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Insurance Commissioner of the State of California

FILED
San Francisco County Superior Court

AUG 30 2019

CLERK OF THE COURT

BY: [Signature] Deputy Clerk

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
10 COUNTY OF SAN FRANCISCO

12 **INSURANCE COMMISSIONER**
13 **OF THE STATE OF CALIFORNIA,**
14 Applicant,
15 v.
16 **GREAT STATES INSURANCE COMPANY,**
17 **a California domiciled insurance company,**
18 Respondent.

Case No. CPE01320047

**[PROPOSED] ORDER APPROVING
PAYMENT OF LIQUIDATOR'S
ADMINISTRATIVE EXPENSES,
APPROVING THE FINAL
DISTRIBUTION OF ASSETS, AND
CLOSING THE ESTATE**

Date: August 30, 2019
Time: 9:30 a.m.
Dept: 302

Reservation No.: 06180830-12

21 The Insurance Commissioner as Liquidator and Conservator of Great States Insurance
22 Company (also "Liquidator"), has applied for an order approving the payment of administrative
23 expenses, the final distribution of assets, and the closing of the liquidated estate of Great States
24 Insurance Company ("the Great States estate"), which came on regularly for hearing on August
25 30, 2019 in Department 302 of this Court.

26 Good cause appearing, IT IS HEREBY ORDERED that:

27 1. The Liquidator's payment of \$4,584,651 for general operating and administrative
28 expenses for the Great States estate paid from April 1, 2001 through March 31, 2019 is approved;

1 2. The Liquidator is authorized to distribute approximately \$20,545,539 to the
2 applicable state insurance guaranty associations ("IGAs") including in this amount
3 \$11,378,399.91 to an escrow account established by the Industrial Commission of Arizona and
4 the Arizona Property Casualty Insurance Guaranty Fund, and to distribute \$168,979 to the Non-
5 IGA claimants under Insurance Code section 1033, subdivision (a)(2). The distributions shall be
6 made within 30 days of the signed order from the Court;

7 3. The Liquidator is authorized to retain the sum of \$364,564 as its reserve closing
8 budget for payment of administrative expenses incurred but not yet paid by the Liquidator as of
9 April 1, 2019, and for future administrative and closing costs. The Liquidator is authorized to pay
10 any excess closing and administrative costs out of the funds appropriated for the maintenance of
11 the Department of Insurance, and to the extent administrative expenses after April 1, 2019 are less
12 than the reserved closing budget of \$364,564, the Liquidator is authorized to make a pro rata
13 distribution of the excess funds to approved Class 2 claimants; however, the Liquidator is
14 authorized to forego distributing unused funds in the closing budget which do not meet the total
15 distribution dollar threshold of \$25,000; and to transfer any such funds to the Insurance Fund;

16 4. As to disbursements that are either undeliverable or as to issued checks that have not
17 been negotiated, the Liquidator is authorized to void such checks and escheat all undeliverable
18 amounts and amounts of non-negotiated checks to the Insurance Fund pursuant to Code of Civil
19 Procedure section 1517;

20 5. In the absence of any IGA objection, the Liquidator is authorized to initiate the
21 destruction of physical records of the Great States estate, while continuing to maintain electronic
22 records for a period of three years following the Court's issuance of the requested Order, except
23 for electronic records necessary for examination by the Department of Finance or state auditor;

24 6. The estate of Great States shall be closed, and the Insurance Commissioner shall be
25 discharged as Liquidator and Conservator of Great States upon the filing of a declaration that the
26 Liquidator has distributed the assets of Great States in accordance with this Court's order
27 approving final distribution. The Insurance Commissioner, his Special Deputies, the
28 Conservation and Liquidation Office, its employees, the California Department of Insurance, and

1 its personnel and the Commissioner's agents and attorneys shall be upon such filing
2 DISCHARGED from any and all claims, debts, liabilities or duties to further account for the
3 assets or liabilities of Great States through the date of the declaration, and shall have no liability
4 of any kind or nature for such claims or debts; and

5 7. The Insurance Commissioner is authorized to take any and all action necessary to
6 accomplish the purposes of the Order prayed for herein.

7 IT IS SO ORDERED:

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9 Dated: 8/30, 2019

Richard Ulmer

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By: The Hon. Ulmer
JUDGE OF THE SUPERIOR COURT

RICHARD ULMER