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Attorneys for Applicant Ricardo Lara,
Insurance Commissioner of the State of California
in his Capacity as Liquidator of
CastlePoint National Insurance Company

ELECTRONICALLY
FILED
Superior Court of California,
County of San Francisco
08/19/2026
Clerk of the Court
BY: JEFFREY FLORES
Deputy Clerk

EXEMPT from filing fees per Govt. Code § 6103

SUPERIOR COURT OF THE STATE OF CALIFORNIA

CITY AND COUNTY OF SAN FRANCISCO

INSURANCE COMMISSIONER OF THE STATE OF CALIFORNIA,

Applicant,

v.

CASTLEPOINT NATIONAL INSURANCE COMPANY, and DOES 1-50, inclusive,

Respondents.

Case No. CPF-16-515183

DECLARATION OF JOSEPH HOLLOWAY IN SUPPORT OF INSURANCE COMMISSIONER'S APPLICATION FOR ORDER AUTHORIZING SECOND INTERIM DISTRIBUTION ON ALLOWED CLASS 2 POLICYHOLDER CLAIMS AND FIFTH EARLY ACCESS DISTRIBUTION TO STATE INSURANCE GUARANTY FUNDS AND APPROVING 2025 FINANCIAL REPORT, FINANCIAL STATEMENT, AND EXPENSES OF ADMINISTRATION

Date:	**September 11, 2026**
Time:	**9:00 a.m.**
Dept:	**301**
Judge:	**Hon. Christine Van Aken**

I, Joseph Holloway, hereby declare:

1. I make this declaration in support of the *Insurance Commissioner's Application for Order Authorizing Second Interim Distribution on Allowed Class 2 Policyholder Claims and Fifth Early Access Distribution to State Insurance Guaranty Funds and Approving 2025 Financial Report, Financial Statement, and Expenses of Administration* ("Application") filed herein by the Insurance Commissioner of the State of California, as the statutory and Court-appointed Liquidator ("Commissioner") of CastlePoint National Insurance Company ("CastlePoint" or "CastlePoint estate"). The following facts are known by me to be true and correct of my own personal knowledge, except as to those that I have expressed as being based upon my information and belief. If called as a witness to testify thereon, I could and would competently do so.

2. I am currently the Chief Executive Officer of the California Insurance Commissioner's Conservation & Liquidation Office ("CLO") and the Liquidation Manager for CastlePoint National Insurance Company in Liquidation ("CastlePoint"). I served in the role as the on-site Conservation Manager for CastlePoint National Insurance Company in Conservation during the period from July 28, 2016, through March 31, 2017 (the "Conservation Period") and as the Liquidation Manager for CastlePoint from April 1, 2017 (the "Liquidation Date") until the date hereof. Having served in these roles, I am fully familiar with all aspects of the conservation and liquidation of CastlePoint.

3. I have a Bachelor of Arts degree in Accounting from North Carolina State University and hold the designation of Certified Financial Examiner from the Society of Financial Examiners. From 1985 to 2005, I worked as an examiner, regulatory specialist, and chief forensic accountant for the North Carolina Department of Insurance. Since 2005, I have worked for the Commissioner's CLO. I have over 35 years of experience working with insurance companies experiencing financial difficulties, including companies in supervision, conservation, rehabilitation, and liquidation.

4. I am empowered under Paragraphs 3 and 4 of the Court's March 30, 2017 Liquidation Order for CastlePoint National Insurance Company ("Liquidation Order"), and I was

previously empowered under Paragraph 18 of the Court's July 28, 2016 Order Appointing Insurance Commissioner As Conservator and Restraining Orders ("Conservation Order"), to carry out all the duties of, and exercise the authority of, the Insurance Commissioner (previously Dave Jones and now Ricardo Lara) in his statutory capacity as Liquidator (formerly Conservator) of CastlePoint as delegated to me with respect to the conservation, liquidation and management of CastlePoint. The Commissioner was appointed by the Court as Conservator of respondent CastlePoint, and thereafter as its Liquidator, pursuant to the Conservation Order entered pursuant to Insurance Code section 1011 and the Liquidation Order for CastlePoint ("Liquidation Order") entered pursuant to Insurance Code section 1016.

5. The Commissioner's current Application seeks an order of the Court approving and authorizing the following two distributions from the assets of the CastlePoint estate: 1. A second interim distribution on allowed Class 2 policyholder claims in the amount of approximately $1,188,046, which would bring the total approved payments to approximately 31 per cent of the amount of each such allowed policyholder claim, as itemized in Exhibit A hereto; and 2. A fifth early access distribution totaling approximately $14,834,796 to 27 state insurance guaranty funds, representing a partial distribution of funds for which they could assert a claim against the Commissioner, as itemized in Exhibit B hereto; and (3) approving the Commissioner's Financial Statement and Report for the CastlePoint estate for 2025 (together "2025 Financial Statement"), true and correct copies of which are attached as part of Exhibit C hereto.

6. The Liquidation Order directs the Commissioner to "liquidate and wind up the business of CastlePoint and to act in all ways and exercise all powers necessary for the purpose of carrying out this Order and the liquidation provisions of the Insurance Code, Insurance Code sections 1010 et seq." (Liquidation Order, ¶ 4.) It also provides that the Commissioner as Liquidator "is authorized, in his discretion, without permission of the Court and without notice, to pay or defer payment of some or all claims, expenses, liabilities and/or obligations of CastlePoint, in whole or part, accruing prior and/or subsequent to his appointment as Liquidator." (Liquidation Order, ¶ 15.)

7. Insurance Code section 1035.5, subdivision (a) provides that the Commissioner may apply for and obtain Court approval of a proposal to disburse the insurer's assets to state insurance guaranty funds:

> Within 120 days of the issuance of an order directing the winding up and liquidation of the business of an insolvent insurer under Section 1016, the commissioner shall make application to the court for approval of a proposal to disburse the insurer's assets, from time to time as such assets become available, to the California Insurance Guarantee Association, or the California Life and Health Insurance Guarantee Association, and to any entity or person performing a similar function in another state.

Such proposed distributions shall be in "amounts estimated at least equal to the payment made or to be made by the associations for which such associations could assert a claim against the commissioner" under Insurance Code section 1035.5, subdivision (c).

8. The Commissioner proposes to make a second interim distribution on allowed Class 2 policyholder claims in the amount of approximately $1,188,046, as itemized in the Commissioner's "Proposed Second Early Access Distribution on Allowed Class 2 Policyholder Claims," a true and correct of which is attached as Exhibit A hereto and incorporated herein by this reference. In addition, the Commissioner proposes to make a fifth early access distribution to state insurance guaranty funds in the net total amount of approximately $14,834,796, after reserving for amounts described in section 1035.5, subdivision (b)(1), as itemized in the Commissioner's "Proposed Fifth Early Access Distribution to State Insurance Guaranty Funds," a true and correct copy of which is attached hereto as Exhibit B and incorporated herein by this reference.

9. By Order dated September 15, 2022, the Court authorized an initial early access distribution to state insurance guaranty funds in the amount of $60,028,780 in net assets of the CastlePoint estate and the Commissioner expeditiously distributed the approved amount. By Order dated November 6, 2023, the Court subsequently approved a second early access distribution to state insurance guaranty funds in the amount of $30,075,159 in net assets of the CastlePoint estate and the Commissioner expeditiously distributed the approved amount. By Order dated December 9, 2024, the Court thereafter approved a third early access distribution to the state insurance guaranty funds in the amount of $16,438,395 (as well as the first interim distribution to CastlePoint policyholders on their allowed claims in the amount of $3,561,587).

The Commissioner expeditiously distributed these amounts. By Order dated November 6, 2025, the Court approved a fourth early access distribution to state insurance guaranty funds in the amount of $15,009,672. The methodology and procedures for the second distribution on approved Class 2 policyholder claims and the fifth distribution to state insurance guaranty funds, for which authorization is currently sought, were also utilized by the Commissioner with respect to the prior distribution to Class 2 policyholders authorized by the Court in 2024, and the four distributions to state insurance guaranty funds which were authorized by the Court in 2022, 2023, 2024 and 2025.

10. The Commissioner has now concluded that the CastlePoint estate possesses sufficient assets to make a second interim distribution on allowed Class 2 policyholder claims in the amount of approximately $1,188,046, as well as a fifth early access distribution to the 27 state insurance guaranty funds in the amount of approximately $14,834,796, for a total amount for both distributions of approximately $16,022,842. With respect to the currently proposed early access distributions, pursuant to Insurance Code section 1035.5, subdivision (b)(1), the Commissioner's proposal contains appropriate provisions for reserving amounts for the payment of expenses of administration of the CastlePoint estate, for the payment of the claims of its secured creditors to the extent of the value of security held, and for claims falling within the priorities established in Insurance Code section 1033, subdivision (a)(1)-(4). After appropriate provisions for reserving, the CastlePoint estate has ample funds to make both the second interim distribution and the fifth early access distribution for which approval is currently sought. This is demonstrated by the Commissioner's 2025 Financial Statement prepared by the Conservation and Liquidation Office and the Independent Accountant's Review Report for the CastlePoint issued by the California Department of Finance, Office of State Audits and Evaluations ("2025 Department Of Finance Report"), a true and correct copy of which is attached as part of Exhibit C hereto (finding the 2025 Financial Statement for the year ending on December 31, 2025, to be in accordance with accounting principles generally accepted in the United States). As the Financial Statement shows, the CastlePoint estate's readily available funds far exceed its priority liability for administrative expenses and secured claims. (Exhibit C, Financial Statement, Statement of Assets and Liabilities-Page 1.) The CastlePoint estate has no accrued administrative expenses as

of year-end 2025, and liability of only $124,800 for secured claims as of year-end 2025. As of the same date, the CastlePoint estate retained a total of $150,539,500 in readily available funds, consisting of cash and cash equivalents, participation in pooled investments, and non-pooled short-term investments. (Exhibit C, Financial Statement, Statement of Cash Flows). The Net Assets shown in Exhibit C have not materially changed since year-end 2025. As shown in Exhibit B hereto, under the proposed distribution, 27 guaranty funds would receive, after the offset of statutory credits under Insurance Code section 1035.5, subdivision (d), an aggregate net amount of $14,834,796 in amounts paid on claims under CastlePoint policies and related loss adjustment expenses. Subtracting the proposed distributions on allowed Class 2 policyholder claims and to state insurance guaranty funds in the total amount of approximately $16,022,842, as well as the above amount of $124,800 in secured claims, from the cash and other readily available funds in the estate of $150,539,500, it is clear that the remaining cash and other readily available funds in the estate of over $134 million are more than sufficient to cover higher priority secured claims and administrative costs.

11. To determine the appropriate amount to be distributed at this time to each state guaranty fund, the Commissioner calculated the "ultimate loss" to each state guaranty fund, which consists of the amounts paid by the guaranty fund on behalf of policyholders, as well as claims reserves and administrative expenses. The Commissioner has then applied a "maximum cap" for the distribution of a uniform percentage of each guaranty funds' ultimate loss. Statutory releases of funds from CastlePoint to state guaranty funds, as well as statutory deposits of CastlePoint to be released to state guaranty funds, were then offset, along with any premium or other credits where appropriate, pursuant to Insurance Code section 1035.5, subdivision (d). Utilizing this methodology, the Commissioner has determined that the amount to be distributed in his fifth early access distribution to each of the 27 guaranty funds is the amount set forth for that guaranty fund in Exhibit B. If closure of the CastlePoint estate is delayed, the Commissioner may seek approval of additional early access distributions when such liabilities and contingencies become known and are quantified. The currently projected time of final distribution of all assets of the CastlePoint estate is 2030.

12. In accordance with Insurance Code section 1035.5, subdivision (b)(4), the Commissioner has already requested and received from each fund an executed "early access agreement" (EA Agreement), a true and correct copy of the template for which is attached hereto as Exhibit D, to return the distributed assets as required to pay claims of secured creditors and claims falling within the priorities established in Insurance Code section 1033, subdivisions (a)(1) and (a)(2). In accordance with the requirements of 1035.5, subdivision (e), notice as required therein of the Commissioner's application was given to the insurance guaranty funds and commissioners of insurance of each of the states at least 30 days prior to the submission of the Application to the Court. The fifth early access distribution described herein is fully consistent with Insurance Code section 1035.5, and compliant with the specific requirements of section 1035.5, subdivisions (b)-(e), and constitutes an appropriate exercise of the Commissioner's discretion to manage the liquidation of the CastlePoint estate.

13. Since early 2019, all remaining liquidation activities of the CastlePoint estate have been assigned to the staff of the CLO and, as of March 31, 2019, the CastlePoint home office in New Jersey was closed.

14. During 2025 the Commissioner and CLO conducted the following actions, among others: (1) continued to open and/or re-open claim files for state guaranty associations, now totaling over 3,350 claim files since the Liquidation Date through December 31, 2025; (2) billed approximately $3.4 million of reinsurance recoverables in 2025; (3) collected for the CastlePoint estate reinsurance balances of approximately $2.7 million in 2025; (4) collected for the CastlePoint estate miscellaneous recoveries in 2025 of approximately $83,000; (5) planned and executed in 2025 an early access distribution to state insurance guaranty funds in the amount of approximately $15 million in net assets of the CastlePoint estate; (6) filed on behalf of the CastlePoint estate the tax return for the 2025 tax year and completed the 2024 audits in 2025; (7) secured an additional addendum to the administrative services agreements with AmTrust and National General thru December 31, 2026; and (8) handled the specific matters described further herein below.

15. Finally, during 2025, the Commissioner and his counsel continued to respond as necessary and appropriate to remaining claims and litigation issues affecting the CastlePoint estate.

16. The 2025 Financial Statement of the CastlePoint liquidation estate, included in Exhibit C hereto, was prepared under my direction as Chief Executive Officer of the CLO and Liquidation Manager of CastlePoint. The Financial Statement consists of the following documents: Statement of Assets and Liabilities; Statement of Assets and Liabilities (with detail); Statement of Changes in Net Assets in Liquidation; and Statement of Cash Flows. In addition, a monthly Statement of Income and Expenses is attached to the Financial Statements. Also attached as part of Exhibit C is the Independent Accountant's Review Report for 2025 issued by the California Department of Finance, Office of State Audits and Evaluations, which confirms at page 2 that the 2025 Financial Statement for CastlePoint is "in accordance with accounting principles generally accepted in the United States of America."

17. The 2025 Financial Statement included in Exhibit C reflects the following expenses of administration. For 2025, the CastlePoint estate incurred operating expenses totaling $4,183,524. Of that total, $44,940 was incurred for various office expenses. The operating expenses also included $505,328 incurred for professional fees, including attorney, consultants, and contractor expenses, but not including CLO personnel. Within that total for such professional fees, $81,980 was paid for legal expenses (including $75,000 for fees paid to Orrick for legal services in connection with the liquidation during 2025), and $423,348 was paid for necessary consultants and contractors other than attorneys. A total of $3,633,256 was allocated to the CastlePoint estate for CLO professional fees, which included amounts allocable to the CastlePoint estate for the CLO's Accounting Claims, Information Technology, Reinsurance, Estate Trust and Executive Departments.

18. The Court's Liquidation Order authorizes the Commissioner to fix and pay the administrative expenses of the liquidation from the assets of CastlePoint, subject to the Court's oversight and approval as specified. (See Liquidation Order, ¶¶ 3, 15-18.) These provisions were entered pursuant to Insurance Code sections 1035 and 1036, which grant the Commissioner the

power to fix all administrative costs (§ 1035) and the compensation of outside attorneys (§ 1036), with the approval of the Court, and to have those expenses paid by the liquidation estate. In my role as Chief Executive Officer of the CLO and Liquidation Manager of CastlePoint, the expenses of the CastlePoint estate during 2025 were appropriate for a receivership of its size and complexity and were necessary to the efficient and orderly administration of the CastlePoint estate and for the continuing liquidation of CastlePoint. They were thus an appropriate exercise of the Commissioner's discretion.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on August 16, 2026, at San Francisco, California

Joe Holloway

JOSEPH HOLLOWAY

EXHIBIT A

Proposed Second Early Access Distribution
on Allowed Class 2 Policyholder Claims

Proposed Distribution on Allowed Class 2 Policyholder Claims 2026

POC No.	Claimant No	Approved Amount	New Distribution 31.2%	Status	Class	Type
50001		375,000.00	23,250.00	Approved	2	NON-IGA
50002		420,000.00	26,040.00	Approved	2	NON-IGA
50003		355,292.30	22,028.12	Approved	2	NON-IGA
50004		500,000.00	31,000.00	Approved	2	NON-IGA
50005		200,000.00	12,400.00	Approved	2	NON-IGA
50006		375,000.00	23,250.00	Approved	2	NON-IGA
50007		380,000.00	23,560.00	Approved	2	NON-IGA
50009		500,000.00	31,000.00	Approved	2	NON-IGA
50010		550,000.00	34,100.00	Approved	2	NON-IGA
50011		700,000.00	43,400.00	Approved	2	NON-IGA
50012		200,000.00	12,400.00	Approved	2	NON-IGA
50015		450,000.00	27,900.00	Approved	2	NON-IGA
50016		466,221.00	28,905.70	Approved	2	NON-IGA
50017		400,000.00	24,800.00	Approved	2	NON-IGA
50018		550,000.00	34,100.00	Approved	2	NON-IGA
50019		200,000.00	12,400.00	Approved	2	NON-IGA
50022		632,400.00	39,208.80	Approved	2	NON-IGA
50030		400,000.00	24,800.00	Approved	2	NON-IGA
400220		1,837.36	113.92	Approved	2	NON-IGA
400758		200,000.00	12,400.00	Approved	2	NON-IGA
400894	1	9,171.14	568.61	Approved	2	NON-IGA
400894	2	9,171.14	568.61	Approved	2	NON-IGA
400894	3	9,171.14	568.61	Approved	2	NON-IGA
401211		3,490,000.00	216,380.00	Approved	2	NON-IGA
401669		500,000.00	31,000.00	Approved	2	NON-IGA
403396		8,451.95	524.02	Approved	2	NON-IGA
418189		5,763.25	357.32	Approved	2	NON-IGA
426248		100,000.00	6,200.00	Approved	2	NON-IGA
429144		42,876.94	2,658.37	Approved	2	NON-IGA
430522		4,834.17	299.72	Approved	2	NON-IGA
439907		60,996.69	3,781.80	Approved	2	NON-IGA
439910		12,569.13	779.29	Approved	2	NON-IGA
439967		33,208.02	2,058.89	Approved	2	NON-IGA
440133		700,000.00	218,400.00	Approved	2	NON-IGA
440243		700,000.00	43,400.00	Approved	2	NON-IGA
440271		19,619.12	1,216.39	Approved	2	NON-IGA
440278		10,123.13	627.64	Approved	2	NON-IGA
440379		150,000.00	9,300.00	Approved	2	NON-IGA
440480		28,950.00	1,794.90	Approved	2	NON-IGA
440497		28,627.29	1,774.89	Approved	2	NON-IGA
440543	1	250,000.00	15,500.00	Approved	2	NON-IGA
440543	2	150,000.00	9,300.00	Approved	2	NON-IGA
440673		55,000.00	3,410.00	Approved	2	NON-IGA
440680		100.00	6.20	Approved	2	NON-IGA
440682		3,865.00	239.63	Approved	2	NON-IGA
440707		109,115.78	6,765.17	Approved	2	NON-IGA
440713		10,683.55	662.38	Approved	2	NON-IGA
440731		300,000.00	18,600.00	Approved	2	NON-IGA
440789		64,710.00	4,012.02	Approved	2	NON-IGA
440845	1	25,000.00	7,800.00	Approved	2	NON-IGA
440845	2	509.00	31.56	Approved	2	NON-IGA
440859		480.00	29.76	Approved	2	NON-IGA
441021		874.00	272.69	Approved	2	NON-IGA

441479		2,000.00	624.00	Approved	2	NON-IGA
441566		550.00	171.60	Approved	2	NON-IGA
442027		500.00	31.00	Approved	2	NON-IGA
442569		2,345.31	145.41	Approved	2	NON-IGA
442978		195.54	61.01	Approved	2	NON-IGA
443027		3,201.59	998.90	Approved	2	NON-IGA
443083		364.90	22.62	Approved	2	NON-IGA
443824		373.00	116.38	Approved	2	NON-IGA
444530		766.00	238.99	Approved	2	NON-IGA
445227		4,143.00	1,292.62	Approved	2	NON-IGA
445676		246.95	77.05	Approved	2	NON-IGA
445709		147.00	45.86	Approved	2	NON-IGA
446619		177.56	55.40	Approved	2	NON-IGA
447086		1,000.00	312.00	Approved	2	NON-IGA
447432		198.71	62.00	Approved	2	NON-IGA
447630		763.79	238.30	Approved	2	NON-IGA
447653		225.88	70.47	Approved	2	NON-IGA
447802		1,985.15	619.37	Approved	2	NON-IGA
447998		431.21	26.74	Approved	2	NON-IGA
448147		1,928.55	601.71	Approved	2	NON-IGA
448346		1,048.19	64.99	Approved	2	NON-IGA
449058		227.00	70.82	Approved	2	NON-IGA
449569		225.32	70.30	Approved	2	NON-IGA
450601		29,310.62	1,817.25	Approved	2	NON-IGA
451162		159.58	49.79	Approved	2	NON-IGA
451554		717.00	223.70	Approved	2	NON-IGA
452620		1,307.00	81.03	Approved	2	NON-IGA
453473		1,400.00	436.80	Approved	2	NON-IGA
453528		220.48	68.79	Approved	2	NON-IGA
453534		925.06	57.35	Approved	2	NON-IGA
453549		300.00	18.60	Approved	2	NON-IGA
453550		524.51	32.52	Approved	2	NON-IGA
453561		882.01	54.69	Approved	2	NON-IGA
453679	1	12,808.65	794.14	Approved	2	NON-IGA
453679	2	12,808.65	794.14	Approved	2	NON-IGA
453895		3,000.00	186.00	Approved	2	NON-IGA
454229		5,500.00	1,716.00	Approved	2	NON-IGA
454285		250.00	15.50	Approved	2	NON-IGA
454292		1,141.16	70.75	Approved	2	NON-IGA
454447		6,573.31	407.54	Approved	2	NON-IGA
454483		581.64	36.06	Approved	2	NON-IGA
454577		1,081.99	67.08	Approved	2	NON-IGA
454962		2,001.52	624.47	Approved	2	NON-IGA
454972		4,500.00	279.00	Approved	2	NON-IGA
454994		10,875.00	674.25	Approved	2	NON-IGA
455052		2,206.55	136.80	Approved	2	NON-IGA
455074		13,182.01	817.29	Approved	2	NON-IGA
455094		70,000.00	4,340.00	Approved	2	NON-IGA
455100		1,013.00	316.06	Approved	2	NON-IGA
455106		140,666.67	43,888.00	Approved	2	NON-IGA
455107		90,000.00	28,080.00	Approved	2	NON-IGA

Total		15,186,602.16	1,188,046.15

EXHIBIT B

Proposed Fifth Early Access Distribution to State Insurance Guaranty Funds

Proposed Distribution to State Guaranty Funds 2026

Company	liq_no	igaflag	class	Round Dist Check	Payee	Claimant
CNIC TOWER	404279	1	2	61,282.00	Alabama	Alabama Insurance Guaranty Association
CNIC TOWER	404274	1	2	106,951.00	Arizona	Arizona Insurance Guaranty Fund
CNIC TOWER	404293	1	2	12,452.00	Arkansas	Arkansas P&C Guaranty Fund
CNIC TOWER	404283	1	2	10,822.00	Colorado	Colorado Insurance Guaranty Association
CNIC TOWER	404299	1	2	187,542.00	Connecticut	Connecticut Insurance Guaranty Associati
CNIC TOWER	404313	1	2	498,436.00	Florida10	Florida Insurance Guaranty Association
CNIC TOWER	404312	1	2	835,495.00	Florida11	Florida Workers' Compensation Insurance
CNIC TOWER	404273	1	2	27,189.00	Georgia	Georgia Insurers Insolvency Pool
CNIC TOWER	404286	1	2	10,732.00	Kansas	Kansas Insurance Guaranty Association
CNIC TOWER	404319	1	2	268,578.00	Maryland	Maryland Property and Casualty Guaranty
CNIC TOWER	404306	1	2	140,743.00	Michigan	Michigan P&C Guaranty Association
CNIC TOWER	404277	1	2	136,217.00	Mississippi	Mississippi Insurance Guaranty Associati
CNIC TOWER	404290	1	2	5,815.00	Missouri	Missouri P&C Insurance Guaranty Associat
CNIC TOWER	404280	1	2	687,721.00	Nevada	Nevada Insurance Guaranty Association
CNIC TOWER	404269	1	2	850,098.00	New Jersey10	New Jersey P-L Insurance Guaranty Associ
CNIC TOWER	404268	1	2	1,480,072.00	New Jersey11	New Jersey Workers' Compensation Securit
CNIC TOWER	404267	1	2	8,731,203.00	New York	New York Liquidation Bureau
CNIC TOWER	404303	1	2	48.00	Oklahoma	Oklahoma P&C Insurance Guaranty Associat
CNIC TOWER	404276	1	2	30,900.00	Pennsylvania10	Pennsylvania Property & Casualty Insuran
CNIC TOWER	404266	1	2	46,284.00	South Carolina	South Carolina P&C Insurance Guaranty As
CNIC TOWER	404310	1	2	82,160.00	Tennessee	Tennessee Insurance Guaranty Association
CNIC TOWER	404307	1	2	554,046.00	Texas	Texas P&C Insurance Guaranty Association
CNIC TOWER	404272	1	2	5,328.00	Utah	Utah P&C Insurance Guaranty Association
CNIC TOWER	404300	1	2	7,379.00	Vermont	Vermont P&C Insurance Guaranty Associati
CNIC TOWER	404282	1	2	5,991.00	Washington	Washington Insurance Guaranty Associatio
CNIC TOWER	404314	1	2	3,893.00	West Virginia	West Virginia Insurance Guaranty Associa
CNIC TOWER	404294	1	2	47,419.00	Wisconsin	Wisconsin Insurance Security Fund
				14,834,796.00		

EXHIBIT C

Financial Statement of CastlePoint National Insurance Company in Liquidation as of December 31, 2025

and

Independent Accountant's Review Report for CastlePoint National Estate Issued by the California Department of Finance

Insurance Commissioner of the State of California
Conservation & Liquidation Office

157 **CastlePoint National Insurance Company**

INCOME AND EXPENSES

Code		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2025
	INCOME													
	Premium Collections	-	-	-	-	-	-	-	19,313,438	-	-	-	-	**19,313,438**
	Salvage/Subrogation Recoveries	3,337	1,060	1,269	93,882	659	1,233	2,879	912	1,908	1,738	1,235	623	**110,735**
	Other Revenue	15	248	-	15	60	1,770	49,486	36	-	-	110	45	**51,784**
	Net Investment Income	876,245	1,466,424	1,201,145	1,158,618	110,594	1,604,440	215,366	1,292,033	(2,173,500)	790,186	(2,755,158)	6,578,701	**10,365,094**
	Total Income	879,598	1,467,732	1,202,413	1,252,515	111,313	1,607,444	267,731	20,606,420	(2,171,591)	791,924	(2,753,814)	6,579,368	**29,841,051**
	OPERATING EXPENSES													
	Legal and Consulting	46,280	8,651	93,490	21,054	14,924	90,316	15,067	7,958	76,889	43,108	5,643	81,948	**505,328**
	General and Administrative	3,711	4,047	3,684	3,722	3,667	3,731	3,684	3,718	3,679	3,724	3,682	3,891	**44,940**
	Allocated Overhead Expenses	357,750	282,825	295,900	297,959	304,367	301,116	306,166	317,519	281,112	309,530	313,027	265,985	**3,633,256**
	Total Operating Expenses	**407,741**	**295,523**	**393,074**	**322,735**	**322,958**	**395,163**	**324,917**	**329,195**	**361,681**	**356,362**	**322,352**	**351,824**	**4,183,524**
	Net Income after Operating Expenses	471,857	1,172,209	809,339	929,780	(211,646)	1,212,280	(57,186)	20,277,225	(2,533,272)	435,562	(3,076,166)	6,227,545	25,657,527
	LOSSES AND OTHER EXPENSES													
	Incurred Losses and Claims Expense	(100,002)	168,134	461,080	(267,816)	314,936	(283,050)	(773)	12,832,073	7,088,757	(214,803)	(20,007)	(6,214,403)	**13,764,126**
	Losses and Other Expenses	(100,002)	168,134	461,080	(267,816)	314,936	(283,050)	(773)	12,832,073	7,088,757	(214,803)	(20,007)	(6,214,403)	**13,764,126**
	Changes to Net Assets	571,859	1,004,075	348,259	1,197,596	(526,582)	1,495,330	(56,413)	7,445,152	(9,622,029)	650,365	(3,056,159)	12,441,948	11,893,401
	Details													
	REVENUES													
	Premiums													
51003	Change in UEP	-	-	-	-	-	-	-	19,313,438	-	-	-	-	**19,313,438**
	Total Premium Revenue	-	-	-	-	-	-	-	19,313,438	-	-	-	-	**19,313,438**
	Recoveries													
52003	Salvage/Subrogation Recoveries	3,337	1,060	1,269	93,882	659	1,233	2,879	912	1,908	1,738	1,235	623	**110,735**
	Total Recoveries	3,337	1,060	1,269	93,882	659	1,233	2,879	912	1,908	1,738	1,235	623	**110,735**
	Other Revenue													
54003	Miscellaneous Income	15	248	-	15	60	1,770	49,486	36	-	-	110	45	**51,784**
	Total Other Revenue	15	248	-	15	60	1,770	49,486	36	-	-	110	45	**51,784**
	TOTAL REVENUES	**3,352**	**1,308**	**1,269**	**93,897**	**719**	**3,003**	**52,365**	**19,314,386**	**1,908**	**1,738**	**1,344**	**668**	**19,475,957**
	EXPENSES													
	Legal													
62001	DOI Legal	-	-	601	-	-	-	200	-	276	-	-	-	**1,077**
62002	DOJ Legal	467	57	3,420	456	21	114	-	57	57	-	969	285	**5,903**
62003	Other Legal Expense	34,717	1,984	(4,604)	206	-	380	165	1,429	11,110	27,942	1,672	-	**75,000**
	Total Legal Expenses	35,183	2,041	(583)	662	21	494	365	1,486	11,443	27,942	2,641	285	**81,980**
	Consultants and Contractors													
63002	Accounting & Auditing	-	-	-	12,130	9,120	11,594	3,328	-	21	128	-	-	**36,321**
63004	Actuarial Expense	-	-	18,846	-	-	-	-	-	-	2,781	(2,781)	10,580	**29,426**
63005	Temporary Help Expense	6,472	6,610	6,610	8,262	5,783	6,610	5,852	6,472	6,610	8,262	5,783	7,367	**80,692**
63007	Other Professional Fees	4,625	-	68,617	-	-	63,716	5,522	-	58,814	-	-	63,716	**265,009**
63008	Tax Consulting and Compliance	-	-	-	-	-	7,904	-	-	-	3,995	-	-	**11,899**
	Total Consultant Expenses	11,097	6,610	94,073	20,392	14,903	89,823	14,702	6,472	65,445	15,167	3,002	81,663	**423,348**
	Office Expenses													
65002	Postage	40	12	7	10	6	10	12	21	9	23	11	8	**171**
65007	Misc Licenses, Fees and Taxes	-	-	-	-	-	-	-	-	-	25	-	-	**25**
65015	Storage Rent	1,718	1,699	1,718	1,773	1,780	1,773	1,780	1,779	1,773	1,779	1,773	1,779	**21,127**
65016	Record Retrieval	1,895	1,914	1,895	1,882	1,880	1,898	1,891	1,917	1,898	1,896	1,898	1,891	**22,757**
65027	Bank Charges	57	421	63	57	-	50	-	-	-	-	-	212	**861**
	Total Office Expenses	3,711	4,047	3,684	3,722	3,667	3,731	3,684	3,718	3,679	3,724	3,682	3,891	**44,940**
	Allocated Expenses													
70002	Allocated Expenses	357,750	282,825	295,900	297,959	304,367	301,116	306,166	317,519	281,112	309,530	313,027	265,985	**3,633,256**
	Total Net Allocated Expenses	357,750	282,825	295,900	297,959	304,367	301,116	306,166	317,519	281,112	309,530	313,027	265,985	**3,633,256**
	Direct Admin Exp only	*49,991*	*12,698*	*97,174*	*24,776*	*18,591*	*94,047*	*18,751*	*11,675*	*80,568*	*46,833*	*9,325*	*85,839*	***550,268***
	Total Admin Expenses	**407,741**	**295,523**	**393,074**	**322,735**	**322,958**	**395,163**	**324,917**	**329,195**	**361,681**	**356,362**	**322,352**	**351,824**	**4,183,524**
	Losses													
61001	Direct Loss & LAE	-	-	1,278,622	-	-	(4,727,346)	-	-	2,172,952	-	-	(8,460,588)	**(9,736,359)**
61091	Direct Loss & LAE-GOLD	(100,002)	(115,004)	(54,839)	(1)	(25,000)	(1,550,005)	(773)	(516,956)	(1)	-	130,658	(1,000,002)	**(3,231,925)**
61002	Assumed Loss & LAE	-	283,138	-	-	343,585	-	-	14,000,000	-	-	-	2,116	**14,628,839**
61004	Ceded Loss & LAE	-	-	(762,702)	(297,653)	(3,649)	4,494,300	-	(667,173)	4,915,805	(214,803)	(150,665)	3,244,070	**10,557,531**
65023	Bad Debt Expense	-	(0)	-	0	(0)	-	-	-	-	0	0	0	**1**
83092	Expense For Other Claims-GOLD	-	-	-	29,838	-	1,500,001	-	16,202	-	-	-	-	**1,546,041**
	Total Loss Expenses	(100,002)	168,134	461,080	(267,816)	314,936	(283,050)	(773)	12,832,073	7,088,757	(214,803)	(20,007)	(6,214,403)	**13,764,126**
	Total non-Admin Expenses	*(100,002)*	*168,134*	*461,080*	*(267,816)*	*314,936*	*(283,050)*	*(773)*	*12,832,073*	*7,088,757*	*(214,803)*	*(20,007)*	*(6,214,403)*	***13,764,126***
	TOTAL EXPENSES	**307,739**	**463,656**	**854,154**	**54,920**	**637,895**	**112,114**	**324,144**	**13,161,267**	**7,450,437**	**141,559**	**302,345**	**(5,862,580)**	**17,947,650**

INVESTMENTS

Investment Income

Conservation & Liquidation Office

157 **CastlePoint National Insurance Company**

INCOME AND EXPENSES

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2025
53001	Interest Earned-Taxable	929,389	752,472	718,000	778,093	670,300	720,897	640,159	685,358	866,325	735,101	568,047	575,526	**8,639,669**
53002	Interest Earned-Non Taxable	4,881	5,590	-	6,498	15,994	-	2,916	5,619	16	4,844	15,296	-	**61,654**
	Total Investment Income	934,270	758,062	718,000	784,591	686,294	720,897	643,075	690,978	866,341	739,945	583,343	575,526	**8,701,322**
	Investment Expenses													
68001	Investment Expense	(31,975)	(19,555)	(26,210)	(26,869)	(25,903)	(34,752)	(26,398)	(28,517)	(25,204)	(20,129)	(28,418)	(25,417)	**(319,347)**
68003	Interest Expense	2,705	526	244	631	(228)	2,597	24	7,970	789	366	343	1,217	**17,185**
	Total Investment Expenses	(29,269)	(19,029)	(25,966)	(26,238)	(26,131)	(32,155)	(26,374)	(20,547)	(24,415)	(19,763)	(28,075)	(24,200)	**(302,162)**
	Gain (Loss) on Securities													
82001	LT Realized Gn/Ls-Pool	(48,093)	828	11,602	16,213	(1,517)	(3,899)	15,055	(23,348)	(57,580)	3,487	44,632	54,137	**11,519**
82002	ST Realized Gn/Ls-Pool	145,571	1,359,941	36,668	678,222	(1,098,230)	1,117,864	(867,129)	1,205,834	181,486	51,668	338,973	(316,395)	**2,834,474**
82005	Mark to Market-Pool	(131,416)	(653,303)	(11,086)	(335,820)	557,525	(561,864)	454,719	(573,610)	(72,937)	12,683	(182,364)	160,741	**(1,336,730)**
82006	G/L on Sale LT Non Pool Sec	(83)	-	-	(136)	(314)	(529)	(165)	(482)	2,767	-	-	-	**1,059**
82008	G/L Non Pool Reap of Sec	5,265	19,925	471,925	41,786	(7,034)	364,126	(3,815)	13,207	(3,069,162)	2,165	(3,511,667)	6,128,890	**455,612**
	Net G/L on Securities	(28,756)	727,391	509,111	400,266	(549,569)	915,698	(401,335)	621,602	(3,015,426)	70,004	(3,310,426)	6,027,374	**1,965,934**
	NET INVESTMENT INCOME	**876,245**	**1,466,424**	**1,201,145**	**1,158,618**	**110,594**	**1,604,440**	**215,366**	**1,292,033**	**(2,173,500)**	**790,186**	**(2,755,158)**	**6,578,701**	**10,365,094**
	NET INCOME (LOSS)	**571,859**	**1,004,075**	**348,259**	**1,197,596**	**(526,582)**	**1,495,330**	**(56,413)**	**7,445,152**	**(9,622,029)**	**650,365**	**(3,056,159)**	**12,441,948**	**11,893,401**

157 **157 CastlePoint National Ins Co**

STATEMENT OF ASSETS AND LIABILITIES

As of December 31, 2025

	Dec 31 2025A
ASSETS	
Cash and cash equivalents:	
Unrestricted	1,120,900
Participation in pooled investments, at market	143,727,000
Non-pooled short-term investments, at market	
Unrestricted	2,504,700
Restricted	3,186,900
Accrued investment income	3,677,100
Statutory deposits held by other states	70,132,000
Recoverable from reinsurers	191,887,000
Receivable from affiliates	324,000
Other receivable	14,658,600
Deposits and other assets	1,762,000
Total Available Assets	432,980,200
LIABILITIES	
Secured claims	124,800
Accrued administrative expenses	-
Claims against policies, including guaranty associations, before distributions	1,104,599,000
Early access and other Class 2 distributions	(377,391,600)
California and Federal claims having preference	1,600,000
All other claims	45,308,600
Total Estimated Liabilities	774,240,800
NET ASSETS (DEFICIENCY)	**(341,260,600)**

157 **157 CastlePoint National Ins Co**

STATEMENT OF ASSETS AND LIABILITIES

As of December 31, 2025

		Dec 31 2025A
	ASSETS detail	
	Cash and Investments	
11001	Cash-Unrestricted	1,120,947
12001	Participation in Pooled Investment	143,726,964
12002	Short Term Investments	2,504,730
12003	Short Term Inv. Restricted	3,186,867
	Cash and Investments	150,539,508
13015	Accrued Int & Div Receivable	3,677,104
12012	Statutory Deposits	70,132,008
	Reinsurance Receivable	
13001	Rein Recoverable-Paid	1,224,988
13002	Rein Recover-Unpaid Losses	190,662,060
	Reinsurance Receivable	191,887,048
	Receivable From Affiliates	
13012	Receivable from Affiliates	324,043
	Receivable from Affiliates Net of Allowance	324,043
	Other Receivables	
13013	Int & Div Receiv-Unrestricted	(145)
13018	Other Receivables	14,658,698
	Other Receivable	14,658,553
	Other Assets	
15005	Other Prepaid Expense	531,412
16001	Funds Held by Reinsurance	13,793
17003	Other Assets	8,514,352
17004	Provision Against Other Assets	(7,297,520)
	Other Assets	1,762,037
	Total Available Assets	432,980,301
	LIABILITIES detail	
	Secured Claims	
22001	Unclaimed Funds Payable	106,580
22091	Unclaimed Funds Payable-GOLD	18,205
	Secured Claims	124,785
	Class 1: Payables and Accrued Expenses	
25001	Due To/From Intercompany Acct	(0)
	Class 1 Liabilities	(0)
	Class 2: Losses, Reserves and non-IGA Claims	
28001	Loss & ALAE Reserve	551,853,483
28003	Unearned Premiums	1,060,981
28006	Liability Due to GAs	502,036,185
29001	Other Class 2 Payable	14,534,257
29091	Other Class 2 Payable-GOLD	35,114,138
	Class 2 Liabilities before Distributions	1,104,599,043
	Early Access and Other Class 2 Distributions	
28007	Advances to Guaranty Associations	(251,556,060)
28097	Advances to Guaranty Associations-GOLD	(121,387,646)
41005	Class 2 Distributions	(10,000)
41095	Class 2 Distributions-GOLD	(4,437,860)
	Early access and other Class 2 distributions	(377,391,566)
	Class 3, 5 & 6: Calif and Federal claims	
27092	Fed Tax Payable-GOLD	-
27093	Premium Tax Payable-GOLD	1,600,004
	Class 3, 5 & 6 Liabilities	1,600,004

157 **157 CastlePoint National Ins Co**

STATEMENT OF ASSETS AND LIABILITIES
As of December 31, 2025

		Dec 31 2025A
	Class 7: All Other Claims	
30005	Reinsurance Payable	41,637,158
30007	Contingent Commission	(28,583)
30008	Other Class 7 Liabilities	113,442
30098	Other Class 7 Liabilities-GOLD	1,970,942
31001	Funds Held for Others	1,615,635
	Class 7 Liabilities	45,308,594
	Total Estimated Liabilities	774,240,859
	NET ASSETS (DEFICIENCY)	**(341,260,559)**

157 **157 CastlePoint National Ins Co**

STATEMENT OF CHANGES IN NET ASSETS IN LIQUIDATION

For Twelve Months Ended December 31, 2025

		2025A
	BEGINNING NET ASSETS	**(353,153,960)**
	REVENUES	
51003	Change in UEP	19,313,438
52003	Salvage/Subrogation Recoveries	110,735
54003	Miscellaneous Income	51,784
	TOTAL REVENUES	**19,475,957**
	EXPENSES	
	Legal	
62001	DOI Legal	1,077
62002	DOJ Legal	5,903
62003	Other Legal Expense	75,000
	Total Legal Expenses	81,980
	Consultants and Contractors	
63002	Accounting & Auditing	36,321
63004	Actuarial Expense	29,426
63005	Temporary Help Expense	80,692
63007	Other Professional Fees	265,009
63008	Tax Consulting and Compliance	11,899
	Total Consultant Expenses	423,348
	Office Expenses	
65002	Postage	171
65007	Misc Licenses, Fees and Taxes	25
65015	Storage Rent	21,127
65016	Record Retrieval	22,757
65027	Bank Charges	861
	Total Office Expenses	44,940
70002	Allocated Expenses	3,633,256
	Direct Admin Exp only	*550,268*
	Total Admin Expenses	**4,183,524**
	Losses	
61001	Direct Loss & LAE	(9,736,359)
61091	Direct Loss & LAE-GOLD	(3,231,925)
61002	Assumed Loss & LAE	14,628,839
61004	Ceded Loss & LAE	10,557,531
65023	Bad Debt Expense	1
83092	Expense For Other Claims-GOLD	1,546,041
	Total Loss Expenses	13,764,126
	Total non-Admin Expenses	*13,764,126*
	TOTAL EXPENSES	**17,947,650**
	INVESTMENTS	
53001	Interest Earned-Taxable	8,639,669
53002	Interest Earned-Non Taxable	61,654
	Total Investment Income	8,701,322
68001	Investment Expense	(319,347)
68003	Interest Expense	17,185
	Total Investment Expenses	(302,162)
82001	LT Realized Gn/Ls-Pool	11,519
82002	ST Realized Gn/Ls-Pool	2,834,474
82005	Mark to Market-Pool	(1,336,730)
82006	G/L on Sale LT Non Pool Sec	1,059
82008	G/L Non Pool Reap of Sec	455,612
	Net G/L on Securities	1,965,934
	NET INVESTMENT INCOME	10,365,094
	NET INCOME (LOSS)	**11,893,401**
	ENDING NET ASSETS	**(341,260,559)**

157 **157 CastlePoint National Ins Co**

STATEMENT OF CASH FLOWS

For Twelve Months Ended December 31, 2025

	2025
Cash flows from operating activities	
Net income	11,893,401
Decrease (increase) in statutory deposits held by other states	(341,362)
Decrease (increase) in funds held by IGAs	-
Decrease (increase) in recoverable from reinsurers	13,229,716
Decrease (increase) in other receivable	75,255
Increase (decrease) in secured claim liabilities	19,330
Increase (decrease) in accrued admin expenses	(0)
Increase (decrease) in unpaid claims against policies, including guaranty associations	(12,968,285)
Increase (decrease) in early access and other distributions	(35,041,664)
Increase (decrease) in California and Federal claims having preference	-
Increase (decrease) in general creditor claims	(17,767,397)
Adjustments to Net Assets / Loading balance	-
Net cash flow from operating activities	(40,901,005)
Cash flows from investing activities	
Decrease (increase) in accrued investment income-Non Restricted	194,523
Decrease (increase) in accrued investment income-Restricted	(141,004)
Cash flows from financing activities	
	-
Net increase (decrease) in cash, cash equivalents, and restricted cash	**(40,847,486)**
Cash, Cash Equivalents, and Restricted Cash at beginning of period	191,386,994
Cash, Cash Equivalents, and Restricted Cash at end of period	**150,539,508**

Conservation & Liquidation Office

CastlePoint National Estate

For the Period January 1, 2025 through December 31, 2025

Report No. 26-0845-038

May 2026

Team Members

Cheryl L. McCormick, CPA, Chief
Jennifer Arbis, Assistant Chief
Marilyn Standing Horse, CPA, Assistant Chief
Humberto E. Cervantes, Manager
Daisy Rose, Supervisor
Mayra Cavazos, Lead
Trevor Mattox
John Yang

You can contact our office at:

California Department of Finance
Office of State Audits and Evaluations
915 L Street, 6th Floor
Sacramento, CA 95814
(916) 322-2985

May 27, 2026

Joseph B. Holloway, Chief Executive Officer
Conservation & Liquidation Office
100 Pine Street, Suite 725
San Francisco, CA 94111

Final Report—CastlePoint National Estate Financial Statement Review, December 2025

In accordance with California Insurance Code section 1061, the California Department of Finance, Office of State Audits and Evaluations, has completed its review of the CastlePoint National Estate assigned to the Conservation & Liquidation Office (CLO) for the period January 1, 2025 through December 31, 2025.

The enclosed report is for your information and use. We appreciate the assistance and cooperation of CLO. If you have any questions regarding this report, please contact Rick Cervantes, Manager, or Daisy Rose, Supervisor, at (916) 322-2985.

Sincerely,

Cheryl L. McCormick

Cheryl L. McCormick, CPA
Chief, Office of State Audits and Evaluations

cc: Regina Alava, Chief Financial Officer, Conservation & Liquidation Office
Michael Martinez, Chief Deputy Insurance Commissioner, California Department of Insurance
Teresa Campbell, Deputy Insurance Commissioner and General Counsel, California Department of Insurance
Laura Clements, Deputy Insurance Commissioner, Financial Surveillance Division, California Department of Insurance

Table of Contents

Independent Accountant's Review Report

Joseph B. Holloway, Chief Executive Officer
Conservation & Liquidation Office
100 Pine Street, Suite 725
San Francisco, CA 94111

We have reviewed the accompanying financial statements of the CastlePoint National Estate, which comprise the Statement of Net Assets in Liquidation as of December 31, 2025, Statement of Changes in Net Assets in Liquidation, and Statement of Cash Flows in Liquidation for the period then ended; and the related notes to the financial statements.

CLO's Responsibility for the Financial Statements

The Conservation & Liquidation Office (CLO), as assigned conservator/liquidator, is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to express a conclusion on these financial statements based on our review. Our review was conducted in accordance with attestation standards contained in the Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. The procedures performed in a review vary in nature and timing from and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

A review includes primarily applying analytical procedures to management's financial data, inquiring about CLO management, and testing transactions.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements and the related notes to the financial statements of the CastlePoint National Estate for the year ended December 31, 2025, in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Restriction on Use

This report is intended solely for the information and use of the California Department of Insurance, CLO, and the courts to liquidate the CastlePoint National Estate, and is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

Cheryl L. McCormick

Cheryl L. McCormick, CPA
Chief, Office of State Audits and Evaluations

Sacramento, California
May 6, 2026

CastlePoint National Estate
Statement of Net Assets in Liquidation
As of December 31, 2025

	Balance
Assets	
Cash and Cash Equivalents	$ 1,120,947
Participation in Pooled Investments, at Market	143,726,964
Non Pooled Short-Term Investments	5,691,597
Accrued Investment Income	3,677,103
Statutory Deposits	70,132,008
Recoverable from Reinsurers	191,887,048
Receivables from Affiliates	324,043
Other Receivables	14,658,553
Deposits and Other Assets	1,762,037
Total Assets	432,980,300
Liabilities	
Secured Claims	124,785
Claims Against Policies, Including Guaranty Associations (Class 2), before Distributions	1,104,599,043
Early Access and Other Class 2 Distributions	(377,391,566)
California and Federal Claims Having Preference (Class 3 - 6)	1,600,004
All Other Claims (Class 7-9)	45,308,595
Total Liabilities	774,240,861
Net Assets (Deficiency) in Liquidation	**$ (341,260,561)**

The notes are an integral part of the financial statements.

CastlePoint National Estate
Statement of Changes in Net Assets in Liquidation
For the Year Ended December 31, 2025

Net Assets in Liquidation December 31, 2024	**$ (353,153,962)**
Revenue	
Premiums Revenue	19,313,438
Recoveries	110,735
Other Revenue	51,784
Total Revenue	19,475,957
Expenses	
Legal Expenses	81,980
Consultant Expenses	423,349
Office Expenses	44,940
Net Allocated Expenses	3,633,256
Total Administrative Expenses	4,183,525
Loss Expenses	13,764,126
Total Expenses	17,947,651
Investments	
Investment Income	8,701,323
Investment Expenses	(302,162)
Gain (Loss) on Securities	1,965,934
Net Investment Income	10,365,095
Changes in Net Assets	**11,893,401**
Net Assets in Liquidation December 31, 2025	**$ (341,260,561)**

The notes are an integral part of the financial statements.

CastlePoint National Estate
Statement of Cash Flows in Liquidation
For the Year Ended December 31, 2025

Cash Flows from Operating Activities	
Changes in Net Assets	$ 11,893,401
Decrease (Increase) in Statutory Deposits	(341,362)
Decrease (Increase) in Recoverable from Reinsurers	13,229,716
Decrease (Increase) in Other Receivables	75,255
Increase (Decrease) in Secured Claims	19,330
Increase (Decrease) in Unpaid Claims Against Policies, Including Guaranty Associations	(12,968,285)
Increase (Decrease) in Early Access and Other Distributions	(35,041,664)
Increase (Decrease) in General Creditor Claims	(17,767,397)
Net Cash Flows from Operating Activities	(40,901,006)
Cash Flows from Investing Activities	
Decrease (Increase) in Accrued Investment Income, Non-restricted	194,523
Decrease (Increase) in Accrued Investment Income, Restricted	(141,004)
Cash Flows from Financing Activities	0
Net Increase (Decrease) in Cash	(40,847,487)
Cash, Cash Equivalents, and Restricted Cash at Beginning of Period	191,386,995
Cash, Cash Equivalents, and Restricted Cash at End of Period	**$ 150,539,508**

The notes are an integral part of the financial statements.

1. Organization

The California Insurance Commissioner (Commissioner), an elected official of the State of California, acts under the supervision of the Superior Court (Court) when conserving and liquidating insurance enterprises. In this capacity, the Commissioner is responsible for taking possession (conservation) of the assets of financially troubled insurance enterprises domiciled or incorporated in California. An enterprise subject to a conservation or liquidation order is referred to as an estate.

The Commissioner applies to the Court for a conservation order to place a financially troubled enterprise in conservatorship. Under a conservation order, the Commissioner takes possession of the insolvent estate's financial records and real and personal property, and conducts the business of the estate until a final disposition regarding the estate is determined. The conservation order allows the Commissioner to begin an investigation that will determine, based on the estate's financial condition, if the estate can be rehabilitated, or if continuing business would be hazardous to its policyholders, creditors, or the public.

If, at the time the conservation order is issued or anytime thereafter, it appears to the Commissioner that it would be futile to proceed with the conservation of the financially troubled estate, the Commissioner will apply for an order to liquidate the estate's business. In response to this application, the Court may order the Commissioner to liquidate the estate's business in the most expeditious fashion.

In order to discharge their responsibility as conservator or liquidator, the Commissioner appoints special deputy insurance commissioners as agents to act on their behalf. The Commissioner has formed the Conservation & Liquidation Office (CLO) to support the activities of one of these special deputy insurance commissioners. CLO was created in 1994 to be the successor to the Conservation & Liquidation Division of the California Department of Insurance, which was managed by State employees. CLO is based in San Francisco, California.

2. Basis of Presentation

The accompanying financial statements of the insurance company in liquidation (the estate) have been prepared on the liquidation basis of accounting in conformity with generally accepted accounting principles. These financial statements reflect the financial position and activity of the estate, which has been assigned to CLO by the Commissioner in their role as liquidator.

Under the liquidation basis of accounting, assets are stated at their estimated net realizable values. Liabilities are stated at their ultimate amounts and are subsequently adjusted to settlement amounts upon final distribution. A new cost basis is established as of the date of liquidation.

The valuation of assets and liabilities requires many estimates and assumptions, as there are substantial uncertainties in carrying out the provisions of the liquidation proceedings. The actual value of liquidating distributions will depend upon a variety of factors including, among others, the proceeds from the sale of the estate's assets and the actual timing of distributions.

3. Summary of Significant Accounting Policies

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles, prepared on a liquidation basis of accounting, requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

The major estimates recorded include reserves for claims against policyholders, reinsurance recoverables on unpaid losses, and allowances for uncollectible amounts. These estimates are only partially recorded due to the unavailability of reliable or complete information.

Restatements and Reclassifications
CLO’s policy is to determine whether certain transactions require restatement of the beginning net asset (or net deficiency) balance or if the transactions represent a change in estimate and should be accounted for in the current period. CLO considers certain factors such as the nature and date of the transaction, materiality in relation to the account category, and whether it is in the purview of CLO’s normal operating activities. Materiality is determined on an estate by estate basis.

Legacy Balances
At the time of conservation or liquidation, CLO obtains the accounting records of the estate in order to load the account balances (legacy balances) into the general ledger system. During the liquidation process, the legacy balances on the Statement of Assets and Liabilities are researched and validated. This process may take several months to several years. Depending on the nature of the item, legacy balances that cannot be validated are either written off or adjusted through the Net Assets account.

Priority of Claims
California Insurance Code section 1033 prescribes that claims on estate assets are paid according to a priority, except when otherwise provided in a rehabilitation plan. The priority structure was last modified on January 1, 2000, and the estate’s reported balances are classified in accordance with the latest priority structure.

As of January 1, 2000, the order of priority for payment is generally as follows:

Secured claims	Liabilities of the estate for which the creditor has perfected a lien against specific estate assets. These claims are generally discharged by a return of the collateral.
Administrative expenses (Class 1)	Expenses of administration.
Claims against policies (Class 2)	All claims of guaranty associations, together with claims for refund of unearned premiums, and all claims under policies of an insolvent insurer that are not claims covered by guaranty associations.
Federal claims having preference (Class 3)	Claims having preference by the laws of the United States.
Section 736 (Class 4)	Unpaid charges due under the provisions of California Insurance Code section 736.
California taxes (Class 5)	Taxes due to the State of California.
California claims having preference (Class 6)	Claims having preference by the laws of California.
Other claims (Class 7 – 9)	All other claims of creditors not included in prior classes, certificates of contribution, surplus notes or similar obligations, premium refunds on assessable policies, and interests of shareholders or owners in any residual value in the estate.

Upon issuance of a liquidation order covering an enterprise, CLO publishes a notice to the enterprise's policyholders, creditors, shareholders, and all parties interested in the enterprise's assets. The notice requests that proofs of claims be filed with CLO before the final filing date published in the notice of liquidation. The valuation of each proof of claim is determined in accordance with policy provisions and statutory requirements.

The probability of a valid claim being paid is dependent on the valuation of the claim, the order of preference of the claim, and the amount of funds remaining after other claims having higher preference have been discharged. Each priority class of claims must be fully paid before any distribution may be made to the next priority class. All members of a class receiving partial payment must receive the same pro-rata amount.

Estimate of Future Administrative Costs

CLO's policy is not to accrue estimates of future administrative costs except when the Court has approved a final distribution order and the estate is scheduled to be closed within the following twelve months.

General and Estate-Specific Notes

The following describe CLO's general accounting policies for asset, liability, revenue, and expense account categories for all estates for which it is responsible. Certain estates may have zero balances or no transactions in the categories listed below for the period covered by this report.

See Note 4 and any subsequent notes for specific information and disclosures regarding the estate covered by this report.

ASSETS:

Cash and Cash Equivalents

Cash and Cash Equivalents consist of cash in banks, investments in money market funds, and all investments with original maturities of three months or less. Investments with maturities of greater than three months, but due in one year or less, are classified as short-term investments. Restricted cash is segregated in accordance with restrictions imposed by court order, a loan or security agreement, California statute, or escrow agreements, and is generally unavailable for administrative expenses. (See Note 4A)

Pooled Investments

All investments, including short-term investments and debt and equity securities, are stated at fair value, which approximates market value. Market values are those provided by the depository trust institution in possession of the securities at the balance sheet date or through brokerage institutions.

The majority of the invested assets of the estates are combined for investment purposes into an investment pool, divided equally between two investment management firms. Each of the participating estates owns a percentage of the pool based on its proportionate share of the fair value of the pool's net assets. The net assets are valued at fair value on a monthly basis and estate ownership is computed monthly based on contributions and withdrawals by participating estates. Realized and unrealized gains and losses are allocated monthly based on the estate's ownership percentage in the pool at month-end.

Pooled investments may be considered restricted. (See Note 4A)

Non-Pooled Short-Term Investments

Non-Pooled Short-Term Investments consists of investments with maturities greater than three months, but less than one year, and are funds that cannot be commingled with other funds. Non-pooled investments are held by a custodian bank, and for larger non-pooled investment accounts, an investment manager oversees the investment.

Non-pooled investments are stated at fair value, which approximates market value. Market values are those provided by the depository trust institution in possession of the securities at the balance sheet date or through brokerage institutions. Where market values are not readily determinable, book values are used.

Restricted investments are either restricted by court order, held in trust, or represent a deposit whose use is restricted by statute. (See Note 4B)

Accrued Investment Income
Accrued Investment Income represents monthly estimates of interest and dividends earned on cash and investments held by the estate. For pooled investments, interest accruals are allocated based on the estate's percentage of ownership in the pool. Non-pooled interest accruals are on an estate by estate basis. Each month, interest and dividends are accrued and posted to the estate's account. Upon receipt of the earnings, the accruals are reversed or adjusted and actual amounts received are posted.

Statutory Deposits
In the normal course of writing insurance, insurance enterprises are required by state statute to deposit funds with the insurance departments of the states in which they transact business. These deposits are comprised of restricted cash and cash equivalents, short-term investments, and bonds, and are considered the domiciliary estate's investment assets by CLO.

Upon liquidation, the statutory deposits are transferred to CLO's control on behalf of the estate, or impounded by the various state insurance departments for the protection of policyholders within their jurisdiction. Subject to statutory restrictions, the various receiverships may use these funds to pay administrative expenses or claims of the estate arising within their state. Administrative expenses are recorded upon notification from the various ancillary proceedings. It is uncertain whether all, a portion, or any of the domiciliary statutory deposits will be available to CLO in satisfying the obligations of the estate's liquidation proceedings.

Funds Held by Guaranty Associations
Funds Held by Guaranty Associations represents restricted statutory deposits controlled by ancillary receivers. Upon final settlement of the insurance guaranty association (IGA) claims, any remaining excess funds will be recovered by the estate in accordance with the proper court approval and/or agreement with the IGAs.

Recoverable from Reinsurers
Recoverable from Reinsurers includes amounts recoverable from either ceded or retroceded loss and loss adjustment expense payments, as well as any assumed reinsurance premiums and reinsurance commissions due to the estates.

Reinsurance is the assumption by one insurer (reinsurer) of all or part of a risk originally undertaken by another insurer (cedent insurer). The use of reinsurance agreements does not eliminate the cedent insurer's obligation to pay losses in full. To the extent that a reinsurer is unable to meet its obligations, the insurer is liable for such defaulted amounts. The recoverable from reinsurers balance typically includes amounts related to losses incurred by the estate when it was an insurer of either direct or assumed business. The balance may also include receivables for assumed reinsurance premiums and commissions due the estate.

CLO records reinsurance recoverable related to all unpaid and paid claims and claim adjustment expenses to which the estates are entitled, establishes an allowance for those amounts which it does not expect to recover, and performs an analysis of reinsurance contracts in relation to transfer of risk and prospective versus retroactive reinsurance.

For certain estates, the reinsurance recoverable on paid and unpaid losses or the amount of letters of credit available for reinsurers has not been fully evaluated by CLO. CLO records and evaluates reinsurance recoverable when the information becomes available. In some cases, part of an estate's recoverable from reinsurers represents the balance at the time of conservation. As such, the balance may not include paid claim information from all of the state guaranty associations as of year-end. Because of the difficulty in estimating the recoverable for estates with incomplete claim information, estates which have received recent actuarial examinations have used this reserve data to estimate reinsurance recoverable on unpaid losses.

Allowances are established when a reinsurer is deemed insolvent or placed into rehabilitation. (See Note 4C)

Salvage and Subrogation Recoverable
Salvage is the recovery made by an insurance enterprise by the sale of property, which has been taken over from the insured as part of the loss settlement.

Subrogation is the substitution of one person in the place of another with reference to a lawful claim or right. The insurance carrier that paid a claim is the subrogee who seeks recovery from the wrongdoer on the principle that the subrogee stands in the place of the one paid and is substituted in the subrogor's stead with all rights against that wrongdoer.

The right of subrogation is, in effect, an assignment by operation of law that occurs without the execution of any formal documents. Subrogation provisions of various compensation laws represent a statutory modification of the common law rule that a personal injury claim is unassignable.

Receivables from Affiliates
Receivables from Affiliates represents amounts due from sibling or parent corporations of the estate. Amounts are reported at gross value, unless there is additional available information to substantiate an allowance or other adjustments.

Other Receivables
Other Receivables consists of settlement or judgment receivables, rent receivables, and all other types of receivables that do not correspond with another receivable category. Allowance amounts are established on an individual basis. Amounts reported reflect CLO's best estimate of net realizable value.

Deposits and Other Assets
Deposits and Other Assets consists of prepaid expenses, funds held by reinsurance, and other assets.

LIABILITIES:

Secured Claims
Secured Claims represents liabilities of the estate for which a creditor has perfected a lien against specific estate assets and unclaimed funds payable. Unclaimed funds payable represent funds distributed to claimants, which were returned as undeliverable and/or an accurate address could not be located. Unclaimed funds are eventually escheated to

the California State Controller's Office or the State Treasurer of the claimants last known address.

Secured Claims receive the first priority payment of an estate's assets.

Accrued Administrative Expenses (Class 1)
Accrued Administrative Expenses (Class 1) represents accrued CLO administrative expenses and reserves for federal income tax liabilities.

The final resolution of litigation, reinsurance, and other matters which impact the closure of the estate, may take more than ten years to resolve. Therefore, CLO does not estimate the date by which the estate expects to complete its liquidation. CLO also does not accrue estimates of future administrative costs because a reasonable basis for the costs cannot be determined, except when the Court has approved a final distribution order and the estate is scheduled to be closed within the following twelve months.

Administrative Expenses (Class 1) liabilities have the first priority payment of an estate's assets after all secured claims are satisfied.

Claims Against Policies, Including Guaranty Associations (Class 2)
Claims Against Policies, Including Guaranty Associations consists of all claims of guaranty associations, claims for refund of unearned premiums, and allowable claims not covered by the guaranty associations.

Reserves for Losses and Loss Adjustment Expenses represent the estimated balance of the ultimate settlement value of policyholder claims against the estates to the extent known by CLO. The reserves and related salvage and subrogation are based on, in some cases, incomplete information and have not been fully evaluated by an independent actuary for claims development or for claims which have been incurred but not reported.

Due to uncertainty as to the ultimate settlement cost of policyholder claims and policyholder contract shortfalls, the effect of adjustments to the reported amounts is not presently determinable but may have a material effect on the financial statements. It is management’s intent to obtain enough reliable data from the guaranty associations, actuaries, or other sources in order to develop estimates which would support the ultimate settlement amount for each estate.

Liabilities Due to Guaranty Associations are amounts due to the California Insurance Guarantee Association and other state insurance guaranty associations for paid claims, administrative expenses, and other expenses incurred by the guaranty associations in discharging the estate’s insurance policy obligations which are considered covered under the applicable state insurance code.

Unearned Premium Reserves represent the amount of premium paid by policyholders for anticipated coverage applicable to the period after cancellation. This premium ultimately will be returned to policyholders if there are sufficient estate assets. For many estates, CLO has not fully evaluated and recorded these claims; therefore, the ultimate settlement amount may differ materially from the amounts reported.

Other Class 2 Claims are claims in excess of their limits or types of claims not covered by the statutory obligations of the insurance guaranty associations. CLO is responsible for adjudicating claims which are not covered by guaranty associations, and also for the administration and payment of these claims to policyholders. CLO has not fully evaluated and recorded all Other Class 2 claims; therefore, the ultimate settlement amount may differ materially from the amounts reported. CLO does not have a legal right to recover these funds once disbursed. (See Notes 4D and 4E)

Early Access and Other Class 2 Distributions
Estate assets may be distributed through an early access distribution, an interim distribution, or a final distribution. All distributions must receive prior approval from the Court. Distributions are made in accordance with the priority scheme described above.

Early access distributions are payments made specifically to insurance guaranty associations based on their paid losses reported to CLO. The guaranty associations report paid losses and other information monthly through electronically-submitted data reports in uniform data standard format.

The Commissioner can advance a portion of an estate's assets to a guaranty association in order to pay future claim liabilities. However, the Commissioner continues to be primarily responsible to secured creditors and Class 1 creditors who have preference over amounts reimbursable to guaranty associations. CLO maintains a legal right to these funds and may recover these advanced funds from the guaranty associations to pay higher priority claims should the need arise.

Guaranty associations do not have a greater priority than other Class 2 claimants. Consequently, when final distribution of an estate's assets is made, guaranty association claims will be treated on an equal basis with other policyholder claims at the time of final distribution, and the amount payable to the guaranty associations will be reduced by amounts previously advanced, plus interest, if applicable.

Interim distributions are payments to guaranty associations and claimants whose claims are not covered by the guaranty association. Interim or partial distributions may be ordered by the Court before the final distribution to close an estate is made. In this case, CLO evaluates whether the estate has sufficient funds to pay beyond Class 2 claimants by calculating the ratio of assets to liabilities as a percentage of projected distributions. If there are insufficient funds to pay the lower-priority class claims, the claimants are notified through a “No Asset Letter” mailing.

Final distributions occur after the final claims have been approved by CLO and all reinsurance and litigation matters are resolved. Final distributions are ordered by the Court to distribute the remaining assets of an estate to claimants or insurance guaranty associations, or to remit funds to the domiciliary receiver if the estate is an ancillary estate. Final distributions usually occur at the end of the estate’s life cycle.

If estates have assets in excess of liabilities, the Court may award interest to claimants based on their allowed claims. This interest accrual is limited to 10 percent per year, calculated for the period from the date of the liquidation order to the date of final distribution. CLO's policy is to not accrue or pay interest unless 100 percent of all classes of claims have been paid. (See Notes 4D and 4E)

California and Federal Claims Having Preference (Class 3 – 6)
California and Federal Claims Having Preference consists of federal claims, pre-liquidation premium taxes payable to the State of California, and other California claims having preference. (See Note 4E)

All Other Claims (Class 7 – 9)
Class 7 Claims represents all other claims filed against the estate, which have not been defined by higher priority classes. Claimants include pre-liquidation creditors, reinsurers, and cedents. Class 8 Claims represent certificates of contribution, surplus notes, or similar obligations, and premium refunds on assessable policies. Class 9 Claims represent the interests of shareholders or other owners in any residual value in the estate. To the extent that assets remain in the estate, the Class 7 – 9 claimants will receive a distribution of the assets remaining after all other claimants are satisfied.

For financial reporting purposes, Class 7 – 9 liabilities have been accrued when it is probable that the liability has been incurred and the amount of the loss can be reasonably estimated. When recorded, these balances generally represent the liabilities owed at the time of liquidation or those claims evaluated by CLO during the proof of claim process.

For estates where available assets are insufficient to pay all Class 2 claims and lower priority claims, CLO has intentionally not fully evaluated the lower priority proofs of claims, since to do so would incur unnecessary administrative time and expenses, reducing funds available for distribution to higher-priority claimants. Therefore, in these instances, CLO generally does not make adjustments to the recorded balance for Class 7 – 9 liabilities. Thus, amounts recorded may not represent the ultimate Class 7 – 9 liabilities of the estate. (See Note 4E)

REVENUES:

Premiums Revenue
Premiums Revenue represents retrospective premium adjustments and changes in unearned premiums. Income received from premiums after conservation, but not associated with an established receivable, is recorded as Premiums Revenue. Adjustments to premiums written occur primarily with workers compensation premiums. These premiums are paid in advance, and are based on estimates of the number of workers covered. At the end of the coverage period, audits are conducted to determine if the premium paid was reflective of the actual employees covered. Additional collections and refunds are calculated accordingly. Unearned premiums are premiums paid in advance, but not yet earned by the estate. These funds are due back to the policyholder and are considered Class 2 liabilities. When the Unearned Premium Reserves (Class 2 liabilities) are adjusted, the offsetting account is the Unearned Premiums Revenue account.

Recoveries
Recoveries consist of litigation recoveries and salvage and subrogation recoveries for which a receivable has not been previously established.

Other Revenue
Other Revenue primarily consists of fees collected and miscellaneous income received by the estate.

EXPENSES:

Administrative Expenses
Administrative Expenses consists of both direct and indirect expenses.

Direct expenses are directly charged to estates whenever individually attributable to the estate. These expenses consist of legal costs, consultants and contractors, salaries and benefits of employees working exclusively for a single estate, office expenses, and depreciation and capitalization of property and equipment. Reversals or reimbursements of certain legal and litigation-related expenses incurred in prior years are recorded in current year financial statements. In certain cases, such reversals or reimbursements may exceed current year expenses, and could result in net negative administrative expenses for the year for certain estates.

Under the liquidation basis of accounting, all estate assets are generally considered in liquidation and are carried at estimated net realizable value. Revaluation of property, if any, represents changes in the carrying value during the year. Depreciation and amortization of these assets are not recorded for periods subsequent to the date of liquidation order, unless the asset remains in temporary use by the estate.

Administrative expenses not directly charged to an estate are allocated to each estate on a proportional basis. Allocated expenses applicable to all the estates include CLO employee compensation and benefits, payroll taxes, indirect legal expenses, rent, utilities, and other general overhead costs. These shared expenses are allocated to each estate based on factors derived from the direct CLO labor hours charged to each estate.

In accordance with California Insurance Code section 1035, the Commissioner may petition funds from a general appropriation of the State of California Insurance Fund if an estate does not have sufficient assets to pay for administrative expenses.

Loss Expenses
Loss Expenses consists of direct, assumed, and ceded loss and loss adjustment expenses, bad debt expense, and commutations. The expenses recorded in this category generally pertain to Class 2 liabilities.

Direct, assumed, and ceded losses and loss adjustment expenses consists of payments to Class 2 claimants by the guaranty associations, Class 2 overcap claims expense paid or incurred by CLO, and changes in guaranty associations' estimates of future policyholder claims (case and incurred but not reported (IBNR) reserves). Amounts reported are based on the data received from the guaranty associations and information maintained by CLO's claims department.

Commutation Expenses represents losses (or gains) on commuted reinsurance contracts. Generally accepted accounting principles require such gains and losses be accounted for in the year of commutation. CLO's policy is to recognize such gains and losses when the commutation agreement has been signed or the Court approves the agreement.

Federal Income Tax Expense
The treatment of estates for federal income tax purposes varies. Estates formerly taxed as property-casualty companies may qualify for exemption from federal income tax for certain years unless they are members of an affiliated group that includes other insurers. Other estates are taxed under provisions of the Internal Revenue Code applicable to life insurers or other corporations.

Estates that are members of an affiliated group allocate taxes among group members in accordance with tax sharing agreements. If no tax sharing agreement exists, members of the group reporting taxable losses are allocated the tax benefits attributable to their losses when such losses are used to offset income of profitable members. Members reporting taxable income calculate tax expense as if filing separate income tax returns. Payments of tax expenses, if any, are made in accordance with priority statutes.

Other Expenses
Other Expenses consists of all other gains and losses that do not conform to another reporting category. This includes, but is not limited to, gain or loss in retirement of escrows and changes in value of statutory deposits after release to guaranty associations.

INVESTMENTS:

Investment Income
Investment Income is comprised of interest and dividends earned on cash and investments held by the estate. For estates with investments in the pool, income is allocated based on the estate's proportional share in the pool. In certain cases, the allocation of income may result in negative income for the year for certain estates.

Investment Expenses
Investment Expenses is comprised of investment and interest expenses related to cash and investments held by the estate. For estates with investments in the pool, the expenses are allocated based on the estate's proportional share in the pool. In certain cases, the allocation of expenses may result in negative expenses for the year for certain estates.

Gain (Loss) on Securities
Gain (Loss) on Securities consists of long and short-term gains and losses incurred as part of the investment pool, mark to market adjustments, gains and losses on non-pooled reappraisals of securities, and gains and losses incurred on the transfer of non-pooled securities into the pool. The long and short-term gains and losses and mark to market adjustments are allocated based on the estate's proportional share in the pool. Gains and losses on the reappraisal of non-pooled securities and the transfer of non-pooled securities into the pool are reported on an estate by estate basis.

Unrealized and realized gains and losses are included as a component of net investment income. The cost of securities sold is based on specific identification and realized gains (losses) are computed based on the securities' original cost. Transfers of non-pooled investments to a pool are a sale resulting in non-pooled realized gains and losses and a non-cash transfer. Transfers from one pool to the other are a sale resulting in pooled realized gains and losses and a non-cash transfer.

4. CastlePoint National Estate Disclosures

CastlePoint National Insurance Company (Estate) was conserved on July 28, 2016. The liquidation order for the Estate was effective on April 1, 2017. Prior to liquidation, the Estate primarily wrote workers' compensation and general liability insurance coverage of a long-tail nature.

A. The Estate held no restricted cash or restricted pooled investments as of December 31, 2025.

B. The Estate held $3,186,867 in restricted non-pooled short-term investments as of December 31, 2025. The restricted assets are held to support reinsurance agreements.

C. The reinsurance recoverable amount as reported in the Estate's financial statements is net of the $0 allowance for uncollectible reinsurance recoverable.

D. The Estate distributed $35 million to Class 2 claimants in 2025.

E. The Estate does not have sufficient assets to pay Class 2 liabilities in their entirety or any other class of lower priority liabilities.

5. Litigation

There was no active litigation as of December 31, 2025.

6. Subsequent Events

An interim and early access distribution in the amount of $15 million is planned in 2026.

EXHIBIT D

Early Access Agreement Template

AGREEMENT FOR EARLY ACCESS DISTRIBUTION OF FUNDS

This Agreement is entered into on this _______ day of March 2022, between the [INSURANCE GUARANTY ASSOCIATION] and the California Insurance Commissioner, acting solely in his capacity as statutory liquidator of CastlePoint National Insurance Company in Liquidation ("CastlePoint").

Recitals

1. Pursuant to a March 30, 2017 order entered by the San Francisco City and County Superior Court, State of California, (the "CastlePoint Liquidation Court") in *Insurance Commissioner v CastlePoint National Insurance Company*, Case No. CPF-16-515183, CastlePoint was determined to be statutorily insolvent, and appointed the California Insurance Commissioner as Liquidator (hereinafter "Liquidator"), ordering the Liquidator to liquidate and wind up the business of CastlePoint and to exercise all powers necessary for the purpose of carrying out the order;

2. CastlePoint has sufficient assets in cash and securities to distribute funds to [INSURANCE GUARANTY ASSOCIATION];

3. The Liquidator proposes, pursuant to California Insurance Code §1035.5, after reserving amounts necessary for payment of expenses of administration and the payment of claims of secured creditors (to the extent of the value of security held) and claims falling within the priorities established in subdivisions (1) and (4) of California Insurance Code §1033, to distribute available assets of CastlePoint to [INSURANCE GUARANTY ASSOCIATION].

Agreement

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the parties agree as follows:

1. The Liquidator may, from time to time, upon approval by the CastlePoint Liquidation Court, distribute assets of CastlePoint to [INSURANCE GUARANTY ASSOCIATION] after the Liquidator has first reserved assets sufficient for the following:

(a) payment of the expenses of administration;
(b) payment of claims of secured creditors to the extent of the value of the security held; and
(c) payment of claims falling within the priorities established in paragraphs (1) – (4), inclusive, of Insurance Code §1033, subd. (a).

Such distributions will be made equitably between all common class creditors.

2. [INSURANCE GUARANTY ASSOCIATION] agrees to make a full report to the Liquidator, accounting for all assets received by it, all disbursements made, all interest earned on the assets, and any other matter that the court may direct.

3. [INSURANCE GUARANTY ASSOCIATION] will return to the Liquidator, upon demand, all or part of the assets received pursuant to this Agreement or pursuant to applicable law, as may be required by CastlePoint to pay the pro rata portion of all allowed claims of secured creditors and claims falling within the priorities established in California Insurance Code section 1033(a) (1) – (2), in accordance with those priorities, as the code section exists or may exist in the future. This obligation will include an obligation to return any assets that are in excess of the total distribution that [INSURANCE GUARANTY ASSOCIATION] would be entitled to from the CastlePoint Estate pursuant to Insurance Code section 1033(a) at the time of a proposed distribution by the Liquidator. For clarity and the avoidance of doubt, in the event that [INSURANCE GUARANTY ASSOCIATION]'s receipt of distributions under this Agreement or its receipt of any statutory deposit held by CastlePoint results in [INSURANCE GUARANTY ASSOCIATION] having received funds that exceed the amount of the pro rata distribution to which [INSURANCE GUARANTY ASSOCIATION] is entitled under a court approved interim or final distribution approved by the Court, [INSURANCE GUARANTY ASSOCIATION] shall refund to CastlePoint such amount as is necessary to ensure that [INSURANCE GUARANTY ASSOCIATION] has received no more than its equitably allocated share of the court-approved distribution. In the event that [INSURANCE GUARANTY ASSOCIATION] must make an assessment in accordance with its enabling statute in order to make a refund to the Liquidator pursuant to this paragraph, then [INSURANCE GUARANTY ASSOCIATION] will have 120 days from the date such refund is requested to make such refund to the Liquidator.

4. [INSURANCE GUARANTY ASSOCIATION] will comply with all requirements set forth in California Insurance Code §1035.5.

5. If any legal action is necessary to enforce this agreement, [INSURANCE GUARANTY ASSOCIATION] agrees that such action will be commenced in the San Francisco Superior Court of the State of California, in the Liquidation proceeding of CastlePoint, by way of an Order to Show Cause and CastlePoint agrees, for this purpose only, to subject itself to the jurisdiction of the CastlePoint County Superior Court of the State of California by way of an Order to Show Cause procedure.

RICARDO LARA
Insurance Commissioner of the State of California,
Liquidator of CastlePoint National Insurance Company

Dated: ________________, 2022 By_________________________________

JOSEPH HOLLOWAY
Special Deputy Insurance Commissioner

Dated: ________________, 2022 [INSURANCE GUARANTY ASSOCIATION]

By ____________________________________
INSERT NAME OF SIGNER
INSERT TITLE OF SIGNER