who have first party policyholder loss claims are enjoined and restrained from presenting and filing claims with the Liquidator for a period of 90 days from the date of entry of this Order.

VIII. The Liquidator is vested with all rights in ICM's contracts and agreements, including leases, tax agreements, insurance policies and employment contracts, however described, unless the Liquidator expressly terminates such contracts or agreements, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of termination.

IX. The Liquidator is authorized, permitted and allowed to sell, assign or transfer any and all stocks, bonds or other securities of ICM at the best price obtainable at such times and upon such terms and conditions as, in his discretion, he deems to be in the best interest of the creditors of ICM, and he is further authorized to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers and assignments without the further approval of this Court.

X. ICM and each of its officers, directors, shareholders, members, depositories, trustees, policyholders, agents, servants, employees, attorneys, managers and affiliates, and all firms, corporations, associations and other persons or entities having any property, papers (including attorney work product) and/or information, including, but not limited to, insurance policies, underwriting data, reinsurance contracts, claims files (electronic or paper), software programs, and/or bank records owned by, belonging to or relating to ICM, shall preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over and deliver such property and/or information to the Liquidator.

XI. Any person or entity providing claims processing services, data processing services, electronic records retention services or other information technology services to ICM shall maintain and preserve all information in its possession relating in any way to ICM, wherever located, including but not limited to all documents, data, electronic files and records, computer equipment (*i.e.*, servers and printers), software programs and software licenses owned or leased by ICM and is directed, upon the Liquidator's request, to promptly submit all such information to the Liquidator or his designees.

XII. Any person or entity providing claims processing services, data processing services, electronic records retention services or other information technology services to ICM shall maintain and preserve all information in its possession relating in any way to ICM, wherever located, including but not limited to all documents, data, electronic files and records, computer equipment (*i.e.*, servers and printers), software programs and software licenses owned or leased by ICM and is directed, upon the Liquidator's request, to promptly submit all such information to the Liquidator or his designees.

XIII. Any distribution of assets shall be in accordance with the priorities set forth in Insurance Law Article 74.

XIV. In accordance with Insurance Law Section 7405(f), the Liquidator is hereby permitted to make distributions of ICM's assets to the New York Property/Casualty Insurance Security Fund and similar guaranty funds of other states in accordance with such statute, and any agreement to be entered into among the Liquidator and such guaranty fund is hereby approved and the Liquidator is authorized to enter into and perform such agreement;

XV. ALL EXISTING INSURANCE POLICIES OF ICM SHALL TERMINATE AT 12:01 A.M. LOCAL TIME ON THE EARLIEST OF 30 DAYS FROM THE ENTRY OF THE ORDER, 30 DAYS FROM THE GIVING OF NOTICE OF SUCH CANCELLATION, IF SUCH NOTICE IS REQUIRED BY AN INSURANCE POLICY OR APPLICABLE LAW, OR UPON THE DATE AND TIME STATED IN THE POLICY.

XVI. MAY 16, 2014 IS THE BAR DATE BY WHICH ALL CLAIMS BY ANY CLAIMANT AGAINST ICM OR ITS INSURED, OTHER THAN THE LIQUIDATOR'S CLAIMS FOR ADMINISTRATIVE EXPENSES, MUST BE ACTUALLY RECEIVED BY THE LIQUIDATOR.

XVII. DECEMBER 31, 2014 IS THE FINAL DATE BY WHICH EVIDENCE SUPPORTING THE LIQUIDATION OF ANY CLAIM PRESENTED BY THE FOREGOING BAR DATE MUST BE ACTUALLY RECEIVED BY THE LIQUIDATOR.

XVIII. The Liquidator, in his discretion, is authorized to refrain from adjudicating some or all claims falling into Classes three through nine (N.Y. Ins. Law Sec. 7434(a)(1)(iii)-(ix)) unless and until he reasonably believes that adjudication of such claims would be in the best interests of the estate

XIX. Immunity is extended to the Superintendent in his capacity as Liquidator of ICM and his successors in office and their agents and employees including the Bureau, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of the Court, or in the performance of their duties pursuant to Insurance Law Article 74.

XX. The Liquidator may at any time make further application to the Court for such further and different relief as he sees fit.

XXI. The court shall retain jurisdiction over this matter for all purposes.

XXII. All communications relating to ICM and to the Liquidation Proceeding thereof should be addressed to:

New York Liquidation Bureau
110 William Street, 15th Floor
New York, New York 10038
(212) 341-6400

BENJAMIN M. LAWSKY
Superintendent of Financial Services of
the State of New York as Liquidator
of ICM Insurance Company

MICHAEL J. CASEY
Acting Special Deputy Superintendent
and Agent for the Superintendent as
Liquidator of ICM Insurance Company

Index no.: 452122/13

SUPREME COURT OF THE STATE OF NEW YORK
NEW YORK COUNTY

In the Matter of

the Application of

Benjamin M. Lawsky, Superintendent of Financial
Services of the State of New York, for an order to take
possession and liquidate the business and affairs of

ICM INSURANCE COMPANY.

ORDER OF LIQUIDATION

ERIC T. SCHNEIDERMAN
Attorney General of the State of New York

120 Broadway, 24th Floor New York, NY 10271
Tel: (212) 416-8301
Fax: (212) 416-6009 / 6075 / 6076 (not for service)

At IAS Part 10 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 30 day of
September, 2010.

P R E S E N T:

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

-----X

In the Matter of

the Application of

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

Index No.: 400236/10

**ORDER OF
LIQUIDATION**

COLONIAL COOPERATIVE INSURANCE COMPANY.

-----X

Petitioner, James J. Wrynn, Superintendent of Insurance of the State of New York
("Superintendent"), having moved this Court by order to show cause ("Order to Show Cause")
for an order to convert the rehabilitation proceeding of Colonial Cooperative Insurance Company
("CCIC") to a liquidation proceeding, and the Rehabilitator having provided CCIC claimants and
creditors with notice of the relief sought, by posting the notice of the Order to Show Cause on
the Internet web page maintained by the New York Liquidation Bureau at least 30 days prior to
the return date, and no objections having been received, and upon reading and filing the petition
of the Superintendent, duly verified the 20th day of August, 2010, the affidavit of Francesca G.
Bliss, Assistant Special Deputy Superintendent, sworn to August 11, 2010, and the affidavit of
Peter Giacone, Chief Financial Officer of the New York Liquidation Bureau, sworn to August
11, 2010, and the exhibits attached thereto, this Court finds that:

1. CCIC was placed into rehabilitation and the Superintendent was appointed rehabilitator ("Rehabilitator") by order of this Court ("Rehabilitation Order") entered March 1, 2010;

2. The Rehabilitation Order found that a Mandatory Control Event under New York Insurance Law ("Insurance Law") Section 1324(g) had occurred with regard to CCIC;

3. The Rehabilitation Order found that CCIC consented to the entry of the Rehabilitation Order;

4. Further efforts to rehabilitate CCIC would be futile;

5. CCIC is insolvent;

6. CCIC is subject to the Insurance Law and, particularly, to Article 74 thereof;

and

7. It is in the best interest of all persons concerned that the Superintendent be vested with title to all CCIC's property, contracts and rights of action and directed to liquidate its business and affairs;

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

1. The relief requested in the petition for an order of liquidation is granted and CCIC is found to be insolvent;
2. The rehabilitation proceeding of CCIC instituted in the Supreme Court, New York County, is terminated;
3. The Superintendent, and his successors in office, are appointed liquidator ("Liquidator") of CCIC and are: (i) vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in this Order; (ii) vested with title to CCIC's property, contracts, rights of action and all its books and records, wherever located, as of the date of entry of this Order; and (iii) directed to liquidate CCIC's business and affairs in accordance with Insurance Law Article 74;

4. The Liquidator may deal with the property and business of CCIC in its name or in the name of the Liquidator;
5. The officers, directors, shareholders, members, depositories, trustees, policyholders, agents, servants, employees, attorneys, managers and affiliates of CCIC and all other persons other than the Superintendent and his agents are permanently enjoined and restrained, except as authorized by the Superintendent, from: (i) transacting the business of CCIC, (ii) wasting or disposing of or permitting to be done any act or thing that might waste or dispose of CCIC's property; (iii) interfering with the Liquidator in the possession, control and management of CCIC's property or in the discharge of his duties; and (iv) disclosing the name, address or contact information of CCIC's policyholders, or any other information that is proprietary to CCIC's or not in the public domain, except as may be authorized by the Liquidator;
6. All persons are permanently enjoined and restrained from commencing or prosecuting any actions or proceedings against CCIC, the Liquidator or the New York Liquidation Bureau, its employees, attorneys and/or agents with respect to any claims against CCIC;
7. All persons are permanently enjoined and restrained from obtaining preferences, judgments, attachments or other liens, or making any levy against CCIC's assets or any part thereof;
8. All parties to actions, lawsuits, and special or other proceedings ("Litigation") in which CCIC is obligated to defend a party pursuant to an insurance policy, bond, contract or otherwise are enjoined and restrained from prosecuting, advancing or otherwise taking any action within such Litigation, including but not limited to trials, hearings conferences or other court proceedings, motions or other requests to the court of any nature, proceedings on default, settlements or judgments, service of documents, discovery or any other litigation tasks or procedures for a period of 180 days from the date of entry of this Order;
9. All persons who have first-party policyholder no-fault loss claims pursuant to Article 51 of the Insurance Law against CCIC are enjoined from presenting and filing claims with the Liquidator for a period of 90 days from the date of entry of this Order;
10. The Liquidator is authorized, permitted and allowed to sell, assign or transfer any and all stocks, bonds or securities of CCIC at market price or better, or if there is no market price, at the best price obtainable at private sale at such times and upon such terms and conditions as, in his discretion, he deems is in the best interest of the creditors of CCIC, and he is further authorized to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers and assignments;

11. In accordance with Insurance Law Section 7405, all contracts and agreements, including all leases, tax sharing agreements and employment contracts of CCIC, however described, shall terminate and all liability thereunder shall cease and be fixed as of the date of entry of this Order unless expressly assumed in writing by the Liquidator;
12. CCIC and each of its officers, directors, shareholders, members, depositories, trustees, policyholders, agents, servants, employees, attorneys, managers and affiliates, and all firms, corporations, associations and other persons or entities having any property belonging to or relating to CCIC, including but not limited to business records, insurance policies, claims files (electronic or paper), software programs, bank records or any tangible or intangible items of value, shall preserve such property and are directed, upon the Liquidator's request, to promptly assign, transfer, turn over and deliver such property to the Liquidator or his designees;
13. Any person or entity providing claims processing services, data processing services, electronic records retention services or other information technology services to CCIC shall maintain and preserve all information in its possession ("Information") relating in any way to CCIC, wherever located, including but not limited to all documents, data, electronic files and records, computer equipment (*i.e.*, servers and printers), software programs and software licenses owned or leased by CCIC and are directed, upon the Liquidator's request, to promptly submit all such Information to the Liquidator or his designees;
14. Any bank, savings and loan association, other financial institution or any other entity or person, which has on deposit or in its possession, custody or control of any of CCIC's funds, accounts or assets shall immediately, upon the Liquidator's request and direction: (i) turn over custody and control of such funds, accounts or assets to the Liquidator; (ii) transfer title of such funds, accounts or assets to the Liquidator; (iii) change the name of such accounts to the name of the Liquidator; (iv) withdraw funds from such bank, savings and loan association or other financial institution; or (v) take any lesser action necessary for the proper conduct of the liquidation proceeding;
15. Any distribution of assets shall be in accordance with the priorities set forth in Insurance Law Article 74;
16. Judicial immunity is extended to the Superintendent in his capacity as liquidator and his successors in office and their agents and employees and such immunity is extended to them for any cause of action of any nature against them, individually or jointly, for any action or omission by any one or more of them when acting in good faith, in accordance with this Order, or in the performance of their duties pursuant to Insurance Law Article 74;

17. The Liquidator may at any time make further application to this Court for such further and different relief as he sees fit;
18. The Liquidator shall provide notice of this order to all creditors, claimants and other interested persons by: (a) service of a copy of this Liquidation Order upon Kenneth Pangburn, former President of CCIC, as designated agent for service of process, by regular mail and certified mail, return receipt requested, on or before the 29th day of October 2010; (b) posting this Liquidation Order on the Internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> within 30 days after the entry of this Liquidation Order; (c) publication of the notice of this Liquidation Order in *Business Insurance* once a week in two consecutive publication weeks, commencing within four weeks of entry of this Order, in a form substantially similar to the one attached hereto.
19. Such notice shall inform all creditors, claimants and other interested persons that this Order has been entered.
20. The notice prescribed in decretal paragraph 18 hereof is sufficient notice to all persons interested in CCIC;
21. This Court shall retain jurisdiction over this matter for all purposes;
22. All further papers in this proceeding shall bear the caption:

"In the Matter of

the Liquidation of

COLONIAL COOPERATIVE INSURANCE COMPANY"

SEP 30 2010

ENTER

J.S.C.

JUDITH J. GISCHE, J.S.C.

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

PRESENT: JUDITH J. GISCHE, J.S.C.
JusticePART 10*for Re: Colonial Cooperative
Anonymous*INDEX NO. 400236/10

MOTION DATE _____

MOTION SEQ. NO. 03

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

The OSC has been served on all appropriate parties & no one has appeared either in person or in writing to oppose the relief sought. It is therefore granted on default in accordance with a separate order signed this date.

Dated: 9/30/10JUDITH J. GISCHE, J.S.C. J.S.C.Check one: ☒ FINAL DISPOSITION ☐ NON-FINAL DISPOSITIONCheck if appropriate: ☐ DO NOT POST ☐ REFERENCE☐ SUBMIT ORDER/ JUDG.☐ SETTLE ORDER/ JUDG.MOTION/CASE IS RESPECTFULLY REFERRED TO JUSTICE
FOR THE FOLLOWING REASON(S):

Index No.: 400236/10

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

In the Matter of

the Liquidation of

COLONIAL COOPERATIVE INSURANCE COMPANY.

ORDER OF LIQUIDATION

JOHN PEARSON KELLY

Attorney for Superintendent of Insurance as Liquidator

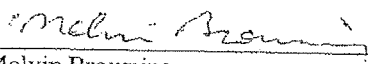
Office and Post Office Address, Telephone

New York Liquidation Bureau
123 William Street
New York, NY 10038-3889
(212) 341-6755
Fax (212) 608-3398

ATTORNEY CERTIFICATION

The undersigned, an attorney admitted to practice in the courts of New York State, certifies that, upon information, belief and reasonable inquiry, the contentions in the above referenced document(s) are not frivolous.

Dated: September 30, 2010
New York, New York


Melvin Browning☐ NOTICE OF ENTRY

that the within is a (certified) true copy of a

duly entered in the office of the clerk of the within named court on the day of 20

☐ NOTICE OF SETTLEMENTthat an order
settlement to the HON.

of which the within is a true copy will be presented for
one of the judges of the within named court, at
20 at

Dated:

, on

Yours, etc.

JOHN PEARSON KELLYAttorney for Superintendent of Insurance
as Liquidator*Office and Post Office Address, Telephone*

New York Liquidation Bureau
123 William Street
New York, NY 10038-3889
(212) 341-6755
Fax (212) 608-3398

At IAS Part 7 of the Supreme Court of the
State of New York, County of New York
at the Courthouse, 111 Centre Street, New
York, New York on the 15 day of June
2005.

PRESENT:

HON. FAVIOLA SOTO.

JUSTICE

-----X
In the Matter of

Index No.: 401876/05

the Application of

ORDER OF LIQUIDATION

HOWARD MILLS, Superintendent of Insurance
of the State of New York, for an order to take
possession of and liquidate the business and
affairs of and dissolve

REALM NATIONAL INSURANCE COMPANY

FILED

JUN 15 2005

COUNTY CLERK'S OFFICE
NEW YORK

Petitioner, Howard Mills, 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 liquidate the business and affairs and dissolve the corporate charter of
Realm National Insurance Company ("REALM");

NOW, upon reading and filing the petition of the Superintendent, duly verified
on the 10th day of June, 2005, the exhibits annexed thereto; the emergency affidavit of
Howard Mills, dated June 10, 2005; and it appearing to my satisfaction that:

1. REALM is a New York corporation, with its principal office in New
York County;
2. REALM is insolvent;

3. REALM has consented to an order of liquidation being entered against it in the Supreme Court, County of New York;
4. REALM is amenable to the Insurance Law of the State of New York and particularly to Article 74 thereof;
5. REALM should be dissolved and its corporate charter annulled and forfeited.
6. It is impossible to reinsure in whole or in part the existing policy obligations of REALM pursuant to Section 7405 (c) of the Insurance Law;
7. REALM is in such condition that its further transaction of business would be hazardous to its policyholders, creditors or to the public;
8. It is in the best interest of all persons concerned that the Superintendent be directed to take possession of the property and liquidate the business and affairs and dissolve the corporate charter of REALM.

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

1. The petition is granted;
2. REALM is insolvent;
3. The Superintendent, and his successors in office as Superintendent, are appointed liquidator of REALM, authorized and directed to immediately take possession of its property, are vested with title to its property, contracts and rights of action and directed to liquidate its business and affairs in accordance with Article 74 of the Insurance Law. The Superintendent as Liquidator may deal with the property and business of REALM in its name or in the name of the Superintendent, as Liquidator;
4. In accordance with Insurance Law § 7432 (b), all claims against REALM must be presented to the Superintendent, as Liquidator, within four months of the date of entry of this order;

5. In accordance with Insurance Law § 7433 (b)(2), all persons who appear on REALM's books and records as policyholders or claimants as of the date of entry of this order shall be deemed to have duly filed proofs of claim prior to the last day set for filing claims;
6. All former policyholders of REALM whose policies expired within three (3) years of the date of entry of this order shall be deemed to have duly filed a proof of claim prior to the last day set for filing claims;
7. The Superintendent, as Liquidator, shall provide notice, by publication in the New York Times, National Edition and the Journal of Commerce once a week for two consecutive weeks commencing within three weeks of entry of this order, to all other creditors, claimants and interested persons to present claims within four months of the date of entry of this order;
8. The Superintendent, as Liquidator, shall provide notice by publication in one newspaper in the capital cities of each state in the United States wherein REALM is licensed to do business, once a week for two successive weeks within the period allowed for the presenting of claims, the newspaper to be selected by the Liquidator at his discretion;
9. In the event one or more Insurance Departments and/or Guaranty Funds or Associations of foreign states, that have adopted the Uniform Insurers Liquidation Act, in which REALM was licensed to do business, desire to give formal notice to policyholders and creditors in their respective State Insurance Departments or Guaranty Fund or Association, the Superintendent, as Liquidator, may permit the giving of such notice as he in his discretion may find desirable;
10. The notice prescribed herein is sufficient notice to all persons interested in REALM;
11. All outstanding insurance policies, bonds, and other insurance obligations, if any, issued and undertaken by REALM shall terminate and all liability thereunder shall cease and be fixed as of 12:01 a.m. on the thirtieth day after entry of this order or upon cancellation or procurement of replacement policies, bonds or insurance coverage, whichever is earlier;

12. In accordance with Insurance Law § 7405, all other contracts, leases, tax sharing agreements, employment contracts, and obligations of REALM, however described, shall terminate and all liability thereunder shall cease and be fixed as of the date of entry of this order unless ratified by the Superintendent, as Liquidator;
13. The Superintendent, as Liquidator, is relieved of the provisions set forth in Section 7405(c) of the Insurance Law to reinsure in whole or in part the policy obligations of REALM;
14. The Superintendent, as Liquidator, is authorized, permitted and allowed to sell, assign, or transfer any and all real or personal property, stocks, bonds or securities of REALM at market price or better, or if there is no market price, at the best price obtainable at private sale at such times and upon such terms and conditions, as in his discretion, he deems is in the best interest of the creditors of REALM, and he is further authorized to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers, and assignments;
15. REALM, its officers, directors, depositories, trustees, agents, servants, employees, attorneys, and all other persons, having any property or records belonging or relating to REALM, including, but not limited to insurance policies, loss, claim or legal files are directed to assign, transfer, set over and deliver to the Superintendent, as Liquidator, all such property or records;
16. Any persons, firms, corporations, or associations having any books, papers or records relating to the business of REALM shall preserve them and submit them to the Superintendent, as Liquidator, for examination and copying at all reasonable times;
17. The officers, directors, shareholders, trustees, agents, servants, employees, attorneys, and managers of REALM, and all other persons are permanently enjoined and restrained from the transaction of REALM's business, the waste or disposition of its property, interfering with the Superintendent, as Liquidator, in the possession, control and management of the property of REALM or in the discharge of his duties;
18. All persons are permanently enjoined and restrained from commencing or prosecuting any actions or proceedings against REALM, the Superintendent, as Liquidator of REALM, or the New York Liquidation Bureau, its employees, attorneys and agents with respect to claims against REALM;

19. All persons are permanently enjoined and restrained from obtaining preferences, judgments, attachments or other liens, or making any levy against REALM's assets or any part thereof;
20. All parties to lawsuits in this state and all other states and territories of the United States, are hereby enjoined and restrained from proceeding with, including but not limited to, any discovery, pre-trial conferences, trial, application for judgment or proceeding on judgments or settlements in such actions at law, suits in equity, special or other proceedings in which REALM is 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 REALM is the next excess of umbrella layer of insurance for a period of 180 days from the date hereof;
21. Those persons who may have first-party or New York Comprehensive Automobile Insurance Reparations Act (No-Fault) policyholder loss claims against REALM 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;
22. The corporate charter of REALM is relinquished, forfeited, surrendered and annulled, and REALM is dissolved;
23. The Superintendent of Insurance as Liquidator, may at any time make further application to this court for such further and different relief as he sees fit;
24. All further papers in this proceeding shall bear the caption:

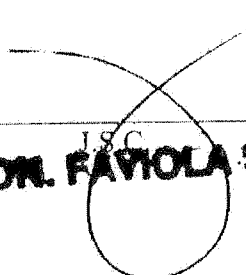
"In the Matter of

the Liquidation of

REALM NATIONAL INSURANCE COMPANY"

25. The Superintendent, as Liquidator, shall serve a conformed copy of this order upon the county clerk and the clerk of the trial support office for amendment of the court and computer records.

ENTER


HON. FAVIOLA SOTO

FILED
JUN 15 2005
COUNTY CLERK'S OFFICE
NEW YORK

Sir:

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

Yours, etc.,
ELIOT SPITZER

Attorney for
Attorney General.

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

To

Sir

Please take notice that the within will be presented for settlement and signature herein to the HON. one of the judges of the within named Court, at in the Borough of City of New York, on the day of 200, at A. M.

Date, N.Y.,

Yours, etc.,
ELIOT SPITZER

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

To:

FILED
2007 51 MAR
NEW YORK COUNTY CLERK

SUPREME COURT: NEW YORK COUNTY

In the Matter of
the Application of

HOWARD MILLS, Superintendent of Insurance of the State of New York, for an order to take possession of and liquidate the business and affairs of and dissolve

REALM NATIONAL INSURANCE COMPANY

ORDER OF LIQUIDATION

ELIOT SPITZER

Attorney General

Attorney for the Superintendent of
Insurance

Office and Post Office Address
120 Broadway, New York, N.Y. 10271
Tel. (212) 416-8658

Personal service of a copy of

within.....

is admitted this..... day of

.....20

At the Ex-Parte Office of the
Supreme Court of the State of
New York, County of New York,
60 Centre Street, in the Bor-
ough of Manhattan, City and
State of New York, on the 3rd
day of April, 1986.

P R E S E N T :

HON. *Thomas J. Hughes*

JUSTICE.

-----x
In the Matter of
the Application of

Index No. *41294/1986*
ORDER OF LIQUIDATION

JAMES P. CORCORAN, as Superintendent
of Insurance of the State of New York,
for an order to take possession of and
liquidate the business and affairs of

MIDLAND INSURANCE COMPANY
-----x

Now upon reading the Petition of JAMES P. CORCORAN,
Superintendent of Insurance of the State of New York, verified
the *2nd* day of April, 1986 and exhibits annexed thereto in sup-
port of the petition, and it appearing to my satisfaction (i)
that MIDLAND INSURANCE COMPANY (hereinafter referred to as
"MIDLAND") was incorporated under the laws of the State of New
York on October 29, 1959 and licensed as a stock casualty insurer
in the State of New York on December 31, 1959; (ii) that it is

-1-

amenable to the Insurance Law of the State of New York and particularly to Article 74 thereof; (iii) that it is impossible to reinsure in whole or in part the existing policy obligations of MIDLAND pursuant to Section 7405 (c) of the Insurance Law; (iv) that the corporate charter as well as any rights and interest in licenses or certificates of authority to write insurance be vested in the Superintendent of Insurance; (v) that MIDLAND is insolvent, that it is in such condition that its further transaction of business would be hazardous to its policyholders, creditors or to the public, that it is to their best interests that this application should be granted and MIDLAND liquidated under and pursuant to Article 74 of the Insurance Law;

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

ORDERED ~~AND ADJUDGED~~, that the petition of the Superintendent is granted; and it is further

ORDERED ~~AND ADJUDGED~~, that JAMES P. CORCORAN, the Superintendent, or any successor in office as Superintendent, is hereby appointed Liquidator of MIDLAND, and is hereby authorized and directed forthwith to take possession of the property and liquidate the business and affairs of MIDLAND pursuant to Article 74 of the Insurance Law and to deal with the property and busi-

ness affairs of MIDLAND in his name as Superintendent, and is vested with title to all of the property, licenses, corporate charters, contracts and rights of action of MIDLAND pursuant to Section 7405 of the Insurance Law; and it is further

ORDERED ~~AND RECORDED~~, that the notice of the aforesaid be given by publication in the national editions of The New York Times and The Journal of Commerce, commencing on or about the *16th* day of *April*, 1986, and thereafter once a week for two successive weeks; and it is further

ORDERED ~~AND RECORDED~~, that notice of liquidation be given by publication of such notice in one newspaper in Washington, D.C., San Juan, Puerto Rico, the United States Virgin Islands and in all the Capital Cities of the States in the United States and the Capital of Canada, and in the newspapers in other cities to be selected by the Liquidator in his discretion, by publication of such notice once a week for two successive weeks within the period allowed for the filing of claims; and it is further

ORDERED ~~AND RECORDED~~, that the notice prescribed is sufficient notice to all persons interested in the assets of MIDLAND; and it is further

ORDERED ~~AND RECORDED~~, that notice of the making and entry of this order be given by the Superintendent, as Liquida-

tor, to the extent it can be reasonably ascertained, by mail to all policyholders, creditors and all other persons having any unsatisfied claims or demands of any character against the corporation in the possession of the Superintendent, as Liquidator, at the last known address of such persons as disclosed by said records and in such other manner and form as he in his discretion may find desirable, demanding that all persons indebted to MIDLAND render accounts of their indebtedness and pay any sums due to the Superintendent, as Liquidator; and giving notice to present proofs of claim with the Superintendent, as Liquidator, at a place specified in such notice within twelve months from the date of the entry of this Order and no later than the *3rd* day of *April* 1987; and that such notice may contain such other rules, regulations and information as the Superintendent, as Liquidator, may deem necessary for the purpose of this proceeding in fixing and determining all lawful and valid claims and demands against the corporation; and it is further

ORDERED ~~AND ADJUDGED~~, that in the event one or more Insurance Departments and/or Guaranty Funds or Associations of foreign States that have adopted the Uniform Insurers Liquidation Act in which respondent was licensed to do business, desire to give formal notice to policyholders and creditors in their respective states to present proofs of claim to the respective State Insurance Department or Guaranty Fund or Association, the Superintendent, as Liquidator, may permit the giving of such

notice as he in his discretion may find desirable; and it is further

ORDERED ~~AND IT IS ORDERED~~, that all outstanding policy and other insurance obligations as well as surety bonds and obligations thereunder of MIDLAND terminate and all liability thereunder cease and be fixed as of 12:01 A.M. Eastern Daylight Savings Time, 30 days after the signing of this Order, or prior thereto upon the procurement by policyholders of new insurance covering their risks insured thereby, as well as procurement by principals of new surety bonds covering the obligations thereunder and notice thereof shall be given as hereinabove set forth; and it is further

ORDERED ~~AND IT IS ORDERED~~, that all other subsisting contracts, leases, tax sharing agreements, individual labor contracts and other obligations of MIDLAND and all liability thereunder cease and be fixed as of the date of the entry of this Order; and it is further

ORDERED ~~AND IT IS ORDERED~~, that the Superintendent, as Liquidator, is relieved of the provisions set forth in Section 7405 (c) of the Insurance Law, to wit: to reinsure in whole or in part the policy obligations of MIDLAND; and it is further

ORDERED ~~AND IT IS ORDERED~~, that JAMES P. CORCORAN, the Superintendent or any successor in office as Superintendent, is hereby authorized, permitted and allowed to sell, assign and

transfer any and all stocks, bonds and securities in his possession or which may hereafter come into his possession belonging to MIDLAND, in liquidation, at market price or better, or when there is no market price, at the best price obtainable, at private sale and at such times and upon such terms and conditions as in his discretion he deems for the best interests of the creditors of MIDLAND, in liquidation, and that he be authorized, permitted and allowed to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers and assignments; and it is further

ORDERED ~~XXXXXXXXXX~~, that JAMES P. CORCORAN, the Superintendent or any successor in office as Superintendent, is hereby authorized, permitted and allowed to sell, assign and transfer the Corporate Charter of MIDLAND and any and all insurance licenses or certificates of authority to write insurance in such a method and manner as is to be approved by the Court; and it is further

ORDERED ~~XXXXXXXXXX~~, that the Superintendent of Insurance, as Liquidator of MIDLAND, be permitted in his discretion to continue contract negotiations for the sale of MIDLAND PROPERTY AND CASUALTY INSURANCE COMPANY in the present manner and format as has been already entered into by MIDLAND prior to this Order and that the consummation of the transaction be subject to a further order of the Court; and it is further

ORDERED ~~AND RECALLED~~ that MIDLAND, its officers, directors, trustees, policyholders, agents and employees and all other persons having any property or records belonging to MIDLAND, are hereby directed to assign, transfer and deliver to the Superintendent, as Liquidator, all of such property in whomever the same may be, and that any persons, firms or corporations having any books, papers or records relating to the business of said corporation shall preserve the same and submit them to the Superintendent, as Liquidator, for examination at all reasonable times; and it is further

ORDERED ~~AND RECALLED~~, that the officers, directors, trustees, policyholders, agents and employees of MIDLAND, and all other persons are enjoined and restrained from the further transaction of business or from dealing with or disposing of the property or assets of said corporation, 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, as Liquidator; and it is further

ORDERED ~~AND RECALLED~~, that the officers, directors, trustees, policyholders, agents and employees of MIDLAND, and all other persons, including but not limited to claimants, plaintiffs and petitioners who have claims against MIDLAND, are per-

manently enjoined and restrained from bringing or further prosecuting any action at law, suit in equity, special or other proceeding against the said corporation or its estate, or the Superintendent and his successors in office, as Liquidator 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, or any successor in office, in his possession or in the discharge of his duties as Liquidator thereof, or in the liquidation of the business of said corporation; and it is further

ORDERED ~~AND FURTHER~~, that all parties to law suits in this State and all other states and territories of the United States, are hereby enjoined and restrained from proceeding with any pre-trial conference, trial, application for judgment, or proceeding on judgments or settlements in such actions at law, suits in equity, special or other proceedings in which MIDLAND is obligated to defend a party insured or any other persons it is legally obligated to defend by virtue of its insurance contract for a period of 180 days from the date hereof; and it is further

ORDERED ~~AND FURTHER~~, that those persons who may have first party or New York Comprehensive Automobile Insurance Reparations Act (No-Fault) policyholder loss claims against MIDLAND 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 ~~MIDLAND~~, that all parties to Administration Hearings before the Workers' Compensation Board coming within the purview of Article 76 of the Insurance Law (Property and Casualty Security Fund) and Section 107 of the Workers' Compensation Law (Stock Workers' Compensation Security Fund) are hereby enjoined and restrained from proceeding with conferences, hearings, applications for judgments or proceedings on said judgments or other proceedings in which MIDLAND is legally obligated to defend an insured employer or any other person by virtue of their Workers' Compensation Contract for a period of 90 days from the date hereof; and it is further

ORDERED ~~MIDLAND~~, that all parties to conferences before the Commissioner of the United States Department of Labor at various district offices in the United States, or Hearings before Administrative Law Judges of the Department of Labor and any ensuing appeals therefrom are hereby enjoined and restrained from proceeding with conferences, hearings, applications for judgments or proceedings on said judgments or other proceedings in which MIDLAND is legally obligated to defend or represent an insured employer or any other persons by virtue of their Longshore and Harbor Workers' Compensation Contract for a period of

90 days from the date hereof; and it is further

ORDERED ~~AND ADJUDGED~~, 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 Liquidation of
MIDLAND INSURANCE COMPANY"

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

ORDERED ~~AND ADJUDGED~~, that the Superintendant, as Liquidator, may at any time make further application for such further and different relief as he sees fit.

E N T E R

151 T. J. H.
J. S. C.

Filed
4/13/86
New York County

DATE *NOV 9 1988*
I hereby certify that the foregoing
paper is a true copy of the original
thereof, filed in my office on the

32 day of *April*, 1986

William J. Sullivan

County Clerk and Clerk of the
Supreme Court New York County
NO FEE - OFFICIAL USE

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