

EXHIBIT E

AGREEMENT FOR DISBURSEMENT OF FUNDS
PURSUANT TO SECTION 1035.5 OF THE CALIFORNIA
INSURANCE CODE

This Agreement is entered into on _____ between the California Insurance Guarantee Association and the California Insurance Commissioner as Liquidator ("Liquidator") of Great States Insurance Company ("Great States").

WHEREAS, Great States is insolvent, and an order under California Insurance Code section 1016 has been entered appointing the California Insurance Commissioner as Liquidator of Great States and directing the Liquidator to wind up and liquidate the business and affairs of Great States, and

WHEREAS, the Liquidator proposes, pursuant to California Insurance Code, section 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 (2) of the California Insurance Code section 1033, to make an initial distribution of available assets of Great States on an equitable allocation to the California Insurance Guarantee Association, and may make additional distributions of assets as such assets become available and upon approval of the Liquidation Court. Such equitable distribution, pursuant to California Insurance Code, section 1035.5(d), will be offset by the amount of any statutory deposit and/or special deposits available to the California Insurance Guarantee Association for payment of claims; however, any surety bond proceeds received by CIGA pursuant to California Insurance Code section 11690 et seq.,

shall be used to reduce its claim in the liquidation of Great States and shall not also constitute an offset pursuant to section 1035.5(d). As consideration for the agreement by the Liquidator of Great States to make a distribution to the California Insurance Guarantee Association, the California Insurance Guarantee Association agrees pursuant to California Insurance Code, section 1035.5:

1. To return to the Liquidator of Great States such assets disbursed by the Commissioner to the California Insurance Guarantee Association, as may be required to pay claims of secured creditors and claims falling within the priorities established in subparagraphs (1) and (2) of the California Insurance Code, as it presently exists or as amended.

2. To make a full report to the Liquidator, accounting for all assets so disbursed to the California Insurance Guarantee Association, all disbursements made therefrom, any interest earned by the California Insurance Guarantee Association on such assets, and any other matter as the court may direct.

3. If any legal action is necessary to enforce this agreement, the California Insurance Guarantee Association agrees that such action shall be commenced in the Superior Court of the State of California, for the County of San Francisco, in the liquidation proceeding of Great States by way of Order to Show Cause and the California Insurance Guarantee Association agrees for this purpose only to subject itself to the

//

///////

jurisdiction of the Superior Court of the State of California for the County of San
Francisco by way of said Order to Show Cause procedure.

Dated: _____, 2005

JOHN GARAMENDI
Insurance Commissioner of the State
Of California,
Liquidator of Great States Insurance
Company

By: _____
David E. Wilson
Special Deputy Insurance Commissioner

Dated: _____, 2005

California Insurance Guarantee Association

By: _____