

At a Special Term, Part I of the Supreme Court of the State of New York, held in and for the County of New York, at the Court house, 60 Centre Street in the Borough of Manhattan, City and State of New York, on the 22nd day of June, 1984.

P R E S E N T :

HON. *Leonard N. Cohen*

JUSTICE.

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In the Matter of
the Application of

Index No. 42173/1984

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 of and dissolve

NASSAU INSURANCE COMPANY

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Petitioner, JAMES P. CORCORAN, Superintendent of Insurance of the State of New York, having moved this Court for an order to take possession of the property and to liquidate the business and affairs and to dissolve the corporate existence of NASSAU INSURANCE COMPANY, and such motion having duly come on before this Court on the 22nd day of June, 1984.

NOW, upon reading and filing the order to show cause made on the 13th day of June, 1984 by the Hon. Justice THOMAS J. HUGHES, one of the Justices of the Supreme Court of the State of New York, and the petition of JAMES P. CORCORAN, Superintendent of Insurance of the State of New York, verified the 15th day of June, 1984, and the exhibits annexed thereto, with proof of due service thereof, in support of said motion, and it appearing to my satisfaction that NASSAU INSURANCE COMPANY was incorporated under the laws of the State of New York on December 2, 1964 and licensed as a stock casualty insurer in the State of New York on May 5, 1965; that its principal office is located in the County of Nassau, City and State of New York; that it is amenable to the Insurance Law of the State of New York and particularly to Article XVI thereof, and upon reading the order of rehabilitation entered in the New York County Clerk's office on the 13th day of March, 1984; Exhibit "A" annexed to the petition herein, and it appearing to my satisfaction that further efforts to rehabilitate NASSAU INSURANCE COMPANY would be futile and that the rehabilitation proceeding of the said corporation should be terminated; that it is impossible to reinsure in whole or in part the existing policy obligations of NASSAU INSURANCE COMPANY pursuant to the provisions of Section 514 (2a), Insurance Law, and that the Liquidator should be relieved of the requirement of said Section; that NASSAU INSURANCE COMPANY is insolvent; that it is in such conditio

that its further transaction of business would be hazardous to its policyholders, creditors or to the public; that it is to the best interests of all persons concerned that this application should be granted and NASSAU INSURANCE COMPANY should be liquidated under and pursuant to Article XVI of the Insurance Law; that it should be dissolved and its corporate charter annulled and forfeited; and petitioner having appeared by Hon. ROBERT ABRAMS, Attorney General of the State of New York, in support of said motion, and there being no appearance in opposition thereto, and after due deliberation having been had thereon and upon filing the opinion of the Court;

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

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

ORDERED, that NASSAU INSURANCE COMPANY be and it hereby is adjudged to be insolvent; and it is further

ORDERED, that the rehabilitation proceeding of the NASSAU INSURANCE COMPANY is hereby simultaneously terminated with the entry of the order herein; and it is further

ORDERED, that JAMES P. CORCORAN, Superintendent of Insurance of the State of New York, and his successors in office as Superintendents of Insurance of the State of New York, be and he is and they are hereby appointed Liquidator of NASSAU INSURANCE COMPANY, and are hereby authorized and directed forthwith to take possession of the property and liquidate the business of NASSAU INSURANCE COMPANY under and pursuant to the provisions of Article XVI of the Insurance Law of the State of New York and to deal with the property and business of NASSAU INSURANCE COMPANY in his or their names as Superintendents of Insurance and he is and they are vested with title to all of the property, contracts and rights of action of NASSAU INSURANCE COMPANY, pursuant to Section 514 of the New York Insurance Law; and it is further

ORDERED, that the notice of the aforesaid be given by publication in the editions of the New York Times and The Journal of Commerce, commencing on or about 11th day of July, 1984, and thereafter once a week for two successive weeks; and it is further

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

ORDERED, that formal notice of the making and entry of this order be given by the Superintendent of Insurance, as Liquidator, by mail to all policyholders, creditors and all other

persons having any unsatisfied claim or demand of any character against the corporation as disclosed by the books and records of the corporation in the possession of the Superintendent of Insurance, 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 NASSAU INSURANCE COMPANY render accounts of their indebtedness and pay any sums due to the Superintendent of Insurance as Liquidator; and giving notice to present proofs of claim with the Superintendent of Insurance, 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 30th day of June, 1985; and that such notice may contain such other rules, regulations and information as the Superintendent of Insurance, 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, 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 of

Insurance, as Liquidator, may permit the giving of such notice as he in his discretion may find desirable; and it is further

ORDERED, that all outstanding policy and other insurance obligations of NASSAU INSURANCE COMPANY terminate and all liability thereunder cease and be fixed as of 12:01 A.M., Eastern Daylight Savings Time, on the 10th day of August, 1984, or prior thereto upon the procurement by policyholders, respectively, of new insurance covering their risks insured thereby, and notice thereof shall be given as hereinabove set forth; and it is further

ORDERED, that all other subsisting contracts, tax sharing agreements and other obligations of NASSAU INSURANCE COMPANY terminate, and all liability thereunder cease and be fixed as of the date of the entry of this order; and it is further

ORDERED, that the Superintendent of Insurance, as Liquidator, be and he hereby is relieved of the provisions set forth in Section 514 (2a), Insurance Law, to wit: to reinsure in whole or in part the policy obligations of NASSAU INSURANCE COMPANY; and it is further

ORDERED, that JAMES P. CORCORAN, Superintendent of Insurance of the State of New York, and his successors in office as Superintendents of Insurance of the State of New York, be and he

is and they are hereby authorized, permitted and allowed to sell, assign and transfer any and all of the stocks, bonds and securities in his possession or which may hereafter come into his possession belonging to NASSAU INSURANCE COMPANY, 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 NASSAU INSURANCE COMPANY, 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, that said NASSAU INSURANCE COMPANY, its officers, directors, trustees, policyholders, agents and employees and all other persons having any property or records belonging to the said NASSAU INSURANCE COMPANY, are hereby directed to assign, transfer and deliver to the Superintendent of Insurance, as Liquidator, all of such property in whomsoever name 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 of Insurance, as Liquidator, for examination at all reasonable times; and it is further

ORDERED, that the officers, directors, trustees, policyholders, agents and employees of said NASSAU INSURANCE COMPANY, and all other persons be and they hereby are enjoined and restrained from the further transaction of business or from dealing with or disposing of the property or assets of said corporation, or doing or permitting to be done any act or thing which might waste its property or assets or allow or suffer the obtaining of preferences, judgments, attachments or other liens, or the making of any levy against said corporation, or its estate while in the possession and control of the Superintendent of Insurance, as Liquidator; and it is further

ORDERED, that the officers, directors, trustees, policyholders, agents and employees of said NASSAU INSURANCE COMPANY, and all other persons, including but not limited to claimants, plaintiffs and petitioners who have claims against the said NASSAU INSURANCE COMPANY, be and they hereby are permanently 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 of Insurance of the State of New York 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 of Insurance of the State of New York, or his successors in office, in his or their possession

control or management of the property of said corporation, or in the discharge of his or their duties as Liquidator thereof, or in the liquidation of the business of said corporation; and it is further

ORDERED, that all parties to law suits in this state 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 NASSAU INSURANCE COMPANY is obligated to defend a party insured or any other person it is legally obligated to defend by virtue of its insurance contract for a period of 180 days from the date hereof; and it is further

ORDERED, that those persons who may have first party or New York Comprehensive Automobile Insurance Reparations Act (No Fault) policyholder loss claims against NASSAU INSURANCE COMPANY coming within the purview of Sections 330, 333 and 334 of the New York Insurance Law, are enjoined for 90 days from the date hereof from presenting and filing such formal claims in this proceeding, pursuant to Section 543 of the New York Insurance Law; and it is further

ORDERED, that the corporate charter of said NASSAU INSURANCE COMPANY be and the same hereby is forfeited, surrendered and annulled and the said NASSAU INSURANCE COMPANY is hereby dissolved; and it is further

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

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

In the Matter of
the Liquidation of
NASSAU INSURANCE COMPANY"

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

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

E N T E R

DATE

JUN 22 1984

I Hereby certify that the foregoing paper is a true copy of the original thereof, filed in my office on the day of

JUN 22 1984

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

s/ Leonard N. Cohen

J. S. C.

Filed
6/22/84