

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

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In the Matter of

Index No.:

the Application of

**VERIFIED PETITION**

Adrienne A. Harris, Superintendent of Financial  
Services of the State of New York, for an  
Order of Appointment as Ancillary Receiver of

UNITED PROPERTY & CASUALTY  
INSURANCE COMPANY.

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Adrienne A. Harris, Superintendent of Financial Services of the State of New York (“Superintendent”), respectfully petitions the Court for an order, substantially in the form attached hereto as Exhibit “1” (“Order”), appointing the Superintendent (and her successors in office) ancillary receiver (“Ancillary Receiver”) of United Property & Casualty Insurance Company (“UPC”) with all the rights and obligations granted to and imposed upon her pursuant to Article 74 of the New York Insurance Law (“Insurance Law”).

**Relief Requested**

1. UPC is a Florida domestic insurer that has been judicially determined to be insolvent and has been placed into liquidation. A significant number of New York residents have homeowners’ policies with UPC and have submitted claims under such policies. It is important that a New York ancillary receivership proceeding be commenced for UPC in order for these claimants with allowed covered claims to receive coverage (payment) from the New York Property/Casualty Insurance Security Fund (“P/C Fund”) as soon as possible. Accordingly, I respectfully request that this Court sign the accompanying Order to Show Cause with as early a

return date as may be practicable and, in accordance with Insurance Law §7417, enter an order commencing the ancillary receivership.

### **Background**

1. UPC is a stock property/casualty insurer domiciled in Florida. Its principal place of business is at 800 2<sup>nd</sup> Avenue South, St. Petersburg, Florida 33701 *See* Affidavit of Eileen Fox, Assistant Chief Insurance Examiner, Property Bureau, New York State Department of Financial Services, sworn to on March 14, 2023 (“Fox Aff.”), attached hereto as Exhibit “2”. (Fox Aff. ¶ 2).

2. UPC became licensed to do business as an authorized foreign insurer in the State of New York on or about February 12, 2015. (Fox Aff. ¶ 2).

3. UPC was authorized to transact the business of insurance set forth in paragraphs 4, 5, 6, 7, 8, 9, 12, 13, 14, and 20 of Section 1113(a) of the Insurance Law. (Fox Aff. ¶ 3).

4. On February 27, 2023, the Circuit Court of the Second Judicial Circuit in and for Leon County, Florida (“Florida Court”) issued a Consent Order Appointing the Florida Department of Financial Services as Receiver (“Florida Receiver”) of UPC for Purposes of Liquidation, Injunction and Notice of Automatic Stay and found UPC to be insolvent (the “Liquidation Order”). (Fox Aff. ¶ 4).

5. The Liquidation Order also, among other things, established the date that is one year from the date of the Liquidation Order, which is February 27, 2024, as the bar date for the filing of claims against UPC. *See* Liquidation Order ¶35 (Fox Aff., ¶ 4, Exhibit A).

6. The Liquidation Order also provides that all insurance policies will be canceled as of March 29, 2023. *See* Liquidation Order ¶ 24 (Fox Aff, ¶ 5, Exhibit A).

7. The Florida Receiver estimates that (a) there are approximately 21,000 New York residents with in-force homeowners' policies and (b) over 250 property/casualty claims may be referred from the Florida Receiver to the P/C Fund. Of these 250 claims, many are for payment of temporary housing due to fire and water damage. Such claims will likely be entitled to P/C Fund coverage, but the P/C Fund cannot provide protection to these New York claimants until an ancillary receivership proceeding is commenced. (Fox Aff, ¶8).

**The Grounds to Commence an Ancillary  
Receivership Proceeding Have Been Met**

8. Insurance Law § 7407(c) states that, upon the request of a receiver who has been appointed for an insurer in its domiciliary state, the Superintendent shall apply to this Court for an order appointing her ancillary receiver for such insurer if the domiciliary state is a reciprocal state.

9. On March 7, 2023, the Florida Receiver sent a letter to the Superintendent, a copy of which is annexed as Exhibit "B" to the Fox Aff., requesting that the Superintendent commence an ancillary receivership proceeding for UPC ("Letter Request"). (Fox Aff. ¶ 6, Exhibit B).

10. Florida is a reciprocal state. Insurance Law § 7408(b)(6) defines a reciprocal state as any state, other than the State of New York, in which the provisions of the Uniform Insurers Liquidation Act (Insurance Law §§ 7408-7415), in substance and effect, are in force. Florida, UPC's domiciliary state, has adopted, in substance and effect, the provisions of the Uniform Insurers Liquidation Act. Fla. Stat. § 631.015. *See* Letter Request. (Fox Aff. ¶ 7, Exhibit B).

11. Based on the Letter Request from Florida, a reciprocal state, the Superintendent now brings this application under Insurance Law § 7407 to commence an ancillary receivership proceeding for UPC. Since all the grounds to commence an ancillary receivership proceeding

have been met, this Court should issue the Order commencing an ancillary receivership proceeding and, pursuant to Insurance Law § 7410(a), appointing the Superintendent as Ancillary Receiver.

### **Claims Bar Date**

12. The Liquidation Order, among other things, established the date that is one year from the date of the Liquidation Order, which is February 27, 2024, as the bar date for the filing of claims against UPC. *See* Liquidation Order ¶ 35 (Fox Aff., ¶ 4, Exhibit A). Under Insurance Law § 7412(a), the bar date of February 27, 2024 established in the Florida liquidation will apply in the ancillary proceeding.

### **Injunctive Relief**

13. To discharge the responsibilities as Ancillary Receiver in an orderly and fair manner for the benefit of policyholders and creditors domiciled in the State of New York, certain injunctive relief is necessary.

14. Under Insurance Law § 7419(b), I request an order permanently enjoining and restraining all persons from the commencement or prosecution of any actions, the obtaining of preferences, judgments, attachments, or other liens, or the making of any levy against the Superintendent as Ancillary Receiver or as administrator of the P/C Fund (“Administrator”), UPC, the New York Liquidation Bureau (“NYLB”) (the organization serving as the Ancillary Receiver’s staff), or their present or former employees, attorneys, or agents, with respect to this proceeding or the discharge of their duties under Insurance Law Article 74 in relation thereto (the “Permanent Injunctions”).

15. The Permanent Injunctions are important for the performance of the Ancillary Receiver’s duties. Failure to grant this relief could result in one or more persons or entities

seeking to pursue legal relief against the Superintendent as Ancillary Receiver or as Administrator, UPC, or the NYLB in a forum other than the ancillary proceeding, including seeking collections and default judgments, in the State of New York against UPC. This would undermine the purpose of the ancillary proceeding, which is to consolidate and process all New York claims relating to UPC and the Ancillary Receiver in one orderly proceeding.

16. In addition to the Permanent Injunctions, I request an order under Insurance Law § 7419(b) temporarily staying all litigations against insureds of UPC or in which UPC is obligated to defend an insured or provide a defense to a party pursuant to an insurance policy, for a period of 180 days from the date an Order commencing the ancillary receivership is signed (the “180-Day Injunction”). The 180-Day Injunction will temporarily stay all matters currently in litigation and will allow the Ancillary Receiver and the Administrator sufficient time to review and assess the claims in litigation.

17. I also request an order under Insurance Law § 7419(b) temporarily enjoining and restraining all persons who have first-party policyholder loss claims against UPC in the State of New York from presenting and filing claims with the Ancillary Receiver for a period of 90 days from the date an Order commencing the ancillary receivership is signed (the “90-Day Injunction”). Eligible first-party claims in New York are referred to the Ancillary Receiver who determines whether a referred claim is covered by the P/C Fund.

18. After UPC is placed into ancillary receivership, the Florida Receiver will transfer the books and records of the company relating to certain New York claims under policies written by UPC, including litigation files, to the Ancillary Receiver and Administrator for further handling. Because the files and records of an insolvent insurer often require time to review and assess, a temporary stay is necessary to ensure that claims are appropriately handled and that

there is no prejudice to the company or its policyholders during the transition to ancillary receivership.

19. The 180-Day Injunction and 90-Day Injunction will allow the Ancillary Receiver and Administrator to: (i) review the New York claims and litigations; (ii) coordinate with third-party administrators for handling claims; (iii) assign claims examiners; (iv) review settlement negotiations, if any; (v) analyze the legal issues; (vi) set reserves; (vii) assign or retain counsel; and (viii) prepare to litigate the matters, if necessary, upon the expiration of the 180-Day Injunction and 90-Day Injunction. The injunctions sought here are virtually the same injunctions as are granted in every ancillary proceeding and could be considered routine. *In the Matter of the Ancillary Receivership of American Country Insurance Company*, S. Ct., N.Y. County, Index #452250/2020, Order of December 16, 2020; *In the Matter of the Ancillary Receivership of American Service Insurance Company*, S. Ct., N.Y. County, Index #452249/2020, Order of December 2, 2020; *In the Matter of the Ancillary Receivership of Northwestern National Insurance Company of Milwaukee, Wisconsin*, S. Ct., N.Y. County, Index #450931/2019, Order of August 8, 2019; *In the Matter of the Ancillary Receivership of Guarantee Insurance Company*, S. Ct., N.Y. County, Index #453158/2017, Order of January 26, 2018. Copies of the ancillary receivership orders in each of these ancillary receivership proceedings are annexed hereto as Exhibit “3.”

20. For these reasons, the Permanent Injunctions, 180-Day Injunction, and 90-Day Injunction are warranted under Insurance Law § 7419(b), and this Court should issue an order, *inter alia*, granting the injunctions.

**Additional Relief Requested**

21. The Liquidation Order provides that all insurance policies will be canceled as of March 29, 2023 (the “Policy Cancellation Date”). (Fox Aff, ¶5). Holders of cancelled policies will have a claim against UPC for the portion of their paid premium that was unearned as of the date of the cancellation. The P/C Fund covers claims for unearned premium asserted by New York policyholders. It is anticipated that as many as 21,000 New York homeowners will have policies cancelled. (Fox Aff, ¶8). Given the large volume of potential claims for unearned premium for New York policyholders, the P/C Fund requires sufficient time to process the claims and confirm the claimed amounts are accurate. As the first step, the Florida Receiver will be required to send the P/C Fund claims records reflecting the unearned premium amounts for New York policyholders to the Ancillary Receiver after the Policy Cancellation Date. In order to permit this process to run in an orderly manner, I respectfully request that the Court issue an order providing that payment of eligible unearned premium by the P/C Fund will be made only if there is sufficient funding available, all the necessary data is provided by the Florida Receiver, and no less than 270 days after the entry of the Order commencing the ancillary receivership have elapsed.

22. I further respectfully request that the Court order that the Superintendent as Ancillary Receiver, her successors in office, and the NYLB and their agents and employees, be granted judicial immunity from any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of the Court, or in the performance of their duties pursuant to Insurance Law Articles 74 and 76. The Ancillary Receiver acts in a “judicial and private” capacity under the supervision of the Court pursuant to Article 74 of the Insurance Law. *Dinallo v. DiNapoli*, 9 N.Y.3d 94, 103 (2007). In

addition, “a court-appointed receiver acts as an arm of the court and is immune from liability for actions grounded in his or her conduct as receiver.” *In the Matter of the Liquidation of U.S. Capital Insurance Company*, 36 Misc.3d 635, 637 (Sup. Ct., N.Y. County 2012).

23. I further respectfully request that this Court issue the accompanying Order to Show Cause approving (a) a return date as early as possible (“Return Date”), (b) the form of notice to be given to UPC policyholders, creditors and others interested in the affairs of UPC, and (c) the method of service of notice, *i.e.*, by overnight delivery to the Florida Department of Financial Services c/o Michael B. Dobson, General Counsel on behalf of the Receiver of United Property & Casualty Insurance Company, at 400 South Monroe Street, PL 11, Tallahassee, FL 32399; Florida Department of Financial Services, Division of Rehabilitation and Liquidation c/o Lorrie Arterburn, Division Director, at 325 John Knox Road, Suite 101, The Atrium, Tallahassee, Florida 32303; and Florida Department of Financial Services, Division of Rehabilitation and Liquidation c/o Miriam O. Victorian, Chief Attorney, at 325 John Knox Road, Suite 101, The Atrium, Tallahassee, Florida 32303, at least ten (10) days before the Return Date, and by posting on the Internet web page for Legal and Estates Notices maintained by the New York Liquidation Bureau at <http://www.nylb.org> at least ten (10) days prior to the Return Date. I further respectfully request that, pursuant to Insurance Law §7417, the Court rule upon this matter as quickly as possible in view of the urgency in ensuring New York claimants with valid claims will avoid hardship and receive payment as soon as possible.

### **Conclusion**

24. In light of the foregoing, I respectfully request that the Court grant the relief set forth in the Order, which, among other things: (a) appoints the Superintendent Ancillary Receiver of UPC, pursuant to Insurance Law §§ 7407(c) and 7410(a); and (b) vests the Ancillary

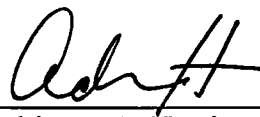


Receiver with all rights and obligations granted to and imposed upon her pursuant to Article 74 of the Insurance Law.

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

WHEREFORE, I respectfully request that this Court grant the relief sought in this Verified Petition, enter the Order, and grant such other and further relief as is just and proper.

Dated: New York, New York  
March 20, 2023



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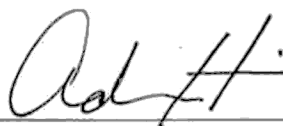
Adrienne A. Harris  
Superintendent of Financial Services  
of the State of New York

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

Adrienne A. Harris, being duly sworn, deposes and says:

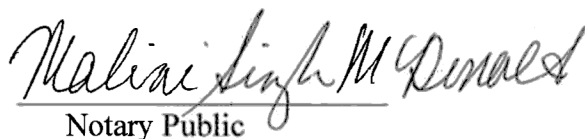
That she is the Superintendent of Financial Services of the State of New York and that she executed the foregoing Verified Petition; that she is acquainted with the facts therein stated; that she knows the contents of said Verified Petition; and that the same are true based upon the records of the New York State Department of Financial Services.

Deponent says that the sources of her information as to the matters stated in said Verified Petition are the affidavit referred to therein and the records of the New York State Department of Financial Services.



Adrienne A. Harris  
Superintendent of Financial Services  
of the State of New York

Sworn to before me this  
20 day of March, 2023

  
Notary Public

MALINI SINGH McDONALD  
Notary Public, State of New York  
No. 01SI6165495  
Qualified in Queens County  
My Commission Expires May 7, 2023

# EXHIBIT 1

At IAS Part \_\_\_\_ of the Supreme Court of the State of New York, County of New York, at the Courthouse, \_\_\_\_\_ in the County, City and State of New York, on the \_\_\_\_ day of \_\_\_\_\_, 2023.

P R E S E N T :

HON. \_\_\_\_\_, J.S.C.

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

-----X  
In the Matter of

Index No.:

the Application of

Adrienne A. Harris, Superintendent of Financial Services of the State of New York, for an Order of Appointment as Ancillary Receiver of

**ORDER OF  
ANCILLARY  
RECEIVERSHIP**

UNITED PROPERTY & CASUALTY  
INSURANCE COMPANY.

-----X

Adrienne A. Harris, Superintendent of Financial Services of the State of New York ("Superintendent"), having moved this Court for an order appointing the Superintendent and her successors in office as ancillary receiver ("Ancillary Receiver") of United Property & Casualty Insurance Company ("UPC"), and upon reading and filing the petition of the Superintendent, duly verified on the 20th day of March, 2023 ("Verified Petition"), the Affidavit of Eileen Fox, Assistant Chief Insurance Examiner, Property Bureau, New York State Department of Financial Services, sworn to on the 14<sup>th</sup> day of March, 2023, and the exhibits annexed thereto, this Court finds that:

I. UPC is a property/casualty insurer organized under the laws of the State of Florida, with its main administrative office located in St. Petersburg, Florida;

2. UPC was licensed in the State of New York to transact the kinds of insurance specified in New York Insurance Law §§ 1113(a)(4) – (9), (12-14), and (20);

3. By order dated February 27, 2023, the Circuit Court of the Second Judicial Circuit, in and for Leon County, Florida issued a Consent Order Appointing the Florida Department of Financial Services as Receiver of UPC for Purposes of Liquidation, Injunction and Notice of Automatic Stay (the “Liquidation Order”). The Liquidation Order found UPC to be insolvent and appointed the Florida Department of Financial Services as receiver (“Florida Receiver”) of UPC. The Liquidation Order also, among other things, established the date that is one year from the date of the Liquidation Order, which is February 27, 2024, as the bar date for the filing of claims against UPC (the “Claims Bar Date”);

4. UPC is subject to Article 74 of the New York Insurance Law (“Insurance Law”);

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

6. The Florida Receiver requested that the Superintendent commence an ancillary receivership proceeding for UPC; and

7. Insurance Law § 7410(a) mandates that the Superintendent be appointed Ancillary Receiver of UPC.

NOW, on the motion of the Honorable Letitia James, Attorney General of the State of New York, it is hereby

ORDERED as follows:

1. The relief requested in the Verified Petition seeking an order of ancillary receivership (“Order”) is granted in its entirety;
2. The Superintendent and her successors in office are appointed Ancillary Receiver of UPC and are vested with all rights and obligations granted to and imposed upon her pursuant to Article 74 of the Insurance Law;

3. In accordance with Insurance Law § 7412(a), the Claims Bar Date of February 27, 2024, established in paragraph 35 of the Liquidation Order, applies to this ancillary receivership proceeding and all New York claims under UPC policies and evidence supporting such claims must be submitted to the Ancillary Receiver by February 27, 2024, and if not submitted by that date shall be barred;
4. All persons are permanently enjoined and restrained from commencing or prosecuting any actions, lawsuits or proceedings in the State of New York against UPC, and all persons are permanently enjoined and restrained from commencing or prosecuting any actions, lawsuits or proceedings, the obtaining of preferences, judgments, attachments, or other liens, or making any levy in the State of New York against UPC, the Superintendent as Ancillary Receiver or as administrator of the Property/Casualty Insurance Security Fund ("P/C Fund"), the New York Liquidation Bureau, and their employees, attorneys, or agents, with respect to this proceeding or in the discharge of their duties;
5. All parties to actions, lawsuits, and special or other proceedings against insureds of UPC or in which UPC is obligated to defend an insured or provide a defense to a party pursuant to an insurance policy are enjoined and restrained from obtaining any judgment or proceeding with any discovery, court proceedings, or other litigation tasks or procedures, including, but not limited to, conferences, trials, applications for judgment, or proceedings on settlement or judgment, for a period of 180 days from the date this Order is signed;
6. All persons who have first party policyholder loss claims against UPC in the State of New York are enjoined and restrained from presenting and filing claims with the Ancillary Receiver for a period of 90 days from the date this Order is signed;
7. Payment of eligible unearned premiums by the P/C Fund shall be made only if there is sufficient funding available, all the necessary data is provided by the Florida Receiver, and no less than 270 days after entry of this Order have elapsed;
8. Judicial immunity is extended to the Superintendent in her capacities as Ancillary Receiver of UPC and as administrator of the P/C Fund, her successors in office, the New York Liquidation Bureau, and their agents and employees, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of this Court, or in the performance of their duties pursuant to Insurance Law Articles 74 and 76;
9. The Ancillary Receiver shall serve a copy of this Order on the Florida Department of Financial Services c/o Michael B. Dobson, General Counsel on behalf of the Receiver of United Property & Casualty Insurance Company, at 400 South Monroe Street, PL 11, Tallahassee, FL 32399; Florida Department of Financial Services, Division of Rehabilitation and Liquidation c/o Lorrie Arterburn, Division Director, at 325 John Knox Road, Suite 101, The Atrium, Tallahassee, Florida 32303; and Florida Department of Financial Services, Division of Rehabilitation and

Liquidation c/o Miriam O. Victorian, Chief Attorney, at 325 John Knox Road, Suite 101, The Atrium, Tallahassee, Florida 32303, by overnight mail;

10. The Ancillary Receiver shall provide notice of this Order to all creditors, claimants, and interested persons located in the State of New York by posting this Order on the Internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> within 15 days after the entry of this Order;
11. UPC's license to do business in the State of New York is hereby revoked;
12. The caption for this proceeding is hereby amended as follows:

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

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In the matter of

the Ancillary Receivership of

UNITED PROPERTY & CASUALTY INSURANCE COMPANY.

-----X

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

E N T E R

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

## EXHIBIT 2



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

-----X  
In the Matter of

Index No.

the Application of

**AFFIDAVIT**

Adrienne A. Harris, Superintendent of  
Financial Services of the State of New York, for an  
Order of Appointment as Ancillary Receiver of

UNITED PROPERTY & CASUALTY  
INSURANCE COMPANY.  
-----X

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

Eileen Fox, being duly sworn, deposes and says:

1. I am employed as Assistant Chief Insurance Examiner in the Property Bureau of the New York State Department of Financial Services ("DFS") and submit this affidavit, upon information and belief, based upon my review of the files maintained by DFS (a) in support of the petition of the Superintendent of Financial Services of the State of New York ("Superintendent") for an order commencing an ancillary receivership proceeding for United Property & Casualty Insurance Company ("UPC") and appointing the Superintendent and her successors in office as ancillary receiver of UPC as authorized by Article 74 of the New York Insurance Law ("Insurance Law") and (b) to respectfully request that this Court sign the accompanying Order to Show Cause with as early a return date as possible and rule upon this matter as quickly as possible in view of the urgency in ensuring New York claimants with valid claims get paid as soon as possible.

2. UPC is a property/casualty insurer organized under the laws of the State of Florida, with its statutory office located at 800 2<sup>nd</sup> Avenue South, St. Petersburg, Florida 33701.

UPC became licensed to do business as an authorized foreign insurer in the State of New York on or about February 12, 2015.

3. UPC was authorized to transact the business of insurance set forth in paragraphs 4, 5, 6, 7, 8, 9, 12, 13, 14, and 20 of Section 1113(a) of the Insurance Law.

4. On February 27, 2023, the Circuit Court of the Second Judicial Circuit in and for Leon County, Florida issued a Consent Order Appointing the Florida Department of Financial Services as Receiver of UPC for Purposes of Liquidation, Injunction and Notice of Automatic Stay (the "Liquidation Order"). The Liquidation Order, a copy of which is attached hereto as Exhibit "A", found UPC to be insolvent and appointed the Florida Department of Financial Services as Receiver ("Florida Receiver") of UPC. The Liquidation Order also established the date that is one year from the date of the Liquidation Order, which is February 27, 2024, as the bar date for the filing of claims against UPC. *See* Liquidation Order Ex. A, ¶ 35.

5. The Liquidation Order, among other things, established that all insurance policies issued by UPC that have not expired or otherwise been cancelled, will be cancelled effective 12:01 a.m. March 29, 2023 ("Policy Cancellation Date"), provided, however, that any policies of flood insurance issued by UPC pursuant to the National Flood Insurance Act of 1968, as amended, are not cancelled.

In Support Of The Request To Commence An Ancillary Receivership Proceeding

6. On March 7, 2023, the Florida Receiver sent a request to the Superintendent to commence an ancillary receivership proceeding for UPC (the "Letter Request"). A copy of the Letter Request is attached hereto as Exhibit B.

7. Florida is a reciprocal state. Insurance Law § 7408(b)(6) defines a reciprocal state as any state, other than the State of New York, in which the provisions of the Uniform Insurers Liquidation Act (Insurance Law §§ 7408-7415), in substance and effect, are in force. Florida,

UPC's domiciliary state, has adopted, in substance and effect, the provisions of the Uniform Insurers Liquidation Act. Fla. Stat. §631.015.

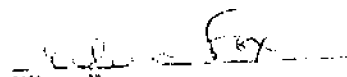
In Support of the Request To Rule On This Matter As Soon As Possible

8. In New York, UPC wrote primarily homeowners' policies. There are approximately 21,000 New York residents with in-force homeowners' policies. There are approximately 250 active claims that have been filed by New York residents against their UPC policies that will likely be covered by the New York Property/Casualty Insurance Security Fund ("P/C Fund"). Of these 250 claims, many are for payment of temporary housing due to fire and water damage. Such claims will likely be entitled to P/C Fund coverage, but the P/C Fund cannot provide protection to these New York claimants until an ancillary receivership proceeding is commenced. We also anticipate many claimants making claims for return premiums due to the cancellation of their policies.

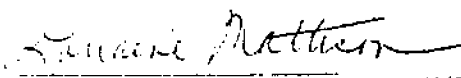
9. In addition, having live policies at the onset of a receivership proceeding is unusual and creates significant hardship for the insureds. Given the 21,000 active New York policies, there is also a high probability that new losses will occur, and new claims will be made before the Policy Cancellation Date. It is particularly urgent that new claims under homeowners' policies receive insurance benefits to cover remediation of damage and the potential displacement of the insured; however, the P/C Fund cannot assist such claimants until an ancillary receivership proceeding is commenced. It is anticipated that it will take some time for Florida to transfer all the relevant records to the Ancillary Receiver in New York.

10. Accordingly, we respectfully ask the Court to sign the Order to Show Cause and place this matter on calendar with as early a return date as possible.

11. We also respectfully request that Your Honor rule expeditiously, as contemplated by Insurance Law §7417, so that the Superintendent can be appointed Ancillary Receiver and the P C Fund can be made available to protect New York claimants.

  
Eileen Fox

Sworn to before me this  
14 day of March, 2023

  
Notary Public

LORRAINE MATTISON  
Notary Public, State of New York  
No. 24-5011414  
Qualified in Kings County  
Commission Expires 4/19/2023

# EXHIBIT A

Filing # 167635273 E-Filed 02/27/2023 04:17:01 PM

**IN THE CIRCUIT COURT OF THE SECOND JUDICIAL CIRCUIT,  
IN AND FOR LEON COUNTY, FLORIDA**

State of Florida, ex rel., the Department  
of Financial Services of the State of Florida,  
Relator

CASE NO.: 2023-CA-000320

vs.

United Property & Casualty Insurance Company,  
Respondent

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**CONSENT ORDER APPOINTING THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES  
AS RECEIVER OF UNITED PROPERTY & CASUALTY INSURANCE COMPANY FOR  
PURPOSES OF LIQUIDATION, INJUNCTION, AND NOTICE OF AUTOMATIC STAY**

**THIS CAUSE** was considered on the Petition of the Florida Department of Financial Services ("Department"), for a Consent Order appointing the Department of Financial Services as Receiver of United Property & Casualty Insurance Company ("Respondent" or "Company"), for Purposes of Liquidation, Injunction, and Notice of Automatic Stay (hereinafter, "Petition"). The Court, having reviewed and considered the pleadings of record, and otherwise being fully informed in the premises, finds as follows:

1. Section 631.021, Florida Statutes (2022), provides that a delinquency proceeding pursuant to chapter 631, Florida Statutes, constitutes the sole and exclusive method of liquidating, rehabilitating, reorganizing, or conserving a Florida domiciled insurer.

2. This Court has original jurisdiction over these proceedings and has exclusive jurisdiction over all assets or property of the Respondent, wherever located, including property located outside the territorial limits of the state. §§ 631.021(1),(6), Fla. Stat.

3. This Court can exercise jurisdiction over any person required by section 631.391, Florida Statutes, to cooperate with the Department and the Office of Insurance Regulation ("OIR") and over all persons made subject to this Court's jurisdiction by other provisions of law, section 631.025, Florida Statutes.

4. Venue is proper in the Circuit Court of Leon County. § 631.021(2), Fla. Stat.

5. This Court is authorized to enter all necessary or proper orders to carry out the purpose of the Florida Insurers Rehabilitation and Liquidation Act, sections 631.001 *et seq.*, Florida Statutes.

6. Respondent was licensed by OIR as a state of Florida domestic property and casualty insurer authorized to transact insurance business in the state of Florida pursuant to Chapter 624, Part III, Florida Statutes. Respondent is specifically authorized to write in the following lines of insurance: (010) Fire; (020) Allied Lines; (040) Homeowners Multi-Peril; (090) Inland Marine; (120) Earthquake; (170) Other Liability (260) Burglary and Theft; and (270) Boiler and Machinery. Respondent's principal place of business is located at: 800 2<sup>nd</sup> Ave South, St. Petersburg, Florida.

7. Upon a determination by OIR that one or more grounds exist to initiate a delinquency proceeding against an insurer and upon OIR's determination that a delinquency proceeding should be initiated, OIR is required to refer the insurer to the Department for the initiation of such delinquency proceeding. § 631.031(1), Florida Statutes.

8. By letter dated February 16, 2023, pursuant to section 631.031(1), Florida Statutes, Mark Yaworsky, Interim Commissioner of OIR, advised Florida's Chief Financial Officer, Jimmy Patronis, that grounds exist for the initiation of liquidation proceedings against Respondent. Attached to the letter was an affidavit from Virginia A. Christy, OIR's Director of Property & Casualty Financial Oversight, which provided the information required by that Section.

9. Section 631.031(2), Florida Statutes empowers the Department to petition this Court for a consent order directing it to liquidate a domestic insurer upon notification from OIR that grounds exist for the initiation of such proceedings. The Department finds that the affidavit and referral meet the statutory requirements of Section 631.031(1), Florida Statutes.

10. Pursuant to section 631.061, Florida Statutes, the Department may apply for such an order if the insurer is or is about to become insolvent or upon the existence of any of the grounds specified in section 631.051, Florida Statutes.

11. Based on the evidence presented in the Department's Petition, the Court has determined that sufficient grounds exist for the liquidation of Respondent pursuant to the following provisions of law:

a. Section 631.061(1), Florida Statutes in that Respondent is insolvent within the meaning of section 631.011(14).

b. Section 631.051(11), Florida Statutes in that Respondent has consented, through a Resolution of its board of directors, to the appointment of the Department as Receiver of Respondent for the purposes of liquidation.

c. Section 631.051(3), Florida Statutes in that OIR has determined that Respondent's continued operation is hazardous to its policyholders, creditors, stockholders, and the public.

12. The Court therefore finds that it is in the best interests of Respondent, its policyholders, creditors, stockholders, and the Public that the Department be appointed receiver of Respondent for purposes of liquidation.

**THEREFORE, IT IS ORDERED AND ADJUDGED:**

13. The Department of Financial Services of the State of Florida shall be and is hereby appointed receiver of Respondent for purposes of liquidation, **effective immediately upon the entry of this Order.**



14. The Department is granted all the powers of the Respondent's officers, directors, and managers, all of who are permanently discharged and who have no further authority of any kind over the affairs or assets of Respondent, except as may be redelegated by the Department.

§ 631.141(10), Fla. Stat.

15. The Department has full power to direct and manage the affairs of Respondent, to hire and discharge employees, and to deal with the property and business of the Respondent.

16. All officers, directors, trustees, administrators, agents and employees, and all other persons representing Respondent or currently employed or utilized by Respondent in connection with the conduct of its business are discharged forthwith, provided, however, the Department may retain such persons in the Department's discretion. § 631.141(10), Fla. Stat.

17. For purposes of this Order, the term "affiliate" shall be defined in accordance with section 631.011(1), Florida Statutes, and shall include, but not be limited to, the following affiliates: United Insurance Holding Corp.; United Insurance Management L.C.; Skyway Claims Services LLC; AmCo Holding Company LLC; Interboro Insurance Company; UPC Re; Skyway Reinsurance Services, LLC; Skyway Legal Services, LLC; Skyway Technology Services, LLC.

18. Any present or former officer, director, manager, trustee, administrator, attorney, agent, accountant, actuary, broker, employee, adjuster, independent contractor, or affiliate of Respondent and any other person who possesses or possessed any executive authority over, or who exercises or exercised any control over, any segment of Respondent's affairs or the affairs of its affiliates ("Controlling Persons") shall be required to fully cooperate with the Department, pursuant to section 631.391, Florida Statutes. Any person who fails to cooperate with the Department, interferes with the Department, or fails to follow the instructions of the Department, may, at the Department's discretion, be excluded from the Respondent's business premises.

19. The Department is vested with title to all property, real or personal; contracts; rights of action; and all books and records of Respondent, wherever located. § 631.141, Fla. Stat.

**THE DEPARTMENT IS AUTHORIZED AND DIRECTED TO:**

A. Take immediate possession of all the assets, estate, and property of every kind whatsoever and wherever located belonging to Respondent pursuant to sections 631.111, 631.141, and 631.155 Florida Statutes, whether in the possession of Respondent or its officers, directors, shareholders, trustees, employees, consultants, attorneys, agents, affiliates, or other persons, including but not limited to: offices maintained by Respondent; furniture; fixtures; equipment; office supplies; choses in action; rights of action; contract rights; books, papers, claims and claim files, policy files, application files, premium records, rate books, underwriting manuals, all reinsurance files, records, and related data; personnel records, and all other records and data that are otherwise the property of the Respondent, in whatever form maintained; evidences of debt; bank accounts; savings accounts; certificates of deposit, stocks, bonds, debentures, letters of credit, trust accounts, and all other sources of collateral, and other securities; mortgages; real property; and all funds held by Respondent's agents, subagents, producing agents, brokers, solicitors, service representatives, premium finance companies, or others under agency contracts or otherwise which are due and unpaid to Respondent, including premiums, unearned commissions, agents' balances, agents' reserve funds, subrogation recoveries, and the benefit of any tax refunds and/or recoverables, including but not limited to any net operating loss ("NOL") carrybacks, with the understanding that any right of offset shall be subject to the provisions of Chapter 631, Florida Statutes.

B. Marshal the assets and liquidate the business of Respondent.

C. Publish notice specifying the time and place fixed for the filing of claims with

the Department in all states where Respondent may have issued insurance policies. § 631.181, Fla. Stat.

D. Give notice of this proceeding to Respondent's agents pursuant to section 631.341, Florida Statutes.

E. Employ and authorize the compensation of legal counsel, actuaries, accountants, clerks, consultants, and such assistants as it deems necessary; purchase or lease personal or real property as it deems necessary; and authorize the payment of the expenses of these proceedings and the necessary incidents thereof, to be paid out of the funds or assets of the Respondent in the possession of the Department or coming into its possession. § 631.141(9), Fla. Stat.

F. Reimburse such employees, from the funds of this receivership, for their actual necessary and reasonable expenses incurred while traveling on the business of this receivership.

G. Not defend or accept service of process on legal actions wherein Respondent, the Department, or the insured is a party defendant, commenced either prior to or subsequent to the order, without authorization of this Court; except, however, in actions where Respondent is a nominal party, as in certain foreclosure actions, and the action does not affect a claim against or adversely affect the assets of Respondent, the Department may file appropriate pleadings in its discretion. § 631.021(5), Fla. Stat.

H. Commence and maintain all legal actions necessary, wherever necessary, for the proper administration of this receivership proceeding.

I. Collect all debts that are economically feasible to collect that are due and owing to Respondent.

J. Deposit funds and maintain bank accounts in accordance with section 631.221, Florida Statutes.

K. Take possession of all of Respondent's securities and certificates of deposit on deposit with the Chief Financial Officer of Florida or any similar official of any other state, if any, and convert to cash as much as may be necessary, in its judgment, to pay the expenses of administration of this receivership.

L. Negotiate and settle subrogation claims and final judgments without further order of this Court.

M. Sell any salvage recovered property without further order of this Court.

N. Coordinate the operation of the receivership with the operation of the Florida Insurance Guaranty Association and any other affected guaranty association in accordance with the provisions of sections 631.395, 631.397, and part II of chapter 631, Florida Statutes, The Department may in its discretion, contract with, provide data processing services for, and release claims files, records, documents pertaining to claims on file with Respondent, or insurance claims filed with the Department to the appropriate guaranty association(s) as necessary to carry out the purposes of chapter 631, Florida Statutes.

O. Update its records to incorporate change of address information for interested individuals/entities (e.g. agent, claimant, creditor, policyholder, subscriber) if the Department determines that there has been a change of address for any interested individuals/entities. The Department is authorized to use change of address information for future mailings.

P. Transfer unclaimed funds to the unclaimed property unit(s) of the states(s) reflected in the claimants' last address of record in the Department's files.

Q. Dispose of and destroy obsolete and unneeded records pursuant to section 631.141(12), Florida Statutes.

R. Authorize the applicable guaranty association(s) to dispose of and destroy

obsolete and unneeded records after the records have been scanned, verified, and added to the guaranty association's records management system so long as the guaranty association(s) provide access to these electronic records to the Department as required to handle its duties.

S. Surrender Respondent's certificate of authority to engage in the insurance business in the state of Florida to the Office of Insurance Regulation, as well as to surrender Respondent's certificate of authority to engage in the insurance business to any other state's Department of Insurance, or appropriate state regulatory authority, where Respondent may be licensed.

T. Notify the Florida Secretary of State, as well as any other states' Secretary of State, of the receivership of Respondent and take any necessary action to ensure that Respondent's ability to do business in Florida and in any other state is subject to both the Department's authority as Receiver and this Court's authority as the receivership court, up to and including administratively dissolving the entity.

U. Apply to this Court for further instructions as the Department deems necessary.

**IT IS FURTHER ORDERED AND DIRECTED:**

20. This order shall cover Family Security Insurance Company that was merged into Respondent on or about May 31, 2022 with Respondent being the surviving company.

21. Any "Covered Entity" or "Business Associate" in possession of "Protected Health Information" ("PHI") as defined in and governed by the federal Health Insurance Portability and Accountability of 1996, is authorized and directed to disclose such PHI to the Department as receiver of Respondent to the same extent that such disclosure would have been permissible if made directly to Respondent prior to the entry of this Order.

22. Any "financial institution" in possession of "nonpublic personal information" ("NPI") as defined in and governed by the Gramm-Leach-Bliley Financial Modernization Act of 1999, is authorized and directed to disclose such NPI to the Department as receiver of Respondent, to the same extent that such disclosure would have been permissible if made directly to Respondent prior to the entry of this Order.

23. All records and data of Respondent held by a parent corporation or other affiliate are and remain the property of Respondent and shall be secured and segregated or be readily capable of segregation, at no additional cost to the Department, from all other persons and entities' records and data. This includes all records and data that are otherwise the property of the Respondent, as described in paragraphs 24A and 32 of this Order. At the request of the Department the parent corporation or other affiliate shall provide a complete set of all records of any type that pertain to the Respondent's business; complete access to and administrative control of the operating systems on which the data is maintained; use of the software that runs those systems either through assumption of licensing agreements or otherwise.

24. Except as noted in the following paragraph, pursuant to the provisions of 631.252, Florida Statutes, all policies of insurance or similar contracts of coverage issued by Respondent that have not expired are **cancelled effective 12:01 a.m. on the date 30 days after the entry of the Liquidation Order** provided, however, that any policies of flood insurance issued by Respondent pursuant to the National Flood Insurance Act of 1968, as amended shall not be cancelled. Policies

or contracts of coverage with normal expiration dates prior to the dates otherwise applicable under this paragraph, or which are terminated by insureds, or lawfully cancelled by the Department or insurer before such date, shall stand cancelled as of the earlier date.

25. Any premium finance company that has entered into a contract to finance a premium for a policy issued by the Respondent is required to pay any premium owed to the Respondent directly to the Department.

26. The Department shall administer reinsurance losses recoverable or payable by the Respondent in accordance with Chapter 631, Florida Statutes. All correspondence concerning Respondent's reinsurance coverage shall be between the Department and the reinsuring company or intermediary.

27. The United States Postal Service shall be directed to provide any information requested by the Department regarding the Respondent and to handle future deliveries of Respondent's mail as directed by the Department.

28. Upon receipt of a copy of this Order, any bank, savings and loan association, financial institution, or other person which has on deposit, in its possession, custody, or control any funds, accounts, or other assets which are or may be property of Respondent, or which are held by Respondent's affiliates, agents, subagents, producing agents, brokers, solicitors, service representatives, premium finance companies, or others under agency contracts or which were otherwise set up for the benefit to Respondent regardless of how such accounts or assets are titled is directed to immediately:

A. Disclose to the Department the existence of those accounts, any funds contained therein, and all documents in its possession relating to Respondent for the Department's inspection and copying;

B. Transfer title, custody, and control of all such funds, accounts, and other assets to the Department; and

C. Not otherwise disburse, convey, transfer, pledge, assign, hypothecate, encumber, or in any manner dispose of such funds, accounts, and assets without prior written consent of, or unless otherwise directed in writing by the Department.

The Department shall be authorized to change the name of such accounts and other assets; change the authorized signers on the accounts; withdraw account funds from such bank, savings and loan association or other financial institution; or take any lesser action necessary for the proper conduct of this receivership. No bank, savings and loan association, or other financial institution shall be permitted to exercise any form of set-off, alleged set-off, lien, any form of self-help whatsoever, or refuse to transfer any funds or assets to the Department's control without permission of this Court.

29. Any entity furnishing telephone, water, electric, sewage, garbage, or trash removal services to the Respondent is required to maintain such service and transfer any such accounts to the Department as of the date of the Order, unless instructed to the contrary by the Department.

30. Upon request by the Department, any company providing telephonic services to the Respondent is directed to provide a reference of calls from the number presently assigned to the Respondent to any such number designated by the Department or perform any other services or changes necessary to the conduct of the receivership.

31. All executory contracts to which the Respondent was a party shall be cancelled and stand cancelled unless specifically adopted by the Department within ninety (90) days of the date of this Order or from the date of the Department's actual knowledge of the existence of such contract, whichever is later. "Actual Knowledge" means the Department has in its possession a written contract to which the Respondent is a party, and the Department has notified the vendor in writing acknowledging the existence of the contract.



A. Further, the Department shall have the authority to do the following:

i. Pay for services provided by any of Respondent's vendors, including affiliates which are vendors, in the ninety (90) day period prior to assuming or rejecting the contract, which are necessary to administer the receivership estate; and

ii. Once the Department determines Respondent's vendor is necessary in the continued administration of the receivership estate for a period to exceed the ninety (90) days from the date of this order, or from the date of Department's actual knowledge of such contract, whichever is later, the Department may make minimal modifications to the terms of the contract, including, but not limited to, the expiration date of the agreement, the scope of the services to be provided, and/or the compensation to be paid to Respondent's vendor pursuant to the contract. "Minimal Modifications" shall mean any minimum alteration made to the contract in order to adapt to the new circumstances of the receivership estate. In no event will any minimal modification be construed as the Department entering into a new contract with Respondent's vendor.

B. Any vendor, including but not limited to, any and all employees/contractors of insurer, claiming the existence of a contractual relationship with the insurer shall provide notice to the Department of such relationship. This notice shall include any and all documents and information regarding the terms and conditions of the contract, including a copy of the written contract between the vendor and the insurer, if any, what services or goods were provided pursuant to the contract, any current, future and/or past due amounts owing under the contract, and any supporting documentation for third party services or goods provided. Failure to provide the required information may result in vendors' contractual rights not being recognized by the

Department. The rights of the parties to any such contracts are fixed as of the date of the Order and any cancellation under this provision shall not be treated as an anticipatory breach of such contracts.

32. Any and all information technology service providers or data processing services, including but not limited to: Duck Creek, Griston, Mulesoft, TierPoint, Highland Onbase, Caseglide, Workday, Clearwater Analytics, Wings Statutory Reporting, Dayshore Solutions, Ring Central, Marketoo, TC Delivers, Ingo Money, Exactware-Exactimate, Mind Tree, and Duck Creek Professionals, which have custody or control of any data processing information and records including but not limited to electronic message communications, source documents, claims data, policy administration data, data processing cards, input tapes, all types of storage information, master tapes or any other recorded information relating to the Respondent is directed to transfer the rights to or actual custody and control of such records to the Department. The Department shall be authorized to compensate any such entity for the actual use of hardware, software, and licenses which the Department finds to be necessary to this proceeding. Compensation should be based upon the monthly rate provided for in contracts or leases with Respondent or its affiliates which were in effect when this proceeding was instituted or based upon such contract as may be negotiated by the Department, for the actual time such equipment and software is used by the Department. Any past due or pending balances due from Respondent shall be processed as claims against the receivership estate and shall not be a basis for withholding the transfer of records, actual use of hardware or software, or services contemplated in this Paragraph.

33. All attorneys employed by Respondent as of the date of the Order, are required **within ten (10) days of receiving notice of this Order**, to report to the Department on the name, company claim number and status of each file they are handling on behalf of the Respondent. Said report

should also include an accounting of any funds received from or on behalf of the Respondent. All attorneys employed by Respondent are advised that pursuant to sections 631.011(17) and 631.011(21), Florida Statutes, a claim based on mere possession does not create a secured claim and all attorneys employed by Respondent, pursuant to *In Re the Receivership of Syndicate Two, Inc.*, 538 So.2d 945 (Fla DCA 1989), who are in possession of litigation files or other material, documents or records belonging to or relating to work performed by the attorney on behalf of Respondent are required to deliver such litigation files, material, documents or records intact and without purging to the Department, on request, notwithstanding any claim of a retaining lien which, if otherwise valid, should not be extinguished by the delivery of these documents.

34. All subsidiaries, affiliates, parent corporations, ultimate parent corporations, and any other business entity affiliated with Respondent having any interest in the building located at [insert address] or any other facility in which Respondent may operate, shall make available, at that location and at no charge to the Department or to Respondent, office space, and related facilities (telephone service, copiers, computer equipment and software, office supplies, parking, etc.) to the extent deemed necessary by the Department in its sole discretion.

35. All claims shall be filed with the Department on proof of claim forms ("POCs") prepared by the Department on or before 1 year from the date this Order is entered, or such claims shall be considered late-filed. The Department may disallow a claim if it does not contain all of the information required by the POC or if the claim is not filed on the POC provided by the Department. If the deadline for filing claims falls on a Saturday, Sunday, or a legal holiday, the deadline is extended to the next business day. Pursuant to section 631.181(5), Florida Statutes, the Department may petition this Court to set a date certain after which no further claims may be filed.

36. To assure the validity of claim assignments, to assure that the processing of assignments does not create an undue burden on estate resources, and to assure that assignment decisions are made using the best information available, the Department shall not recognize or accept any assignment of claim by the claimant of record unless the following criteria are met:

- A. A distribution petition has not been filed with this Court;
  - B. The Department has been provided with a properly executed and notarized assignment of claim agreement entered into between the parties;
  - C. The Department has been provided with a properly executed and notarized Department's Assignment of Claim Change Form and required supporting documentation.
  - D. The Department's Assignment of Claim Change Form shall contain an acknowledgement by the claimant, or someone authorized to act on behalf of the claimant, that:
    - i. The claimant is aware that financial information regarding claims distributions and payments published on the Department's website or otherwise available can assist the claimant in making an independent and informed decision regarding the sale of the claim;
    - ii. The claimant understands that the purchase price being offered in exchange for the assignment may differ from the amount ultimately distributed in the receivership proceeding with respect to the claim;
    - iii. It is the claimant's intent to sell their claim and have the Department's records be permanently changed to reflect the new owner; and
    - iv. The claimant understands that that they will no longer have any title, interest, or rights to the claim including future mailings and distributions if they occur.
- Any person, firm, corporation, or other entity having notice of the Order that fails to abide by its

terms is directed to appear before this Court to show good cause, if any they may have, as to why they should not be held in contempt of Court for violation of the provisions of this Order.

**CONTINUATION OF INVESTIGATION**

37. The Department shall be authorized to conduct an investigation as authorized by section 631.156, Florida Statutes, to determine the causes of the insolvency, including whether false statements filed with the Department contributed to the insolvency and if any laws of this state, any other state, or the Federal Government relating to the solvency of the insurer were violated; to discover assets for recovery; and to determine the location of assets and their manner of recovery.

38. The Department may take statements under oath and examine and review the books, records, and documents of Controlling Persons as defined in paragraph 18.

39. Section 631.391, Florida Statutes, imposes on Controlling Persons a duty to cooperate with the Department in any proceeding under Chapter 631, Florida Statutes, and during any investigation preliminary or incidental to the proceeding. Such cooperation shall include, but not be limited to, providing oral testimony under oath, in both their official, representative, and individual capacities and the production of all documents that are calculated to disclose the true state of Respondent's affairs.

40. In furtherance of this investigation, Respondent's parent corporations, its subsidiaries, and affiliates are required to make all books, documents, accounts, records, including all records located in any premises occupied by such parent corporations, subsidiaries or affiliates available for full, free and unhindered inspection and examination by the Department during normal business hours (8:00 a.m. to 5:00 p.m.) Monday through Friday, from the date of the Order and to provide copies of any records requested by the Department whether or not such records are related to Respondent.

41. Additionally, Respondent's parent corporations, its subsidiaries, and affiliates shall secure all employee electronic mailboxes and provide to the Department a full export of all employee electronic mailboxes for the past twelve months or longer to the extent that data older than twelve months is available in a format that maintains all header and custodian metadata.

42. All Sheriffs and all law enforcement officials of this state shall cooperate with and assist the Department in the implementation of this Order.

### **INJUNCTION**

43. Pursuant to sections 631.041(3) and (4), Florida Statutes, all persons, firms, corporations and associations within the jurisdiction of this Court, including, but not limited to, Respondent and its officers, directors, stockholders, affiliates, members, subscribers, agents, and all other persons are enjoined and restrained from the further transaction of the insurance business of the Respondent; from doing, doing through omission, or permitting to be done any action which might waste or dispose of the books, records and assets of the Respondent; from in any means interfering with the Department or these proceedings; from the transfer of property and assets of Respondent without the consent of the Department; from the removal, concealment, or other disposition of Respondent's property, books, records, and accounts; from the commencement or prosecution of any actions against the Respondent or the Department together with its agents or employees, the service of process and subpoenas, or the obtaining of preferences, judgments, writs of attachment or garnishment or other liens; and, from the making of any levy or execution against Respondent or any of its property or assets.

44. Notwithstanding the provisions of this paragraph, the Department is permitted to accept and be subpoenaed for non-party production of claims files, insurance policies, underwriting files, personnel and other types of related company files, in its possession, including

medical records, which may be contained therein. In such cases where medical records are subpoenaed, the requesting party must submit an affidavit to the Department stating that notice of the non-party production was appropriately issued and provided to the patient and that the patient was given the opportunity to object and either did not object to the non-party production, or objected and the Court overruled the objection, in which case a copy of the Court's ruling must be attached to the affidavit. The Department is authorized to impose a charge for copies of such files pursuant to the provisions of section 624.501, Florida Statutes.

#### **NOTICE OF AUTOMATIC STAY**

45. Notice is hereby given that, pursuant to section 631.041(1), Florida Statutes, the filing of the Department's Petition herein operates as an automatic stay applicable to all persons and entities, other than the Department and OIR, which shall be permanent and survive the entry of the order, and which prohibits:

A. The commencement or continuation of judicial, administrative, or other action or proceeding against the insurer or against its assets or any part thereof;

B. The enforcement of a judgment against the insurer or an affiliate obtained either before or after the commencement of the delinquency proceeding;

C. Any act to obtain possession of property of the insurer;

D. Any act to create, perfect or enforce a lien against property of the insurer, except a secured claim as defined in section 631.011(21), Florida Statutes;

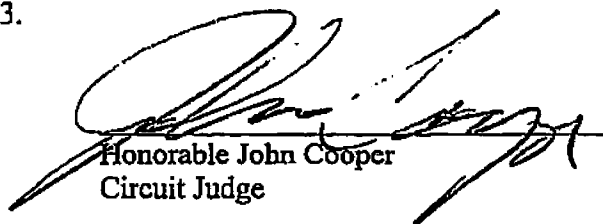
E. Any action to collect, assess or recover a claim against the insurer, except claims as provided for under chapter 631, Florida Statutes; and

F. The set-off or offset of any debt owing to the insurer except offsets as provided in section 631.281, Florida Statutes.

46. The estate of an insurer in liquidation which is injured by any willful violation of an applicable stay or injunction shall be entitled to actual damages, including costs and attorney's fees, and, in appropriate circumstances, this Court may impose additional sanctions. § 631.041(6), Fla. Stat.

47. This Court retains jurisdiction of this cause for the purpose of granting such other and further relief as from time to time shall be deemed appropriate.

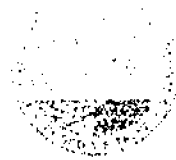
DONE and ORDERED in Chambers at the Leon County Courthouse in Tallahassee, Leon County, Florida on this 27<sup>th</sup> day of February 2023.



Honorable John Cooper  
Circuit Judge



## EXHIBIT B



CHIEF FINANCIAL OFFICER  
JIMMY PATRONIS  
STATE OF FLORIDA

March 7, 2023

Adrienne A. Harris,  
Superintendent of Financial Services of the State of New York  
c/o David Axinn, Special Deputy Superintendent and Agent  
New York Liquidation Bureau  
180 Maiden Lane, 15<sup>th</sup> Floor  
New York, NY 10038

RE: United Property & Casualty Insurance Company

Dear Mr. Axinn:

As you are aware, United Property & Casualty Insurance Company ("UPC") was placed into liquidation on February 27, 2023 ("Liquidation Order") by the Circuit Court of the Second Judicial Circuit, In and For Leon County, Florida. The Liquidation Order contains a finding of UPC's insolvency. Because the Liquidation Order found UPC to be insolvent, various guaranty funds, including the New York security funds, will be triggered.

UPC was licensed to do business in New York and we require the triggering of the New York security funds to handle open and newly reported claims in New York.

We have reviewed the Uniform Insurers Liquidation Act and the six criteria required to be deemed a reciprocal state. The requirements have been met by Florida Statute, Chapter 631, §631.015.

Based on the foregoing, we are requesting you commence an ancillary proceeding in the Supreme Court of the State of New York, New York County, as soon as reasonably possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Dobson".

Michael Dobson  
General Counsel

MD/pf

FLORIDA DEPARTMENT OF FINANCIAL SERVICES  
Michael B. Dobson, General Counsel  
Florida Department of Financial Services  
200 East Gaines Street • Tallahassee, Florida 32399-0301 • Tel: 850-413-4912  
Email • Michael.Dobson@MyFloridaCFO.com  
AFFIRMATIVE ACTION • EQUAL OPPORTUNITY EMPLOYER

# EXHIBIT 3

At IAS Part 37 of the Supreme Court of the State of New York, at the courthouse located at 60 Centre in the City, County and State of New York, on the 16<sup>th</sup> day of December, 2020.

PRESENT:

HON. A. Engoron J.S.C.

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

-----X  
In the Matter of

the Application of

Linda A. Lacewell, Superintendent of  
Financial Services of the State of New York, for an  
Order of Appointment as Ancillary Receiver of

AMERICAN COUNTRY INSURANCE COMPANY.  
-----X

Index No.:

45 2250/2020

**ORDER OF ANCILLARY  
RECEIVERSHIP**

Linda A. Lacewell, Superintendent of Financial Services of the State of New York ("Superintendent"), having moved this Court by order to show cause for an order appointing the Superintendent and her successors in office as ancillary receiver ("Ancillary Receiver") of American Country Insurance Company ("ACIC"), and upon reading and filing the petition of the Superintendent, duly verified on the 9th day of November, 2020 ("Verified Petition"), the Affidavit of Joan Riddell, Deputy Chief Insurance Examiner, Property Bureau, New York State Department of Financial Services, sworn to on the 22nd day of October, 2020, and the exhibits annexed thereto, this Court finds that:

1. ACIC is an Illinois-based property and casualty insurance company wholly owned by American Service Insurance Company; which, in turn, is wholly owned by American Insurance

Acquisition Inc., a Delaware corporation; which, in turn, is wholly owned by Atlas Financial Holdings, Inc., a Cayman Island corporation;

2. By order dated August 11, 2020, the Circuit Court of Cook County, Illinois, County Department, Chancery Division issued an Agreed Order of Liquidation finding ACIC to be insolvent ("Liquidation Order") and appointing Robert H. Muriel, Director of the Illinois Department of Insurance, Liquidator ("Illinois Liquidator") of ACIC;

3. ACIC is subject to Article 74 of the New York Insurance Law ("Insurance Law");

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

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

6. Insurance Law § 7410(a) mandates that the Superintendent be appointed Ancillary Receiver of ACIC.

NOW, on the motion of the Honorable Letitia James, Attorney General of the State of New York, it is hereby

ORDERED as follows:

1. The relief requested in the Verified Petition seeking an order of ancillary receivership ("Order") is granted in its entirety;
2. The Superintendent and her successors in office is appointed Ancillary Receiver of ACIC and is vested with all rights and obligations granted to and imposed upon her pursuant to Article 74 of the Insurance Law;
3. The material provisions of the Liquidation Order, including, but not limited to, the injunctions, restrictions, and directions contained in paragraph 7 apply to this ancillary receivership proceeding;
4. All persons are permanently enjoined and restrained from commencing or prosecuting any actions, lawsuits, or proceedings against ACIC in ancillary receivership, the Superintendent as Ancillary Receiver of ACIC or as administrator of the New York security funds, the New York Liquidation Bureau, and their

employees, attorneys, or agents, with respect to this proceeding or in the discharge of their duties;

5. All parties to actions, lawsuits, and special or other proceedings in the State of New York against insureds of ACIC or in which ACIC is obligated to defend an insured or provide a defense to a party pursuant to an insurance policy, are enjoined and restrained from obtaining any judgment or proceeding with any discovery, court proceedings, or other litigation tasks or procedures, including, but not limited to, conferences, trials, applications for judgment, or proceedings on settlement or judgment, for a period of 180 days from the date this Order is signed;
6. All persons who have first party policyholder loss claims against ACIC in the State of New York are enjoined and restrained from presenting and filing claims with the Ancillary Receiver for a period of 90 days from the date this Order is signed;
7. Judicial immunity is extended to the Superintendent in her capacities as Ancillary Receiver of ACIC and as administrator of the New York security funds, her successors in office, the New York Liquidation Bureau, and their agents and employees, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of this Court, or in the performance of their duties pursuant to Insurance Law Articles 74 and 76 and Article 6A of the New York Workers' Compensation Law;
8. The Ancillary Receiver shall serve a copy of this Order on the Illinois Liquidator by overnight delivery to the Office of the Special Deputy Receiver, representing Robert H. Muriel, Director of the Illinois Department of Insurance in his capacity as Domestic Receiver of American Country Insurance Company at 222 Merchandise Mart Plaza, Suite 960, Chicago, Illinois 60654, Att'n.: J. Kevin Baldwin;
9. The Ancillary Receiver shall provide notice of this Order to all creditors, claimants, and interested persons located in the State of New York by posting the Order on the Internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> within 15 days after the entry of this Order;
10. ACIC's license to do business in the State of New York is hereby revoked;

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

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

-----X

In the matter of

the Ancillary Receivership of

AMERICAN COUNTRY INSURANCE COMPANY.

-----X

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

ENTER



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

L 29623/map

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

PRESENT: HON. ARTHUR F. ENGORON

PART

IAS MOTION 37EFM

*Justice*

-----X

LINDA LACEWELL

Petitioner,

- v -

Respondent.

-----X

INDEX NO.

452249/2020

MOTION DATE

N/A

MOTION SEQ. NO.

001

## DECISION + ORDER ON MOTION

The following e-filed documents, listed by NYSCEF document number (Motion 001) 7, 11, 13, 14  
were read on this motion to/for INJUNCTION/RESTRAINING ORDER.

Upon the foregoing documents, it is ordered that the instant petition is granted. Order signed and  
e-filed as NYSCEF Document 14.

12/2/2020

DATE

CHECK ONE:

☒

CASE DISPOSED

☒

GRANTED

☐

DENIED

APPLICATION:

☐

SETTLE ORDER

CHECK IF APPROPRIATE:

☐

INCLUDES TRANSFER/REASSIGN

☐

NON-FINAL DISPOSITION

☐

GRANTED IN PART

☐

OTHER

☐

SUBMIT ORDER

☐

FIDUCIARY APPOINTMENT

☐

REFERENCE

20201202112450AENGORON642546F3C6524639B55E6F2BA74ED4C2


ARTHUR F. ENGORON, J.S.C.



At IAS Part 37 of the Supreme Court of the State of New York, at the courthouse located at 60 Centre St. \_\_\_\_\_, in the City, County and State of New York, on the 2nd day of Dec. \_\_\_\_\_, 2020.

P R E S E N T :

HON. A. Engoron J.S.C.

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

-----X  
In the Matter of

Index No.:

the Application of

Linda A. Lacewell, Acting Superintendent of  
Financial Services of the State of New York, for an  
Order of Appointment as Ancillary Receiver of

**ORDER OF ANCILLARY  
RECEIVERSHIP**

AMERICAN SERVICE INSURANCE COMPANY.  
-----X

Linda A. Lacewell, Superintendent of Financial Services of the State of New York (“Superintendent”), having moved this Court by order to show cause for an order appointing the Superintendent and her successors in office as ancillary receiver (“Ancillary Receiver”) of American Service Insurance Company (“ASIC”), and upon reading and filing the petition of the Superintendent, duly verified on the 9th day of November, 2020 (“Verified Petition”), the Affidavit of Joan Riddell, Deputy Chief Insurance Examiner, Property Bureau, New York State Department of Financial Services, sworn to on the 22nd day of October, 2020, and the exhibits annexed thereto, this Court finds that:

1. ASIC is an Illinois-based property and casualty insurance company wholly owned by American Insurance Acquisition Inc., a Delaware corporation; which, in turn, is wholly owned by Atlas Financial Holdings, Inc., a Cayman Island corporation;

2. By order dated August 11, 2020, the Circuit Court of Cook County, Illinois, County Department, Chancery Division issued an Agreed Order of Liquidation finding ASIC to be insolvent (“Liquidation Order”) and appointing Robert H. Muriel, Director of the Illinois Department of Insurance, as Liquidator (“Illinois Liquidator”) of ASIC;

3. ASIC is subject to Article 74 of the New York Insurance Law (“Insurance Law”);

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

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

6. Insurance Law § 7410(a) mandates that the Superintendent be appointed Ancillary Receiver of ASIC.

NOW, on the motion of the Honorable Letitia James, Attorney General of the State of New York, it is hereby

ORDERED as follows:

1. The relief requested in the Verified Petition seeking an order of ancillary receivership (“Order”) is granted in its entirety;
2. The Superintendent and her successors in office is appointed Ancillary Receiver of ASIC and is vested with all rights and obligations granted to and imposed upon her pursuant to Article 74 of the Insurance Law;
3. The material provisions of the Liquidation Order, including, but not limited to, the injunctions, restrictions, and directions contained in paragraph 7, apply to this ancillary receivership proceeding;
4. All persons are permanently enjoined and restrained from commencing or prosecuting any actions, lawsuits, or proceedings against ASIC in ancillary receivership, the Superintendent as Ancillary Receiver of ASIC or as administrator of the New York security funds, the New York Liquidation Bureau, and their employees, attorneys, or agents, with respect to this proceeding or in the discharge of their duties;

5. All parties to actions, lawsuits, and special or other proceedings in the State of New York against insureds of ASIC or in which ASIC is obligated to defend an insured or provide a defense to a party pursuant to an insurance policy are enjoined and restrained from obtaining any judgment or proceeding with any discovery, court proceedings or other litigation tasks or procedures, including, but not limited to, conferences, trials, applications for judgment, or proceedings on settlement or judgment, for a period of 180 days from the date this Order is signed;
6. All persons who have first party policyholder loss claims against ASIC in the State of New York are enjoined and restrained from presenting and filing claims with the Ancillary Receiver for a period of 90 days from the date this Order is signed;
7. Judicial immunity is extended to the Superintendent in her capacities as Ancillary Receiver of ASIC and as administrator of the New York security funds, her successors in office, the New York Liquidation Bureau, and their agents and employees, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of this Court, or in the performance of their duties pursuant to Insurance Law Articles 74 and 76 and Article 6A of the New York Workers' Compensation Law;
8. The Ancillary Receiver shall serve a copy of this Order on the Illinois Liquidator by overnight delivery to the Office of the Special Deputy Receiver, representing Robert H. Muriel, Director of the Illinois Department of Insurance in his capacity as Domestic Receiver of American Service Insurance Company at 222 Merchandise Mart Plaza, Suite 960, Chicago, Illinois 60654, Att'n: J. Kevin Baldwin;
9. The Ancillary Receiver shall provide notice of this Order to all creditors, claimants, and interested persons located in the State of New York by posting the Order on the Internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> within 15 days after the entry of this Order;
10. ASIC's license to do business in the State of New York is hereby revoked;
11. The caption for this proceeding is hereby amended as follows:

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

-----X  
In the matter of

the Ancillary Receivership of

AMERICAN SERVICE INSURANCE COMPANY.

-----X

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

E N T E R

Arthur F  
Engoron

Digitally signed by Arthur F. Engoron  
DN: C=US, OU=NY County Supreme Court,  
O=New York State Courts, CN=Arthur F.  
Engoron, E=AENGORON@NYCOURTS.GOV  
Reason: I am the author of this document  
Location: Molly987987!  
Date: 2020.12.02 11:15:47-05'00'  
Foxit PhantomPDF Version: 10.1.0

J.S.C.

L 29623/map

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

PRESENT: HON. W. FRANC PERRY

PART

IAS MOTION 23EFM

*Justice*

-----X

INDEX NO.

450931/2019

LINDA LACEWELL,

MOTION DATE

N/A

Petitioner,

MOTION SEQ. NO.

001

- v -

NORTHWESTERN NATIONAL INSURANCE COMPANY  
OF MILWAUKEE, WISCONSIN,

**DECISION ON PETITION FOR  
ANCILLARY RECEIVERSHIP**

Respondent.

-----X

The following e-filed documents, listed by NYSCEF document number (Motion 001) 7, 11, 12, 13, 14  
were read on this motion to/for SPECIAL PROCEEDING / RECEIVERSHIP

Upon the foregoing documents, and as stated on the record at oral argument on August 8,  
2019, it is hereby

ORDERED that the Petition is granted in accordance with the annexed Order Of  
Ancillary Receivership, dated August 8, 2019; and it is further

ORDERED that the proceeding shall bear the following amended caption:

-----X

In the matter of

the Ancillary Receivership of

NORTHWESTERN NATIONAL INSURANCE COMPANY  
OF MILWAUKEE, WISCONSIN.

-----X

And it is further

ORDERED that counsel for the moving party shall serve a copy of this order with notice  
of entry upon the County Clerk (60 Centre Street, Room 141B) and the Clerk of the General

FILED: NEW YORK COUNTY CLERK 08/08/2019 02:40 PM

INDEX NO. 450931/2019

NYSCEF DOC. NO. 15

RECEIVED NYSCEF: 08/08/2019

Clerk's Office (60 Centre Street, Room 119), who are directed to mark the court's records to reflect the changes to the caption; and it is further

ORDERED that such service upon the County Clerk and the Clerk of the General Clerk's Office shall be made in accordance with the procedures set forth in the Protocol on Courthouse and County Clerk Procedures for Electronically Filed Cases (accessible at the "E-Filing" page on the court's website at the address ([www.nycourts.gov/supctmanh](http://www.nycourts.gov/supctmanh))).

This constitutes the decision and order of the court.

8/8/2019

DATE

CHECK ONE:

APPLICATION:

CHECK IF APPROPRIATE:

☐  
☒  
☐  
☐

CASE DISPOSED

GRANTED

☐

DENIED

SETTLE ORDER

INCLUDES TRANSFER/REASSIGN

☒  
☐  
☐  
☐

NON-FINAL DISPOSITION

GRANTED IN PART

SUBMIT ORDER

FIDUCIARY APPOINTMENT

☐

OTHER

☐

REFERENCE

W. FRANC PERRY, J.S.C.

At IAS Part 23 of the Supreme Court  
of the State of New York, County of  
New York, at the Courthouse, 80  
Centre Street, in the County, City and  
State of New York, on the 8<sup>th</sup> day of  
August, 2019.

P R E S E N T :

HON. W. FRANC PERRY, III J.S.C.

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

-----X  
In the Matter of

Index No.: 450931/2019

the Application of

Linda A. Lacewell, Acting Superintendent of  
Financial Services of the State of New York, for an  
Order of Appointment as Ancillary Receiver of

**ORDER OF ANCILLARY  
RECEIVERSHIP**

NORTHWESTERN NATIONAL INSURANCE COMPANY  
OF MILWAUKEE, WISCONSIN.  
-----X

Linda A. Lacewell, Superintendent of Financial Services of the State of New York ("Superintendent"), having moved this Court for an order appointing the Superintendent and her successors in office as ancillary receiver ("Ancillary Receiver") of Northwestern National Insurance Company of Milwaukee, Wisconsin ("NNIC"), and upon reading and filing the petition of the Superintendent, duly verified on the 13<sup>th</sup> day of June, 2019 ("Verified Petition"), the Affidavit of Joan L. Riddell, Deputy Chief Insurance Examiner, Property Bureau, New York State Department of Financial Services, sworn to on the 13<sup>th</sup> day of May, 2019, and the exhibits annexed thereto, this Court finds that:

1. NNIC is a property and casualty insurer domiciled in the State of Wisconsin. The company was organized in 1869 by an act of the Wisconsin legislature, and maintained its

administrative office in West Chester, Ohio, and its principal place of business in Madison, Wisconsin;

2. NNIC was licensed in the State of New York to transact the kinds of insurance specified in New York Insurance Law § 1113(a)(3) – (17) and (19) – (21);

3. By order dated May 2, 2019, the Circuit Court, Dane County, Madison, Wisconsin issued an Order for Liquidation finding NNIC to be insolvent (“Liquidation Order”) and appointing Mark Afable, Wisconsin Commissioner of Insurance, Liquidator (“Wisconsin Liquidator”) of NNIC. The Liquidation Order also, among other things, established the date that is six months from the date of entry of the Liquidation Order, which is November 2, 2019, as the bar date for the filing of claims against NNIC (“Claims Bar Date”);

4. NNIC is subject to Article 74 of the New York Insurance Law (“Insurance Law”);

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

6. The Wisconsin Liquidator requested that the Superintendent commence an ancillary receivership proceeding for NNIC; and

7. Insurance Law § 7410(a) mandates that the Superintendent be appointed Ancillary Receiver of NNIC.

NOW, on the motion of the Honorable Letitia James, Attorney General of the State of New York, it is hereby

ORDERED as follows:

1. The relief requested in the Verified Petition seeking an order of ancillary receivership (“Order”) is granted in its entirety;
2. The Superintendent and her successors in office is appointed Ancillary Receiver of NNIC and is vested with all rights and obligations granted to and imposed upon her pursuant to Article 74 of the Insurance Law;



3. The material provisions of the Liquidation Order as it pertains to this ancillary receivership proceeding, including injunctions, restrictions and directions set forth in paragraphs 11, 12, 13, 14, 16 and 23 apply to this ancillary receivership proceeding;
4. In accordance with Insurance Law § 7412(a), the Claims Bar Date of November 2, 2019, established in paragraph 23 of the Liquidation Order, applies to this ancillary receivership proceeding and all New York claims under NNIC policies and evidence supporting such claims must be submitted to the Ancillary Receiver by November 2, 2019, and if not submitted by that date shall be barred;
5. All persons are permanently enjoined and restrained from commencing or prosecuting any actions, lawsuits or proceedings in the State of New York against NNIC, and all persons are permanently enjoined and restrained from commencing or prosecuting any actions, lawsuits or proceedings in the State of New York against NNIC, the Superintendent as Ancillary Receiver or as administrator of the New York security funds, the New York Liquidation Bureau, and their employees, attorneys, or agents, with respect to this proceeding or in the discharge of their duties;
6. All parties to actions, lawsuits, and special or other proceedings against insureds of NNIC or in which NNIC is obligated to defend an insured or provide a defense to a party pursuant to an insurance policy are enjoined and restrained from obtaining any judgment or proceeding with any discovery, court proceedings or other litigation tasks or procedures, including, but not limited to, conferences, trials, applications for judgment or proceedings on settlement or judgment, for a period of 180 days from the date of entry of this Order;
7. Judicial immunity is extended to the Superintendent in her capacities as Ancillary Receiver of NNIC and as administrator of the New York security funds, her successors in office, the New York Liquidation Bureau, and their agents and employees, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of this Court, or in the performance of their duties pursuant to Insurance Law Articles 74 and 76 and Article 6-A of the New York Workers' Compensation Law;
8. The Ancillary Receiver shall serve a copy of this Order on the Wisconsin Liquidator by overnight delivery to Mark Afable, Commissioner of Insurance for the State of Wisconsin, 125 South Webster Street, Madison, WI 53703-3474, and Amy J. Malm, Special Deputy Liquidator for NNIC at the same address;
9. The Ancillary Receiver shall provide notice of this Order, substantially in the form attached hereto (the "Notice"), to all creditors, claimants, and interested persons located in the State of New York by: (i) publication of the Notice in the *New York Daily News*, or a publication of similar circulation, within 30 days of entry of this Order; and (ii) posting the Notice and the Order on the Internet web page

maintained by the New York Liquidation Bureau at <http://www.nylb.org> within 15 days after the entry of this Order;

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

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

-----X  
In the matter of

the Ancillary Receivership of

NORTHWESTERN NATIONAL INSURANCE COMPANY  
OF MILWAUKEE, WISCONSIN.  
-----X

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

ENTER

  
\_\_\_\_\_  
J.S.C.  
**HON. W. FRANC PERRY, III**  
J.S.C.

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

Hon. Paul A. Goetz, JSC

PRESENT: \_\_\_\_\_  
Justice

PART 47

Vullo, MARIA T.

453158-17

INDEX NO. \_\_\_\_\_

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

MOTION SEQ. NO. 1

-v-  
Guaran Tee Inc. 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). 1

Answering Affidavits — Exhibits \_\_\_\_\_ No(s). \_\_\_\_\_

Replying Affidavits \_\_\_\_\_ No(s). \_\_\_\_\_

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

*OSC granted  
order of Auxiliary receivership,  
signed.*

Dated: 1/26/18

  
\_\_\_\_\_, J.S.C.  
Hon. Paul A. Goetz, JSC

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 47 of the Supreme Court  
of the State of New York, County of  
New York, at the Courthouse, 80  
Centre Street in the County, City and  
State of New York, on the 26 day of  
JANUARY 2018.

P R E S E N T :

HON. PAUL A. GOETZ, J.S.C.

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

-----X  
In the Matter of

Index No.: 453158/2017

the Application of

Maria T. Vullo, Superintendent of Financial Services  
of the State of New York, for an Order of Appointment  
as Ancillary Receiver of

**ORDER OF  
ANCILLARY  
RECEIVERSHIP**

GUARANTEE INSURANCE COMPANY.  
-----X

Maria T. Vullo, Superintendent of Financial Services of the State of New York  
("Superintendent"), having moved this Court for an order appointing the Superintendent and her  
successors in office as ancillary receiver ("Ancillary Receiver") of Guarantee Insurance  
Company ("Guarantee"), and upon reading and filing the petition of the Superintendent, duly  
verified on the 5<sup>th</sup> day of December, 2017 ("Verified Petition"), the Affidavit of Joan L. Riddell,  
Deputy Chief Insurance Examiner, Property Bureau, New York State Department of Financial  
Services, sworn to on the 5<sup>th</sup> day of December, 2017, and the exhibits annexed thereto, this Court  
finds that:

1. Guarantee is a property/casualty insurer organized under the laws of the State of  
Florida, with its main administrative office located in Fort Lauderdale, Florida;

2. Guarantee was licensed in the State of New York to transact the kinds of insurance specified in New York Insurance Law §§ 1113(a)(3) – (17), and (19) – (21);

3. By order dated November 27, 2017, the Circuit Court of the Second Judicial Circuit, In and For Leon County, Florida issued a Consent Order Appointing the Florida Department of Financial Services as Receiver of Guarantee for Purposes of Liquidation, Injunction and Notice of Automatic Stay and found Guarantee to be insolvent (the “Liquidation Order”). The Liquidation Order appointed Jimmy Patronis, Chief Financial Officer of the Florida State Department of Financial Services as receiver as (“Florida Receiver”) of Guarantee. The Liquidation Order also, among other things, established the date that is six months from the date of the Liquidation Order, which is May 27, 2018, as the bar date for the filing of claims against Guarantee (the “Claims Bar Date”);

4. Guarantee is subject to Article 74 of the New York Insurance Law (“Insurance Law”);

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

6. The Florida Receiver requested that the Superintendent commence an ancillary receivership proceeding for Guarantee; and

7. Insurance Law § 7410(a) mandates that the Superintendent be appointed Ancillary Receiver of Guarantee.

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

ORDERED as follows:

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

2. The Superintendent and her successors in office are appointed Ancillary Receiver of Guarantee and are vested with all rights and obligations granted to and imposed upon her pursuant to Article 74 of the Insurance Law;
3. The material provisions of the Liquidation Order as it pertains to this ancillary receivership proceeding, including injunctions, restrictions and directions set forth in paragraphs 41, 42 and 43 of the Liquidation Order apply to this ancillary receivership proceeding;
4. In accordance with Insurance Law § 7412(a), the Claims Bar Date of May 27, 2018, established in paragraph 31 of the Liquidation Order, applies to this ancillary receivership proceeding and all New York claims under Guarantee policies and evidence supporting such claims must be submitted to the Ancillary Receiver by May 27, 2018, and if not submitted by that date shall be barred;
5. All persons are permanently enjoined and restrained from commencing or prosecuting any actions, lawsuits or proceedings in the State of New York against Guarantee, and all persons are permanently enjoined and restrained from commencing or prosecuting any actions, lawsuits or proceedings in the State of New York against Guarantee, the Superintendent as Ancillary Receiver or as administrator of the New York security funds, the New York Liquidation Bureau, and their employees, attorneys, or agents, with respect to this proceeding or in the discharge of their duties;
6. All parties to actions, lawsuits, and special or other proceedings against insureds of Guarantee or in which Guarantee is obligated to defend an insured or provide a defense to a party pursuant to an insurance policy are enjoined and restrained from obtaining any judgment or proceeding with any discovery, court proceedings or other litigation tasks or procedures, including, but not limited to, conferences, trials, applications for judgment or proceedings on settlement or judgment, for a period of 180 days from the date of entry of this Order;
7. All persons who have first party policyholder loss claims against Guarantee in the State of New York are enjoined and restrained from presenting and filing claims with the Ancillary Receiver for a period of 90 days from the date of entry of this Order;
8. Judicial immunity is extended to the Superintendent in her capacities as Ancillary Receiver of Guarantee and as administrator of the New York security funds, her successors in office, the New York Liquidation Bureau, and their agents and employees, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of this Court, or in the performance of their duties pursuant to Insurance Law Articles 74 and 76;
9. The Ancillary Receiver shall serve a copy of this Order on the Florida Receiver, to Jimmy Patronis, Chief Financial Officer, Florida State Department of Financial

Services, Division of Rehabilitation and Liquidation, Alexander Building, 2020 Capital Circle SE, Suite 310, Tallahassee, Florida 32301, by overnight mail;

10. The Ancillary Receiver shall provide notice of this Order, substantially in the form attached hereto (the "Notice"), to all creditors, claimants, and interested persons located in the State of New York by: (i) publication of the Notice in *The New York Post*, or a publication of similar circulation, within 30 days of entry of this Order; and (ii) posting the Notice and the Order on the Internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> within 15 days after the entry of this Order;
11. Guarantee's license to do business in the State of New York is hereby revoked;
12. The caption for this proceeding is hereby amended as follows:

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

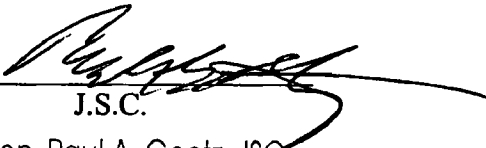
-----X  
In the matter of

the Ancillary Receivership of

GUARANTEE INSURANCE COMPANY.  
-----X

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

ENTER

  
J.S.C.  
Hon. Paul A. Goetz, JSC