

1 KAMALA D. HARRIS
Attorney General of California
2 JOYCE E. HEE
Supervising Deputy Attorney General
3 ANNE MICHELLE BURR
Deputy Attorney General
4 State Bar No. 158302
455 Golden Gate Avenue, Suite 11000
5 San Francisco, CA 94102-7004
Telephone: (415) 703-1403
6 Fax: (415) 703-5480
E-mail: AnneMichelle.Burr@doj.ca.gov

7 *Attorneys for Applicant*
8 *Insurance Commissioner of the State of California,*
9 *in his capacity as Liquidator of HIH America*
Compensation & Liability Insurance Company

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 COUNTY OF SAN FRANCISCO
12 CIVIL DIVISION

13
14 **INSURANCE COMMISSIONER OF THE**
STATE OF CALIFORNIA,

15 Applicant,

16 v.

17
18 **HIH AMERICA COMPENSATION &**
LIABILITY INSURANCE COMPANY, a
19 **California domiciled insurance company,**

20 Respondent.

Case No. CPF-01-320049

DECLARATION OF COMPLIANCE OF
LIQUIDATOR CONFIRMING
DISTRIBUTION OF ASSETS
PURSUANT TO COURT ORDER AND
CLOSING THE ESTATE OF HIH
AMERICA COMPENSATION &
LIABILITY INSURANCE COMPANY

ELECTRONICALLY
FILED
Superior Court of California,
County of San Francisco
02/02/2016
Clerk of the Court
BY:WILLIAM TRUPEK
Deputy Clerk

1 I, Scott Pearce, hereby declare under penalty of perjury of the law of the State of
2 California as follows:

3 1. I am over eighteen years, and I am competent to be a witness.

4 2. I am the Senior Estate Trust Officer (“Senior ETO”) of the California Insurance
5 Commissioner’s Conservation and Liquidation Office (“CLO”) of the California Department of
6 Insurance (“CDI”). I make this declaration in my official capacity as the Senior ETO for the
7 CLO. The following facts are known by me to be true and correct and of my own personal
8 knowledge, except to those which I have expressed as being based upon my information and
9 belief, and if called upon to testify thereto I would and could competently do so.

10 3. The statements contained in this declaration are not all within my personal
11 knowledge, and I am informed that no single officer of the CLO has personal knowledge of all of
12 these matters. The statements in this declaration are based upon information assembled by
13 authorized employees of the CLO, and I am informed and believe that the statements based upon
14 that information are true. As to those matters that are within my own personal knowledge, the
15 statements are true. If called upon as a witness, I would testify as set forth herein.

16 4. I am responsible for the management of financially impaired or insolvent companies
17 in liquidation until the court has discharged the Insurance Commissioner of the State of California
18 (“Commissioner”) of his duties as liquidator. I serve as a fiduciary, and in this capacity, I lead
19 and direct a support team consisting of individuals who work in areas of Accounting, Claims,
20 Reinsurance, Legal, Finance, Information Technology, Human Resources and Administration.
21 Once the Commissioner identifies an insurance company as financially impaired or at risk of
22 mismanagement of its assets, he applies to the court for an order for the conservation or
23 liquidation of the company. Liquidation is often required if the insurance company is irreparably
24 insolvent, resulting in termination of insurance company’s operations and distribution of net
25 assets to policyholders and other claimants pursuant to a statutory priority scheme.

26 5. I am the CLO employee responsible for managing the affairs of HHH America
27 Compensation & Liability Insurance Company (“the HHH America estate”) in liquidation. I have
28 primary responsibility for the overall administration of the HHH America estate, including, but not

1 limited to, matters pertaining to the HIH America estate's financial reporting, claims
2 administration, legal matters, reinsurance, and estate expenditures. I am also responsible for the
3 management of the HIH America estate's books and records, and I have overall custody and
4 control thereof.

5 6. On December 31, 2015, the Court entered an Order: (1) Approving Payment of
6 Liquidator's Administrative Expenses; (2) Approving the Final Distribution of Assets; (3) and
7 Closing the Estate (hereinafter "Order").

8 7. The Order provides that the Commissioner shall be discharged as the Conservator
9 and Liquidator of the HIH America estate upon his filing of a declaration that he distributed the
10 assets of the HIH America estate in accordance with the terms of the Order.

11 8. On January 14, 2016, the Commissioner transferred assets of the HIH America estate
12 in the amount of \$14,464,052.90 to the applicable state insurance guaranty associations and
13 \$359,355.10 to the Non-IGA claimants under Insurance Code section 1033, subdivision (a)(2).

14 9. Pursuant to the Order, the Commissioner retained \$489,313 as its reserve closing
15 budget for payment of administrative and closing costs.

16 10. The Commissioner has taken all action necessary pursuant to the terms of the Order.
17 The HIH America estate liquidation estate shall be closed and the Commissioner considers
18 himself discharged as the Conservator and Liquidator of the HIH America estate according to the
19 terms of the Order.

20 I declare under the penalty of perjury that the foregoing is true and correct, except as to
21 matters stated on information and belief and, as to those matters, I believe them to be true.

22 Executed this 26TH day of January 2016, in San Francisco, California.

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25 _____
26 Scott Pearce
27 Senior Estate Trust Officer
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