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12 Attorneys for Applicant Dave Jones,
Insurance Commissioner of the State of California
13 in his Capacity as Conservator of
CastlePoint National Insurance Company

**EXEMPT from filing fees per Govt.
Code § 6103**

15 SUPERIOR COURT OF THE STATE OF CALIFORNIA
16 CITY AND COUNTY OF SAN FRANCISCO

18 DAVE JONES, INSURANCE
COMMISSIONER OF THE STATE OF
19 CALIFORNIA,

20 Applicant,

21 v.

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

23 Respondents.

Case No. CPF-16-515183

**NOTICE OF APPLICATION AND
APPLICATION FOR ORDER OF
LIQUIDATION FOR CASTLEPOINT
NATIONAL INSURANCE COMPANY**

(Insurance Code § 1016)

[Hearing date and time set by Court Order
of January 26, 2017]

Date: March 30, 2017
Time: 2:00 p.m.
Dept: 302
Judge: Hon. Harold E. Kahn

1 TO ALL INTERESTED PARTIES AND THEIR ATTORNEYS OF RECORD:
2 PLEASE TAKE NOTICE that on March 30, 2017, at 2:00 p.m., or as soon thereafter as
3 the matter may be heard in Department 302 of the Superior Court of the State of California, San
4 Francisco County, located at 400 McAllister Street, San Francisco, CA 94103 (the “Hearing”),
5 California Insurance Commissioner Dave Jones, in his capacity as the statutory Conservator of
6 CastlePoint National Insurance Company (“CastlePoint”), will and hereby does apply to the Court
7 for an Order Of Liquidation For CastlePoint National Insurance Company pursuant to Insurance
8 Code section 1016. By this Application, the Conservator seeks an order finding that the
9 CastlePoint estate is insolvent, ordering CastlePoint into statutory liquidation with the
10 Commissioner appointed as Liquidator, authorizing the Commissioner to liquidate and wind up
11 CastlePoint’s business, establishing a Claims Bar Date, and continuing and/or issuing certain
12 injunctions as authorized under Insurance Code section 1020 in aid of liquidation.

13 CastlePoint was placed into conservation on July 28, 2016, pursuant to the Court’s *Order*
14 *Appointing Insurance Commissioner as Conservator and Restraining Orders*. Since that time,
15 the Conservator has taken over the management of CastlePoint, closed all of the transactions
16 provided for in the Conservator’s Plan of Conservation & Liquidation For CastlePoint National
17 Insurance Company approved by the Court (“Plan”), and overseen the administration and
18 payment of policy claims pursuant to the Conservator’s “*Procedures For Claims Administration*
19 *and Payments During Conservation*.” As described in the Plan and the *Conservator’s Report To*
20 *The Court Concerning The Conservation Of CastlePoint National Insurance Company*, the
21 Conservator estimated that the estate would exhaust its liquidity shortly after the end of the first
22 quarter of 2017, and has used the conservation period to prepare for the transition of the estate
23 into liquidation, including the collection of all insurance claims related data and documents that
24 will need to be transferred to state insurance guaranty associations (“IGAs”) on or before the
25 effective date of entry of a Liquidation Order so that the IGAs are in a position to discharge their
26 obligations to handle claims administration duties and pay CastlePoint’s insurance claims
27 pursuant to their respective enabling statutes.


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1 As is demonstrated in the materials filed in support of this Application, CastlePoint is
2 insolvent. The Conservator has determined that as of December 31, 2016, CastlePoint's capital
3 and surplus was negative \$281 million. Pursuant to Insurance Code sections 11600 and 700.01-
4 700.05, CastlePoint is required to have capital and surplus of not less than \$5,000,000. Pursuant
5 to Insurance Code section 985, CastlePoint is statutorily insolvent because (1) its minimum paid-
6 in capital, as required by the Insurance Code, has been impaired, and (2) it is unable to meet its
7 financial obligations when they are due. (Ins. Code § 985.) CastlePoint's liquid assets are not
8 adequate to permit the company to continue to meet its insurance claim payment obligations on a
9 timely basis, as and when they come due for payment. The Conservator has therefore determined
10 that it would be futile to proceed with the conduct of CastlePoint's business in conservation
11 beyond March 31, 2017, and has and does apply to the court for the entry of a Liquidation Order.

12 The Conservator's Application for Entry of Liquidation Order for CastlePoint National
13 Insurance Company is based on the content of this Application, on the Declaration of David E.
14 Wilson and the Conservator's Memorandum of Points and Authorities in support of the
15 Application, on all other pleadings and documents filled by the Conservator in this action, and on
16 the evidence and arguments to be presented at the Hearing.

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18 Dated: February 17, 2017

XAVIER BECERRA
Attorney General of California

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21 By: 
22 MARGUERITE C. STRICKLIN
23 Deputy Attorney General

24 Attorneys for Applicant Dave Jones,
25 Insurance Commissioner of the
26 State of California

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Dated: February 17, 2017

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