

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

-----X
In the Matter of

the Liquidation of

ICM INSURANCE COMPANY.
-----X

Index No.: 452122/13

(Bluth, A., J.S.C.)

AFFIRMATION

Eric S. Hong, an attorney at law, duly admitted to practice before the Courts of the State of New York, hereby affirms the following to be true under penalties of perjury:

1. I am an attorney with the New York Liquidation Bureau (the "NYLB"), which acts as the staff of Maria T. Vullo, Superintendent of Financial Services of the State of New York in her capacity as liquidator (the "Liquidator") of ICM Insurance Company ("ICM"), and submit this affirmation, upon information and belief based on my review of the ICM files maintained by the NYLB and the conversations I have had with employees of the Liquidator, in support of the Liquidator's application to, *inter alia*: (a) approve the report on the status of the ICM liquidation proceeding (the "Liquidation Proceeding") and the financial transactions detailed therein (the "Closing Report"); and (b) close the Liquidation Proceeding. A copy of the Closing Report is attached as Exhibit "3".

The Liquidation Order

2. By order dated December 24, 2013 (the "Liquidation Order"), this Court placed ICM into liquidation and appointed the then-Superintendent of Financial Services of the State of New York as Liquidator.

3. All of the assets of the ICM estate have now been distributed in accordance with §7434 of the New York Insurance Law and the liquidation process has been completed. Accordingly, the Liquidator brings this application to close this proceeding.

The Liquidation Process Has Been Completed

A. The Initial Status Report

4. In January 2015, the Liquidator made an application to this Court for approval of an initial report on the status of the Liquidation Proceeding (the “2015 Initial Report”) and for authority to distribute ICM’s assets to allowed claimants in accordance with the claims priority scheme of New York Insurance Law Article 74, to the extent that the Liquidator determined there were sufficient funds available for distribution. By an order entered March 3, 2015, the Court approved the 2015 Initial Report and granted the relief sought by the Liquidator (the “March 2015 Order”). A copy of the March 2015 Order is annexed hereto as Exhibit “4.”

B. Bar Dates

5. Paragraph 18 of the Liquidation Order established May 16, 2014 as the date by which all claims by any claimant against ICM or its insureds, other than the Liquidator’s claims for administrative expenses, must have been actually received by the Liquidator (the “Bar Date”), while Paragraph 19 of the Liquidation Order established December 31, 2014 as the final date (the “Development Bar Date”) by which evidence supporting the liquidation of any timely submitted claim must have been actually be received by the Liquidator. At the request of the Liquidator, the Development Bar Date was later extended to July 31, 2015. See Order entered July 14, 2015, attached as Exhibit “5.”

C. Claims Handling, Guaranty Funds and Distributions

8. Certain claims under ICM’s policies were eligible for payment from the guaranty funds of other states (the “Guaranty Funds”), specifically Colorado, Texas, Utah and Wisconsin, and were sent to those states for handling. The Guaranty Funds paid eligible claims owed by ICM, along with the expenses of handling the claims, and each had a claim in the ICM Liquidation Proceeding for the monies it paid.

9. The Texas Property and Casualty Insurance Guaranty Association (“Texas Guaranty Fund”) withdrew any claim it may have had in the Liquidation Proceeding, and instead drew down a \$1,100,000 special deposit made by ICM prior to liquidation. The special deposit was held by the Texas Insurance Department in trust for the benefit of ICM’s Texas policyholders. The Texas Guaranty Fund has used the special deposit to reimburse itself for payments made on “covered claims” as defined by Texas statute and for its administrative expenses and LAE associated with those claims.

10. Guaranty Fund claims are classified as Class two claims under the priority scheme of New York Insurance Law Article 74. Allowed claims are paid in order of priority and all members of a senior class must be paid in full before members of the next class may receive any payment. The Liquidator’s administrative expenses are Class one claims under the priority scheme and policyholder claims, including the claims of security or guaranty funds, are Class two. N.Y. Ins. L. §7434(a).

11. The Colorado, Utah and Wisconsin Guaranty Funds, along with other Class two claimants, are entitled to receive a *pro-rata* share of any distribution from the ICM estate.

12. In November 2015, in accordance with paragraph 16 of the Liquidation Order and authority granted in the March 2015 Order, the Liquidator made an early access disbursement of ICM’s assets in the amount of \$1,530,674 to the Colorado, Utah¹ and Wisconsin Guaranty Funds.² In October 2017, the Liquidator made a final distribution in the amount of \$965,489 to all holders of allowed Class two claims, including the Colorado, Utah and Wisconsin Guaranty Funds. Because these Guaranty Funds had previously received a 75% early access disbursement, additional payments were made in amounts necessary to achieve an equal total *pro rata*

¹ In addition to the amount distributed by the Liquidator, the Utah Guaranty Fund retained \$11,306 in subrogation recoveries, which was deemed an additional early access distribution.

distribution of 93.52% of their claims to all allowed Class two claimants. The ICM estate does not have sufficient assets to pay Class two claims in full and no payment will be made to claimants holding claims below Class two. In the event that additional funds are received by the NYLB that could enable the payment of claims below Class two, the Liquidator may, in her discretion, petition to re-open the Liquidation Proceeding for the limited purpose of adjudicating such claims.

D. The Liquidation Proceeding Should Now Be Closed

13. The Liquidator has complied with the requirements of the Liquidation Order and all subsequent orders of the Court. Therefore, it is respectfully requested that the Closing Report be approved, the Liquidator, her predecessors and successors in office, and their agents, attorneys and employees, be discharged and the Liquidation Proceeding be terminated and closed.

14. Additionally, it is respectfully submitted that the NYLB should be authorized, after the termination of the Liquidation Proceeding and without further application to this Court, to receive any additional assets of ICM that may be delivered to the NYLB and to use any such assets, first, to pay any and all administrative expenses incurred in connection with the receipt and distribution of such assets, and then to distribute them *pro rata* to allowed Class two claimants.

15. The Liquidator also requests that this Court issue the accompanying Order to Show Cause approving a return date for a hearing on the Liquidator's application to be held before the Court 30 days after the date of issuance of the Order to Show Cause, or as soon after such 30-day period as the Court determines to be reasonably practicable.

² As part of drawing down the special deposit (see ¶ 9, *supra*), the Texas Guaranty Fund agreed to forego participation in an early access distribution.

16. No previous application for the relief sought herein has been made to this or any other court of judge thereof.

WHEREFORE, it is respectfully requested that the Court enter an order, substantially in the form attached as Exhibit "1": (1) approving the Closing Report and the financial transactions delineated in such report; (2) authorizing the continued payment of administrative expenses, including such expenses for the closing of the Liquidation Proceeding; (3) terminating and closing the Liquidation Proceeding; (4) authorizing the NYLB, after the termination of the Liquidation Proceeding and without further order of the Court, to receive any additional assets of ICM that may be delivered to the NYLB and to use such assets, first, to pay any administrative expenses incurred in connection with the receipt and distribution of such assets, and then to distribute them *pro rata* to allowed Class two claimants; (5) releasing and discharging the Liquidator, her predecessors and successors in office, and their agents, attorneys and employees, from any and all liability arising from their acts or omissions in connection with the Liquidation Proceeding; and (6) granting the Liquidator such other and further relief as this Court deems appropriate and just.

Dated: New York, New York
November 6, 2017

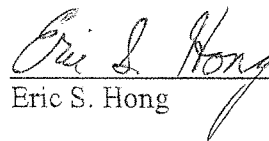

Eric S. Hong

EXHIBIT 1

At IAS Part 32 of the Supreme Court of the State of New York, County of New York, at the Courthouse, 60 Centre Street, in the County, City and State of New York, on the ____ day of _____, 2017.

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

-----X

In the Matter of

the Liquidation of

ICM INSURANCE COMPANY.

-----X

Index No.: 452122/13

(Bluth, A., J.S.C.)

ORDER

Upon the motion of the Superintendent of Financial Services of the State of New York, as liquidator (the "Liquidator") of ICM Insurance Company ("ICM"), for an order, *inter alia*, (i) approving the Final Report on the Status of and Request to Close the Liquidation Proceeding of ICM Insurance Company, dated November 6, 2017 (the "Closing Report"), and (ii) terminating and closing the ICM liquidation proceeding;

NOW, on motion of the Liquidator, and no opposition having been filed with the Court, it is

ORDERED, that the motion is granted; and it is further

ORDERED, the Closing Report and the financial transactions delineated in such report are approved; and it is further

ORDERED, that the Liquidator is authorized to continue paying administrative expenses, including such expenses for the closing of the ICM liquidation proceeding; and it is further

ORDERED, that the ICM liquidation proceeding is terminated and closed; and it is further

ORDERED, that the New York Liquidation Bureau ("NYLB"), which acts as the staff of the Liquidator, is authorized, after the termination of the ICM liquidation proceeding and without further order of this Court, to receive any additional assets of ICM that may be delivered to the NYLB, and to use such assets, first, to pay administrative expenses incurred in connection with the receipt and distribution of such assets, and then to distribute them *pro rata* to allowed Class two claimants; and it is further

ORDERED, that the Liquidator, her predecessors and successors in office, and their agents, attorneys and employees, are released and discharged from any and all liability arising from their acts or omissions in connection with the ICM liquidation proceeding.

ENTER

J.S.C.

EXHIBIT 2

IN THE MATTER OF THE LIQUIDATION OF
ICM INSURANCE COMPANY
Supreme Court County of New York
Index No.: 452122/13

NOTICE

Pursuant to an order of the Supreme Court of the State of New York, County of New York ("Court"), entered on December 24, 2013, the then-Superintendent of Financial Services of the State of New York and his successors in office were appointed as liquidator ("Liquidator") of ICM Insurance Company ("ICM") and, as such, has been directed to take possession of ICM's property and liquidate its business and affairs pursuant to Article 74 of the New York Insurance Law ("Insurance Law"). The Liquidator has, pursuant to Insurance Law Article 74, appointed David Axinn, Special Deputy Superintendent ("Special Deputy"), as her agent to liquidate the business of ICM. The Special Deputy carries out his duties through the New York Liquidation Bureau ("NYLB"), 110 William Street, New York, New York 10038. The Liquidator has submitted an application to the Court seeking an order: (1) approving the Liquidator's report on the status of and request to close the ICM liquidation proceeding ("Liquidation Proceeding") and the financial transactions delineated in such report; (2) authorizing the continued payment of administrative expenses, including such expenses for the closing of the Liquidation Proceeding; (3) terminating and closing the Liquidation Proceeding; (4) authorizing the NYLB, after the termination of the Liquidation Proceeding and without further order of the Court, to receive any additional assets of ICM that may be delivered to the NYLB, and to use such assets, first, to pay administrative expenses incurred in connection with the receipt and distribution of such assets, and then to distribute them *pro rata* to allowed Class two claimants; (5) releasing and discharging the Liquidator, her predecessors and successors in office, and their agents, attorneys and employees, from any and all liability arising from their acts or omissions in connection with the Liquidation Proceeding; and (6) granting the Liquidator such other and further relief as the Court deems appropriate and just.

A hearing is scheduled on the Liquidator's application on the ____ day of _____, 2017, at ____:____.m. ("Return Date") before the Court at the Courthouse, IAS Part 32, 60 Centre Street, Room 432, New York, New York 10007. If you wish to object to the Liquidator's application, you or your counsel must serve a written statement setting forth your objection(s) and all supporting documentation ("Answering Papers") upon the Liquidator at least seven (7) days prior to the Return Date and file any Answering Papers, together with an affidavit of service, with the Court on or before the Return Date. Service on the Liquidator shall be made by first class mail at the following address:

Superintendent of Financial Services of the State of New York as
Liquidator of ICM Insurance Company
110 William Street, 15th Floor
New York, New York 10038
Attention: General Counsel

The Liquidator's application is available for inspection at <http://www.nvlb.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 NYLB, c/o Receiver Operations, at (212) 341-6728.

MARIA T. VULLO
Superintendent of Financial Services of the
State of New York as Liquidator of
ICM Insurance Company

EXHIBIT 3

**FINAL REPORT ON THE STATUS OF AND REQUEST TO CLOSE THE
LIQUIDATION PROCEEDING OF ICM INSURANCE COMPANY**

Maria T. Vullo, Superintendent of Financial Services of the State of New York ("Superintendent") as liquidator (the "Liquidator") of ICM Insurance Company ("ICM") has appointed certain agents to carry out, through the New York Liquidation Bureau (the "NYLB"), the responsibilities of the Liquidator. The Liquidator, by David Axinn, Special Deputy Superintendent and Agent, submits this report ("Closing Report") on the ICM liquidation proceeding (the "Liquidation Proceeding") and respectfully requests that the proceeding be closed.

Introduction

ICM was incorporated in the State of New York on or about September 23, 1981, under the name of Baltica-Skandinavia Reinsurance Company of America, Inc. ("Baltica"). In 2001, Baltica's name was changed to its current name, ICM Insurance Company. ICM was licensed to write several lines of insurance in New York and nineteen other states, but it primarily wrote auto insurance in Colorado, Texas, Utah and Wisconsin. ICM wrote no insurance in New York, despite being domiciled here.

In addition to auto insurance, ICM also continued a "legacy" business of reinsurance written between 1981 and 1993 when it was known as Baltica. Most of these obligations were transferred in 2000 through a Loss Portfolio Transfer Agreement, but ICM also obtained reinsurance on its assumed reinsurance obligations from more than 100 reinsurers.

After ICM experienced significant losses on its auto insurance business, the Superintendent made an application under Article 74 of the New York Insurance Law to liquidate the company and an order of liquidation ("Liquidation Order") was entered by this Court on December 24, 2013, appointing the Superintendent as Liquidator.

The Liquidation Order required the Liquidator, among other things, to marshal ICM's assets, determine the amounts of valid claims against the estate by policyholders and other creditors, and otherwise wind up and liquidate the affairs of the company. The Liquidator has now completed the resolution of the company's affairs, has marshaled its assets and made distributions on a *pro rata* basis to allowed Class two claimants in accordance with the priority scheme of New York Insurance Law Article 74. Therefore, the Liquidator now requests that the Court: (i) approve this Closing Report and the financial transactions delineated herein; (ii) authorize the continued payment of administrative expenses, including such expenses for the closing of the Liquidation Proceeding; (iii) terminate and close the Liquidation Proceeding; (iv) authorize the NYLB, after the termination of the Liquidation Proceeding and without further order of the Court, to receive any additional assets of ICM that may be delivered to the NYLB and to use such assets, first, to pay any administrative expenses incurred in connection with the receipt and distribution of such assets, and then to distribute them *pro rata* to allowed Class two claimants; (v) release and discharge the Liquidator, her predecessors and successors in office, and their agents, attorneys and employees, from any and all liability arising from their acts or omissions in connection with the Liquidation Proceeding; and (vi) grant such other and further relief as the Court may deem just and proper.

The Initial Status Report

In January 2015, the Liquidator made an application to this Court to approve an initial report on the status of the Liquidation Proceeding (the "2015 Initial Report") and for discretionary authority to, among other things, distribute ICM's assets in a manner consistent with this Court's orders and the priorities of New York Insurance Law (the "Insurance Law") §7434 to those creditors of ICM with allowed claims, to the extent that, in the Liquidator's

discretion, sufficient funds were available for distribution. By an order entered March 3, 2015, this Court approved the Liquidator's application (the "March 2015 Order"). A copy of the March 2015 Order is annexed as Exhibit "4" to the accompanying affirmation of Eric S. Hong, an attorney with the NYLB (the "Hong Affirmation").

Bar Dates

Paragraph 18 of the Liquidation Order established May 16, 2014 as the date by which all claims by any claimant against ICM or its insureds, other than the Liquidator's claims for administrative expenses, must have been actually received by the Liquidator (the "Bar Date"), while Paragraph 19 of the Liquidation Order established December 31, 2014 as the final date (the "Development Bar Date") by which evidence supporting the liquidation of any timely submitted claim must have been actually be received by the Liquidator. At the request of the Liquidator, the Development Bar Date was later extended to July 31, 2015. See Order entered July 14, 2015, attached as Exhibit "5" to the Hong Affirmation.

Claim Handling and Guaranty Funds

All policyholder claims against ICM were forwarded for handling by State Guaranty Funds¹, which are organizations created by each State to protect policyholders from financial loss due to an insurer's insolvency. The Guaranty Funds assume responsibility for payment of the full value of covered claims up to limits established by state law. The Liquidator referred eligible claims to the appropriate Guaranty Fund, which resolved and paid the claims. The Guaranty Fund then became entitled to a claim in the ICM estate for its claims payments and its expenses for handling the claims. *See, e.g.,* N.Y. Ins. L. §§ 7434; 7602; 7609. Under the priority

¹ As detailed below, there were also a number of policy-related subrogation claims in the estate which were determined to be ineligible for handling by the Guaranty Funds.

scheme of §7434, Guaranty Fund claims have the same class of priority in the distribution of estate assets as claims under insurance policies.

Because ICM wrote insurance policies in the states of Colorado, Texas, Utah and Wisconsin, the Guaranty Funds of those states were triggered by ICM's insolvency and liquidation. The Liquidator referred eligible claims to the Guaranty Funds of those states and continued to refer new claims that were timely filed prior to the Bar Date. The Bar Date has now passed and no new claims are capable of being referred to the Guaranty Funds, whose claims in the ICM estate have now been fixed and allowed.

Assets

Throughout the liquidation proceeding, the Liquidator has marshaled the assets of the ICM estate. In total, the Liquidator collected \$4,183,309, of which \$3,907,221 was in reinsurance recoverables, \$55,994 was in premiums and commission, \$5,262 was in investment income and \$214,832 was in other miscellaneous categories such as sales of assets and subrogation recoveries. Recently, the Liquidator conducted an Invitation to Bid process and concluded the sale of all of ICM's remaining reinsurance recoverables and reinsurance balances for \$75,133.00, which was approved by a court order entered October 11, 2017.²

All assets of the estate have now been collected with the exception of \$114,186.13 in earned premiums which the Liquidator has deemed uncollectable after substantial collection efforts, including the retention of a collection agency, have proven unsuccessful. The Liquidator, in the exercise of her business judgment, believes that further efforts to collect these monies would be counter-productive and would cost the estate more money than could reasonably be expected to be collected. Consequently, the amount of earned but uncollected premiums was written off and is not included in the total amount of estate assets.

² The \$75,133.00 is included in the collections referenced above.

Early Access Distribution

Upon entry of the Liquidation Order, the Liquidator referred eligible claims to the appropriate Guaranty Fund, and the Guaranty Funds were able to begin making payments to ICM claimants. In order to facilitate the Guaranty Funds' ability to make those payments, the Liquidator, as authorized under paragraph 16 of the Liquidation Order, and in accordance with an agreement, effective as of October 23, 2015, between the Liquidator and the participating funds (the "Early Access Agreement," annexed as Exhibit "A" to this Closing Report), made an "early access distribution" of ICM's assets to the Colorado, Utah and Wisconsin Guaranty Funds. The early access distribution totaled \$1,541,980, which amounted to 75% of the participating funds' allowed Class two claims as of the effective date of the Early Access Agreement.

The Texas Property and Casualty Insurance Guaranty Association (the "Texas Fund") did not participate in the Early Access Agreement. Instead, in an agreement between the Liquidator and the Texas Fund, dated as of June 15, 2015 (the "Texas Agreement," annexed hereto as Exhibit "B"), the Texas Fund withdrew any claim it had or could have submitted to the Liquidator, agreed to forego participation in the early access distribution, and agreed to draw down on a \$1,100,000 special deposit posted by ICM prior to liquidation to pay "covered claims," as defined by Texas statute, and administrative and claims handling expenses incurred in handling those claims. The special deposit is held by the Texas Insurance Department in trust for the benefit of ICM's Texas policyholders and creditors. Under the Texas Agreement, the Texas Fund agreed to accept the special deposit in full satisfaction of all eligible Texas claims, even if the amount of those claims and claim expenses exceeds the amount of the deposit. The

Texas Fund also agreed to return to the Liquidator any special deposit monies remaining after all eligible Texas claims and claims expenses have been paid.³

The Adjudication of Claims

The Liquidator sought Court approval of procedures for the adjudication of claims, which was granted by an order entered October 17, 2014. However, the ICM estate has had few claims requiring adjudication. Most claims under policies have been referred to the state Guaranty Funds; only a small number of policy-related subrogation claims have been adjudicated by the Liquidator. In addition, Paragraph 20 of the Liquidation Order permitted the Liquidator to defer adjudication of claims below Class two priority unless the Liquidator determined that such adjudication would be beneficial to the estate. Because sufficient funds are not available to pay claims below Class two, the Liquidator has refrained from adjudicating such claims, which has reduced expenses of the estate and increased monies available for distribution to Class two claimants

Current Status of Claims Presented

As of the date of the Liquidation Order, there were 193 ICM insurance policies remaining in force⁴ and 1,124 claims under ICM policies. Of those 1,124 claims, 661 were unresolved claims and 463 were resolved but unpaid claims. All 1,124 claims were sent to the Guaranty Funds for handling. Since the Liquidation Order Date, 75 additional claims have been presented to the Liquidator and forwarded to the Guaranty Funds for a total of 1,199 policyholder claims. Ultimately, those 1,199 claims yielded three claims against the assets of the estate – one for each

³ The proposed order makes provision for the distribution of late-received assets of the ICM estate after the estate has been closed.

⁴ All ICM policies that remained in force on the December 24, 2013 date of the Liquidation Order were written in the State of Utah, which requires 75 days' prior notice before policies can be cancelled. ICM had sent policy cancellation notices to all in-force policyholders prior to liquidation. However, the required notice period in Utah had not expired on the Liquidation Date. Those policies were cancelled effective January 23, 2014.

of the Guaranty Funds except the Texas Fund. Additionally, there are 153 Class two subrogation claims filed in the Liquidation Proceeding by other insurers. These claims were not eligible for payment from the Guaranty Funds. Finally, there are 159 claims that fall into various classes below Class two which include claims of those insurers that ICM reinsured in its "legacy" business as an assumed reinsurer. The reinsurance claims are Class six claims in the priority scheme of Insurance Law §7434.

1. Value and Payment of Claims

a) Class One Claims

From the Liquidation Date through October 31, 2017 (the "Closing Date"), the Liquidator has incurred and paid administrative expenses in the amount of \$2,840,605.

b) Class Two Claims

i. Total Value of all Class Two Claims

All of the allowed Class two claims filed in the Liquidation Proceeding as of the Closing Date, amount to \$3,781,211.

ii. Non-Guaranty Fund Eligible Claims of Policyholders

As of the Closing Date, 153 Class two subrogation claims were filed in the Liquidation Proceeding. These claims were not eligible for payment from the Guaranty Funds. Of the 153 claims, 129 claims were allowed in the aggregate amount of \$625,238, and the holders received a 93.52% distribution, in the aggregate amount of \$584,722; 10 claims were disallowed; and 14 claims were voided as duplicative.

iii. Claims of the Guaranty Funds

As of the Closing Date, the claims of the Guaranty Funds in Colorado, Utah and Wisconsin, were allowed in the amount of \$2,055,972. Of the allowed amount, \$1,541,980 was

distributed as an early access distribution. As of the Closing Date, a total of \$1,922,747 has been distributed to the Guaranty Funds, representing 93.52% of their allowed claims, the same percentage distributed to all allowed Class two claimants.

c) The Remaining Classes of Claims

The remaining claims in the estate are: one Class three claim in the amount of \$14,976; 12 Class five claims in the amount of \$80,135; and 146 Class six claims in the total amount of \$7,263,131, which consist of general unsecured claims in the amount of \$759,616, and reinsurance claims against ICM from the "legacy" business in the amount of \$6,503,515. ICM has insufficient assets to pay Class two claims in full and claims below Class two will receive no distribution.

Financial Condition of ICM

The Liquidator completed all activities related to this Liquidation Proceeding on the Closing Date, and the estate's financial books and records were closed on that date. ICM's comparative statement of assets, the statement of liabilities and the statement of changes in cash and invested assets for the period between the Liquidation Order Date and the Closing Date (collectively, "Financial Statements") are annexed hereto as Exhibit "C."

A. As of the Liquidation Order Date

The Liquidator conducted a review of ICM's financial position as of the Liquidation Date and found that ICM's had assets totaling \$8,451,544 and liabilities totaling \$8,683,744, making it insolvent in the amount of \$232,200.

1. Assets

Based upon the Liquidator's review of ICM's books and records as of the Liquidation Date, the Liquidator determined that ICM had total cash and equivalents in the

amount of \$144,265. ICM's other assets consisted of \$760 in premiums in the course of collection and \$2,799 in miscellaneous assets. Additionally, ICM was carrying reinsurance recoverables on paid losses and paid LAE in the amount of \$380,865, reinsurance recoverables on unpaid losses and unpaid LAE in the amount of \$5,080,287, statutory deposits held by the States of New York and Texas, collectively, in the amount of \$2,110,512, and other restricted assets, such as collateral securing obligations of reinsurers, in the total amount of \$732,056.

2. Liabilities

The Liquidator's review of ICM's books and records, including its reserves and reinsurance liabilities, determined that, as of the Liquidation Date, ICM had total liabilities in the amount of \$8,683,744, which consisted of \$6,626 in accrued expenses, \$2,781,018 in loss reserves of claims eligible for handling by the Guaranty Funds, \$20,997 in unearned and advance premium reserves on claims eligible for handling by the Guaranty Funds, \$143,375 reported as LAE for claims eligible for handling by the Guaranty Funds, \$202,420 for non-fund-covered policyholder loss reserves, \$50,000 for incurred but not reported ("IBNR") reserves, \$14,976 for federal government claims, \$8,647 for state and local government claims, \$967,964 for general unsecured claims and \$4,487,721 in reinsurance liabilities.

B. As of the Closing Date

As of the Closing Date, ICM had total assets of \$0 and total liabilities of \$7,531,985, leaving ICM insolvent in the amount of \$7,531,985. ICM's Financial Statements reflect the steps taken by the Liquidator since the Liquidation Date to collect assets and process claims as described in this Report. See Exhibit "B."

1. Assets

As of the Closing Date, ICM had total assets of \$0, which consisted of: cash and cash equivalents in the amount of \$0; restricted assets in the amount of \$0, which includes funds held by reinsurers in the amount of \$0; other restricted assets in the amount of \$0, which consists of collateral held by ICM in the amount of \$0; and reinsurance ceded funds held by ICM for certain retrocessionaires in the amount of \$0.

2. Liabilities

As of the Closing Date, ICM's total liabilities were \$7,531,985, of which \$0 were obligations to secured creditors; \$0 were Class one liabilities for operating and administrative expenses; \$173,743 were Class two liabilities, *i.e.*, policy-related claims; \$14,976 were Class three liabilities, *i.e.*, federal government claims; \$80,135 were Class five liabilities, *i.e.*, state and local government claims; and \$7,263,131 were Class six general unsecured claims, including \$6,503,515 in reinsurance claims. *See* Exhibit "B."

3. Collection of Assets

a) Cash Receipts

As of the Closing Date, the Liquidator had collected assets in the amount of \$4,183,309, consisting of \$5,262 in investment income, \$3,907,221 in reinsurance recoveries, \$16,899 in salvage and subrogation recoveries, \$55,994 in premiums, and \$197,933 in miscellaneous receipts.

b) Receipts from Statutory Deposits

As of the Closing Date, the Liquidator had received \$1,009,194 from the release of statutory deposits held by the New York State Department of Financial Services.

4. Disbursement of Assets

As of the Closing Date, the Liquidator has incurred and paid \$2,840,605 in administrative expenses, which include: \$1,096,676 for the salaries of the Liquidator's staff; \$923,234 for employee relations and welfare (e.g., payroll taxes, health insurance and pension contributions); \$256,796 for rent and related expenses; \$89,749 for general and administrative expenses (e.g., IT services and general office maintenance); \$333,677 for professional fees (e.g., accountants and other consultants) and \$140,473 for other miscellaneous expenses (e.g., insurance and bank fees).

5. Payments to Claimants

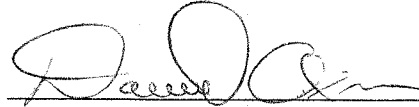
In November 2015, the Liquidator made an early access disbursement of ICM's assets in the amount of \$1,530,674 to the Colorado, Utah and Wisconsin Guaranty Funds. Additionally, the Utah Guaranty Fund retained \$11,306 in subrogation recoveries, which was deemed an additional early access distribution. In October 2017, the Liquidator made a final distribution in the amount of \$965,489 to all holders of allowed Class two claims, including the Colorado, Utah and Wisconsin Guaranty Funds. Because these Guaranty Funds had previously received a 75% early access disbursement, additional payments were made in amounts necessary to achieve an equal total *pro rata* distribution of 93.52% of their claims to all allowed Class two claimants. The ICM estate does not have sufficient assets to pay Class two claims in full and no payment will be made to claimants holding claims below Class two. In the event that additional funds should be received by the NYLB that could enable the payment of claims below Class two, the Liquidator may, in her discretion, petition to re-open the Liquidation Proceeding for the limited purpose of adjudicating such claims.

Relief Sought

The Liquidator submits this Closing Report in order to describe to the Court the status of the Liquidation Proceeding and to inform the Court that the affairs of the ICM estate have been wound up, thus permitting termination of the Liquidation Proceeding. In support of the Liquidator's recommendations stated herein, the Liquidator has submitted to the Court the Hong Affirmation, together with supporting documentation annexed to the Hong Affirmation. Based on the Liquidator's compliance with her statutory mandate, including the marshaling of assets of ICM, together with the fulfillment of all of her duties and obligations as set forth in the Liquidation Order and other orders of the Court, the Liquidator requests that the Court issue an order, which:

1. approves this Closing Report and the financial transactions delineated herein;
2. authorizes the continued payment of administrative expenses, including such expenses for the closing of the Liquidation Proceeding;
3. terminates and closes the Liquidation Proceeding;
4. authorizes the NYLB, after the termination of the Liquidation Proceeding and without further order of the Court, to receive any additional assets of ICM that may be delivered to the NYLB and to use such assets, first, to pay any administrative expenses incurred in connection with the receipt and disbursement of any such assets, and then to distribute them *pro rata* to allowed Class two claimants;
5. releases and discharges the Liquidator, her predecessors and successors in office, and their agents, attorneys and employees, from any and all liability arising from their acts or omissions in connection with the Liquidation Proceeding; and
6. grants such other and further relief as the Court may deem just and proper.

Dated: New York, New York
November 6, 2017

A handwritten signature in black ink, appearing to read "David Axinn", is written over a horizontal line.

David Axinn

Special Deputy Superintendent and Agent of
Maria T. Vullo, Superintendent of Financial
Services of the State of New York as
Liquidator of ICM Insurance Company

EXHIBIT A

EXECUTION VERSION

**INSURANCE GUARANTY ASSOCIATION EARLY ACCESS
DISBURSEMENT, REIMBURSEMENT AND REFUNDING AGREEMENT
FOR ICM INSURANCE COMPANY**

This Insurance Guaranty Association Early Access Disbursement, Reimbursement and Refunding Agreement ("Early Access Agreement") for ICM Insurance Company ("ICM"), effective as of October 23, 2015 ("Effective Date"), is entered into by and between Anthony J. Albanese, Acting Superintendent of Financial Services of the State of New York ("Acting Superintendent") as liquidator ("Liquidator") of ICM and [NAMES OF PARTICIPATING ASSOCIATIONS] (each a "Guaranty Association" and, collectively, "the Guaranty Associations").

WHEREAS, by order of the Supreme Court of the State of New York, County of New York (the "Liquidation Court") entered on December 24, 2013 ("Liquidation Order"), ICM was found insolvent and placed into liquidation, and the Superintendent of Financial Services of the State of New York ("Superintendent") was appointed Liquidator of ICM, was vested with title to all of ICM's property, contracts, rights of action, books and records, and was directed to liquidate ICM's business and affairs in accordance with Article 74 of the New York Insurance Law (the "Insurance Law");

WHEREAS, the Acting Superintendent has now succeeded the Superintendent as Liquidator;

WHEREAS, pursuant to paragraph 16 of the Liquidation Order, the Liquidation Court authorized the Liquidator to make distributions of ICM's assets to the Guaranty Associations ("Early Access Disbursements") and to enter into and perform under an Early Access Agreement;

NOW, THEREFORE, in consideration of the mutual covenants contained herein (the receipt and sufficiency of which is hereby acknowledged), the Liquidator and the Guaranty Associations agree as follows:

1. Each Guaranty Association will be eligible to receive an Early Access Disbursement(s) ("Eligible Guaranty Association") if such Guaranty Association has: (i) made payments for loss adjustment, administrative expenses and claims covered by the Guaranty Association pursuant to an applicable statute ("Covered Claims"), which Covered Claims were obligations of ICM, and were unpaid as a result of ICM's insolvency; (ii) either transferred any ICM special deposit(s) in its possession, custody or control (as applicable) to the Liquidator or expended all funds available from such special deposit(s) to make payments on Covered Claims; (iii) executed this Early Access Agreement; and (iv) reported to the Liquidator as required in paragraph 7, *infra*.

2. The Liquidator may disburse assets, from time to time, to each Eligible Guaranty Association in accordance with Insurance Law §7405(f).

3. On a periodic basis, the Liquidator shall reserve sufficient assets for the payment of administrative expenses, secured claims and other claims of the same priority as required by Insurance Law §7405(f) ("Reserves").

4. The Liquidator may make *pro-rata* disbursements to each Eligible Guaranty Association out of the ICM assets marshalled to date and as they become available ("Available Assets") at such times and in such amounts as determined by the Liquidator. Available Assets include only cash and cash equivalents, such as short-term investments (*e.g.* U.S. Treasury Bills and Notes), that may be reasonably liquidated at the sole discretion of the Liquidator without adverse economic impact ("Cash Assets"). Available Assets include only assets actually in the

custody of the Liquidator and do not include any amounts in the custody of an ancillary receiver, or any other amounts held on deposit in a jurisdiction other than the State of New York. Available Assets include only Cash Assets less the amount of Reserves.

5. The Liquidator and the Eligible Guaranty Associations will provide each other with reasonable access during normal business hours, to their books, records and files, and will respond timely to requests for information, files and documents, which in each case pertain to: (i) the Eligible Guaranty Associations' performance of statutory obligations, including information, files and documents related to insurance coverages issued by ICM, claims against ICM and unearned premiums on each in-force policy of ICM, if any; and (ii) the adjudication, administration and payment of the Covered Claims.

6. The Liquidator shall have the right, at reasonable times, to audit the books and records of the Eligible Guaranty Associations in connection with Early Access Disbursements and any assets refunded to the Liquidator, and each Eligible Guaranty Association agrees to reasonably provide access for any such audit.

7. Within 60 days after the close of each calendar quarter, or within such other time frame that may be mutually agreed upon, each Eligible Guaranty Association will provide the Liquidator with management reports in accordance with the Uniform Data Standard ("UDS") reporting format ("Reports") promulgated by the National Association of Insurance Commissioners (which reporting format is set forth in an operations manual and a financial manual found at www.ncigf.org), which shall include C-Records and, as available, D-Records (as those terms are defined by UDS). To the extent D-Records are not available, each Eligible Guaranty Association shall provide the Liquidator with equivalent written reports of expense disbursements. The Eligible Guaranty Associations shall also provide such other information as

may reasonably be requested by the Liquidator, including quarterly reports of reserves for expenses of the Eligible Guaranty Associations. No Reports, or other information, provided under this paragraph shall be presented in the form of aggregate information of two or more Eligible Guaranty Associations.

8. Early Access Disbursements, if any, shall be made for reimbursement of the Eligible Guaranty Associations' Covered Claims that appear on the Reports; however, if the Available Assets are insufficient to pay 100 percent of the above-described reported Covered Claims, then Available Assets shall be prorated among the Eligible Guaranty Associations in amounts proportional to the aggregate Covered Claims reported by the Eligible Guaranty Associations through the quarter immediately prior to such Early Access Disbursement date, with each Eligible Guaranty Association receiving reimbursement of an equal percentage of its Covered Claim. Subject to paragraph 10, assets of ICM held by or available to the Eligible Guaranty Associations from any source other than the Liquidator pursuant to this Early Access Agreement will be treated as amounts paid to the Eligible Guaranty Associations as Early Access Disbursements.

9. All subrogation rights of ICM in connection with losses paid by the Eligible Guaranty Associations will be retained and accounted for by the Eligible Guaranty Associations, and any amounts received by Eligible Guaranty Associations in respect of such subrogation rights will reduce the amount of their Covered Claims and thus of any Early Access Disbursement which they would otherwise receive. Any reimbursements received by the Eligible Guaranty Associations in payment of deductibles as part of subrogation recoveries will also reduce the amount of their Covered Claims and thus of any Early Access Disbursement which they would otherwise receive. Any portion of subrogation amounts which are received by

the Eligible Guaranty Associations in connection with losses paid by ICM prior to the date of the Liquidation Order shall be sent to the Liquidator on a quarterly basis.

10. Each Eligible Guaranty Association shall, upon the Liquidator's written request, refund in whole or in part any Early Access Disbursements made pursuant to this Early Access Agreement, together with income earned thereon, as may be required to pay secured creditors as provided in Insurance Law § 7405(f)(2)(E), claims under Insurance Law § 7434(a)(1)(i), and claims under Insurance Law § 7434(a)(1)(ii) to the extent necessary to insure that all Class two claimants receive the same proportionate share of distributions of assets of the ICM estate. Each refund pursuant to this paragraph 10 shall be made within 30 days of receipt of the Liquidator's written request; however, any Eligible Guaranty Association which is required to assess member companies to make such a refund shall refund such Early Access Disbursements within 90 days of receipt of such written request.

11. Each Eligible Guaranty Association shall, upon the Liquidator's written request, shall refund in whole or in part any Early Access Distributions made pursuant to this Early Access Agreement, together with income earned thereon, which the Liquidator subsequently determines to exceed the amount due to such Eligible Guaranty Association in respect of its Covered Claims. Each refund pursuant to this paragraph 11 shall be made within 30 days of receipt of the Liquidator's written request; however, if Eligible Guaranty Associations are required to assess member companies to make such a refund, then the Eligible Guaranty Associations will refund such assets within 90 days of receipt of the Liquidator's written request.

12. If an Eligible Guaranty Association breaches its obligations under paragraph 10 or 11 of this Early Access Agreement, the Liquidator shall have the right to set off, against any subsequent distributions of ICM assets to such Eligible Guaranty Association, the amount

required to be refunded, to the extent that the breach has not been cured within 10 days from the date that the funds were required have been returned to the Liquidator.

13. The Eligible Guaranty Associations are each deemed to have a claim in the ICM liquidation proceeding without being required to file a proof of claim with the Liquidator. It is agreed that the execution of this Early Access Agreement shall in no way operate to waive any rights of any of any party, including the right to participate in any interim or final distribution of assets from ICM, provided that the Liquidator shall include Early Access Disbursements in determining the amount that each Eligible Guaranty Association will be entitled to receive in any final distribution.

14. Any notices and all other communications concerning this Early Access Agreement shall be sent by first class United States mail, postage prepaid, or by overnight delivery or facsimile transmission to the addresses as follows:

To the Liquidator:

Acting Superintendent of Financial Services of
the State of New York as Liquidator of
ICM Insurance Company
c/o New York Liquidation Bureau
110 William Street
New York, New York 10038
Attention: General Counsel
Fax: (212) 233-0461

With a copy to:

Acting Superintendent of Financial Services of
the State of New York as Liquidator of
ICM Insurance Company
c/o New York Liquidation Bureau
110 William Street
New York, New York 10038
Attention: Director, Creditor & Ancillary Operations Division
Fax: (212) 608-3389

To the Eligible Guaranty Associations:

At the address and facsimile number on each Eligible Guaranty Association's signature page.

15. The Liquidator and the Eligible Guaranty Associations shall cooperate in making arrangements for the final disposition of the information, files, and documents received by the Eligible Guaranty Associations from ICM or the Liquidator.

16. This Early Access Agreement and any dispute related hereto or arising hereunder shall be governed by the laws of the State of New York without regard to any choice of laws principles.

17. The Liquidator and the Eligible Guaranty Associations agree to submit to the exclusive jurisdiction of the Liquidation Court solely with respect to enforcement of, or the adjudication of any dispute arising out of, this Early Access Agreement; provided that nothing in this Early Access Agreement shall be deemed to affect the proper venue or forum for any action arising out of, or relating to, any other matter or controversy, nor shall the execution of this Early Access Agreement by any Eligible Guaranty Association be deemed as evidence in respect of the proper venue or forum of any such action.

18. This Early Access Agreement may be executed in counterparts with the same effect as if all signatories had signed the same document. Delivery of an executed counterpart of a signature page to this Early Access Agreement by facsimile or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Early Access Agreement.

[Remainder of page intentionally blank]

The Liquidator and the Eligible Guaranty Associations have executed this Early Access Agreement as of the Effective Date set forth above.

Anthony J. Albanese
Acting Superintendent of Financial Services of the
State of New York as Liquidator of
ICM Insurance Company

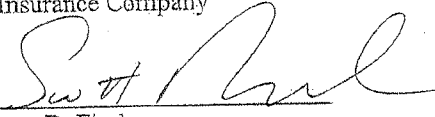
By: Scott D. Fischer
Scott D. Fischer
Special Deputy Superintendent and Agent

[INSERT NAME OF GUARANTY ASSN]
COLORADO INSURANCE GUARANTY ASSOCIATION

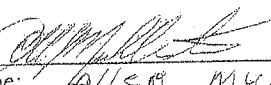
By: David C. Edwards
Name: DAVID C. EDWARDS
Title: EXECUTIVE DIRECTOR
Address: 1720 SOUTH BELLAIRE ST.
SUITE 408
DENVER, CO 80222-4320
Fax: 303-759-5312

The Liquidator and the Eligible Guaranty Associations have executed this Early Access Agreement as of the Effective Date set forth above.

Anthony J. Albanese
Acting Superintendent of Financial Services of the
State of New York as Liquidator of
ICM Insurance Company

By: 
Scott D. Fischer
Special Deputy Superintendent and Agent

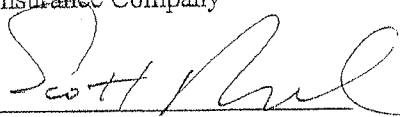
[INSERT NAME OF GUARANTY ASSN] - Utah Property and Casualty
Insurance Guaranty Association

By: 
Name: Allen Muhlstein
Title: Executive Director
Address: P.O. Box 1608
Sandy UT 84091

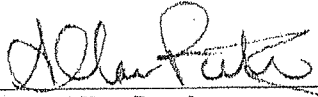
Fax: 801 561 5776

The Liquidator and the Eligible Guaranty Associations have executed this Early Access Agreement as of the Effective Date set forth above.

Anthony J. Albanese
Acting Superintendent of Financial Services of the
State of New York as Liquidator of
ICM Insurance Company

By: 
Scott D. Fischer
Special Deputy Superintendent and Agent

Wisconsin Insurance Security Fund

By: 
Name: Allan Patek
Title: Executive Director
Address: 2820 Walton Commons Lane, Suite 135
Madison, WI 53718

Fax: 608-242-9472

EXHIBIT B

EXECUTION VERSION

AGREEMENT

This agreement (the "Agreement") is made as of June 15, 2015 (the Effective Date") by and between the Texas Property and Casualty Insurance Guaranty Association ("TPCIGA"), and Benjamin M. Lawskey, Superintendent of Financial Services of the State of New York ("Superintendent") as liquidator ("Liquidator") of ICM Insurance Company ("ICM"). Each of the TPCIGA and the Liquidator is a "Party", and they are collectively the "Parties", to this Agreement.

RECITALS

WHEREAS, ICM was placed into liquidation, and the Superintendent was appointed Liquidator of ICM, on December 24, 2013 by an order of the Supreme Court of the State of New York (the "Liquidation Order");

WHEREAS, the Texas Commissioner of Insurance designated ICM an "impaired insurer" in accordance with TEX. INS. CODE Chapter 462, effective December 24, 2013;

WHEREAS, the Liquidation Order directed the Liquidator to (i) liquidate ICM's business and affairs; (ii) vested the Liquidator with title to ICM's property wherever located; and (iii) directed any person or entity possessing, holding or controlling any of ICM's funds, accounts or assets ("Estate Assets"), to immediately turn over custody and control of Estate Assets to the Liquidator or his designees upon his request and direction;

WHEREAS, prior to its placement into liquidation, ICM, in connection with obtaining a license to conduct business in Texas, made a special deposit in the amount of \$1,100,000.00 (the "Deposit") in trust for the benefit of Texas policyholders and creditors, pursuant to Section 406.003 of the Texas Insurance Code (the "TEX. INS. CODE");

WHEREAS, the TPCIGA has been processing, adjudicating and making payments on "covered claims" (as defined in TEX. INS. CODE §462.201 and 462.202) of Texas policyholders and creditors against the ICM estate (the "Covered Claims"), and will continue to do so, in accordance with TEX. INS. CODE Chapter 462;

WHEREAS, the Deposit is in the custody of the TPCIGA;

WHEREAS, the TPCIGA has been using funds in the Deposit to reimburse itself for payments it has made on the Covered Claims and for its incurred administrative expenses and loss adjustment expenses (collectively, "Expenses") to date;

WHEREAS, based on reserves which the TPCIGA has established in respect of expected future payments on Covered Claims and of its expected future Expenses, it is possible, but not certain, that the TPCIGA will ultimately expend the entirety of the funds in the Deposit as reimbursement for payments made on Covered Claims and for Expenses;

AGREEMENT

NOW, THEREFORE, in reliance upon the foregoing and in consideration of the mutual terms, conditions, covenants and obligations of this Agreement, the Parties agree as follows:

1. TPCIGA hereby withdraws any claim it has or may have submitted to the Liquidator in respect of its payment of a Covered Claim or of Expenses and TPCIGA will arrange for and be limited to payment in respect of Covered Claims and/or Expenses from the amounts available at the relevant time from the Deposit.
2. TPCIGA shall not submit a claim in respect of any Covered Claims or Expenses.
3. In the event that in order to complete the handling of all Covered Claims and payment of associated Expenses, TPCIGA has expended the entirety of the funds in the Deposit as reimbursement for payments that it makes on Covered Claims and/or for Expenses, it shall not seek any additional funds from the Liquidator or the ICM estate (even if it continues to make payments on Covered Claims), nor shall it pursue a claim in the ICM liquidation proceeding, as reimbursement for any amounts which remain to be paid on the Covered Claims or for any unreimbursed Expenses after such funds in the Deposit are expended in full.
4. In the event that upon completion of the handling and payment of all Covered Claims and any and all Expenses in full, funds remain in the Deposit, the TPCIGA shall advise the Liquidator as soon as is reasonably practicable. Thereafter, TPCIGA shall cause such remaining funds in the Deposit to be transferred to the Liquidator within 15 business days after receipt of the Liquidator's request therefor, in accordance with payment instructions which the Liquidator shall separately provide to the TPCIGA. The TPCIGA's obligation under this paragraph 4 shall survive the closure of the ICM liquidation proceeding.
5. By June 30 of each year, the TPCIGA shall provide the Liquidator with a written accounting showing the amount of funds remaining in the Deposit and the number of Covered Claims for which processing, adjudication and/or payment remains outstanding. In addition, the TPCIGA shall provide the Liquidator with written notice as soon as reasonably practicable after it determines that either (i) the entirety of the funds in the Deposit have been expended or (ii) the last payment has been made on the last Covered Claim and the TPCIGA's Expenses have been reimbursed in full, whichever of (i) and (ii) occurs first. The TPCIGA's obligations under this paragraph 5 shall survive the closure of the ICM liquidation proceeding.
6. Simultaneous with the execution of this Agreement, the Liquidator hereby releases, acquits and forever discharges the TPCIGA and its predecessors, successors, assigns, employees, agents, attorneys and legal representatives from any and all claims, including but not limited to third party claims, demands, causes of action, liabilities, obligations, costs, disbursements, fees, attorneys' fees, expenses, damages and injuries of every kind, nature and description based on, relating to or arising out of the Deposit (except for any amount to be transferred to the Liquidator in accordance with paragraph 4 above),

whether or not now known, suspected, reported or claimed, whether fixed or contingent and whether currently existing or arising in the future.

7. Simultaneous with this Agreement, the TPCIGA hereby releases, acquits and forever discharges the Liquidator and his predecessors, successors, assigns, employees, agents, attorneys and legal representatives from any and all claims, demands, causes of action, liabilities, obligations, costs, disbursements, fees, attorneys' fees, expenses, damages and injuries of every kind, nature and description based on, relating to or arising out of the Deposit, whether or not now known, suspected, reported or claimed, whether fixed or contingent and whether currently existing or arising in the future.
8. The Liquidator hereby represents and warrants to the TPCIGA that:
 - (a) He is the court-appointed liquidator of ICM and as such is vested with title to all the property, contracts and rights of action of ICM, pursuant to Section 7405 of the New York Insurance Law and the Liquidation Order;
 - (b) He, and the individual executing this Agreement on his behalf, each has the full legal right, power and authority to execute, deliver and perform this Agreement;
 - (c) All judicial, statutory, regulatory, administrative and/or ministerial actions necessary for the execution, delivery and performance of this Agreement by the Liquidator have been or will be duly taken;
 - (d) This Agreement, when executed and delivered, will constitute a valid and legally binding obligation of the Liquidator;
 - (e) No further action, consent or approval of any person, entity, court or other governmental authority is required by the Liquidator for the lawful execution or delivery of this Agreement or the lawful performance and consummation of the transactions contemplated hereby;
 - (f) The execution and delivery of this Agreement and the performance and consummation of the transactions contemplated herein will not violate any provision of any law or conflict with any order, writ, injunction or decree of any court or any other governmental authority; and
 - (g) To his knowledge, neither he nor ICM has assigned, sold or transferred any interest in the Deposit.
9. The TPCIGA represents and warrants to the Liquidator that:
 - (a) It is a nonprofit unincorporated association established and operating in accordance with TEX. INS. CODE Chapter 462;

- (b) It, and the individual executing this Agreement on its behalf, each has the full legal right, power and authority (corporate and otherwise) to execute, deliver and perform this Agreement;
 - (c) All judicial, statutory, regulatory, administrative and/or ministerial actions necessary for the execution, delivery, and performance of this Agreement by the TPCIGA has been or will be duly taken;
 - (d) This Agreement, when executed and delivered, will constitute a valid and legally binding obligation of the TPCIGA;
 - (e) No action, consent or approval of any person, entity, court or other governmental authority is required by the TPCIGA for the lawful execution or delivery of this Agreement or the lawful performance and consummation of the transactions contemplated hereby;
 - (f) The execution and delivery of this Agreement, and the performance and consummation of the transactions contemplated herein, will not violate any provision of any law or conflict with any order, writ, injunction or decree of any court or other governmental authority; and
 - (g) To its knowledge, it has not assigned, sold or transferred any interest in the Deposit.
10. All notices or written communications required hereunder shall be in writing and shall be given by personal delivery, overnight courier or registered or certified mail, return receipt requested, postage prepaid to the addresses set forth in this paragraph and shall be deemed given upon receipt. In addition, notice may be given by facsimile transmission (in which case it shall be deemed given upon the receipt of the transmission and the mailing of a hard copy of the transmission) or by e-mail (in which case it shall be deemed given upon delivery of the e-mail). Notices to the Parties shall be addressed as follows:

Notice to the Liquidator:

Superintendent of Financial Services of
the State of New York as Liquidator of
ICM Insurance Company
c/o New York Liquidation Bureau
110 William Street
New York, New York 10038
ATTN: General Counsel
Fax: (212) 233-0461
E-mail: jpkelly@nylb.org

with a copy to:

Superintendent of Financial Services of
the State of New York as Liquidator of
ICM Insurance Company
c/o New York Liquidation Bureau
110 William Street
New York, New York 10038
ATTN: Director, Creditor & Ancillary Operations Division
Fax: (212) 608-3389
E-mail: gpsiponen@nylb.org

Notice to TPCIGA:

Texas Property and Casualty Insurance Guaranty Association
9120 Burnet Road
Austin, TX 78758
ATTN: Marvin Kelly, Executive Director
Fax: (512) 795-0447
E-mail: mkelly@tpciga.org

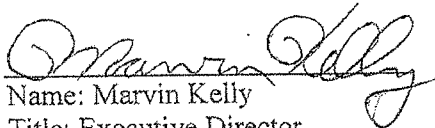
with a copy to:

Texas Property and Casualty Insurance Guaranty Association
9120 Burnet Road
Austin, TX 78758
ATTN: Amber A. Walker, Senior Claims Attorney
FAX: (512) 345-9345
E-mail: awalker@tpciga.org

11. This written Agreement sets forth the entire agreement of the Parties. All prior or contemporaneous agreements in respect of the Deposit, written or oral, are merged herein. All agreements not set forth in this written Agreement are void, and of no force and effect.
12. This Agreement may only be amended by a writing executed by both Parties.
13. This Agreement may be executed in counterparts, each of which shall be considered an original, and all of which shall constitute one document.
14. This Agreement is binding on the official successors-in-interest of each Party.
15. This Agreement may not be assigned by either party without the prior written approval of the other Party.
16. This Agreement shall be construed in accordance with the substantive law of Texas, disregarding choice-of-law principles.


IN WITNESS WHEREOF the Parties hereto have executed this Agreement with effect on the Effective Date.

TEXAS PROPERTY AND CASUALTY
INSURANCE GUARANTY ASSOCIATION

BY: 
Name: Marvin Kelly
Title: Executive Director

DATE: 6/11/15

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

BY: 
Name: Scott D. Fischer

DATE: 6/15/15

Title: Acting Special Deputy Superintendent and Agent

SPS
6/12/15
JPK
6-12-15

EXHIBIT C

ICM INSURANCE COMPANY IN LIQUIDATION
STATEMENT OF ASSETS

	Oct. 31, 2017	Dec. 24, 2013
Unrestricted Assets		
Cash-Unrestricted	\$ -	\$ 144,265
Short-Term Investments	-	-
Bonds, Preferred Stocks, and Common Stocks	-	-
Total Cash and Invested Assets	\$ -	\$ 144,265
Investment in Subsidiary	-	-
Other Invested Assets	-	-
Reinsurance Recoverables on Paid Losses and LAE	303,658	380,865
Less: Allowance for Uncollectible Reinsurance Recoverable	(303,658)	-
Net Reinsurance Recoverable on Paid Losses and LAE	-	380,865
Reinsurance Recoverables on Unpaid Losses and Unpaid LAE	815,232	5,080,287
Less: Allowance for Uncollectible Reinsurance Recoverable	\$ (815,232)	-
Net Reinsurance Recoverable on Unpaid Losses and LAE	-	5,080,287
Premiums in the course of collection	-	760
Other Assets	-	2,799
Total Unrestricted Assets	-	5,608,976
Restricted Assets:		
Restricted - Statutory Deposits in This or Other States	-	2,110,512
Funds held by Ceding Companies	-	361,775
Restricted - Other	-	370,281
Total Restricted Assets	-	2,842,568
Total Assets	\$ -	\$ 8,451,544

ICM INSURANCE COMPANY IN LIQUIDATION
STATEMENT OF LIABILITIES

	Oct. 31, 2017	Dec. 24, 2013
Secured Claims	\$ -	-
Class I - Administrative Claims:	-	\$ 6.626
Class II - Claims and Related Costs:		
Guaranty Fund Claims:		
Allowed Claims:		
Administrative Claims Expenses	502,695	-
Loss Adjustment Expenses (LAE)	115,787	-
Loss Claims	2,537,491	-
Unearned and Advance Premium Claims	-	-
Total Allowed Claims	3,155,973	-
Less Advance Dividends	\$ (3,022,746)	-
Total Allowed Claims	133,227	-
Non - Allowed Claims:		
Administrative Claims Expenses	-	-
Loss Adjustment Expenses (LAE)	-	\$ 143,375
Loss Claim Reserves	-	2,781,018
Unearned and Advance Premium Claims	-	20,997
Total Non-Allowed Claims	-	2,945,390
Total Guaranty Fund Claims:	133,227	2,945,390
Creditor Claims:		
Allowed Claims:		
Loss Claims	625,238	-
Unearned and Advance Premium Claims	-	-
Total Allowed Claims	625,238	-
Less Dividends	(584,722)	-
Total Allowed Claims	40,516	-
Non - Allowed Claims:		
Loss Claims Reserves	-	202,420
Unearned and Advance Premium Claims	-	-
Loss Adjustment Expenses (LAE)	-	-
Total Non-Allowed Claims	-	202,420
Total Creditor Claims	40,516	202,420
IBNR	-	50,000
Total Class II Claims and Related Costs:	173,743	3,197,810
Class III - Federal Government Claims:		
Allowed Claims:	-	-
Less: Dividends	-	-
Total Allowed Claims	-	-
Non - Allowed Claims	\$ 14,976	\$ 14,976
Total Class III Claims	\$ 14,976	\$ 14,976
Class IV - Employee Claims:		
Allowed Claims:	-	-
Less: Dividends	-	-
Total Allowed Claims	-	-
Non - Allowed Claims	-	-
Total Class IV Claims	-	-

ICM INSURANCE COMPANY IN LIQUIDATION
STATEMENT OF LIABILITIES (Continued)

	Oct. 31, 2017	Dec. 24, 2013
Class V - State and Local Government Claims:		
Allowed Claims:	-	-
Less: Dividends	-	-
Total Allowed Claims	-	-
Non - Allowed Claims	\$ 80,135	\$ 8,647
Total Class V Claims	\$ 80,135	\$ 8,647
Class VI - General Creditors:		
Allowed General Unsecured Creditor Claims (Other than Reinsurance Related)	-	-
Less: Dividends	-	-
Total Allowed Claims	-	-
Non Allowed General Unsecured Creditor Claims (Other than Reinsurance Related)	759,616	967,964
Total General Unsecured Creditor Claims (Other than Reinsurance Related)	759,616	967,964
Reinsurance Related Unsecured Claims	6,503,515	4,487,721
Less: Dividends	-	-
Total Reinsurance Related Unsecured Claims	\$ 6,503,515	\$ 4,487,721
Total Class VI Claims	7,263,131	5,455,685
Class VII - Late Filed Claims:		
Allowed Claims:	-	-
Less: Dividends	-	-
Total Allowed Claims	-	-
Non - Allowed Claims	-	-
Total Class VII Claims	-	-
Class VIII - Section 1307 (Shareholder) Loans:		
Allowed Claims:	-	-
Less: Dividends	-	-
Total Allowed Claims	-	-
Non - Allowed Claims	-	-
Total Class VIII Claims	-	-
Class IX - Share Holder Claims:		
Allowed Claims:	-	-
Less: Dividends	-	-
Total Allowed Claims	-	-
Non - Allowed Claims	-	-
Total Class IX Claims	-	-
Other Liabilities	-	-
Total Liabilities	<u>7,531,985</u>	<u>8,683,744</u>
TOTAL DEFICIT	<u>\$ (7,531,985)</u>	<u>\$ (232,200)</u>

ICM INSURANCE COMPANY IN LIQUIDATION
STATEMENT OF CHANGES IN CASH AND INVESTED ASSETS
FOR THE PERIOD FROM DECEMBER 24, 2013 TO OCTOBER 31, 2017

		Inception to October 31, 2017
Receipts	Investment Income	\$ 5,262
	Reinsurance Recovered	3,907,221
	Premiums and Commissions	55,994
	Salvage and Subrogation	16,899
	Released from Statutory Deposits	1,009,194
	Miscellaneous	197,933
	Total Receipts	5,192,503
Disbursements	Distributions	2,496,163
	Salaries	1,096,676
	Employee Relations & Welfare	923,234
	Rent and Related Expenses	256,796
	Professional Fees	333,677
	General and Administrative Expenses	89,749
	Other Miscellaneous Expenses	140,473
Total Disbursements		5,336,768
Net Increase (Decrease) in Cash and Invested Assets		(144,265)
BEGINNING CASH AND INVESTED ASSETS - DECEMBER 24, 2013		144,265
Unrealized Gain on Investments		-
ENDING CASH AND INVESTED ASSETS - OCTOBER 31, 2017		\$ -

EXHIBIT 4

SUPREME COURT OF THE STATE OF NEW YORK NEW YORK COUNTY

PRESENT: _____

HON. EILEEN A. RAKOWER

Justice

PART 15INDEX NO. 452122/13

MOTION DATE _____

MOTION SEQ. NO. 3ICM DWS. CO.

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

See annexed order.

**DECIDED IN ACCORDANCE WITH
ACCOMPANYING DECISION / ORDER**

MOTION/CASE IS RESPECTFULLY REFERRED TO JUSTICE
FOR THE FOLLOWING REASON(S):
Dated: 3/3/15

MAR 03 2015

HON. EILEEN A. RAKOWER

J.S.C.

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 15 of the Supreme Court
of the State of New York, County of
New York, at the Courthouse, 71
Thomas Street, in the County, City
and State of New York, on the 3
day of MARCH, 2015.

P R E S E N T:

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

-----X
In the Matter of

Index No.: 452122/13

the Liquidation of

ORDER

ICM INSURANCE COMPANY.

-----X

Mary Jo Marchisello, Assistant Special Deputy Superintendent and agent of the Superintendent of Financial Services of the State of New York as liquidator ("Liquidator") of ICM Insurance Company ("ICM"), having moved this Court for an order: (i) approving the Liquidator's report on the status of liquidation of ICM ("Report") and the financial transactions delineated therein; (ii) authorizing the continued payment of administrative expenses; (iii) authorizing the Liquidator to distribute ICM's assets, consistent with this Court's orders and the priorities set forth in Insurance Law Section 7434, to those creditors of ICM with allowed claims, to the extent that, in the Liquidator's discretion, sufficient funds are available; and (iv) providing for such other and further relief as this Court deems appropriate and just.

NOW, upon reading the Verified Petition, dated January 16, 2015, due proof of service thereof upon all parties interested in ICM, and due deliberation having been had thereon, and upon the decision of this Court;

NOW, on application of John Pearson Kelly, attorney for the Liquidator, it is

ORDERED, that the application is granted; and it is further

ORDERED, that the Report on the status of the Liquidation Proceeding and financial transactions delineated in such Report are approved; and it is further

ORDERED, that the Liquidator is authorized to continue the payment of administrative expenses; and it is further

ORDERED, that the Liquidator is authorized to distribute ICM's assets, consistent with this Court's orders and the priorities set forth in Insurance Law Section 7434, to those creditors of ICM with allowed claims, to the extent that, in the Liquidator's discretion, sufficient funds are available.

ENTER

MAR 03 2015



J.S.C.

HON. EILEEN A. RAKOWER

EXHIBIT 5

SUPREME COURT OF THE STATE OF NEW YORK NEW YORK COUNTY

PRESENT: HON. EILEEN A. RAKOWER
JusticePART 15LAWSKY, BENJAMIN M.INDEX NO. 452122/15

MOTION DATE _____

MOTION SEQ. NO. 04ICM INSURANCE COMPANY

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

**DECIDED IN ACCORDANCE WITH
ACCOMPANYING DECISION / ORDER**

See attached ORDER

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

Dated: JUL 14 2015


HON. EILEEN A. RAKOWER

J.S.C.

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 15 of the Supreme Court
of the State of New York, County of
New York, at the Courthouse located
at 71 Thomas Street, New York,
New York, on the 14 day of
July, 2015.

P R E S E N T:

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

-----X

In the Matter of

Index No.: 452122/13

the Liquidation of

ORDER

ICM INSURANCE COMPANY.

-----X

John Pearson Kelly, Assistant Special Deputy Superintendent and Agent of the Superintendent of Financial Services of the State of New York as liquidator (the "Liquidator") of ICM Insurance Company ("ICM"), moved this Court for an order setting July 31, 2015 as the final date by which evidence supporting the liquidation of any claim presented by May 16, 2014 must be actually received by the Liquidator.

NOW, upon reading the Verified Petition of Scott D. Fischer, Acting Special Deputy Superintendent and Agent of the Liquidator, dated May 19, 2015, due proof of service thereof upon all parties interested in ICM, and due deliberation having been had thereon, and upon the decision of this Court;

NOW, on application of John Pearson Kelly, attorney for the Liquidator, it is

ORDERED, that the application is granted without opposition; and it is further

ORDERED, that July 31, 2015 is the final date by which evidence supporting the liquidation of any claim presented by May 16, 2014 must be actually received by the Liquidator.

ENTER

JUL 14 2015



J.S.C.

HON. EILEEN A. RAKOWER

Index No. 452122 Year 2013

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

In the Matter of
the Liquidation of

ICM INSURANCE COMPANY.

ORDER TO SHOW CAUSE AND AFFIRMATION
(Closing)

JOHN PEARSON KELLY

Attorney for the Superintendent of Financial Services of the State of New York as Liquidator

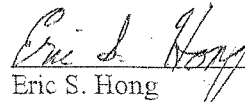
Office and Post Office Address, Telephone

New York Liquidation Bureau
110 William Street – 15th Floor
New York, NY 10038
(212) 341-6755
Fax (212) 233-0461

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: November 6, 2017
New York, New York


Eric S. Hong

☐ 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 SETTLEMENT

that 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 KELLY

Attorney for the Superintendent of Financial
Services of the State of New York as Liquidator

Office and Post Office Address, Telephone

New York Liquidation Bureau
110 William Street – 15th Floor
New York, NY 10038
(212) 341-6755
Fax (212) 233-0461