

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

PRESENT: HON. LAURENCE LOVE PART 63M

Justice

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In the Matter of the Application of
ADREIENNE A. HARRIS, Superintendent of Financial
Services of the State of New York, for an Order of
Appointment as Ancillary Receiver of

INDEX NO. 450974/2022

MOTION DATE 4/29/2022

MOTION SEQ. NO. 001

Petitioner,

- v -

HIGHLANDS INSURANCE COMPANY,

Respondent.

**DECISION + ORDER ON
MOTION**

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The following e-filed documents, listed by NYSCEF document number (Motion 001) 8, 11, 12, 13 were read on this motion to/for INJUNCTION/RESTRAINING ORDER.

Adrienne A. Harris, Superintendent of Financial Services of the State of New York (“Superintendent”), having moved this Court by order to show cause for an order appointing the Superintendent and her successors in office as ancillary receiver (“Ancillary Receiver”) of Highlands Insurance Company (“Highlands”), and upon reading and filing the petition of the Superintendent, duly verified on the 22nd day of March, 2022 (“Verified Petition”), the Affidavit of Joan Riddell, Deputy Chief Insurance Examiner, Property Bureau, New York State Department of Financial Services, sworn to on the 14th day of March, 2022, and the exhibits annexed thereto, this Court finds that:

1. Highlands is a Texas-based property/casualty insurance company;
2. By order dated October 29, 2021, the State of Texas issued an Order of Liquidation finding Highlands to be insolvent (“Liquidation Order”) and appointing Cassie Brown, Texas Insurance Commissioner, Statutory Liquidator (“Texas Liquidator”) of Highlands;
3. Highlands is subject to Article 74 of the New York Insurance Law (“Insurance Law”);

4. Texas is a reciprocal state within the meaning of Insurance Law § 7408(b)(6);

5. The Texas Liquidator requested that the Superintendent commence an ancillary receivership proceeding for Highlands; and

6. Insurance Law § 7410(a) mandates that the Superintendent be appointed Ancillary Receiver of Highlands. NOW, on the motion of the Honorable Letitia James, Attorney General of the State of New York, it is hereby

ORDERED as follows:

1. The relief requested in the Verified Petition seeking an order of ancillary receivership (“Order”) is granted in its entirety;

2. The Superintendent (and her successors in office) is appointed Ancillary Receiver of Highlands and is vested with all rights and obligations granted to and imposed upon her pursuant to Article 74 of the Insurance Law;

3. The material provisions of the Liquidation Order, including, but not limited to, the injunctions, restrictions, and directions contained in sections IV and V, apply to this ancillary receivership proceeding;

4. All persons are permanently enjoined and restrained from commencing or prosecuting any actions, lawsuits, or proceedings against Highlands in ancillary receivership, the Superintendent as Ancillary Receiver of Highlands or as administrator of the New York security funds, the New York Liquidation Bureau, and their employees, attorneys, or agents, with respect to this proceeding or in the discharge of their duties;

5. All parties to actions, lawsuits, and special or other proceedings in the State of New York against insureds of Highlands or in which Highlands is obligated to defend an insured or provide a defense to a party pursuant to an insurance policy are enjoined and restrained from obtaining any

judgment or proceeding with any discovery, court proceedings, or other litigation tasks or procedures, including, but not limited to, conferences, trials, applications for judgment, or proceedings on settlement or judgment, for a period of 180 days from the date this Order is signed;

6. All persons who have first-party policyholder loss claims against Highlands in the State of New York are enjoined and restrained from presenting and filing claims with the Ancillary Receiver for a period of 90 days from the date this Order is signed;

7. Judicial immunity is extended to the Superintendent in her capacities as Ancillary Receiver of Highlands and as administrator of the New York security funds, her successors in office, the New York Liquidation Bureau, and their agents and employees, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of this Court, or in the performance of their duties pursuant to Insurance Law Articles 74 and 76;

8. The Ancillary Receiver shall serve a copy of this Order on the Texas Liquidator by overnight delivery to Craig Koenig, President of Prime Temus, Inc., as Special Deputy Receiver, representing Cassie Brown, Texas Insurance Commissioner, in her capacity as Statutory Liquidator of Highlands Insurance Company, at 27310 Ranch Road 12, Dripping Springs, Texas, 78620;

9. The Ancillary Receiver shall provide notice of this Order to all creditors, claimants, and interested persons located in the State of New York by posting the Order on the Internet web page for Legal and Estates Notices maintained by the New York Liquidation Bureau at <http://www.nylb.org> within 15 days after the entry of this Order;

10. Highlands's license to do business in the State of New York is hereby revoked; 11. The caption for this proceeding is hereby amended as follows:

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


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In the matter of
the Ancillary Receivership of
HIGHLANDS INSURANCE COMPANY.

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

5/2/2022
DATE


LAURENCE LOVE, J.S.C.

CHECK ONE:

CASE DISPOSED
GRANTED DENIED
SETTLE ORDER
INCLUDES TRANSFER/REASSIGN

NON-FINAL DISPOSITION
GRANTED IN PART
SUBMIT ORDER
FIDUCIARY APPOINTMENT

OTHER
REFERENCE

APPLICATION:

CHECK IF APPROPRIATE: