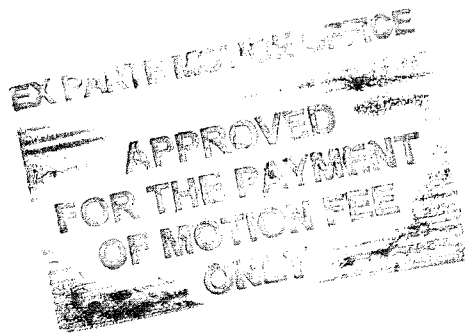


ms# 19  
other



At IAS Part 21 of the Supreme Court  
of the State of New York, County of  
New York, at the Courthouse located  
at 80 Centre Street, New York, New  
York, on the 17 day of  
June, 2016.

P R E S E N T:

HON. MICHAEL D. STALLMAN, J.S.C.

In the Matter of

the Liquidation of

PROFESSIONAL LIABILITY INSURANCE  
COMPANY OF AMERICA.

**FILED**  
JUN 15 2016  
NEW YORK  
COUNTY CLERK'S OFFICE

Index No.: 400986/10

**ORDER TO SHOW CAUSE**

Based on the annexed June 14, 2016 affirmation of Eric S. Hong, an attorney for the New York Liquidation Bureau (the "Hong Affirmation"), the organization which carries out the duties of the Superintendent of Financial Services of the State of New York as liquidator (the "Liquidator") of Professional Liability Insurance Company of America ("PLICA"), and upon all other papers previously submitted and all proceedings heretofore had herein;

NOW, on motion of the Liquidator, and after due deliberation having been had thereon,

LET all claimants and all interested in the affairs of PLICA show cause before this Court  
*by submission of affidavits and exhibits with affidavits of service;*  
at the IAS Motion Submission Part at the Courthouse located at 60 Centre Street, Room 130,

New York, New York, 10013, on the 07 day of September, 2016 (the "Return Date") at

9:30 o'clock a.m., or as soon thereafter as counsel can be heard, why an order, substantially in the form of the proposed order attached as Exhibit D to the Hong Affirmation, should not be made: (i) approving the form of the Insurance Guaranty Association Early Access, Disbursement, Reimbursement and Refunding Agreement for Professional Liability Insurance

**N O T I F E E**

Company of America, attached as Exhibit A to the Hong Affirmation (the "Early Access Agreement"), and permitting the Liquidator to enter into the Early Access Agreement and, subsequent to the execution of the Early Access Agreement, permitting the Liquidator to make disbursements to the Illinois Insurance Guaranty Fund and the Missouri Property & Casualty Insurance Guaranty Association (collectively, the "Guaranty Associations") in accordance with the terms and conditions of the Early Access Agreement to any of those Guaranty Associations which execute and agree to the Early Access Agreement;

AND, sufficient cause having been alleged therefore, and this Court having found the form and method of notice specified herein to be reasonable, it is hereby

ORDERED, that the Liquidator shall provide notice of this application by: (i) mailing this Order to Show Cause and its supporting papers by first class mail to: (a) Tim Schotke, Executive Director, Illinois Insurance Guaranty Fund, 120 South LaSalle Street, Suite 1910, Chicago, IL 60603; (b) Charles F. Renn, Executive Director, Missouri Property & Casualty Insurance Guaranty Association, 994 Diamond Ridge, Suite 102, Jefferson City, MO 65109; (c) James Stephens, Acting Director, Illinois Department of Insurance, 122 South Michigan Avenue, 19<sup>th</sup> Floor, Chicago, IL 60603; (d) John M. Huff, Executive Director, Missouri Department of Insurance, Financial Institutions and Professional Regulation, P.O. Box 690, Jefferson City, MO 65102-0690; (e) each remaining PLICA policyholder, claimant and creditor (to the extent not included in (i)(a) through (d) above) with (1) an open claim in the liquidation proceeding, (2) an open report of an incident that may give rise to a claim under a PLICA policy, or (3) an extended reporting period endorsement under a PLICA policy, with each mailing pursuant to (i)(a) through (e) above to be completed on or before July 7, 2016; (ii) publishing a notice, substantially in the form attached as Exhibit E to the Hong Affirmation ("Notice"), in *Business Insurance* for

two consecutive publication periods, commencing on or before July 22, 2016; and (iii) ~~posting the Notice on the Internet web page maintained by the New York Liquidation Bureau at http://www.nylb.org, along with an electronic link to pdf copies of the Order to Show Cause and its supporting papers, on or before July, 2016; and such service shall be deemed good and sufficient service; and it is further~~ and that the Court will accept supporting papers

ORDERED, that all answering papers and supporting documentation, either in support or opposition to the relief sought ("Answering Papers"), be served on the Liquidator so as to be received at least seven days prior to the Return Date, and that service on the Liquidator shall be made by first class mail or overnight courier at the following address:

Superintendent of Financial Services of the State of New York  
as Liquidator of Professional Liability Insurance Company of America  
110 William Street  
New York, New York 10038  
Attention: General Counsel

and by submitting the original Answering Papers, with affidavit of service on the Liquidator as above, to this Court at the IAS Motion Submission Part at the Courthouse located at 60 Centre Street, Room 130, New York, New York, 10013 on or before the Return Date.

~~ORAL ARGUMENT REQUIRED.~~

ENTER:

J.C.C.

J.S.C.

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

-----X  
In the Matter of

Index No.: 400986/10

the Liquidation of

**AFFIRMATION**

PROFESSIONAL LIABILITY INSURANCE  
COMPANY OF AMERICA.  
-----X

Eric S. Hong, an attorney licensed to practice law in the State of New York, affirms as follows:

1. I am attorney employed by the New York Liquidation Bureau, the organization which carries out the duties of the Acting Superintendent of Financial Services of the State of New York (the "Superintendent") as liquidator (the "Liquidator") of Professional Liability Insurance Company of America ("PLICA"), and submit this affirmation, upon information and belief based on my review of the files maintained by my office and conversations I have had, in support of the Liquidator's motion for authority to enter into the Insurance Guaranty Association Early Access, Disbursement, Reimbursement and Refunding Agreement for Professional Liability Insurance Company of America, attached hereto as Exhibit "A" (the "Early Access Agreement").

2. Insurance Law § 7405(f)(1) provides that the Liquidator may apply to the court overseeing the liquidation proceeding for approval of a proposed agreement to disburse assets out of the marshalled assets of the estate of the insurer to any fund established by Insurance Law Article 76 and Article 6-a of the New York Workers' Compensation Law, and to any entity in another state performing a similar function and having obligations because of such insurer's insolvency. This type of agreement is colloquially referred to as an "early access" agreement. On this motion, the Liquidator requests that this Court approve the terms and conditions of the

proposed Early Access Agreement (Exh. A) and grant leave to the Liquidator to execute the Early Access Agreement.

3. Prior to its placement into receivership, PLICA underwrote insurance policies in Illinois and Missouri, among other states. The Illinois Insurance Guaranty Fund (the “Illinois Fund”) and the Missouri Property & Casualty Insurance Guaranty Association (the “Missouri GA” and, together with the Illinois Fund, the “Guaranty Associations”) made payments to persons or entities in Illinois or Missouri, respectively, holding “covered claims” (as defined in 215 I.L.C.S. 5/534.3, with respect to the Illinois Fund, or in V.A.M.S. 375.772, with respect to the Missouri GA) arising from PLICA policies, which covered claims were unpaid due to PLICA’s insolvency.

4. Upon information and belief, the Guaranty Associations are funded through assessments on the insurance companies licensed to conduct business in Illinois or Missouri, as applicable. The purpose of permitting the Early Access Agreement is to distribute estate assets to the Guaranty Associations in order to facilitate their operations and reduce the necessity of assessing insurance companies.<sup>1</sup>

5. The Guaranty Associations are entitled to assert a claim in the PLICA liquidation proceeding for the total amount of PLICA’s liabilities which are paid by the Guaranty Associations. Approval of the Early Access Agreement will enable the Liquidator to expedite distributions of PLICA assets to the Guaranty Associations.

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<sup>1</sup> Insurance Law § 7405(f)(1) was codified in 1984. The bill jacket in respect of the legislation enacting Insurance Law § 514(5) (Assembly Bill No. A6523-A), the predecessor to Insurance Law § 7405(f)(1), noted that: “The inability to gain early access to the assets of insurance companies under liquidation, requires New York and other states to pay claims against such insurers from their insurance security funds. Since insurer assets are not immediately available to underwrite such payments, many states have to make assessments against active insurers to assure that such funds have monies to meet such claims. This bill would permit the Superintendent to have a more reasonable access to such assets, and its notification provisions would permit states to minimize unnecessary assessments to support their security funds.”

6. Insurance Law § 7405(f)(1) contemplates that the Liquidator may apply for an early access agreement no later than 180 days after entry of a liquidation order. However, the PLICA liquidation is a complex proceeding and the Liquidator was unable to determine within 180 days of the liquidation order whether an early access distribution would be feasible.

7. The Liquidator respectfully submits that the 180-day period referenced in Insurance Law § 7405(f)(1) is not intended to act as a bar, but rather to encourage the implementation of early access proposals as quickly as possible under the totality of the circumstances. Indeed, the legislative history indicates that the purpose of the 180-day timeframe was to provide early access distributions to Guaranty Associations “at a much earlier date.”<sup>2</sup> The Liquidator submits that by emphasizing the right of guaranty associations to receive “funds for the payment of claims at a much earlier date,” the New York state legislature intended for guaranty associations of New York and of sister states (including the Guaranty Associations) to receive payment at a much earlier date than final distribution of estate assets would occur, i.e. on the closing of a liquidation proceeding. In short, the legislative history suggests that the purpose of an early access agreement is to provide payments, if any, to guaranty associations at as early a time as the Liquidator judges to be feasible.

8. New York courts have approved early access agreements submitted outside the 180-day timeframe where circumstances warrant and where such approval is consonant with the intent of the statute. *In the Matter of the Liquidation of New York Merchant Bakers Insurance Company*, S. Ct., N.Y. County, Index #403106/97, Order of April 25, 2000 (approving an early

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<sup>2</sup> The bill jacket in respect of Assembly Bill No. A6523-A, which enacted Insurance Law § 514(5), noted that “In adding a new subdivision 5 to that section [§ 514(5)], the bill would ... [a]uthorize the Superintendent of Insurance to apply to a State court of competent jurisdiction no later than 180 days after a final order of liquidation to transfer the assets of liquidated insurers to the Public Motor Vehicle Liability and Property and Liability Insurance Security Funds and to corresponding entities in other states (thereby gaining access to such funds for the payment of claims at a much earlier date) ...”. The Workers’ Compensation Security Fund was added by an amendment to Insurance Law § 7405(f)(1) in 2005.

access agreement submitted more than 180 days after the date of liquidation upon the liquidator's application that Insurance Law § 7405(f)(1) is intended to encourage quick implementation of early access proposals and is not intended to act as a bar); *In the Matter of the Liquidation of Atlantic Mutual Insurance Company*, S.Ct., N.Y. County, Index #402424/10, Order of August 25, 2015 (same). Copies of the orders approving the early access applications in the New York Merchant Bakers and Atlantic Mutual estates are annexed as Exhibits "B" and "C", respectively.

9. Insurance Law § 7405(f)(2) requires any early access proposal to include provisions for each of the following:

- a. Reserving amounts for the payment of administrative expenses and of claims of secured creditors to the extent of the value of the security held;
- b. Disbursement of the assets marshalled to date and subsequent disbursement of assets as they become available;
- c. Disbursements to the funds and entities entitled thereto [the Guaranty Associations] in amounts estimated to be at least equal to all claim payments for which such funds or entities could assets claims against the liquidator, and if the assets available for distribution do not at least equal such claim payments, then disbursements in the amount of the assets which are available;
- d. Equitable allocation of disbursements to each of such funds or entities;
- e. The securing by the Liquidator from each of such funds or entities of an agreement to return to the Liquidator such assets, together with income earned thereon, as may be required to pay claims of secured creditors; and
- f. A full report to be made by each fund or entity to the Liquidator accounting for all assets disbursed to it, all disbursements made from such disbursed assets, any income earned on such assets and any other matters as the court supervising the liquidation proceeding may direct.

10. The Early Access Agreement complies with all of these requirements. See Early Access Agreement ¶¶ 3, 4, 7-8, and 10-12 (Exh. A).

11. Approval of, followed by entry into, the Early Access Agreement will enable the Liquidator to accelerate disbursements to the Guaranty Associations, which will pay the majority of the claims covered by PLICA policies in Illinois and Missouri. Providing early access to estate distributions will reduce the financial burden on the Guaranty Associations. Accordingly, the Liquidator respectfully submits that it is in the best interests of PLICA's policyholders and other creditors for the Early Access Agreement to be approved and for the Liquidator to be authorized to make payments to the Guaranty Associations thereunder.

12. Upon information and belief, both Guaranty Associations were contacted regarding the proposed Early Access Agreement. As of the date of this affirmation, the Illinois Fund has indicated that it wishes to enter into the Early Access Agreement; however, the Liquidator has not received any indication as to whether the Missouri GA also wishes to enter into the Early Access Agreement. Therefore, the Liquidator proposes to obtain authority to enter into the Early Access Agreement and become bound by its terms with any Guaranty Association which executes the Early Access Agreement, but not be bound by its terms with any Guaranty Association which does not execute the Early Access Agreement.

13. Pursuant to Insurance Law § 7405(f)(3), this application is being made on notice, by mailing of an order to show cause and supporting papers (including this affirmation), to the following representatives of the Guaranty Associations and the following state insurance commissioners (or other officials with equivalent responsibilities), which in each case have obligations as a result of PLICA's insolvency, by first class mail at least 30 days prior to the submission of this application to this Court:

- a. Tim Schotke, Executive Director, Illinois Insurance Guaranty Fund, 120 South LaSalle Street, Suite 1910, Chicago, IL 60603;



- b. Charles F. Renn, Executive Director, Missouri Property & Casualty Insurance Guaranty Association, 994 Diamond Ridge, Suite 102, Jefferson City, MO 65109;
- c. James Stephens, Acting Director, Illinois Department of Insurance, 122 South Michigan Avenue, 19<sup>th</sup> Floor, Chicago, IL 60603; and
- d. John M. Huff, Executive Director, Missouri Department of Insurance, Financial Institutions and Professional Regulation, P.O. Box 690, Jefferson City, MO 65102-0690.

This application is also being made on notice, by mailing of the same order to show cause and supporting papers (including this affirmation), to each remaining PLICA policyholder, claimant and creditor (to the extent not included in 12(a) through (d) above) with (i) an open claim in the liquidation proceeding, (ii) an open report of an incident that may give rise to a claim under a PLICA policy, or (iii) an extended reporting period endorsement under a PLICA policy.

14. No previous application has been made for the relief requested herein to this or any other Court or Judge.

*[Remainder of page intentionally left blank]*

WHEREFORE, it is respectfully requested that this Court issue an order, substantially in the form of Exhibit D hereto: (i) approving the terms and conditions of the Early Access Agreement and authorizing the Liquidator and the Guaranty Associations to enter into the Early Access Agreement; and (ii) authorizing the Liquidator to make disbursements to the Guaranty Associations in accordance with the Early Access Agreement.

Dated: New York, New York  
June 14, 2016

  
Eric S. Hong

**EXHIBIT A**

**INSURANCE GUARANTY ASSOCIATION EARLY ACCESS  
DISBURSEMENT, REIMBURSEMENT AND REFUNDING AGREEMENT  
FOR PROFESSIONAL LIABILITY INSURANCE COMPANY OF AMERICA**

This Insurance Guaranty Association Early Access Disbursement, Reimbursement and Refunding Agreement (“Agreement”) for Professional Liability Insurance Company of America (“PLICA”), effective as of \_\_\_\_\_, 2016 (“Effective Date”), is entered into by and among Maria T. Vullo, Acting Superintendent of Financial Services of the State of New York (“Superintendent”) as liquidator (“Liquidator”) of PLICA, the Illinois Insurance Guaranty Fund (the “Illinois Fund”) and the Missouri Property & Casualty Insurance Guaranty Association (the “Missouri GA” and, together with the Illinois Fund, 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 February 10, 2014 (“Liquidation Order”), PLICA was found insolvent and placed into liquidation, and the Superintendent of Financial Services of the State of New York was appointed Liquidator of PLICA, was vested with title to all of PLICA’s property, contracts, rights of action, books and records, and was directed to liquidate PLICA’s business and affairs in accordance with Article 74 of the New York Insurance Law (the “Insurance Law”);

**WHEREAS**, the Liquidator is permitted to make distributions of PLICA’s assets (“Early Access Disbursements”) in accordance with Insurance Law §7405(f), subject to obtaining approval by the Liquidation Court;

**WHEREAS**, by an order entered on \_\_\_\_\_, 2016, the Liquidation Court approved the form of, and Liquidator’s entry into and performance of, this Agreement;

**WHEREAS**, Insurance Law §7405(f)(2)(D) requires that an agreement to make Early Access Disbursements shall provide for equitable allocation of disbursements to the Guaranty Associations;

**WHEREAS**, Insurance Law §7405(f)(2)(E) requires, among other things, that an agreement to make Early Access Disbursements shall include a requirement that the Guaranty Associations refund to the Liquidator such previously disbursed assets of PLICA, together with income earned thereon, as may be required to pay claims of secured creditors;

**WHEREAS**, it is in the best interests of PLICA's policyholders, creditors and claimants for the Liquidator to make Early Access Disbursements of PLICA's assets to the Guaranty Associations in accordance with the terms of this 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 ("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 PLICA, and were unpaid as a result of PLICA's insolvency; (ii) either transferred any PLICA 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 Agreement; and (iv) reported to the Liquidator as required in paragraph 7 of this Agreement.

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 and secured claims as required by Insurance Law §7405(f) (“Reserves”).

4. The Liquidator may make *pro-rata* disbursements to each Eligible Guaranty Association out of the PLICA 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 PLICA, claims against PLICA and unearned premiums on each in-force policy of PLICA, 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](http://www.ncigf.org)). The Reports 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 PLICA held by or available to the Eligible

Guaranty Associations from any source other than the Liquidator pursuant to this Early Access Disbursement Agreement will be treated as amounts paid to the Eligible Guaranty Associations as Early Access Disbursements.

9. All subrogation rights of PLICA 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 PLICA 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 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 PLICA 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, refund in whole or in part any Early Access Distributions made pursuant to this 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 Agreement, the Liquidator shall have the right to set off, against any subsequent distributions of PLICA 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 PLICA liquidation proceeding without being required to file a proof of claim with the Liquidator. It is agreed that the execution of this 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 PLICA, 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 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  
Professional Liability Insurance Company of America  
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  
Professional Liability Insurance Company of America  
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 PLICA or the Liquidator.

16. This 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 Agreement; provided that nothing in this 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 Agreement by any

Eligible Guaranty Association be deemed as evidence in respect of the proper venue or forum of any such action.

18. This 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 Agreement by facsimile or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Agreement.

*[Remainder of page intentionally blank]*

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

Maria T. Vullo  
Acting Superintendent of Financial Services of the  
State of New York as Liquidator of  
Professional Liability Insurance Company of America

By: \_\_\_\_\_  
John Pearson Kelly  
Assistant Special Deputy Superintendent and Agent

#### ILLINOIS INSURANCE GUARANTY FUND

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Fax: \_\_\_\_\_

#### MISSOURI PROPERTY & CASUALTY INSURANCE GUARANTY ASSOCIATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Fax: \_\_\_\_\_

**EXHIBIT B**

L 1236

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

PRESENT: Hon. HON. LOUISE GRUNER GANS

Justice

PART 61

New York Merchant Bakers

- v -

INDEX NO.

403106/97

MOTION DATE

4/24/2000

MOTION SEQ. NO.

009

MOTION CAL. NO.

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

Notice of Motion/ Order to Show Cause — Affidavits — Exhibits ...

Answering Affidavits — Exhibits \_\_\_\_\_

Replying Affidavits \_\_\_\_\_

PAPERS NUMBERED

Cross-Motion: ☐ Yes ☒ No

Upon the foregoing papers, it is ordered that this motion is granted in the

absence of opposition and Order  
signed as requested

MOTION/CASE IS RESPECTFULLY REFERRED TO

JUSTICE

DATED: \_\_\_\_\_

Dated: 4/26/2000

Check one:

☐ FINAL DISPOSITION

☒ NON-FINAL DISPOSITION  
HON. LOUISE GRUNER GANS

J.S.C.

At IAS Part 61 of the Supreme Court  
of the State of New York, county of  
New York at the Courthouse, 80  
Centre Street, New York, New York,  
on the 28 day of April, 2000

PRESENT:

HON. LOUISE GRUNER GANS

JUSTICE

-----X

In the Matter of

Index No. 403106/97

the Liquidation of

ORDER

NEW YORK MERCHANT BAKERS INSURANCE  
COMPANY

-----X

Petitioner, Neil D. Levin, Superintendent of Insurance of the State of New York  
as Liquidator of New York Merchant Bakers Insurance Company, by his attorneys, the  
Law Offices of Marilyn Lytle, having duly moved this Court for an Order pursuant to  
Insurance Law §7405(f), approving the Liquidator's Proposal to Disburse Assets, and the  
Motion having regularly come on to be heard on April 24, 2000,

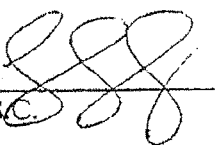
NOW, upon reading and filing the Notice of Motion dated March 23, 2000, the  
affidavit of Richard S. Karpin, Assistant Special Deputy Superintendent of Insurance and  
Agent of Neil D. Levin, sworn to on March 23, 2000, and all the exhibits attached  
thereto, and there being no opposition to said motion, and after due deliberation having  
been held thereon,

NOW, upon motion of the Law Offices of Marilyn Lytle, attorneys for the  
Petitioner, it is,

ORDERED, that the motion is in all respects granted, and it is further,

ORDERED, that the Proposal to Disburse Assets pursuant to §7405(f) of the New  
York Insurance Law and the Refunding Agreement are approved in the form annexed to  
the submitted papers.

ENTER

  
\_\_\_\_\_  
J.S.C.

FILED  
MAY 4, 2000  
OFFICE OF CTY. CLERK  
NEW YORK



**EXHIBIT C**

SUPREME COURT OF THE STATE OF NEW YORK  
NEW YORK COUNTY

EA  
8/26/15  
E

PRESENT: HON. EILEEN A. RAKOWER  
Justice

PART 15

ATLANTIC MUTUAL INSURANCE COMPANY

INDEX NO. 402424/10

MOTION DATE \_\_\_\_\_

MOTION SEQ. NO. 17

-v-

RE:

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.

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

FILED  
AUG 27 2015  
NEW YORK  
COUNTY CLERK'S OFFICE

RECEIVED  
AUG 26 2015  
GENERAL CLERK'S OFFICE  
NYS SUPREME COURT - CIVIL

Dated: 8/25/2015  
AUG 25 2015

[Signature], J.S.  
HON. EILEEN A. RAKOWER

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

P R E S E N T:

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

In the Matter of

the Liquidation of

ATLANTIC MUTUAL INSURANCE COMPANY

**FILED**

AUG 27 2015

NEW YORK  
COUNTY CLERK'S OFFICE

Index No.: 402424/10

**ORDER**

Anthony J. Albanese, Acting Superintendent of Financial Services of the State of New York as liquidator (the "Liquidator") of Atlantic Mutual Insurance Company ("AMIC"), moved this Court for an order: (i) approving the form of the Insurance Guaranty Association Early Access, Disbursement, Reimbursement and Refunding Agreement for Atlantic Mutual Insurance Company, attached as Exhibit A to the Affirmation, as defined below (the "Early Access Agreement"), and the entry of the Liquidator and the participating insurance guaranty associations (the "Guaranty Associations") into, and performance by the Liquidator and the Guaranty Associations of their obligations under, the Early Access Agreement; and (ii) authorizing the Liquidator to make disbursements to the Guaranty Associations in accordance with the Early Access Agreement.

NOW, upon reading the affirmation, dated July 8, 2015 of Eric S. Hong, an attorney for the New York Liquidation Bureau, the organization which carries out the duties of the Liquidator (the "Affirmation"), due proof of service thereof upon all parties interested in the Affirmation, and due deliberation having been had thereon, and upon the decision of this Court;

NOW, on application of the Liquidator, it is

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

ORDERED, that the form of the Early Access Agreement is approved; and it is further

ORDERED, that the entry of the Liquidator and the Guaranty Associations into, and performance by the Liquidator and the Guaranty Associations of their obligations under, the Early Access Agreement, are approved; and it is further

ORDERED, that the Liquidator is authorized to make disbursements to the Guaranty Associations in accordance with the Early Access Agreement.

ENTER

AUG 25 2015

  
\_\_\_\_\_  
J.S.C.

**HON. EILEEN A. RAKOWER**

**FILED**  
AUG 27 2015  
NEW YORK  
COUNTY CLERKS OFFICE

**EXHIBIT D**

P R E S E N T:

HON. MICHAEL D. STALLMAN, J.S.C.

-----X

In the Matter of

Index No.: 400986/10

the Liquidation of

**ORDER**

PROFESSIONAL LIABILITY  
INSURANCE COMPANY OF AMERICA.

-----X

Maria T. Vullo, Acting Superintendent of Financial Services of the State of New York as liquidator (the "Liquidator") of Professional Liability Insurance Company of America ("PLICA"), moved this Court for an order: (i) approving the form of the Insurance Guaranty Association Early Access, Disbursement, Reimbursement and Refunding Agreement for Professional Liability Insurance Company of America, attached as Exhibit A to the Hong Affirmation, as defined below (the "Early Access Agreement"); (ii) authorizing the Liquidator to execute the Early Access Agreement; (iii) for the Liquidator to become bound by its terms with the Illinois Insurance Guaranty Fund (the "Illinois Fund"), if the Illinois Fund agrees with and executes the Early Access Agreement, and to also become bound by its terms with the Missouri Property & Casualty Insurance Guaranty Association (the "Missouri GA") if the Missouri GA also agrees with and executes the Early Access Agreement; and (iv) authorizing the Liquidator to make disbursements to the Guaranty Associations in accordance with the Early Access Agreement.

NOW, upon reading the affirmation, dated June 14, 2016 of Eric S. Hong, an attorney for the New York Liquidation Bureau, the organization which carries out the duties of the Liquidator (the "Hong Affirmation"), and proof of service thereof upon all interested parties having been made, after due deliberation;

NOW, on application of the Liquidator, it is

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

ORDERED, that the form of the Early Access Agreement is approved; and it is further

ORDERED, that the Liquidator may execute and become bound by the terms of the Early Access Agreement with the Illinois Fund and/or the Missouri GA, provided that either or both of these entities agree to and execute the Early Access Agreement; and it is further

ORDERED, that the Liquidator is authorized to make disbursements to the Illinois Fund and/or the Missouri GA, as the case may be, in accordance with an agreed-upon and executed Early Access Agreement.

E N T E R

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J.S.C.

**EXHIBIT E**



**IN THE MATTER OF THE LIQUIDATION  
OF PROFESSIONAL LIABILITY INSURANCE COMPANY OF AMERICA  
Supreme Court County of New York  
Index No.: 400986/10**

**NOTICE**

Pursuant to an order of the Supreme Court of the State of New York, County of New York (the "Court"), entered on February 10, 2014 (the "Liquidation Order"), the Superintendent of Financial Services of the State of New York and his successors in office were appointed as liquidator (the "Liquidator") of Professional Liability Insurance Company of America ("PLICA") and, as such, were directed to take possession of PLICA's property and liquidate its business and affairs pursuant to Article 74 of the New York Insurance Law (the "Insurance Law"). The Liquidator has, pursuant to Insurance Law Article 74, appointed Scott D. Fischer, Special Deputy Superintendent, as her agent to carry out the responsibilities of the Liquidator through the New York Liquidation Bureau, 110 William Street, New York, New York 10038. The Liquidator has submitted to the Court an affirmation ("Affirmation") seeking an order: (i) approving the form of the Insurance Guaranty Association Early Access, Disbursement, Reimbursement and Refunding Agreement for Professional Liability Insurance Company of America, attached as Exhibit A to the Affirmation (the "Early Access Agreement"), and the entry of the Liquidator, the Illinois Insurance Guaranty Fund (the "Illinois Fund") and the Missouri Property & Casualty Insurance Guaranty Association (the "Missouri GA" and, together with the Illinois Fund, the "Guaranty Associations") into, and performance by the Liquidator and the Guaranty Associations of their obligations under, the Early Access Agreement; and (ii) authorizing the Liquidator to make disbursements to the Guaranty Associations in accordance with the Early Access Agreement.

A hearing is scheduled on the Affirmation on the \_\_\_ day of \_\_\_\_\_, 2016, at \_\_\_\_ [a][p].m., before the Honorable Michael D. Stallman, J.S.C., Supreme Court of the State of New York at the Courthouse located at 60 Centre Street, Room 130, New York, New York, 10013.

If you wish to object to the relief sought, you must serve a written statement setting forth your objections and all supporting documentation upon the Liquidator at least seven prior to the hearing and upon the Clerk of the Court on or before the day of the hearing. Service on the Liquidator shall be made by first class mail or overnight courier at the following address:

Acting Superintendent of Financial Services of the State of New York as  
Liquidator of Professional Liability Insurance Company of America  
110 William Street  
New York, New York 10038  
Attention: General Counsel

The Affirmation is available for inspection at the above address and at [www.nylb.org/ProfLiab.htm](http://www.nylb.org/ProfLiab.htm). In the event of any discrepancy between this notice and the documents submitted to the Court, the documents control.

Requests for further information should be directed to the New York Liquidation Bureau, Creditor and Ancillary Operations Division, at (212) 341-6809.

Dated: \_\_\_\_\_, 2016

Maria T. Vullo

Acting Superintendent of Financial Services  
of the State of New York as Liquidator of  
Professional Liability Insurance Company of  
America

Index No.: 400986/10

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

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In the Matter of  
the Liquidation of

PROFESSIONAL LIABILITY INSURANCE COMPANY OF AMERICA

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**ORDER TO SHOW CAUSE AND AFFIRMATION**

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**JOHN PEARSON KELLY**

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

*Office and Post Office Address, Telephone*

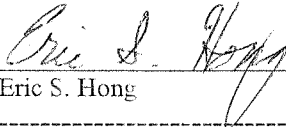
New York Liquidation Bureau  
110 William Street  
New York, NY 10038  
(212) 341-6755  
Fax (212) 233-0461

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**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: June 14, 2016  
New York, New York

  
Eric S. Hong

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☐ 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  
New York, NY 10038  
(212) 341-6755  
Fax (212) 233-0461