



**Conservation & Liquidation Office
2009 Semi-Annual Estates Update Report**

As of June 30, 2009

As of June 30, 2009, the Conservation and Liquidation Office is responsible for the 25 insolvent insurance estates. Consistent with the CLO's 2009 Business Plan Goals and Strategic Timeline Report, the following is the 2009 Semi-Annual Update Report. This report summarizes the results of the first two quarters of 2009 and summarizes the remaining objectives for 2009.

Highlights of the 2009 semi-annual results include:

- The closing of the Western Growers Insurance Company
- \$4 million Enterprise Insurance Company distribution
- \$53 million SNICIL Special Schedule "P" Deposit release
- Resolution of all major litigation in the Fremont Indemnity Company

Highlights of the 2009 remaining objectives include:

- \$50 million Fremont Indemnity Co. Early Access Distribution
- \$13 million Sable Insurance Co. Final Distribution
- \$24 million National Automobile Insurance Co. Final Distribution
- Western Employers Ins. Co. of America Final Distribution
- Western International Insurance Company Final Distribution and Closing
- Paula Insurance Company Estate Closing

**CONSERVATION & LIQUIDATION OFFICE
2009 ESTATE GOALS**

2009 Plan Estimate as of 6/30/09

Distribution Type	Summary			1st Qtr			2nd Qtr			3rd Qtr			4th Qtr			Approx. Dist.	Actual Dist.			
	Estates	Liquidation Date	Completion Date	January	February	March	April	May	June	July	August	September	October	November	December					
Early Access	Fremont Indemnity Co.	07/02/03	Sep-09												50	0				
	Superior National Ins. Cos. (Special Schedule P)	07/02/03	Sep-09															0	53 ¹	
Final	Enterprise (Reserve Release)	02/24/87	Jun-09																4	4
	Sable	07/17/01	Sep-09												13	0				
	National Auto	04/23/02	Sep-09												23	0				
	Western Emp Ins Co of America	05/07/91	Sep-09												10	0				
	Mission (Tax Reserve Release)	02/24/87	Dec-09													TBD	0			
	Mission Nat'l (Tax Reserve Release)	02/24/87	Dec-09													TBD	0			
	SUBTOTAL:															100	57			
	Closings	ESTATES																		
		Western Growers	01/17/03	Mar-09																
		Paula	06/21/02	Jun-09																
Western Emp Ins Co of America		05/07/91	Dec-09																	
Western International		09/09/92	Dec-09																	
Enterprise ²		02/24/87	Dec-09																	
														TOTAL	100	57				

¹\$53 Million release associated with SNICIL Special Schedule P Deposit.

²Operating under a court-appealed closing plan.

LEGEND	
	On Target
	Missed Target
	Completed

CONSERVATION & LIQUIDATION OFFICE STRATEGIC TIMELINE REPORT

			Estate Closures (per year)						Amounts in thousands (06/30/09)					
Estate Activity	Liquidation Date	Completion Date	2009	2010	2011	2012	2013	2014	Liquid Assets	Approx. Total Assets	Approx. Liabilities	Net Investment Income	Total Admin Expenses	Variance Inv. Income v. Admin Exp
1. Paula Closure	06/21/02	Dec-09							\$0	\$0	\$0	\$5	\$112	(\$107)
2. Western Emp Ins Co of America Closure	05/07/91	Dec-09							\$11,145	\$11,523	\$10,705	\$425	\$36	\$389
3. Western International Closure	09/09/92	Dec-09							\$804	\$809	\$32,166	\$29	\$22	\$7
4. Sable Closure	07/17/01	Mar-10							\$15,501	\$15,883	\$47,284	\$565	\$91	\$474
5. National Automobile Closure	04/23/02	Mar-10							\$25,380	\$25,530	\$25,395	\$926	\$108	\$818
6. Pacific National Closure	08/05/03	Jun-10							\$15,230	\$24,604	\$95,518	\$554	\$98	\$456
7. Alistar Closure	10/24/02	Dec-10							\$12,917	\$18,610	\$40,155	\$463	\$144	\$319
8. Great States	05/08/01								\$6,890	\$17,476	\$84,953	\$243	\$126	\$117
9. HIH America Closure	05/08/01	Oct-10							\$58,436	\$73,659	\$435,190	\$1,868	\$238	\$1,630
10. Municipal Mutual Insurance Co Closure	10/31/06	Dec-10							\$1,464	\$3,066	\$9,565	\$51	\$36	\$15
11. Fremont Life Closure	Conservation	Dec-10							\$79	\$1,612	\$339	(\$51)	\$83	(\$134)
12. Western Employers Closure	04/19/91	2011							\$99,691	\$142,894	\$122,881	\$3,769	\$385	\$3,384
13. Frontier Pacific Closure	11/30/01	2011							\$17,016	\$67,617	\$78,827	\$614	\$383	\$231
14. Citation General Closure	08/24/95	2012							\$11,733	\$11,890	\$8,632	\$496	\$161	\$335
15. Superior National	09/26/00								\$8,880	\$190,044	\$624,915	(\$2,355)	\$361	(\$2,716)
16. California Comp Ins Co	09/26/00								\$41,545	\$390,201	\$1,532,153	\$1,485	\$957	\$528
17. Combined Benefits Ins Co	09/26/00								\$2,654	\$13,741	\$12,200	\$89	\$57	\$32
18. Commercial Comp Cas Co	09/26/00								\$2,459	\$51,076	\$96,211	\$94	\$71	\$23
19. Superior Pacific Casualty Co Closure	09/26/00	2012							\$7,651	\$30,077	\$208,805	\$264	\$200	\$64
20. Executive Life Insurance Company Closure	12/06/91	TBD							\$56,839	\$58,738	\$2,269,540	\$1,553	\$2,661	(\$1,108)
21. Fremont Indemnity Company Closure	07/02/03	2013							\$127,846	\$391,449	\$2,244,052	\$5,080	\$5,972	(\$892)
22. Golden Eagle Insurance Closure	02/01/98	2013							\$1,990	\$1,990	\$1	\$0	\$43	(\$43)
23. Mission	02/24/87								\$91,233	\$230,405	\$336,492	\$3,265	\$459	\$2,806
24. Mission National	02/24/87								\$21,118	\$31,780	\$131,085	\$622	\$85	\$537
25. Enterprise Closure		2014							\$1,568	\$1,590	\$32,003	\$204	\$132	\$72
Totals									\$640,070	\$1,806,264	\$8,479,067	\$20,258	\$13,021	\$7,237
Optimistic Total Estate Closures			3	8	2	6	3	3						
Probable Total Estate Closures			3	8	2	6	3	3						

2009 SEMI-ANNUAL STATUS REPORT
Second Quarter Ending June 2009

Liquidation Date: 10/24/02

Target Close Date: 12/10

Estate Trust Officer: Bob Fernandez

935 Alistar Ins Co

STATEMENT OF ASSETS AND LIABILITIES

As of June 30, 2009

(unaudited)

	Mar 31 2009	Jun 30 2009
ASSETS		
Participation in pooled investments, at market	12,598,700	12,917,200
Accrued investment income	73,000	75,800
Recoverable from reinsurers, net of allowances	3,209,700	5,615,100
Salvage and subrogation recoverable	1,700	1,600
Total ASSETS	15,883,100	18,609,700
LIABILITIES		
Secured claims	281,600	281,600
Accrued administrative expenses (Class 1)	3,700	1,400
Claims against policies, including guaranty associations (Class 2), before distributions	42,107,000	47,833,800
Early access and other Class 2 distributions	(8,073,200)	(8,073,200)
California and Federal claims having preference (Classes 3 to 6)	5,900	5,900
All other claims (Class 7)	105,100	105,100
Total LIABILITIES	34,430,100	40,154,600
NET ASSETS (DEFICIENCY)	(18,547,000)	(21,544,900)

ADMIN EXPENSES

	1Q 2009	2Q 2009
Legal expenses	5,100	1,600
Consultants and temps	1,100	15,700
Office expenses	2,700	2,500
Allocated overhead expenses	43,800	71,800
	52,700	91,600

CLAIMS

POCs Processed	0	0
POCs Outstanding	0	0

Overall Objectives

The estate's immediate goal is to resolve the remaining two reinsurance contracts through commutation and/or assign contracts and remaining reinsurance balances to CIGA and to determine final IGA liability by Q4 2009. The estate will seek to make a final distribution in 2010.

2009 Semi Annual Results

- Reinsurance Department continued to bill accounts current.
- Reinsurance collections totaled \$154K; amount billed was \$209K.
- Completed commutation agreement with a reinsurer and obtained court approval.
- Re-assessed commutation strategy v. assignment of receivable.

Remaining 2009 Objectives

- Estimate impact of recent reserve adjustments made by IGA on commutation terms.
- Schedule final distribution case logistics with estate team.
- Complete reconciliation of pre-petition unclaimed funds.
- Continue to pursue commutation opportunities with reinsurers.
- Continue to bill reinsurance accounts current.

Impediments

- Reinsurers' lack of financial motivation to settle contracts may delay resolution of reinsurance program.
- CIGA's timing to accept a proposed reinsurance assignment agreement may delay final distribution schedule.

2009 SEMI-ANNUAL STATUS REPORT
Second Quarter Ending June 2009

Liquidation Date: 08/24/95

Target Close Date: 2012

Estate Trust Officer: Bob Fernandez

998 Citation General Ins Co

STATEMENT OF ASSETS AND LIABILITIES

As of June 30, 2009

(unaudited)

	Mar 31 2009	Jun 30 2009
ASSETS		
Participation in pooled investments, at market	11,562,700	11,733,500
Accrued investment income	69,200	69,300
Recoverable from reinsurers, net of allowances	86,600	86,600
Salvage and subrogation recoverable	900	800
Total ASSETS	11,719,400	11,890,200
LIABILITIES		
Secured claims	501,800	501,400
Accrued administrative expenses (Class 1)	5,362,100	5,494,200
Claims against policies, including guaranty associations (Class 5), before distributions	17,956,600	17,956,600
Early access and other Class 5 distributions	(17,132,700)	(17,132,700)
All other claims (Class 6)	1,812,600	1,812,600
Total LIABILITIES	8,500,400	8,632,100
NET ASSETS (DEFICIENCY)	3,219,000	3,258,100

ADMIN EXPENSES

	1Q 2009	2Q 2009
Legal expenses	2,500	1,200
Consultants and temps	31,300	26,700
Office expenses	5,400	5,400
Allocated overhead expenses	48,100	40,400
	87,300	73,700

CLAIMS

POCs Processed	-1	0
POCs Outstanding	1	1

Overall Objectives

The estate's immediate goal is to determine its final tax liability and then schedule final distribution thereafter. The estate may be required to keep a tax reserve for a period of time post final distribution. Efforts to collect final reinsurance balances will continue.

2009 Semi Annual Results

- Continued settlement efforts with a reinsurer e to collect final reinsurance balance.
- Established with parent company and tax professionals the estate's maximum potential tax liability. Parties continue to assess estates' liability.

Remaining 2009 Objectives

- Determine ultimate tax liability to parent company.
- Prepare and schedule a final distribution.
- Assess alternative resolution to remaining reinsurance contract.

Impediments

- Final resolution of the tax liability with parent company may delay closure of the estate.

2009 SEMI-ANNUAL STATUS REPORT
Second Quarter Ending June 2009

Liquidation Date: 12/06/91

Target Close Date: TBD

Estate Trust Officer: Willard Roberts

617 Executive Life Ins Co

STATEMENT OF ASSETS AND LIABILITIES

As of June 30, 2009

(unaudited)

	Mar 31	Jun 30
	2009	2009
ASSETS		
Cash and investments, unrestricted	42,134,700	41,342,600
Restricted investments, NOLHGA	9,380,900	9,383,200
Restricted investments, Opt-In Only	486,600	469,300
Restricted investments, Aurora-Penn	5,886,200	5,890,000
Other receivable	1,653,400	1,653,400
Total ASSETS	59,541,800	58,738,500
LIABILITIES		
Secured claims	6,653,600	6,653,600
Accrued administrative expenses	1,536,300	1,062,500
Policyholder claims	2,998,670,700	2,998,670,700
Distributions	(737,275,900)	(737,275,900)
All other claims	428,800	428,800
Total LIABILITIES	2,270,013,500	2,269,539,700
NET ASSETS (DEFICIENCY)	(2,210,471,700)	(2,210,801,200)

ADMIN EXPENSES

	1Q 2009	2Q 2009
Legal expenses	1,028,800	870,800
Consultants and temps	184,100	134,600
Office expenses	28,200	46,700
Allocated overhead expenses	220,900	147,300
	1,462,000	1,199,400

614 ELIC Holdback Trust

STATEMENT OF ASSETS AND LIABILITIES

As of June 30, 2009

(unaudited)

	Mar 31	Jun 30
	2009	2009
ASSETS		
Participation in pooled investments, at market	690,500	722,000
Accrued investment income	1,100	5,000
Total ASSETS	691,600	727,000

LIABILITIES		
Secured claims	-	13,039
Unclaimed funds payable	57,338	57,338
Reserve for administrative expenses	634,262	656,623
Total LIABILITIES	691,600	727,000

ADMIN EXPENSES

	1Q 2009	2Q 2009
Allocated overhead expenses	-	-
	-	-

615 ELIC Opt Out Trust

STATEMENT OF ASSETS AND LIABILITIES

As of June 30, 2009

(unaudited)

	Mar 31	Jun 30
	2009	2009
ASSETS		
Participation in pooled investments, at market	376,800	356,900
Non-pooled short-term investments, at market		
Unrestricted	11,070,400	11,073,100
Restricted	9,894,700	9,898,100
Accrued investment income	2,300	2,200
Total ASSETS	21,344,200	21,330,300

LIABILITIES		
Secured claims	17,813,904	17,810,803
Unclaimed funds payable	2,477,700	2,477,066
Reserve for administrative expenses	1,052,596	1,042,431
Total LIABILITIES	21,344,200	21,330,300

ADMIN EXPENSES

	1Q 2009	2Q 2009
Consultants and temps	1,800	48,800
Office expenses	400	800
Allocated overhead expenses	13,600	16,500
	15,800	66,100

Overall Objectives

The estate's remaining objectives are to argue the pending Artemis litigation, distribute available assets, conduct estate/policy maintenance, and wrap up remaining contractual disputes. The closure of some secondary trusts, resolution to the estate's escheatment requirements and approval of historical administration expenses are goals for 2009.

2009 Semi Annual Results

- Retrial of *Garamendi v. Altus et al.* was set for November 3, 2009, it was then subsequently removed off-calendar in August 2009. Mediation before Judge Cheinick occurred in early April 2009. Parties did not come to agreement. We anticipate that there will likely be additional interest for mediation closer to the trial date. During the first and second quarters there was substantial effort updating the reports of the experts which were filed with the Court in April. Additional expert witness reports are being prepared to rebut certain new expert witness reports filed by the defendants. Activity for the third quarter was mainly depositions of expert witnesses.
- Final closing arguments were heard on July 24, 2009 related to the objection by the Opt-out Indentured Trustees, filed against the Estate's application for historical expense approval. On September 18, 2009, the Court entered a Tentative Statement of Decision Granting Insurance Commissioner of California's Motion of Approval of Expenses. On September 28, 2009 the Indentured Trustee Policyholders filed a motion for Clarification of Statement of Decision Re Contested Internal Expense Application. A hearing is scheduled for October 26, 2009.
- Continued reporting to BSA in accordance with an agreed upon schedule between CLO and BSA.
- Continue to seek resolution of issues with Aurora concerning ownership rights of proceeds from Key Man policies.
 - Obtained evidence to prove that the policy was purchased by ELIC and not FEC.
 - We subsequently filed a claim on Aurora for the policy proceeds. Aurora calls for an indemnity from the Commissioner to protect against a lawsuit from First Lincoln Holdings (FLH).
 - A meeting was held on June 18, 2009; CLO negotiated the indemnity which is presently in the hands of Aurora for review, approval, and signature.
- FEC escheatment took place for non-CA states in June 2009; CA Notice was filed in April 2009. Funds will be held at CLO for a 7 ½ month period and if claimed, reissue payments will be made.

Remaining 2009 Objectives

- Monitor the collection of the default judgment of Francois Henin through Sierra Holdings.
- The State Controller's Office (SCO) has agreed in principle to allow California Department of Insurance (CDI) to take over CLO's escheatment obligations for California based beneficiaries. This process is now in place.
- Continue to seek resolution of outstanding policyholder issues with Pennsylvania Life & Health Insurance Guaranty Association (PLHIGA).
- FEC escheatment - CA Remit Report with funds to be filed in December 2009.

Impediments

- Potential continued opposition by the ITP's to expense filing with the Court.
- The court delay in setting new trial date of *Garamendi v. Altus et al.*

2009 SEMI-ANNUAL STATUS REPORT
Second Quarter Ending June 2009

Liquidation Date: 07/02/03

Target Close Date: 2013

Estate Trust Officer: Scott Pearce

950 Fremont Indemnity Ins Co

STATEMENT OF ASSETS AND LIABILITIES

As of June 30, 2009

(unaudited)

	Mar 31 2009	Jun 30 2009
ASSETS		
Cash and cash equivalents:		
Unrestricted	8,999,000	9,534,700
Participation in pooled investments, at market	108,560,900	117,846,300
Non-pooled short-term investments, at market		
Restricted	464,700	464,700
Accrued investment income	642,600	675,300
Statutory deposits held by other states	3,597,200	3,465,900
Funds held by guaranty associations	12,755,100	12,755,100
Recoverable from reinsurers, net of allowances	175,301,400	187,304,200
Salvage and subrogation recoverable	504,300	425,100
Receivable from affiliates	1,086,000	2,314,800
Other receivable	21,068,500	20,743,100
Deposits and other assets	35,887,400	35,919,800
Total ASSETS	368,867,100	391,449,000
LIABILITIES		
Secured claims	21,601,200	21,601,200
Accrued administrative expenses (Class 1)	3,119,800	2,810,100
Claims against policies, including guaranty associations (Class 2), before distributions	2,504,540,100	2,627,874,600
Early access and other Class 2 distributions	(810,153,300)	(810,279,300)
All other claims (Class 7)	397,192,600	400,816,600
Total LIABILITIES	2,116,300,400	2,242,823,200
NET ASSETS (DEFICIENCY)	(1,747,433,300)	(1,851,374,200)

ADMIN EXPENSES

	1Q 2009	2Q 2009
Legal expenses	1,518,500	808,100
Consultants and temps	260,300	345,800
Compensation and benefits	191,800	515,800
Office expenses	290,500	300,900
Allocated overhead expenses	783,400	956,900
	3,044,500	2,927,500

CLAIMS

POCs Processed	29	1425
POCs Outstanding	2237	963

Overall Objectives

Seek approval and close settlement agreements with bankrupt parent and former officers/directors. Complete tax deconsolidation with parent before December 31, 2009. Position the estate to complete 6th Early Access Distribution by October 2009. Continue to refine estimate of Class 2 non-covered estate liabilities.

2009 Semi Annual Results

- Reinsurance collections totaled \$1.39 million; amount billed was \$3.4 million,
- Obtained court approval of settlement with parent Company regarding NOL Actions, Disputed Art Work, Tax deconsolidation and Fremont Life Ownership. The settlement included FIC receiving:
 - \$4.1 million from the art escrow account on 6/2/09
 - \$5 million from Fremont Reorganizing Corporation
 - 100% of the common stock of Fremont Life Insurance Company
 - An allowed proof of claim in the amount of \$5 million
- D&O trial concluded on March 30th while awaiting a ruling from the court CLO reached settlement agreement with D&O defendants for an allowed proof of claim of \$35 million with a cap on distributions of \$22 million. Obtained court approval on 6/18/09.
- Reached a settlement agreement on Concentra Case at mediation on 6/19/09 for \$3.2 million, ending the dispute.
- Obtained court approval of annual professional fee application and Liquidators report on 5/5/09.
- Reduced open POC count by 1,425 POCs. Total open POC count is 963.
- Completed the Los Angeles reinsurance office consolidation project. Operations were successfully transferred to San Francisco on 6/30/09.

Remaining 2009 Objectives

- Seek Court Approval for Concentra settlement (July 28, 2009 hearing).
- File and complete 6th EAD (October 2009)
- File a motion to approve tax deconsolidation plan for NOL utilization.
- Monitor FGC bankruptcy in anticipation of receiving \$27 million allowed claim for D&O and NOL settlements.
- File reinsurance commutations with various reinsurance companies.
- Finalize tax compliance to dissolve Menlo Life Corporation and distribute remaining funds to FIC.
- Continue to determine a liability estimate for Non IGA covered Class 2 claims.

Impediments

- Litigation in the Parent Company Bankruptcy Court over competing plans may delay distributions on the allowed claims.

2009 SEMI-ANNUAL STATUS REPORT
Second Quarter Ending June 2009

Liquidation Date: 07/02/03

Target Close Date: 2013

Estate Trust Officer: Scott Pearce

952 Fremont Life Ins Co

STATEMENT OF ASSETS AND LIABILITIES

As of June 30, 2009

(unaudited)

	Mar 31	Jun 30
	2009	2009
ASSETS		
Participation in pooled investments, at market	32,000	78,900
Accrued investment income	300	300
Statutory deposits held by other states	1,358,000	1,323,500
Other receivable	50,000	50,000
Deposits and other assets	159,300	159,300
Total ASSETS	1,599,600	1,612,000
LIABILITIES		
Secured claims	111,400	78,000
Accrued administrative expenses (Class 1)	1,000	2,800
All other claims (Class 7)	258,500	1,487,200
Total LIABILITIES	370,900	1,568,000
NET ASSETS (DEFICIENCY)	1,228,700	44,000

ADMIN EXPENSES	1Q 2009	2Q 2009
Legal expenses	900	3,400
Consultants and temps	20,100	21,500
Office expenses	5,500	4,200
Allocated overhead expenses	13,500	13,600
	40,000	42,700

CLAIMS

POCs Processed	0	0
POCs Outstanding	0	0

Overall Objectives

The immediate goal is to resolve any remaining legal requirements associated with FLIC's AMA lawsuit and to complete the orderly run-off of that group of effected policies. Ultimate goal is the completion of the assumption agreement requirements by the successor insurers and close the conservation.

2009 Semi Annual Results

- Surplus increased by \$41,000 for the quarter due to the premium refund mandated by the court..
- Continue to handle policyholder service inquiries.
- The ownership of Fremont Life was transferred from Fremont General to Fremont Indemnity.
- Fremont Life received \$100,000 in exchange for mutual releases granted in the FGC/FIC litigation settlement.

Remaining 2009 Objectives

- Resolve the AMA restitution fund issues and seek a dismissal of the judgment.
- Contact Manhattan Life to inquire as to the insurer's completion of the assumption process.
- Obtain the release of the California workers' compensation statutory deposit in the amount of \$400,000.

Impediment

- AMA restitution fund is administered by a TPA which claims it is demanding payment for pre- conservation services.

2009 SEMI-ANNUAL STATUS REPORT
Second Quarter Ending June 2009

Liquidation Date: 11/30/01

Target Close Date: 2011

Estate Trust Officer: Willard Roberts

656 Frontier Pacific Ins Co

STATEMENT OF ASSETS AND LIABILITIES

As of June 30, 2009

(unaudited)

	Mar 31	Jun 30
	2009	2009
ASSETS		
Cash and cash equivalents:		
Restricted	345,000	338,700
Participation in pooled investments, at market	16,542,900	16,677,500
Accrued investment income	97,800	98,600
Statutory deposits held by other states	2,314,400	2,316,800
Recoverable from reinsurers, net of allowances	46,737,600	46,737,600
Salvage and subrogation recoverable	128,400	89,200
Receivable from affiliates	1,288,400	1,287,200
Deposits and other assets	71,000	71,000
Total ASSETS	67,525,500	67,616,600
LIABILITIES		
Secured claims	365,100	362,300
Accrued administrative expenses (Class 1)	2,055,200	2,131,100
Claims against policies, including guaranty associations (Class 2), before distributions	53,726,000	53,659,100
California and Federal claims having preference (Classes 3 to 6)	165,100	165,100
All other claims (Class 7)	22,509,900	22,509,900
Total LIABILITIES	78,821,300	78,827,500
NET ASSETS (DEFICIENCY)	(11,295,800)	(11,210,900)

ADMIN EXPENSES	1Q 2009	2Q 2009
Legal expenses	12,700	13,600
Consultants and temps	(32,000)	25,500
Office expenses	17,700	21,000
Allocated overhead expenses	140,500	183,700
	138,900	243,800

CLAIMS

POCs Processed	0	1
POCs Outstanding	3	2

Overall Objectives

The estate remains cautiously receptive to the remote prospect of receiving a comprehensive proposal to sell the book of business through the NYLB's rehabilitation of FIC. The immediate goal is to pursue final asset recoveries which may include instituting a formal arbitration and then position the estate for closure.

2009 Semi Annual Results:

- The Court reconsidered our motion and ordered the parties to make suitable arrangements to conduct arbitration procedures in accordance with the reinsurance treaties. We are currently reanalyzing the economic benefit that would derive from either the proposed arbitration proceeding or alternative options to renegotiate the issues with NICO and FIC, the parent company of FPIC. We believe it is prudent at this stage to enter this negotiation as it directly impacts the \$40M joint and several liabilities in addition to our reinsurance recoverables with NICO.
- Obtained consent from the State Attorney General's Office to engage outside counsel to assist in pursuing arbitration against NICO, as ordered by the court. We anticipate arbitration to begin in late 2009.
- With regards to outstanding balances due FPIC from its parent Frontier Insurance Company (FIC), the FPIC team met with FIC in April 2009. On or about September 21, 2009, a meeting between the CLO CEO and the New York Liquidation Bureau Superintendent, agreed to revisit FPIC's claim against FIC for reinsurance recoverables for approximately \$20M; October 15, 2009 was set as a date by which the parties expect to make a decision.
- Obtained consent and engaged NY counsel related to FIC reinsurance receivables.

Remaining 2009 Objectives:

- Prepare and implement arbitration case plan to seek release of the joint & several liabilities of \$40 million dollars associated with the NICO Agreement and resolve direct reinsurance and tax receivable issues.

Impediments

- New York Liquidation court invoking a stay in FIC's rehabilitation proceeding.
- Resolving the joint and several liabilities relating to Centre Re / NICO. NICO requires release from FIC-NY, based on loose language drafted in Endorsement 3.
- Credit risk of FIC to meet its direct reinsurance obligations to FPIC of \$16.4M.

2009 SEMI-ANNUAL STATUS REPORT
Second Quarter Ending June 2009

Liquidation Date: 01/31/97

Target Close Date: 2013

Estate Trust Officer: Bob Fernandez

716 Golden Eagle Ins Co

STATEMENT OF ASSETS AND LIABILITIES

As of June 30, 2009

(unaudited)

	Mar 31	Jun 30
	2009	2009
ASSETS		
Participation in pooled investments, at market	9,300	41,900
Non-pooled short-term investments, at market		
Unrestricted	1,997,300	1,948,000
Accrued investment income	100	200
Total ASSETS	2,006,700	1,990,100
LIABILITIES		
Accrued administrative expenses (Class 1)	900	600
Total LIABILITIES	900	600
NET ASSETS (DEFICIENCY)	2,005,800	1,989,500

ADMIN EXPENSES	1Q 2009	2Q 2009
Legal expenses	18,800	8,500
Consultants and temps	-	2,700
Office expenses	1,500	2,700
Allocated overhead expenses	4,000	5,000
	24,300	18,900

Overall Objectives

Continue to administer remaining Estate activities which fall into the following categories:

- **Claim Run-Off Monitoring:** All policyholder claims are being administered and paid (under an indemnity reinsurance agreement) by Liberty Mutual affiliates. Monitor aggregate annual claims payments compared to payout projections prepared by Towers Perrin (Tillinghast prepared in connection with the termination of the GEIC Liquidating Trust).
- **OSC Administration:** Disputes over policyholder claims are resolved exclusively in OSC proceedings before the Liquidation Court under IC § 1032.

2009 Semi Annual Results

- **Claim Run-Off Monitoring:** The run-off of policyholder claims continued, no material issues in the first two quarters.
- **OSC Administration:** As expected, the Court received a batch of 23 new OSC Applications in the quarter, all of which arise from the so-called "Terra Shake Roofing" class action claims. These recent OSC filings bring the total number of open OSCs to 27.
- **Reassignment of Case to New Judge:** Unfortunately, late in the 2nd Quarter the CLO received notice that Judge Dondero has been elevated to the First District Court of Appeal, which requires that liquidation cases be reassigned to a new judge.

Remaining 2009 Objectives

- **Claim Run-off Monitoring:** Continue to monitor actual payment of claims compared to the projected payment pattern.
- **OSC Administration:** Continue to defend the Rehabilitation Plan to ensure that claim disputes continue to be resolved through the long-established OSC procedures. Coordinate an efficient and streamlined briefing and hearing schedule for the 23 new "Terra Shake" OSCs.
- **Estate Administration:** Prepare the Annual Liquidator's Report for the period of 2007-2008 for filing.

Impediments

- The Estate must, once again, incur expense required to bring a new judge (the 3rd new judge in the past 2 years) up to speed on the case and explain the Court's duties and responsibilities related to OSC Proceedings.
- Finding a legally acceptable approach to resolving the long-tail claims liability, absent Liberty Mutual's willingness to commute or novate to take direct liability on the legacy claims.

2009 SEMI-ANNUAL STATUS REPORT
Second Quarter Ending June 2009

Liquidation Date: 05/08/01

Target Close Date: 10/10

Estate Trust Officer: Scott Pearce

777 HIH America Comp & Liability Ins Co

STATEMENT OF ASSETS AND LIABILITIES

As of June 30, 2009

(unaudited)

	Mar 31 2009	Jun 30 2009
ASSETS		
Participation in pooled investments, at market	50,255,700	51,318,300
Non-pooled short-term investments, at market		
Restricted	7,107,800	7,117,800
Accrued investment income	292,600	302,000
Statutory deposits held by other states	121,700	-
Recoverable from reinsurers, net of allowances	1,518,800	1,518,800
Receivable from affiliates	13,402,400	13,402,500
Total ASSETS	72,699,000	73,659,400
LIABILITIES		
Accrued administrative expenses (Class 1)	247,200	245,100
Claims against policies, including guaranty associations (Class 2), before distributions	699,379,500	712,109,300
Early access and other Class 2 distributions	(278,082,900)	(278,087,900)
All other claims (Class 7)	923,800	923,800
Total LIABILITIES	422,467,600	435,190,300
NET ASSETS (DEFICIENCY)	(349,768,600)	(361,530,900)

ADMIN EXPENSES

	1Q 2009	2Q 2009
Legal expenses	1,300	100
Consultants and temps	2,900	7,800
Office expenses	9,800	9,800
Allocated overhead expenses	119,400	87,100
	133,400	104,800

Overall Objectives

The HIH estate's primary goal is the collection of final reinsurance balances and recovering the estate's remaining claim in the Australian parent company's liquidation. HIH will seek to complete all asset recoveries by Q4 09 and work to position the estate for final distribution and subsequent closure by 2010.

2009 Semi Annual Results

- Commuted with a reinsurer
- In accordance with the resolution of affiliate insolvency proceeding, certain assets have been assigned to HIH CA. Additionally, the Insurance Guaranty Association returned early access funds amounting to \$1,586,458.
- Missouri released the statutory deposit of \$125K to HIH. All statutory deposits have been resolved.

Remaining 2009 Objectives

- Prepare proper accounting entries to memorialize the court-appointed resolution to the inter-company pooling agreement.
- Prepare Status Conference Report.

Impediments

- Reinsurers unwillingness to commute remaining treaties could extend closure plan.

2009 SEMI-ANNUAL STATUS REPORT
Second Quarter Ending June 2009

Liquidation Date: 05/08/01

Target Close Date: 10/10

Estate Trust Officer: Scott Pearce

778 Great States Ins Co

STATEMENT OF ASSETS AND LIABILITIES

As of June 30, 2009

(unaudited)

	Mar 31	Jun 30
	2009	2009
ASSETS		
Participation in pooled investments, at market	6,563,500	6,889,700
Accrued investment income	38,800	40,100
Statutory deposits held by other states	210,000	-
Recoverable from reinsurers, net of allowances	10,590,600	10,546,600
Total ASSETS	17,402,900	17,476,400
LIABILITIES		
Secured claims	17,300	17,300
Accrued administrative expenses (Class 1)	10,500	7,400
Claims against policies, including guaranty associations (Class 2), before distributions	82,430,400	83,165,800
Early access and other Class 2 distributions	(10,151,300)	(10,154,800)
All other claims (Class 7)	11,917,600	11,917,600
Total LIABILITIES	84,224,500	84,953,300
NET ASSETS (DEFICIENCY)	(66,821,600)	(67,476,900)

ADMIN EXPENSES

	1Q 2009	2Q 2009
Legal expenses	6,000	4,700
Consultants and temps	800	7,800
Office expenses	4,500	4,900
Allocated overhead expenses	56,600	40,600
	67,900	58,000

CLAIMS

POCs Processed	0	0
POCs Outstanding	0	0

Overall Objectives

The Estate's primary goal is to resolve collections under a surety bond (issued by American Home Assurance) originally pledged as a statutory deposit. Great States seeks to complete all asset recoveries by Q4 09 and work to position the estate for final distribution and subsequent closure in 2010.

2009 Semi Annual Results

- Estate considering response to a reinsurer's proposal to offset funds in guarantee endorsements against balances due from the estate's largest reinsurer.
- Collected excess statutory deposit from New Mexico. All statutory deposits have been resolved.

Remaining 2009 Objectives

- Facilitate settlement between IGA and reinsurer on guarantee endorsements. Re-evaluate outstanding liabilities and re-submit commutation.

- Commute excess of loss reinsurance portfolio. Work toward acceptable settlements.
- Absent resolution, propose transfer of responsibility to CIGA or a mutually acceptable alternative regarding Great States surety commutation.
- Prepare Status Conference Report.

Impediments

- Potential delays associated with seeking commutation settlements may extend the closing plan.

2009 SEMI-ANNUAL STATUS REPORT
Second Quarter Ending June 2009

Liquidation Date: 02/24/87

Target Close Date: 2014

Estate Trust Officer:

672 Mission Ins Co

STATEMENT OF ASSETS AND LIABILITIES

As of June 30, 2009

(unaudited)

	Mar 31	Jun 30
	2009	2009
ASSETS		
Cash and cash equivalents:		
Unrestricted	574,700	-
Restricted	580,200	580,500
Participation in pooled investments, at market	88,316,300	90,652,400
Accrued investment income	523,300	532,900
Recoverable from reinsurers, net of allowances	58,600,900	58,600,100
Receivable from affiliates	78,083,400	80,038,600
Total ASSETS	226,678,800	230,404,500
LIABILITIES		
Unclaimed funds and other secured claims	1,759,800	1,852,000
Reserve for Federal tax liability	77,584,800	77,585,200
Claims against policies, including guaranty associations (Class 5), before distributions	839,159,700	854,505,400
Early access and other Class 5 distributions	(846,629,600)	(846,629,600)
All other claims (Class 6)	256,851,600	256,851,600
Total LIABILITIES	328,726,300	344,164,600
NET ASSETS (DEFICIENCY)	(102,047,500)	(113,760,100)
ADMIN EXPENSES		
	1Q 2009	2Q 2009
Legal expenses	7,400	6,500
Consultants and temps	12,300	15,400
Office expenses	64,100	67,900
Allocated overhead expenses	188,900	96,700
	272,700	186,500

170 Mission National Ins Co

STATEMENT OF ASSETS AND LIABILITIES

As of June 30, 2009

(unaudited)

	Mar 31	Jun 30
	2009	2009
ASSETS		
Cash and cash equivalents:		
Unrestricted	1,953,900	-
Participation in pooled investments, at market	16,618,700	21,118,000
Accrued investment income	104,000	114,400
Recoverable from reinsurers, net of allowances	10,414,100	10,414,100
Other receivable	141,900	133,200
Total ASSETS	29,232,600	31,779,700
LIABILITIES		
Unclaimed funds and other secured claims	2,205,800	1,886,800
Reserve for Federal tax liability	15,867,700	15,867,900
Claims against policies, including guaranty associations (Class 5), before distributions	593,483,500	596,098,500
Early access and other Class 5 distributions	(499,606,700)	(499,606,700)
All other claims (Class 6)	16,838,100	16,838,100
Total LIABILITIES	128,788,400	131,084,600
NET ASSETS (DEFICIENCY)	(99,555,800)	(99,304,900)

ADMIN EXPENSES

	2009	2009 ytd
Legal expenses	1,700	1,000
Consultants and temps	1,500	2,100
Office expenses	1,000	1,100
Allocated overhead expenses	42,600	33,800
	46,800	38,000

540 Enterprise Ins Co

STATEMENT OF ASSETS AND LIABILITIES

As of June 30, 2009

(unaudited)

	Mar 31	Jun 30
	2009	2009
ASSETS		
Cash and cash equivalents:		
Unrestricted	-	126,600
Participation in pooled investments, at market	6,299,100	1,441,900
Accrued investment income	36,100	21,400
Total ASSETS	6,335,200	1,589,900
LIABILITIES		
Unclaimed funds and other secured claims	515,300	641,900
Reserve for Federal tax liability	579,900	580,100
Claims against policies, including guaranty associations (Class 5), before distributions	120,573,400	120,573,400
Early access and other Class 5 distributions	(120,573,400)	(120,573,400)
All other claims (Class 6)	35,709,400	30,780,900
Total LIABILITIES	36,804,600	32,002,900
NET ASSETS (DEFICIENCY)	(30,469,400)	(30,413,000)

ADMIN EXPENSES

	1Q 2009	2Q 2009
Legal expenses	2,100	2,000
Consultants and temps	22,600	9,000
Office expenses	-	2,600
Allocated overhead expenses	39,300	54,500
	64,000	68,100

CLAIMS

POCs Processed	0	0
POCs Outstanding	0	0

Overall Objectives

The three estates' long-term work plan is to efficiently conduct "post-closing" collections and distribute available funds in accordance with the court-sanctioned closing plan. The estate's immediate goal is to complete collections from insolvent affiliates and distribute funds. As part of a consolidated tax group, the estate will be required to continue to keep a significant tax reserve, recorded in the "Accrued administrative expense" caption above.

2009 Semi-Annual Results

- Status Conference Report was filed with the court disclosing the remaining requirements for the closure of the estate. An Enterprise distribution of approx. \$4 million was completed to all Class 6 claimants.
- Continued coordination of inquiries from claimants regarding stock and cash distributions.

Remaining 2009 Objectives

- Status Conference Report to be filed in September to include updated financials.
- Continue to seek recovery from insolvent estate of Centaur Insurance (Illinois Liquidation).
- Continue to support distribution requirements associated with the affiliate Holland America. Expect a significant payment in 2009.

Impediments

- Timing of asset recoveries due from other insolvent entities may delay the estate's distribution plan.

2009 SEMI-ANNUAL STATUS REPORT
Second Quarter Ending June 2009

Liquidation Date: 10/31/06

Target Close Date: 12/10

Estate Trust Officer: John Battle

222 Municipal Mutual Ins Co

STATEMENT OF ASSETS AND LIABILITIES

As of June 30, 2009

(unaudited)

	Mar 31	Jun 30
	2009	2009
ASSETS		
Participation in pooled investments, at market	1,389,900	1,464,200
Accrued investment income	8,200	8,600
Recoverable from reinsurers, net of allowances	989,800	1,593,100
Total ASSETS	2,387,900	3,065,900
LIABILITIES		
Accrued administrative expenses (Class 1)	24,900	24,600
Claims against policies, including guaranty associations (Class 2), before distributions	8,570,800	9,540,000
Total LIABILITIES	8,595,700	9,564,600
NET ASSETS (DEFICIENCY)	(6,207,800)	(6,498,700)

ADMIN EXPENSES	1Q 2009	2Q 2009
Legal expenses	100	-
Office expenses	400	400
Allocated overhead expenses	21,000	14,500
	21,500	14,900

CLAIMS

POCs Processed	0	0
POCs Outstanding	1	1

Overall Objectives

The estate's immediate goal is to seek a commutation to conclude reinsurance recoveries, complete a final distribution to the estates only creditor (CIGA) and close the estate.

2009 Semi Annual Results

- Reinsurance Department continued to bill accounts current.
- Reinsurance collections totaled \$212k; amount billed was \$166k
- Re-assessed commutation strategy v. assignment of receivable.

Remaining 2009 Objectives

- Continue to pursue commutation opportunities with reinsurers.
- Continue to bill reinsurance accounts current.
- Coordinate claims audit request by reinsurer to take place at CIGA.

Impediments

- Potential delays associated with seeking commutation settlements may extend the closing plan.

2009 SEMI-ANNUAL STATUS REPORT
Second Quarter Ending June 2009

Liquidation Date: 04/23/02

Target Close Date: 12/10

Estate Trust Officer: Bob Fernandez

878 National Automobile Ins Co
STATEMENT OF ASSETS AND LIABILITIES
As of June 30, 2009
(unaudited)

	Mar 31 2009	Jun 30 2009
ASSETS		
Participation in pooled investments, at market	24,925,400	25,380,000
Accrued investment income	147,100	149,600
Total ASSETS	25,072,500	25,529,600
LIABILITIES		
Secured claims	278,900	1,800
Accrued administrative expenses (Class 1)	2,300	2,200
Claims against policies, including guaranty associations (Class 2), before distributions	22,098,300	21,881,200
Early access and other Class 2 distributions	(391,500)	(391,500)
California and Federal claims having preference (Classes 3 to 6)	14,300	14,300
All other claims (Class 7)	5,041,500	3,887,200
Total LIABILITIES	27,043,800	25,395,200
NET ASSETS (DEFICIENCY)	(1,971,300)	134,400

ADMIN EXPENSES	1Q 2009	2Q 2009
Legal expenses	5,100	3,200
Consultants and temps	1,200	5,800
Office expenses	3,900	3,700
Allocated overhead expenses	39,800	44,900
	50,000	57,600

CLAIMS

POCs Processed	0	1
POCs Outstanding	1	0

Overall Objectives

The estate's immediate goal is to seek legal resolution to a POC dispute. Thereafter, the estate will seek to complete a final distribution.

2009 Semi Annual Results

- Continued to monitor resolution of POC dispute.
- Mailed Notice of POC Partial Rejection/Partial Approval Letter.
- Obtained IGAs final POCs.
- Completed reconciliation of unclaimed funds.

Remaining 2009 Objectives

- Prepare closing budget.
- Prepare final distribution and closing documents.
- Confirm resolution of POC matter.

Impediments

- Additional time required to resolve the off-set dispute has extended the planned closing of the Estate.

2009 SEMI-ANNUAL STATUS REPORT
Second Quarter Ending June 2009

Liquidation Date: 08/05/03

Target Close Date: 06/10

Estate Trust Officer: Scott Pearce

913 Pacific National Ins Co

STATEMENT OF ASSETS AND LIABILITIES

As of June 30, 2009

(unaudited)

	Mar 31 2009	Jun 30 2009
ASSETS		
Participation in pooled investments, at market	14,961,400	15,230,100
Accrued investment income	88,300	89,800
Recoverable from reinsurers, net of allowances	9,283,800	9,283,800
Total ASSETS	24,333,500	24,603,700
LIABILITIES		
Accrued administrative expenses (Class 1)	5,516,900	5,516,800
Claims against policies, including guaranty associations (Class 2), before distributions	109,836,400	113,171,100
Early access and other Class 2 distributions	(23,416,400)	(23,416,400)
California and Federal claims having preference (Classes 3 to 6)	-	7,100
All other claims (Class 7)	239,300	239,300
Total LIABILITIES	92,176,200	95,517,900
NET ASSETS (DEFICIENCY)	(67,842,700)	(70,914,200)

ADMIN EXPENSES

	1Q 2009	2Q 2009
Legal expenses	1,300	2,000
Consultants and temps	900	11,200
Office expenses	1,700	1,100
Allocated overhead expenses	40,800	39,000
	44,700	53,300

CLAIMS

POCs Processed	0	0
POCs Outstanding	0	0

Overall Objectives

The estate's objective is to resolve all asset collections and position the estate for a final distribution in 2010.

2009 Semi Annual Results

- Completed revisions to the actuarial study in support of developing commutation proposals.
- Estate considering new actuarial information to revise demand on reinsurers.

Remaining 2009 Objectives

- Reconciliation of UDS to CIGAs updated reserves information.
- Complete and submit 2008 tax filing data for the parent company's consolidated tax return.

Impediments

- Various accounting records held by reinsurers and reinsurance brokers have commingled Highlands Data with PNIC/Pacific Auto Data jeopardizing the integrity of the loss data.

2009 SEMI-ANNUAL STATUS REPORT
Second Quarter Ending June 2009

Liquidation Date: 06/21/02

Target Close Date: 06/09

Estate Trust Officer: Bob Fernandez

290 Paula Ins Co

STATEMENT OF ASSETS AND LIABILITIES

As of June 30, 2009

(unaudited)

	Mar 31 2009	Jun 30 2009
ASSETS		
Participation in pooled investments, at market	532,400	-
Accrued investment income	3,300	-
Salvage and subrogation recoverable	19,600	-
Premium balances	(5,800)	-
Total ASSETS	549,500	-
LIABILITIES		
Secured claims	74,100	-
Accrued administrative expenses (Class 1)	1,800	-
Claims against policies, including guaranty associations (Class 2), before distributions	274,626,700	-
Early access and other Class 2 distributions	(139,004,400)	-
All other claims (Class 7)	290,000	-
Total LIABILITIES	135,988,200	-
NET ASSETS (DEFICIENCY)	(135,438,700)	-

ADMIN EXPENSES	1Q 2009	2Q 2009
Legal expenses	1,100	-
Consultants and temps	3,000	-
Office expenses	24,100	530,700 *
Allocated overhead expenses	83,300	-
	111,500	530,700

*Accrued closing expenses

CLAIMS		
POCs Processed	0	0
POCs Outstanding	0	0

Overall Objectives

The estate's primary goal is to complete necessary estate closure requirements in 2009. As a participant in a consolidated tax group, the estate will hold a tax reserve for a period of time.

2009 Semi Annual Results

- Monitored check clearance of final distribution and closed the bank account.
- Escheatment logistics have been started.

Remaining 2009 Objectives

- Finalize escheatment reports and logistics.
- File Declaration of Compliance.

Impediments

- None at this time.

2009 SEMI-ANNUAL STATUS REPORT
Second Quarter Ending June 2009

Liquidation Date: 07/17/01

Target Close Date: 03/10

Estate Trust Officer: Bob Fernandez

501 Sable Ins Co

STATEMENT OF ASSETS AND LIABILITIES

As of June 30, 2009

(unaudited)

	Mar 31	Jun 30
	<u>2009</u>	<u>2009</u>
ASSETS		
Participation in pooled investments, at market	15,239,900	15,501,500
Accrued investment income	89,900	91,400
Recoverable from reinsurers, net of allowances	289,700	289,700
Total ASSETS	<u>15,619,500</u>	<u>15,882,600</u>
LIABILITIES		
Accrued administrative expenses (Class 1)	1,558,200	2,088,300
Claims against policies, including guaranty associations (Class 2), before distributions	51,624,800	51,671,400
Early access and other Class 2 distributions	(6,661,400)	(6,661,400)
All other claims (Class 7)	185,800	185,800
Total LIABILITIES	<u>46,707,400</u>	<u>47,284,100</u>
NET ASSETS (DEFICIENCY)	<u>(31,087,900)</u>	<u>(31,401,500)</u>

ADMIN EXPENSES

	<u>1Q 2009</u>	<u>2Q 2009</u>
Legal expenses	1,400	2,500
Consultants and temps	1,100	6,600
Office expenses	1,200	1,400
Allocated overhead expenses	28,000	49,100
	<u>31,700</u>	<u>59,600</u>

CLAIMS

POCs Processed	0	0
POCs Outstanding	0	0

Overall Objectives

The estate's objective is to complete collection of the final reinsurance asset and position the estate for final distribution and closure in 2009.

2009 Semi Annual Results

- Commutation proposals have been presented to the remaining reinsurers to begin discussions.
- Initiated procedures for the final distribution.
- Approved CIGA's final POC

Remaining 2009 Objectives

- Finalize an agreement with the reinsurers to settle on a commutation.
- File final distribution and closing application, and Reinsurance commutation with the court.
- Final distribution to all Class 2 claimants is targeted for November 30th.

Impediments

- None at this time.

2009 SEMI-ANNUAL STATUS REPORT
Second Quarter Ending June 2009

Liquidation Date: 09/26/00

Target Close Date: 2012

Estate Trust Officer: Bob Fernandez

301 California Compensation Ins Co

STATEMENT OF ASSETS AND LIABILITIES

As of June 30, 2009

(unaudited)

	Mar 31	Jun 30
	2009	2009
ASSETS		
Cash and cash equivalents:		
Restricted	766,400	851,600
Participation in pooled investments, at market	39,867,300	40,577,000
Non-pooled short-term investments, at market		
Restricted	116,200	116,300
Accrued investment income	235,900	239,400
Statutory deposits held by other states	788,500	768,100
Recoverable from reinsurers, net of allowances	347,894,700	347,585,100
Salvage and subrogation recoverable	60,900	63,300
Total ASSETS	389,729,900	390,200,800
LIABILITIES		
Secured claims	21,803,000	21,803,000
Accrued administrative expenses (Class 1)	91,500	79,800
Claims against policies, including guaranty associations (Class 2), before distributions	1,822,041,500	1,861,714,100
Early access and other Class 2 distributions	(472,100,600)	(472,100,600)
All other claims (Class 7)	120,604,600	120,656,800
Total LIABILITIES	1,492,440,000	1,532,153,100
NET ASSETS (DEFICIENCY)	(1,102,710,100)	(1,141,952,300)

ADMIN EXPENSES

	1Q 2009	2Q 2009
Legal expenses	24,500	(2,000)
Consultants and temps	57,800	20,900
Office expenses	116,300	118,600
Allocated overhead expenses	333,000	287,400
	531,600	424,900

302 Combined Benefits Ins Co
STATEMENT OF ASSETS AND LIABILITIES
As of June 30, 2009
(unaudited)

	Mar 31	Jun 30
	2009	2009
ASSETS		
Participation in pooled investments, at market	2,440,000	2,424,500
Non-pooled short-term investments, at market		
Restricted	229,300	229,400
Accrued investment income	14,500	14,400
Recoverable from reinsurers, net of allowances	11,072,600	11,072,600
Total ASSETS	13,756,400	13,740,900
LIABILITIES		
Secured claims	203,600	203,600
Accrued administrative expenses (Class 1)	3,100	3,300
Claims against policies, including guaranty associations (Class 2), before distributions	26,426,900	26,685,100
Early access and other Class 2 distributions	(18,208,600)	(18,208,600)
All other claims (Class 7)	3,517,700	3,517,000
Total LIABILITIES	11,942,700	12,200,400
NET ASSETS (DEFICIENCY)	1,813,700	1,540,500

ADMIN EXPENSES	1Q 2009	2Q 2009
Legal expenses	700	400
Consultants and temps	1,000	700
Office expenses	1,800	1,800
Allocated overhead expenses	20,300	30,200
	23,800	33,100

304 Superior National Ins Co

STATEMENT OF ASSETS AND LIABILITIES

As of June 30, 2009

(unaudited)

	Mar 31	Jun 30
	2009	2009
ASSETS		
Participation in pooled investments, at market	8,303,900	8,879,600
Accrued investment income	49,200	51,500
Statutory deposits held by other states	344,700	319,500
Funds held by guaranty associations	10,486,400	10,486,400
Recoverable from reinsurers, net of allowances	169,074,100	170,262,700
Salvage and subrogation recoverable	44,400	44,200
Premium balances	(200)	-
Total ASSETS	188,302,500	190,043,900
LIABILITIES		
Secured claims	4,974,900	4,974,900
Accrued administrative expenses (Class 1)	58,800	53,300
Claims against policies, including guaranty associations (Class 2), before distributions	756,411,100	775,125,600
Early access and other Class 2 distributions	(183,994,800)	(183,994,800)
All other claims (Class 7)	28,756,800	28,755,800
Total LIABILITIES	606,206,800	624,914,800
NET ASSETS (DEFICIENCY)	(417,904,300)	(434,870,900)

ADMIN EXPENSES	1Q 2009	2Q 2009
Legal expenses	29,900	7,500
Consultants and temps	18,300	7,000
Office expenses	18,000	19,700
Allocated overhead expenses	132,400	128,600
	198,600	162,800

305 Superior Pacific Casualty Co

STATEMENT OF ASSETS AND LIABILITIES

As of June 30, 2009

(unaudited)

	Mar 31	Jun 30
	2009	2009
ASSETS		
Participation in pooled investments, at market	6,956,900	7,651,000
Accrued investment income	40,400	44,500
Recoverable from reinsurers, net of allowances	25,659,600	22,381,700
Total ASSETS	32,656,900	30,077,200
LIABILITIES		
Secured claims	72,300	72,300
Accrued administrative expenses (Class 1)	1,300	900
Claims against policies, including guaranty associations (Class 2), before distributions	175,473,400	178,671,300
Early access and other Class 2 distributions	(30,586,800)	(30,586,800)
All other claims (Class 7)	68,312,700	60,647,700
Total LIABILITIES	213,272,900	208,805,400
NET ASSETS (DEFICIENCY)	(180,616,000)	(178,728,200)

ADMIN EXPENSES

	1Q 2009	2Q 2009
Legal expenses	300	-
Consultants and temps	9,800	6,600
Office expenses	13,200	13,400
Allocated overhead expenses	82,300	74,500
	105,600	94,500

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STATEMENT OF ASSETS AND LIABILITIES

As of June 30, 2009

(unaudited)

	Mar 31	Jun 30
	2009	2009
ASSETS		
Participation in pooled investments, at market	2,450,600	2,459,500
Accrued investment income	14,500	14,500
Statutory deposits held by other states	632,800	633,000
Funds held by guaranty associations	225,600	225,500
Recoverable from reinsurers, net of allowances	47,743,200	47,743,200
Total ASSETS	51,066,700	51,075,700
LIABILITIES		
Secured claims	1,116,100	1,116,100
Accrued administrative expenses (Class 1)	479,000	477,400
Claims against policies, including guaranty associations (Class 2), before distributions	128,874,100	132,766,400
Early access and other Class 2 distributions	(49,443,000)	(49,443,000)
All other claims (Class 7)	11,578,500	11,294,200
Total LIABILITIES	92,604,700	96,211,100
NET ASSETS (DEFICIENCY)	(41,538,000)	(45,135,400)

ADMIN EXPENSES	1Q 2009	2Q 2009
Legal expenses	3,700	(600)
Consultants and temps	5,400	500
Office expenses	900	900
Allocated overhead expenses	20,700	39,600
	30,700	40,400

CLAIMS

POCs Processed	0	0
POCs Outstanding	2	2

Overall Objectives

The estate's immediate goal is focused on the run-off of the estate's reinsurance program, completing asset recoveries and making distributions. Additionally, the estate is working to determine all non-covered Class 2 liability by Q1 2010. The resolution of the US Life award remains a key milestone for the Superior estates.

2009 Semi-Annual Results

- Supported CDI's motion and hearing on the successful release of US Life's Special Schedule P deposits (\$53M) to CIGA.
- Completed Status Conference Report (02/11/09 hearing).
- Completed review of "Tax Sharing Agreement" and confirmed compliance.
- Loaded UDS paid data (through 03/31/09) to support US Life demand and bill reinsurers.
- Completed FH Assurance settlement and obtained court approval.
- Reinsurance collections of \$1.8M; amount billed was \$7.2M.
- In cooperation with CIGA, coordinated a US Life claims audit (Rancho Cordova and New Jersey).
- Completed Status Conference Report (7/2/09 hearing)

Remaining 2009 Objectives

- Prepare for Status Conference Hearing (12/11/09 hearing)
- Load UDS paid data (through 06/30/09) and bill reinsurers.
- Evaluate captive reinsurance proposal with a reinsurer.
- Continue to solicit commutation proposals from reinsurers.
- Review terms of the NOL "Tax Sharing Agreement" to ensure compliance.
- Research legacy balances from accounting records to identify viable assets and assess possible recovery strategies.
- Initiate efforts to segregate CBIC liability from other SNIC estates.
- Commission an actuarial review for gross liabilities to help us establish appropriate gross claims liability, especially in regards to IBNR.

Impediments

- Timing for the closure of all reinsurance recoveries is uncertain and will depend upon the duration of the U.S. Life arbitration.
- Any unforeseen delay in the court's ruling on the outstanding OSC proceedings, arbitrations, and litigation proceedings.
- All commutation negotiations with other reinsurers have been put on hold pending further review.

2009 SEMI-ANNUAL STATUS REPORT
Second Quarter Ending June 2009

Liquidation Date: 04/19/91

Target Close Date: 2011

Estate Trust Officer: Willard Roberts

433 Western Employers Ins Co

STATEMENT OF ASSETS AND LIABILITIES

As of June 30, 2009

(unaudited)

	Mar 31	Jun 30
	2009	2009
ASSETS		
Participation in pooled investments, at market	95,825,000	98,245,100
Non-pooled short-term investments, at market		
Unrestricted	1,443,400	1,445,500
Accrued investment income	565,100	578,300
Statutory deposits held by other states	3,001,700	3,002,400
Funds held by guaranty associations	9,640,800	9,641,000
Recoverable from reinsurers, net of allowances	19,199,500	19,650,100
Receivable from affiliates	10,332,000	10,332,000
Total ASSETS	140,007,500	142,894,400
LIABILITIES		
Accrued administrative expenses (Class 1)	350,600	2,038,500
Claims against policies, including guaranty		
associations (Class 5), before distributions	175,973,000	177,542,900
Early access and other Class 5 distributions	(63,029,700)	(63,029,700)
All other claims (Class 6)	6,329,100	6,329,100
Total LIABILITIES	119,623,000	122,880,800
NET ASSETS (DEFICIENCY)	20,384,500	20,013,600
ADMIN EXPENSES		
	1Q 2009	2Q 2009
Legal expenses	6,000	12,400
Consultants and temps	-	6,700
Office expenses	7,000	8,100
Allocated overhead expenses	160,400	184,700
	173,400	211,900

434 Western Employers Ins Co of America

STATEMENT OF ASSETS AND LIABILITIES

As of June 30, 2009

(unaudited)

	Mar 31	Jun 30
	2009	2009
ASSETS		
Participation in pooled investments, at market	10,935,500	11,144,700
Accrued investment income	64,100	65,600
Statutory deposits held by other states	310,700	313,000
Total ASSETS	11,310,300	11,523,300
LIABILITIES		
Accrued administrative expenses (Class 1)	14,200	120,700
Claims against policies, including guaranty associations (Class 5), before distributions	1,891,300	1,891,300
Early access and other Class 5 distributions	(1,639,300)	(1,639,300)
All other claims (Class 6)	10,332,000	10,332,000
Total LIABILITIES	10,598,200	10,704,700
NET ASSETS (DEFICIENCY)	712,100	818,600

ADMIN EXPENSES	1Q 2009	2Q 2009
Legal expenses	800	600
Consultants and temps	-	6,200
Allocated overhead expenses	15,900	13,000
	16,700	19,800

CLAIMS

POCs Processed	19	9
POCs Outstanding	292	283

Overall Objectives

The goal is to complete the determination of both estates' total claims liability. The estate team is seeking to first determine WEICA's total estate liability, make a final distribution, and close the estate (leaving the parent estate WEIC open for continued adjudication of POCs). A fundamental requirement to the long-term WEIC run-off is to determine how to quantify and resolve the remaining long-tail claims exposure and collect any associated reinsurance recoveries.

2009 Semi-Annual Results:

- Continue to adjudicate the identified POCs (283).
- Continue to analyze IGAs proofs of claim to identify and separate WEIC's claims from WEICA's.
- Continue to bill reinsurers on adjudicated claims that attach (billed \$501K and collected \$659K).

Remaining 2009 Objectives:

- Determine strategy to close WEICA estate and file Status Conference Report.
- Review white paper for WEIC interim distribution and develop initial estate closing plan.
- Implement schedule to determine total estate liability.
- File application for approval to make an interim distribution.
- File tail-cutting motion for remaining contingent and undetermined claimants.

Impediments

- Stale or other data issues that affect/delay our ability to bill and collect reinsurance.
- Time requirement to quantify and resolve estate claims liability.

2009 SEMI-ANNUAL STATUS REPORT
Second Quarter Ending June 2009

Liquidation Date: 01/17/03

Target Close Date: 03/09

Estate Trust Officer: Scott Pearce

698 Western Growers Ins Co

Overall Objectives

- File declaration of compliance to close estate in 1st QTR 2009.

2009 Semi-Annual Results:

- Filed declaration of compliance with court on February 11, 2009.

Remaining 2009 Objectives:

- None, Estate is closed.

Impediments

- None.

2009 SEMI-ANNUAL STATUS REPORT
Second Quarter Ending June 2009

Liquidation Date: 09/09/92

Target Close Date: 12/09

Estate Trust Officer: Willard Roberts

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STATEMENT OF ASSETS AND LIABILITIES

As of June 30, 2009

(unaudited)

	Mar 31	Jun 30
	2009	2009
ASSETS		
Participation in pooled investments, at market	782,700	804,100
Accrued investment income	4,600	4,700
Total ASSETS	787,300	808,800
LIABILITIES		
Accrued administrative expenses (Class 1)	100	3,000
Claims against policies, including guaranty associations (Class 5), before distributions	59,574,900	59,574,900
Early access and other Class 5 distributions	(27,411,700)	(27,411,700)
Total LIABILITIES	32,163,300	32,166,200
NET ASSETS (DEFICIENCY)	(31,376,000)	(31,357,400)

ADMIN EXPENSES	1Q 2009	2Q 2009
Legal expenses	300	200
Consultants and temps	-	6,200
Office expenses	200	400
Allocated overhead expenses	6,800	8,400
	7,300	15,200

CLAIMS

POCs Processed	0	0
POCs Outstanding	0	0

Overall Objectives

The estate's current goal is to distribute newly found assets to the estate's 10 claimants including CIGA, amend the Declaration of Compliance and close the estate.

2009 Semi-Annual Results:

- Amended closing budget.

Remaining 2009 Objectives:

- Complete (supplemental) final distribution of \$760K.
- File Declaration of Compliance.

Impediments

- None.