ROB BONTA
Attorney General of California
LISA W. CHAO
Supervising Deputy Attorney General
CAROLINE C. LAM
Deputy Attorney General
State Bar No. 298045
300 South Spring Street, Suite 1702
Los Angeles, CA 90013
Telephone: (213) 269-6224
Facsimile: (415) 731-2144

CYNTHIA J. LARSEN (State Bar No. 123994)
ORRICK, HERRINGTON & SUTCLIFFE LLP
400 Capitol Mall, Suite 3000
Sacramento, California 95814-4497
Telephone: (916) 447-9200
Facsimile: (916) 329-4900
Email: clarsen@orrick.com

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*
10/13/2025
Clerk of the Court
BY: ERNALYN BURA
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 FOURTH EARLY ACCESS DISTRIBUTION TO STATE INSURANCE GUARANTY FUNDS AND APPROVING FINANCIAL REPORT, FINANCIAL STATEMENT, AND EXPENSES OF ADMINISTRATION FOR 2024**

**Date:** November 6, 2025
**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 Fourth Early Access Distribution to State Insurance Guaranty Funds and Approving 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 was appointed as liquidator of CastlePoint, pursuant to Insurance Code sections 1011 and 1016, respectively.

5. The Commissioner's current Application seeks an order of the Court: (1) authorizing a fourth early access distribution totaling approximately $15,009,672 in CastlePoint estate funds to 29 state insurance guaranty funds; and (2) approving the Commissioner's financial report for the CastlePoint estate for 2024, including its financial statements and expenses of administration for 2024.

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.)

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 fourth early access distribution to state insurance guaranty funds in the net total amount of approximately $15,009,672, after reserving for

amounts described in section 1035.5, subdivision (b)(1), as itemized in the Commissioner's "Proposed 2025 Distributions to State Insurance Guaranty Funds from the CastlePoint Estate," a true and correct copy of which is attached hereto as Exhibit A 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. 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. The methodology and procedures for the fourth distribution to state insurance guaranty funds for which authorization is currently sought were also utilized by the Commissioner with respect to the prior three distributions to state insurance guaranty funds which were authorized by the Court in 2022, 2023 and 2024.

10. With respect to the currently proposed early access distribution, 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 such provisions for reserving, the CastlePoint estate has ample funds to make the fourth early access distribution for which approval is currently sought. This is demonstrated by the financial statement of CastlePoint National Insurance Company as of December 31, 2024, a true and correct copy of which is attached hereto as Exhibit B and incorporated herein by this reference ("Financial Statement"). As Exhibit B (Financial Statement, Statement of Assets and Liabilities-Page 1) shows, the CastlePoint estate's readily

available funds far exceed its priority liability for administrative expenses and secured claims. The CastlePoint estate has no accrued administrative expenses as of year-end 2024, and liability of only $105,500 for secured claims as of year-end 2024. As of the same date, the CastlePoint estate retained a total of $191,386,900 in readily available funds, consisting of cash and cash equivalents, participation in pooled investments, and non-pooled short-term investments. (Exhibit B, Financial Statement, Statement of Cash Flows). The Net Assets shown in Exhibit B have not materially changed since year-end 2024. As shown in Exhibit A hereto, under the proposed distribution 29 guaranty funds would receive, after the offset of statutory credits under Insurance Code section 1035.5, subdivision (d), an aggregate net amount of $15,009,672 in amounts paid on claims under CastlePoint policies and related loss adjustment expenses. Subtracting the proposed distribution to state insurance guaranty funds of $15,009,672 and the above amount of $105,500 in secured claims, from the cash assets in the estate of $191,386,900, it is clear that the remaining cash assets in the estate 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, 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 the amount to be distributed to each of the 29 guaranty funds the amount set forth for that guaranty association in Exhibit A in satisfaction of the Commissioner's fourth early access distribution from the CastlePoint estate. 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), with respect to the state insurance guaranty funds receiving a distribution, 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 C, 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 fourth 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 2024 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 3,275 claim files since the Liquidation Date through December 31, 2024; (2) billed approximately $2.8 million of reinsurance recoverables in 2024; (3) collected for the CastlePoint estate reinsurance balances of approximately $2.4 million in 2024; (4) collected for the CastlePoint estate miscellaneous recoveries in 2024 of approximately $250,000; (5) planned and executed in 2024 a complex interim and early access distributions in the amounts of approximately $3.5 million and $16.5 respectively, for a total distribution of approximately $20 million in net assets of the CastlePoint estate; (6) filed on behalf of the CastlePoint estate the tax return for the 2023 tax year and finalized the 2023 audit; (7) secured an additional addendum to the administrative services agreements with AmTrust and National General thru December 31, 2025; and (8) handled the specific matters described further herein below.

15. In addition to the above activities, the Commissioner and his staff and counsel worked during 2024 to obtain court approval for the complex distribution of approximately $20 million in net assets of the CastlePoint estate, as described above, to 29 state guaranty funds to satisfy amounts which the guaranty funds paid but for which the CastlePoint estate was obligated.

16. Finally, during 2024, the Commissioner and his counsel continued to respond as necessary and appropriate to remaining litigation issues affecting the CastlePoint estate.

17. The Financial Statement of the CastlePoint liquidation estate for 2024, Exhibit B 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.

18. The Financial Statement attached as Exhibit B reflects the following expenses of administration. For 2024, the CastlePoint estate incurred operating expenses totaling $3,933,100. Of that total, $297,277 was incurred for various office expenses. Also of that expense total, $475,601 was incurred for professional fees, including attorney, consultants, and contractor expenses, but not including CLO personnel. Within that total for such professional fees, $48,394 was paid for legal expenses (including $44,464 for fees paid to Orrick for legal services in connection with the liquidation during 2023), and $427,207 was paid for necessary consultants and contractors other than attorneys. A total of $3,933,100 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.

19. 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 2024 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 October 10 2025, at San Francisco, California

Joe Holloway

JOSEPH HOLLOWAY

# EXHIBIT A

Proposed 2025 Distributions to State Insurance Guaranty Funds from the CastlePoint Estate

Proposed Distribution to State Guaranty Funds 2025

| Company | liq_no | igaflag | class | Round Dist Check | Payee | Claimant |
|---|---|---|---|---|---|---|
| CNIC TOWER | 404279 | 1 | 2 | 5,580.00 | Alabama | Alabama Insurance Guaranty Association |
| CNIC TOWER | 404274 | 1 | 2 | 232,842.00 | Arizona | Arizona Insurance Guaranty Fund |
| CNIC TOWER | 404293 | 1 | 2 | 19,650.00 | Arkansas | Arkansas P&C Guaranty Fund |
| CNIC TOWER | 404283 | 1 | 2 | 7,080.00 | Colorado | Colorado Insurance Guaranty Association |
| CNIC TOWER | 404299 | 1 | 2 | 344,147.00 | Connecticut | Connecticut Insurance Guaranty Associati |
| CNIC TOWER | 404313 | 1 | 2 | 494,097.00 | Florida10 | Florida Insurance Guaranty Association |
| CNIC TOWER | 404312 | 1 | 2 | 1,022,110.00 | Florida11 | Florida Workers' Compensation Insurance |
| CNIC TOWER | 404273 | 1 | 2 | 123,855.00 | Georgia | Georgia Insurers Insolvency Pool |
| CNIC TOWER | 404270 | 1 | 2 | 515,729.00 | Illinois | Illinois Insurance Guaranty Fund |
| CNIC TOWER | 404286 | 1 | 2 | 2,374.00 | Kansas | Kansas Insurance Guaranty Association |
| CNIC TOWER | 404319 | 1 | 2 | 963,968.00 | Maryland | Maryland Property and Casualty Guaranty |
| CNIC TOWER | 404306 | 1 | 2 | 18,559.00 | Michigan | Michigan P&C Guaranty Association |
| CNIC TOWER | 404277 | 1 | 2 | 77,085.00 | Mississippi | Mississippi Insurance Guaranty Associati |
| CNIC TOWER | 404290 | 1 | 2 | 5,450.00 | Missouri | Missouri P&C Insurance Guaranty Associat |
| CNIC TOWER | 404280 | 1 | 2 | 451,929.00 | Nevada | Nevada Insurance Guaranty Association |
| CNIC TOWER | 404269 | 1 | 2 | 875,660.00 | New Jersey10 | New Jersey P-L Insurance Guaranty Associ |
| CNIC TOWER | 404268 | 1 | 2 | 1,657,736.00 | New Jersey11 | New Jersey Workers' Compensation Securit |
| CNIC TOWER | 404267 | 1 | 2 | 7,363,459.00 | 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 | 21,681.00 | Pennsylvania10 | Pennsylvania Property & Casualty Insuran |
| CNIC TOWER | 404311 | 1 | 2 | 97,738.00 | Pennsylvania11 | Pennsylvania Workers' Compensation Secur |
| CNIC TOWER | 404266 | 1 | 2 | 31,297.00 | South Carolina | South Carolina P&C Insurance Guaranty As |
| CNIC TOWER | 404310 | 1 | 2 | 158,619.00 | Tennessee | Tennessee Insurance Guaranty Association |
| CNIC TOWER | 404307 | 1 | 2 | 451,663.00 | Texas | Texas P&C Insurance Guaranty Association |
| CNIC TOWER | 404272 | 1 | 2 | 3,395.00 | Utah | Utah P&C Insurance Guaranty Association |
| CNIC TOWER | 404300 | 1 | 2 | 7,257.00 | Vermont | Vermont P&C Insurance Guaranty Associati |
| CNIC TOWER | 404282 | 1 | 2 | 5,913.00 | Washington | Washington Insurance Guaranty Associatio |
| CNIC TOWER | 404314 | 1 | 2 | 3,828.00 | West Virginia | West Virginia Insurance Guaranty Associa |
| CNIC TOWER | 404294 | 1 | 2 | 46,923.00 | Wisconsin | Wisconsin Insurance Security Fund |

15,009,672.00

# EXHIBIT B

Financial Statement of CastlePoint as of
December 31, 2024

157 **157 CastlePoint National Ins Co**

STATEMENT OF ASSETS AND LIABILITIES

As of December 31, 2024

| | Dec 31 2024A |
|---|---|
| **ASSETS** | |
| Cash and cash equivalents: | |
| Unrestricted | 67,800 |
| Participation in pooled investments, at market | 151,833,700 |
| Non-pooled short-term investments, at market | |
| Unrestricted | 1,959,100 |
| Restricted | 37,526,300 |
| Accrued investment income | 3,730,600 |
| Statutory deposits held by other states | 69,790,600 |
| Funds held by guaranty associations | - |
| Recoverable from reinsurers | 205,116,800 |
| Receivable from affiliates | 324,000 |
| Other receivable | 14,733,800 |
| Deposits and other assets | 1,762,000 |
| **Total Available Assets** | 486,844,700 |
| **LIABILITIES** | |
| Secured claims | 105,500 |
| Accrued administrative expenses | - |
| Claims against policies, including guaranty associations, before distributions | 1,117,567,300 |
| Early access and other Class 2 distributions | (342,349,900) |
| California and Federal claims having preference | 1,600,000 |
| All other claims | 63,076,000 |
| **Total Estimated Liabilities** | 839,998,900 |
| **NET ASSETS (DEFICIENCY)** | **(353,154,200)** |

# 157 157 CastlePoint National Ins Co

STATEMENT OF ASSETS AND LIABILITIES

As of December 31, 2024

| | | Dec 31 2024A |
|---|---|---|
| | **ASSETS detail** | |
| | Cash and Investments | |
| 11001 | Cash-Unrestricted | 67,822 |
| 12001 | Participation in Pooled Investment | 151,833,730 |
| 12002 | Short Term Investments | 1,959,134 |
| 12003 | Short Term Inv. Restricted | 37,526,308 |
| | Cash and Investments | 191,386,994 |
| 13015 | Accrued Int & Div Receivable | 3,730,622 |
| 12012 | Statutory Deposits | 69,790,646 |
| 16003 | Funds Held by IGAs | - |
| | Reinsurance Receivable | |
| 13001 | Rein Recoverable-Paid | 488,237 |
| 13002 | Rein Recover-Unpaid Losses | 204,628,527 |
| | Reinsurance Receivable | 205,116,764 |
| | 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 | 14,733,953 |
| | Other Receivable | 14,733,808 |
| | 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** | 486,844,915 |
| | **LIABILITIES detail** | |
| | Secured Claims | |
| 22001 | Unclaimed Funds Payable | 105,455 |
| | Secured Claims | 105,455 |
| | Class 1: Payables and Accrued Expenses | |
| 22005 | Other General Liability | - |
| 25001 | Due To/From Intercompany Acct | (0) |
| | Class 1 Liabilities | (0) |
| | Class 2: Losses, Reserves and non-IGA Claims | |
| 28001 | Loss & ALAE Reserve | 591,140,638 |
| 28003 | Unearned Premiums | 1,060,981 |
| 28006 | Liability Due to GAs | 472,485,389 |
| 29001 | Other Class 2 Payable | 14,534,257 |
| 29091 | Other Class 2 Payable-GOLD | 38,346,063 |
| | Class 2 Liabilities before Distributions | 1,117,567,328 |
| | Early Access and Other Class 2 Distributions | |
| 28007 | Advances to Guaranty Associations | (251,522,612) |
| 28097 | Advances to Guaranty Associations-GOLD | (89,939,579) |
| 41005 | Class 2 Distributions | (10,000) |
| 41095 | Class 2 Distributions-GOLD | (877,711) |

157 **157 CastlePoint National Ins Co**

STATEMENT OF ASSETS AND LIABILITIES

As of December 31, 2024

| | | Dec 31 2024A |
|---|---|---|
| | Early access and other Class 2 distributions | (342,349,902) |
| | Class 3, 5 & 6: Calif and Federal claims | |
| 27092 | Fed Tax Payable-GOLD | 1,600,004 |
| | Class 3, 5 & 6 Liabilities | 1,600,004 |
| | Class 7: All Other Claims | |
| 30005 | Reinsurance Payable | 60,950,596 |
| 30007 | Contingent Commission | (28,583) |
| 30008 | Other Class 7 Liabilities | 113,442 |
| 30098 | Other Class 7 Liabilities-GOLD | 424,901 |
| 31001 | Funds Held for Others | 1,615,635 |
| | Class 7 Liabilities | 63,075,991 |
| | **Total Estimated Liabilities** | 839,998,875 |
| | **NET ASSETS (DEFICIENCY)** | **(353,153,961)** |

157 **157 CastlePoint National Ins Co**

**STATEMENT OF CHANGES IN NET ASSETS IN LIQUIDATION**

For Twelve Months Ended December 31, 2024

| | | 2024A |
|---|---|---|
| | **BEGINNING NET ASSETS** | **(361,868,497)** |
| | **REVENUES** | |
| 52003 | Salvage/Subrogation Recoveries | 175,697 |
| 54003 | Miscellaneous Income | 73,843 |
| | TOTAL REVENUES | **249,540** |
| | **EXPENSES** | |
| | Legal | |
| 62001 | DOI Legal | 1,179 |
| 62002 | DOJ Legal | 2,751 |
| 62003 | Other Legal Expense | 44,464 |
| | Total Legal Expenses | 48,394 |
| | Consultants and Contractors | |
| 63002 | Accounting & Auditing | 38,304 |
| 63004 | Actuarial Expense | 32,864 |
| 63005 | Temporary Help Expense | 82,895 |
| 63007 | Other Professional Fees | 261,243 |
| 63008 | Tax Consulting and Compliance | 11,901 |
| | Total Consultant Expenses | 427,207 |
| | Office Expenses | |
| 65002 | Postage | 344 |
| 65007 | Misc Licenses, Fees and Taxes | 18,278 |
| 65015 | Storage Rent | 44,271 |
| 65016 | Record Retrieval | 234,307 |
| 65019 | Delivery | 77 |
| | Total Office Expenses | 297,277 |
| 70002 | Allocated Expenses | 3,160,222 |
| | *Direct Admin Exp only* | *772,878* |
| | **Total Admin Expenses** | **3,933,100** |
| | Losses | |
| 61001 | Direct Loss & LAE | 7,214,388 |
| 61091 | Direct Loss & LAE-GOLD | 6,495,026 |
| 61002 | Assumed Loss & LAE | 940,002 |
| 61004 | Ceded Loss & LAE | (6,818,029) |
| 65023 | Bad Debt Expense | 1 |
| 83092 | Expense For Other Claims-GOLD | 1,606,463 |
| | Total Loss Expenses | 9,437,852 |
| | *Total non-Admin Expenses* | *9,437,852* |
| | TOTAL EXPENSES | **13,370,951** |
| | **INVESTMENTS** | |
| 53001 | Interest Earned-Taxable | 8,957,248 |
| 53002 | Interest Earned-Non Taxable | 82,871 |
| | Total Investment Income | 9,040,119 |
| 68001 | Investment Expense | (349,832) |
| 68003 | Interest Expense | 9,613 |
| | Total Investment Expenses | (340,219) |
| 82001 | LT Realized Gn/Ls-Pool | (853,462) |
| 82002 | ST Realized Gn/Ls-Pool | 3,118,105 |
| 82005 | Mark to Market-Pool | (1,491,433) |
| 82006 | G/L on Sale LT Non Pool Sec | (6,450) |
| 82008 | G/L Non Pool Reap of Sec | 5,355,815 |
| | Net G/L on Securities | 6,122,574 |
| | NET INVESTMENT INCOME | 14,822,474 |
| | **NET INCOME (LOSS)** | **1,701,063** |
| | Loading Balance/Net Asset Adj | 7,013,474 |
| | **ENDING NET ASSETS** | **(353,153,960)** |

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Kelly Ng x2175

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157 **157 CastlePoint National Ins Co**

STATEMENT OF CASH FLOWS

For Twelve Months Ended December 31, 2024

| | 2024 |
|---|---|
| **Cash flows from operating activities** | |
| Net income | 1,701,063 |
| | |
| Decrease (increase) in statutory deposits held by other states | (5,691,474) |
| Decrease (increase) in funds held by IGAs | 319,477 |
| Decrease (increase) in recoverable from reinsurers | (4,344,584) |
| Decrease (increase) in other receivable | 672,276 |
| Decrease (increase) in deposits and other assets | - |
| | |
| Increase (decrease) in accrued admin expenses | (7,013,474) |
| Increase (decrease) in unpaid claims against policies, including guaranty associations | 13,693,039 |
| Increase (decrease) in early access and other distributions | (2,593) |
| Increase (decrease) in California and Federal claims having preference | 1,600,004 |
| Increase (decrease) in general creditor claims | (575,319) |
| | |
| Adjustments to Net Assets / Loading balance | 7,013,474 |
| Net cash flow from operating activities | 7,371,887 |
| | |
| **Cash flows from investing activities** | |
| Decrease (increase) in accrued investment income-Non Restricted | (91,644) |
| Decrease (increase) in accrued investment income-Restricted | (51,536) |
| | |
| **Cash flows from financing activities** | |
| | - |
| | |
| **Net increase (decrease) in cash, cash equivalents, and restricted cash** | **7,228,707** |
| | |
| Cash, Cash Equivalents, and Restricted Cash at beginning of period | 184,158,288 |
| | |
| **Cash, Cash Equivalents, and Restricted Cash at end of period** | **191,386,994** |

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## CastlePoint National Insurance Company

INCOME AND EXPENSES

| Code | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **INCOME** | | | | | | | | | | | | | |
| | Salvage/Subrogation Recoveries | 2,925 | 995 | 2,417 | 2,582 | 1,040 | 2,034 | 70,591 | 1,619 | 85,050 | 4,848 | 792 | 805 | **175,697** |
| | Other Revenue | - | 15 | - | 20,187 | 33,405 | - | - | - | 357 | 19,844 | 34 | - | **73,843** |
| | Net Investment Income | (2,739,407) | 3,503,030 | (544,216) | 4,993,166 | 1,474,419 | 1,422,865 | 1,891,547 | 1,398,857 | 2,656,253 | (826,025) | 1,000,869 | 591,116 | **14,822,474** |
| | **Total Income** | (2,736,482) | 3,504,040 | (541,800) | 5,015,935 | 1,508,864 | 1,424,899 | 1,962,138 | 1,400,476 | 2,741,661 | (801,332) | 1,001,695 | 591,921 | **15,072,014** |
| | **OPERATING EXPENSES** | | | | | | | | | | | | | |
| | Legal and Consulting | 10,774 | 8,313 | 72,273 | 23,495 | 23,756 | 75,844 | 14,734 | 15,751 | 73,725 | 51,626 | 32,978 | 72,332 | **475,601** |
| | General and Administrative | 32,590 | 34,824 | 34,260 | 35,968 | 36,018 | 29,702 | 28,649 | 32,282 | 3,717 | 3,631 | 22,014 | 3,622 | **297,277** |
| | Allocated Overhead Expenses | 267,434 | 260,943 | 229,138 | 247,484 | 268,728 | 259,516 | 239,891 | 273,961 | 265,163 | 283,590 | 302,949 | 261,424 | **3,160,222** |
| | **Total Operating Expenses** | **310,799** | **304,080** | **335,671** | **306,948** | **328,501** | **365,062** | **283,275** | **321,994** | **342,605** | **338,847** | **357,941** | **337,377** | **3,933,100** |
| | Net Income after Operating Expenses | (3,047,281) | 3,199,960 | (877,471) | 4,708,987 | 1,180,363 | 1,059,837 | 1,678,864 | 1,078,482 | 2,399,055 | (1,140,179) | 643,754 | 254,544 | 11,138,915 |
| | **LOSSES AND OTHER EXPENSES** | | | | | | | | | | | | | |
| | Incurred Losses and Claims Expense | (169,516) | 597,928 | (2,118,119) | (735,224) | 5,239,739 | 8,807,439 | 2,334,135 | (283,523) | (6,903,573) | (544,521) | 61,877 | 3,151,209 | **9,437,852** |
| | Losses and Other Expenses | (169,516) | 597,928 | (2,118,119) | (735,224) | 5,239,739 | 8,807,439 | 2,334,135 | (283,523) | (6,903,573) | (544,521) | 61,877 | 3,151,209 | **9,437,852** |
| | Changes to Net Assets | (2,877,765) | 2,602,032 | 1,240,649 | 5,444,211 | (4,059,376) | (7,747,602) | (655,271) | 1,362,005 | 9,302,628 | (595,658) | 581,876 | (2,896,665) | 1,701,063 |
| | **Details** | | | | | | | | | | | | | |
| | **REVENUES** | | | | | | | | | | | | | |
| | Recoveries | | | | | | | | | | | | | |
| 52003 | Salvage/Subrogation Recoveries | 2,925 | 995 | 2,417 | 2,582 | 1,040 | 2,034 | 70,591 | 1,619 | 85,050 | 4,848 | 792 | 805 | **175,697** |
| | Total Recoveries | 2,925 | 995 | 2,417 | 2,582 | 1,040 | 2,034 | 70,591 | 1,619 | 85,050 | 4,848 | 792 | 805 | **175,697** |
| | Other Revenue | | | | | | | | | | | | | |
| 54003 | Miscellaneous Income | - | 15 | - | 20,187 | 33,405 | - | - | - | 357 | 19,844 | 34 | - | **73,843** |
| | Total Other Revenue | - | 15 | - | 20,187 | 33,405 | - | - | - | 357 | 19,844 | 34 | - | **73,843** |
| | TOTAL REVENUES | **2,925** | **1,010** | **2,417** | **22,769** | **34,445** | **2,034** | **70,591** | **1,619** | **85,407** | **24,692** | **826** | **805** | **249,540** |
| | **EXPENSES** | | | | | | | | | | | | | |
| | Legal | | | | | | | | | | | | | |
| 62001 | DOI Legal | 983 | - | - | - | - | - | 197 | - | - | - | - | - | **1,179** |
| 62002 | DOJ Legal | 110 | 55 | - | - | - | - | 990 | 57 | 57 | 57 | 1,140 | 285 | **2,751** |
| 62003 | Other Legal Expense | 1,558 | 215 | 1,016 | - | 916 | 2,447 | 426 | 1,151 | 611 | 11,433 | 20,641 | 4,052 | **44,464** |
| | Total Legal Expenses | 2,650 | 270 | 1,016 | - | 916 | 2,447 | 1,613 | 1,208 | 668 | 11,490 | 21,781 | 4,337 | **48,394** |
| | Consultants and Contractors | | | | | | | | | | | | | |
| 63002 | Accounting & Auditing | - | 34 | 4,319 | 15,233 | 12,189 | 3,072 | 3,338 | - | - | 119 | - | - | **38,304** |
| 63004 | Actuarial Expense | - | - | - | - | - | - | - | - | - | 32,864 | - | - | **32,864** |
| 63005 | Temporary Help Expense | 8,124 | 6,541 | 6,610 | 8,262 | 5,646 | 6,610 | 8,159 | 6,610 | 4,441 | 6,610 | 7,229 | 8,055 | **82,895** |
| 63007 | Other Professional Fees | - | 1,469 | 60,328 | - | 5,005 | 63,716 | 1,625 | - | 68,617 | 543 | - | 59,939 | **261,243** |
| 63008 | Tax Consulting and Compliance | - | - | - | - | - | - | - | 7,934 | - | - | 3,967 | - | **11,901** |
| | Total Consultant Expenses | 8,124 | 8,044 | 71,257 | 23,495 | 22,840 | 73,397 | 13,122 | 14,544 | 73,058 | 40,136 | 11,196 | 67,995 | **427,207** |
| | Office Expenses | | | | | | | | | | | | | |
| 65002 | Postage | 38 | 33 | 14 | 22 | 7 | 22 | 42 | 50 | 79 | 17 | 10 | 8 | **344** |
| 65007 | Misc Licenses, Fees and Taxes | - | - | - | - | - | - | - | - | 25 | - | 18,253 | - | **18,278** |
| 65015 | Storage Rent | 7,996 | 6,138 | 5,733 | 4,916 | 4,279 | 3,685 | 2,945 | 1,718 | 1,712 | 1,718 | 1,712 | 1,718 | **44,271** |
| 65016 | Record Retrieval | 24,540 | 28,652 | 28,512 | 31,030 | 31,715 | 25,995 | 25,648 | 30,483 | 1,902 | 1,895 | 2,040 | 1,895 | **234,307** |
| 65019 | Delivery | 16 | - | - | - | 16 | - | 14 | 31 | - | - | - | - | **77** |
| | Total Office Expenses | 32,590 | 34,824 | 34,260 | 35,968 | 36,018 | 29,702 | 28,649 | 32,282 | 3,717 | 3,631 | 22,014 | 3,622 | **297,277** |
| | Allocated Expenses | | | | | | | | | | | | | |
| 70002 | Allocated Expenses | 267,434 | 260,943 | 229,138 | 247,484 | 268,728 | 259,516 | 239,891 | 273,961 | 265,163 | 283,590 | 302,949 | 261,424 | **3,160,222** |
| | Total Net Allocated Expenses | 267,434 | 260,943 | 229,138 | 247,484 | 268,728 | 259,516 | 239,891 | 273,961 | 265,163 | 283,590 | 302,949 | 261,424 | **3,160,222** |
| | *Direct Admin Exp only* | *43,364* | *43,137* | *106,533* | *59,464* | *59,773* | *105,546* | *43,384* | *48,033* | *77,442* | *55,257* | *54,992* | *75,953* | ***772,878*** |
| | **Total Admin Expenses** | **310,799** | **304,080** | **335,671** | **306,948** | **328,501** | **365,062** | **283,275** | **321,994** | **342,605** | **338,847** | **357,941** | **337,377** | **3,933,100** |
| | Losses | | | | | | | | | | | | | |
| 61001 | Direct Loss & LAE | - | - | (2,207,063) | - | - | 6,365,742 | - | - | 3,332,021 | - | - | (276,312) | **7,214,388** |
| 61091 | Direct Loss & LAE-GOLD | (66,809) | 1,026,259 | 88,815 | (672,805) | 5,262,475 | (254,214) | 2,452,376 | 619,906 | (1,286,243) | (370,480) | (294,500) | (9,752) | **6,495,026** |
| 61002 | Assumed Loss & LAE | - | - | - | 325,578 | - | - | - | 258,047 | - | - | 356,377 | - | **940,002** |
| 61004 | Ceded Loss & LAE | (102,707) | (428,331) | - | (387,997) | (22,735) | 2,694,741 | (123,403) | (1,161,475) | (10,549,354) | (174,041) | - | 3,437,273 | **(6,818,029)** |
| 65023 | Bad Debt Expense | 0 | - | 3 | (1) | 0 | 0 | (0) | (0) | (1) | (0) | 0 | - | **1** |
| 83092 | Expense For Other Claims-GOLD | - | - | 126 | - | - | 1,170 | 5,163 | - | 1,600,004 | - | - | - | **1,606,463** |
| | Total Loss Expenses | (169,516) | 597,928 | (2,118,119) | (735,224) | 5,239,739 | 8,807,439 | 2,334,135 | (283,523) | (6,903,573) | (544,521) | 61,877 | 3,151,209 | **9,437,852** |
| | *Total non-Admin Expenses* | *(169,516)* | *597,928* | *(2,118,119)* | *(735,224)* | *5,239,739* | *8,807,439* | *2,334,135* | *(283,523)* | *(6,903,573)* | *(544,521)* | *61,877* | *3,151,209* | ***9,437,852*** |
| | TOTAL EXPENSES | **141,283** | **902,008** | **(1,782,448)** | **(428,276)** | **5,568,241** | **9,172,501** | **2,617,410** | **38,471** | **(6,560,967)** | **(205,674)** | **419,819** | **3,488,586** | **13,370,951** |
| | **INVESTMENTS** | | | | | | | | | | | | | |
| | Investment Income | | | | | | | | | | | | | |
| 53001 | Interest Earned-Taxable | 638,014 | 793,528 | 688,208 | 734,443 | 839,871 | 635,931 | 789,671 | 574,208 | 924,428 | 664,823 | 925,564 | 748,558 | **8,957,248** |

Conservation & Liquidation Office

157 **CastlePoint National Insurance Company**

INCOME AND EXPENSES

| | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 53002 | Interest Earned-Non Taxable | 7,435 | 5,854 | 16 | 6,693 | 16,558 | 4,301 | 7,025 | 5,694 | - | 8,771 | 16,053 | 4,472 | **82,871** |
| | Total Investment Income | 645,450 | 799,382 | 688,224 | 741,136 | 856,429 | 640,232 | 796,696 | 579,902 | 924,428 | 673,594 | 941,617 | 753,030 | **9,040,119** |
| | Investment Expenses | | | | | | | | | | | | | |
| 68001 | Investment Expense | (31,819) | (21,462) | (21,664) | (50,000) | (21,264) | (30,131) | (37,434) | (25,268) | (28,794) | (26,675) | (26,744) | (28,577) | **(349,832)** |
| 68003 | Interest Expense | (20) | (2,582) | (1,950) | (2,791) | 4,389 | 1,775 | 3,616 | 2,780 | 3,973 | (1,664) | 983 | 1,105 | **9,613** |
| | Total Investment Expenses | (31,839) | (24,045) | (23,614) | (52,791) | (16,875) | (28,356) | (33,818) | (22,488) | (24,821) | (28,339) | (25,761) | (27,472) | **(340,219)** |
| | Gain (Loss) on Securities | | | | | | | | | | | | | |
| 82001 | LT Realized Gn/Ls-Pool | (110,557) | (196,640) | (45,376) | (24,916) | (103,381) | (5,384) | (34,551) | (296,299) | (12,329) | (103,021) | 24,505 | 54,488 | **(853,462)** |
| 82002 | ST Realized Gn/Ls-Pool | 554,383 | (1,121,111) | 438,018 | (1,852,657) | 1,589,985 | 1,026,527 | 2,237,613 | 2,202,852 | 1,343,308 | (2,525,540) | 77,073 | (852,346) | **3,118,105** |
| 82005 | Mark to Market-Pool | (285,012) | 568,982 | (238,342) | 959,043 | (859,387) | (506,062) | (1,108,679) | (1,087,905) | (607,614) | 1,267,850 | (24,992) | 430,686 | **(1,491,433)** |
| 82006 | G/L on Sale LT Non Pool Sec | (1,594) | 6,956 | (1,834) | (1,764) | (1,738) | (1,808) | (1,721) | (1,094) | (798) | (1,083) | 152 | (124) | **(6,450)** |
| 82008 | G/L Non Pool Reap of Sec | (3,510,238) | 3,469,507 | (1,361,293) | 5,225,115 | 9,386 | 297,716 | 36,007 | 23,889 | 1,034,080 | (109,485) | 8,275 | 232,855 | **5,355,815** |
| | Net G/L on Securities | (3,353,018) | 2,727,693 | (1,208,826) | 4,304,821 | 634,865 | 810,989 | 1,128,669 | 841,443 | 1,756,647 | (1,471,280) | 85,013 | (134,442) | **6,122,574** |
| | NET INVESTMENT INCOME | **(2,739,407)** | **3,503,030** | **(544,216)** | **4,993,166** | **1,474,419** | **1,422,865** | **1,891,547** | **1,398,857** | **2,656,253** | **(826,025)** | **1,000,869** | **591,116** | **14,822,474** |
| | **NET INCOME (LOSS)** | **(2,877,765)** | **2,602,032** | **1,240,649** | **5,444,211** | **(4,059,376)** | **(7,747,602)** | **(655,271)** | **1,362,005** | **9,302,628** | **(595,658)** | **581,876** | **(2,896,665)** | **1,701,063** |

# EXHIBIT C

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