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Insurance Commissioner of the State of California
12 in his Capacity as Liquidator of
CastlePoint National Insurance Company
13

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

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

17 INSURANCE COMMISSIONER OF THE
STATE OF CALIFORNIA,

18 Applicant,

19 v.

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

22 Respondents.
23
24

Case No. CPF-16-515183

Reservation No. [N/A]

**DECLARATION OF JOSEPH
HOLLOWAY IN SUPPORT OF
APPLICATION FOR ORDER
AUTHORIZING SECOND EARLY
ACCESS DISTRIBUTION OF ASSETS
TO STATE INSURANCE GUARANTY
FUNDS AND APPROVING
FINANCIAL REPORT, FINANCIAL
STATEMENT AND EXPENSES OF
ADMINISTRATION**

**Date: November 6, 2023
Time: 9:30 a.m.
Dept: 302
Judge: Hon. Richard B. Ulmer, Jr.**

**ELECTRONICALLY
FILED**
*Superior Court of California,
County of San Francisco*

10/11/2023
Clerk of the Court
BY: SANDRA SCHIRO
Deputy Clerk

1 I, Joseph Holloway, hereby declare:

2 1. I make this declaration in support of the *Application for Order Authorizing Second*
3 *Early Access Distribution of Assets to State Insurance Guaranty Funds and Approving Financial*
4 *Reports and Expenses of Administration* (“Application”). The following facts are known by me
5 to be true and correct of my own personal knowledge, except as to those that I have expressed as
6 being based upon my information and belief. If called as a witness to testify thereon, I could and
7 would competently do so.

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

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

23 4. I am empowered under Paragraphs 3 and 4 of the Court’s March 30, 2017
24 Liquidation Order for CastlePoint National Insurance Company (“Liquidation Order”), and I was
25 previously empowered under Paragraph 18 of the Court’s July 28, 2016 Order Appointing
26 Insurance Commissioner As Conservator and Restraining Orders (“Conservation Order”), to carry
27 out all the duties of and exercise the authority of the Insurance Commissioner (previously Dave
28

1 Jones and now Ricardo Lara) in his statutory capacity as liquidator (formerly conservator) of
2 CastlePoint as delegated to me in the management of CastlePoint.

3 5. The Commissioner was appointed as conservator of respondent CastlePoint by the
4 Court on July 28, 2016, and was thereafter appointed as liquidator of CastlePoint by the Court on
5 March 30, 2017, pursuant to Insurance Code sections 1011 and 1016, respectively. The
6 Commissioner's current Application seeks Court approval for a second early access distribution
7 of CastlePoint estate funds in the amount of approximately \$30,075,159 to 31 state insurance
8 guaranty funds and Court approval of the Commissioner's financial reports for the CastlePoint
9 estate for 2021 and 2022 including financial statements and expenses of administration for those
10 years.

11 6. In aid and fulfillment of the Commissioner's role as liquidator, Insurance Code
12 section 1035.5(a) provides that the Commissioner may apply for and obtain Court approval of a
13 proposal to disburse the insurer's assets to state insurance guaranty funds.

14 Within 120 days of the issuance of an order directing the winding up and liquidation of
15 the business of an insolvent insurer under Section 1016, the commissioner shall make
16 application to the court for approval of a proposal to disburse the insurer's assets, from
17 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.

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

21 7. In addition, the Liquidation Order itself directs the Commissioner to "liquidate and
22 wind up the business of CastlePoint and to act in all ways and exercise all powers necessary for
23 the purpose of carrying out this Order and the liquidation provisions of the Insurance Code,
24 Insurance Code sections 1010 et seq." Liquidation Order, Paragraph 4. The Commissioner has
25 concluded that the estate of CastlePoint now possesses sufficient funds to make an early access
26 distribution to state insurance guaranty funds or similar entities, after reserving for amounts
27 described in Section 1035.5(b)(1). Accordingly, the Commissioner proposes to distribute

1 approximately \$30,075,159 to state insurance guaranty funds or similar entities representing
2 amounts for which they could assert a claim against the Commissioner, as itemized in the
3 Commissioner's "Proposed Distributions to Insurance Guaranty Funds from the CastlePoint
4 Estate," a true and correct copy of which is attached hereto as Exhibit A and incorporated herein
5 by this reference.

6 8. By Order dated September 15, 2022, the Court authorized an initial early access
7 distribution to state insurance guaranty funds in the amount of \$60,028,780 in net assets of the
8 CastlePoint estate and the Commissioner expeditiously distributed the approved amount. The
9 methodology and procedures for the second distribution for which authorization is currently
10 sought were also utilized by the Commissioner with respect to the initial distribution authorized
11 by the Court in 2022.

12 9. With respect to the currently proposed early access distribution, pursuant to
13 Insurance Code section 1035.5, subdivision (b)(1), the Commissioner's proposal contains
14 appropriate provisions for reserving amounts for the payment of expenses of administration of the
15 CastlePoint estate , for the payment of the claims of its secured creditors to the extent of the value
16 of security held, and for claims falling within the priorities established in Insurance Code section
17 1033, subdivision (a)(1)-(4). After reserving for payment of such liabilities, the CastlePoint
18 estate clearly has sufficient funds to make a second early access distribution in the total amount of
19 \$30,075,159. This is demonstrated by the 2021 and 2022 financial statements of the CastlePoint
20 estate, true and correct copies of which are attached hereto as Exhibits B and C, and which are
21 described more fully in paragraph 19 hereof ("Financial Statements"). As Exhibit C (2022
22 Financial Statement, Statement of Assets and Liabilities-Page 1)) shows, the CastlePoint estate's
23 readily available funds far exceeds its liability for administrative expenses and secured claims.
24 The CastlePoint estate has total accrued administrative expenses as of year-end 2022 of
25 \$7,013,500 and liability for secured claims of \$105,500, for a total for the two categories of
26 \$7,119,000. As of December 31, 2022, the Commissioner has retained a total of \$204,433,300 in
27 readily available funds, consisting of cash and cash equivalents, participation in pooled
28

1 investments, and non-pooled short-term investments. Exhibit C (2022 Financial Statement,
2 Statement of Cash Flows-Page 4). The Net Assets shown in Exhibit C have not materially
3 changed since year-end 2022.

4 10. As itemized in Exhibit A, under the proposed distribution a total of thirty-one (31)
5 guaranty funds are entitled, after the offset of statutory credits under Insurance Code
6 section 1035.5, subdivision (d), to an aggregate amount of \$30,075,159 in amounts paid on claims
7 under CastlePoint policies and related loss adjustment expenses.

8 11. To determine the appropriate amount to be distributed at this time to each state
9 guaranty, the Commissioner calculated the “ultimate loss” to each state guaranty fund, which
10 consists of the amounts paid by the guaranty fund on behalf of policyholders, as well as claims
11 reserves and administrative expenses. The Commissioner has then applied a “maximum cap” for
12 the distribution of a uniform percentage of each guaranty funds’ ultimate loss. Statutory releases
13 of funds from CastlePoint to state guaranty funds, as well as statutory deposits of CastlePoint to
14 be released to state guaranty funds, were then offset, along with any premium or other credits
15 where appropriate, pursuant to Insurance Code section 1035.5, subdivision (d).

16 12. Utilizing the methodology, the Commissioner proposes to distribute and pay each
17 of the 31 guaranty funds the amount set forth for that guaranty association in Exhibit A in
18 satisfaction of the Commissioner’s second early access distribution from the CastlePoint estate.
19 If closure of the CastlePoint estate is delayed, the Commissioner may seek approval of additional
20 early access distributions when such liabilities and contingencies become known and are
21 quantified. The currently projected time of final distribution of all assets of the CastlePoint estate
22 is 2030.

23 13. In accordance with Insurance Code section 1035.5, subdivision (b)(4), with respect
24 to the state insurance guaranty funds receiving a distribution, the Commissioner has already
25 requested and received from each fund an executed “early access agreement” (EA Agreement), a
26 true and correct copy of the template for which is attached hereto as Exhibit D, to return the
27 distributed assets as required to pay claims of secured creditors and claims falling within the
28

1 priorities established in Insurance Code section 1033, subdivisions (a)(1) and (a)(2). In
2 accordance with the requirements of 1035.5(e), notice as required therein of the Commissioner's
3 application was given to the insurance guaranty funds and commissioners of insurance of each of
4 the states on September 11, 2023, at least 30 days prior to the submission of the Application to
5 the Court. The second early access distribution described herein is fully consistent with Insurance
6 Code section 1035.5, and compliant with the specific requirements of section 1035.5(b)-(e), and
7 constitutes an appropriate exercise of the Commissioner's discretion to manage the liquidation of
8 the CastlePoint estate.

9 14. Since early 2019, all remaining liquidation activities of the CastlePoint estate have
10 been assigned to the staff of the Commissioner's Conservation and Liquidation Office in San
11 Francisco ("CLO") and, as of March 31, 2019, the CastlePoint home office in New Jersey was
12 closed.

13 15. During 2021 and 2022 the Commissioner and CLO conducted the following
14 actions, among others: (1) continued to open and/or re-open claim files for state guaranty
15 associations, now totaling over 3,205 claim files since the Liquidation Date through
16 December 31, 2022; (2) billed \$8.6 million of reinsurance recoverables in 2021 and \$2.7 million
17 of reinsurance recoverables in 2022; (3) collected for the CastlePoint estate reinsurance balances
18 of approximately \$7.1 million in 2021 and \$7.6 million in reinsurance recoverables in 2022;
19 (4) collected for the CastlePoint estate miscellaneous recoveries from 2021 through 2022 of
20 approximately \$236,000; (5) planned and executed a complex early access distribution in a total
21 amount of approximately \$60 million in net assets of the CastlePoint estate to 47 state insurance
22 guaranty funds; (6) filed on behalf of the CastlePoint estate the tax return for the 2021 and 2022
23 tax years and finalized the 2021 and 2022 audits; (7) secured an additional addendum to the
24 administrative services agreements with AmTrust and National General thru December 31, 2023;
25 and (8) handled the specific matters described further herein below.

26 16. In addition to the above activities, the Commissioner and his staff and counsel
27 worked during 2021 and 2022 to resolve an allowed claim against the CastlePoint estate in favor
28

1 of claimant Karen Wilkie arising out of serious injuries sustained by an insured in a vehicle
2 accident in New York in which the defendant vehicle owner was insured by CastlePoint. This
3 settlement, which involved an early access partial distribution to Ms. Wilkie, was the subject of a
4 motion to this Court for approval of the settlement. The Court granted its approval in September
5 2022.

6 17. The Commissioner and his staff and counsel also obtained court approval in 2022
7 for a complex early access distribution of over \$60 million in net assets of the CastlePoint estate,
8 as described above, to 48 state guaranty funds to satisfy amounts which the guaranty funds paid
9 but for which the CastlePoint estate was obligated.

10 18. Finally, during 2021 and 2022, the Commissioner and his counsel continued to
11 respond as necessary and appropriate to remaining litigation issues affecting the CastlePoint
12 estate arising out of the Eita Pruss-related litigation, the TruPS litigation, and the Public Records
13 Act proceeding instituted by Christopher Dion, all described in detail in the Commissioner's 2020
14 Application.

15 19. Both the 2021 and 2022 Financial Statements of the CastlePoint liquidation estate,
16 attached hereto as Exhibits B and C respectively, were prepared under my direction as Chief
17 Executive Officer of the CLO and Liquidation Manager of CastlePoint. Each Financial Statement
18 consists of the following documents for the respective year: Statement of Assets and Liabilities;
19 Statement of Assets and Liabilities (with detail); Statement of Changes in Net Assets in
20 Liquidation; and Statement of Cash Flows. In addition, a monthly Statement of Income and
21 Expenses is attached to each set of Financial Statements.

22 20. The Financial Statements reflect the following expenses of administration. For
23 2021, the CastlePoint estate incurred expenses totaling \$3,809,264. Of that total, \$124,738 was
24 incurred for various office expenses. Also of that expenses total, \$890,603 was incurred for
25 professional fees, not including CLO personnel. Within the total for such professional fees,
26 \$557,098 was paid for legal expenses (including \$233,350 for fees paid to Orrick for legal
27 services in connection with the liquidation during 2021), and \$557,098 was paid for necessary
28

1 consultants and contractors other than attorneys. As regards the CLO, a total of \$2,793,923 was
2 incurred for CLO professional fees, which included amounts allocable to the CastlePoint estate
3 for the CLO's Accounting Claims, It, Reinsurance, Estate Trust and Executive Departments.

4 21. For 2022, the CastlePoint estate incurred and paid expenses totaling \$3,929,470.
5 Of that total, \$114,669 was incurred for various office expenses and \$416,213 was incurred for
6 professional fees, not including CLO personnel. Within the total of such professional fees,
7 \$143,867 was incurred for legal expenses, including \$124,914 incurred for Orrick's legal services
8 in collection with the liquidation during 2022, and \$272,346 was paid for necessary consultants
9 and contractors. As regards the CLO, \$3,398,588 was incurred for CLO professional fees,
10 including amounts allocable to the CLO departments listed in the preceding paragraph hereof.

11 22. The Court's Liquidation Order authorizes the Commissioner, acting as Liquidator,
12 to fix and pay the administrative expenses of the liquidation from the assets of CastlePoint,
13 subject to the Court's oversight and approval as specified. (See Liquidation Order, ¶¶ 3, 15-18.)
14 These provisions were entered pursuant to California Insurance Code sections 1035 and 1036,
15 which grant the Commissioner the power to fix all administrative costs (§ 1035) and the
16 compensation of outside attorneys (§ 1036), with the approval of the Court, and to have those
17 expenses paid by the liquidation estate. In my role as Chief Executive Officer of the CLO and
18 Liquidation Manager of CastlePoint, the expenses of the CastlePoint estate during 2021 and 2022
19 were necessary to the efficient and orderly administration of the CastlePoint estate and for the
20 continuing liquidation of CastlePoint. They were thus an appropriate exercise of the
21 Commissioner's discretion.

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

24 Executed on October 11, 2023, at San Francisco, California

25
26 
JOSEPH HOLLOWAY

EXHIBIT A

Proposed Distribution to State Insurance Guaranty Funds/2023

Company	liq_no	igafag	class	Round Dist Check	payee	Claimant
CNIC TOWER	404279	1	2	11,393.00	Alabama	Alabama Insurance Guaranty Association
CNIC TOWER	404293	1	2	18,396.00	Arkansas	Arkansas P&C Guaranty Fund
CNIC TOWER	404274	1	2	316,558.00	Arizona	Arizona Insurance Guaranty Fund
CNIC TOWER	404283	1	2	26,981.00	Colorado	Colorado Insurance Guaranty Association
CNIC TOWER	404299	1	2	583,027.00	Connecticut	Connecticut Insurance Guaranty Associati
CNIC TOWER	404312	1	2	1,882,868.00	Florida11	Florida Workers' Compensation Insurance
CNIC TOWER	404313	1	2	1,438,897.00	Florida10	Florida Insurance Guaranty Association
CNIC TOWER	404273	1	2	343,788.00	Georgia	Georgia Insurers Insolvency Pool
CNIC TOWER	404270	1	2	1,218,806.00	Illinois	Illinois Insurance Guaranty Fund
CNIC TOWER	404304	1	2	7,253.00	Indiana	Indiana Insurance Guaranty Association
	404305	1	2	314,808.00	Louisiana	Louisiana Insurance Guaranty Association
CNIC TOWER	404319	1	2	1,349,300.00	Maryland	Maryland Property and Casualty Guaranty
CNIC TOWER	404306	1	2	313,432.00	Michigan	Michigan P&C Guaranty Association
CNIC TOWER	404290	1	2	16,942.00	Missouri	Missouri P&C Insurance Guaranty Associat
CNIC TOWER	404277	1	2	138,306.00	Mississippi	Mississippi Insurance Guaranty Associati
CNIC TOWER	404281	1	2	296,832.00	Nebraska	Nebraska P&L Insurance Guaranty Associat
CNIC TOWER	404269	1	2	5,751,075.00	New Jersey10	New Jersey P-L Insurance Guaranty Associ
CNIC TOWER	404267	1	2	12,802,676.00	New York	New York Liquidation Bureau
CNIC TOWER	404280	1	2	1,079,182.00	Nevada	Nevada Insurance Guarantee Association
CNIC TOWER	404315	1	2	10,058.00	Ohio	Ohio Insurance Guaranty Association
CNIC TOWER	404303	1	2	141.00	Oklahoma	Oklahoma P&C Insurance Guaranty Associat
CNIC TOWER	404311	1	2	551,424.00	Pennsylvania11	Pennsylvania Workers' Compensation Secur
CNIC TOWER	404276	1	2	87,058.00	Pennsylvania10	Pennsylvania Property & Casualty Insuran
CNIC TOWER	404266	1	2	135,630.00	South Carolina	South Carolina P&C Insurance Guaranty As
CNIC TOWER	404310	1	2	83,020.00	Tennessee	Tennessee Insurance Guaranty Association
CNIC TOWER	404307	1	2	1,108,821.00	Texas	Texas P&C Insurance Guaranty Association
CNIC TOWER	404272	1	2	1,377.00	Utah	Utah P&C Insurance Guaranty Association
CNIC TOWER	404300	1	2	21,360.00	Vermont	Vermont P&C Insurance Guaranty Associati
CNIC TOWER	404282	1	2	17,331.00	Washington	Washington Insurance Guaranty Associatio
CNIC TOWER	404294	1	2	137,152.00	Wisconsin	Wisconsin Insurance Security Fund
CNIC TOWER	404314	1	2	11,267.00	West Virginia	West Virginia Insurance Guaranty Associa

30,075,159.00

EXHIBIT B

157 CastlePoint National Ins Co
STATEMENT OF ASSETS AND LIABILITIES
As of December 31, 2021

	Dec 31 2021
ASSETS	
Cash and cash equivalents:	
Unrestricted	2,245,000
Participation in pooled investments, at market	228,662,000
Non-pooled short-term investments, at market	
Unrestricted	197,200
Restricted	40,215,000
Accrued investment income	2,912,800
Statutory deposits held by other states	67,535,200
Recoverable from reinsurers	238,247,700
Receivable from affiliates	324,000
Other receivable	15,410,200
Deposits and other assets	1,800,000
Total Available Assets	597,549,100
LIABILITIES	
Secured claims	105,500
Accrued administrative expenses	7,029,700
Claims against policies, including guaranty associations, before distributions	1,056,396,200
Early access and other Class 2 distributions	(251,520,000)
All other claims	64,952,200
Total Estimated Liabilities	876,963,600
NET ASSETS (DEFICIENCY)	(279,414,500)

157 **157 CastlePoint National Ins Co**
STATEMENT OF ASSETS AND LIABILITIES
As of December 31, 2021

	Dec 31 2021
ASSETS detail	
Cash and Investments	
11001 Cash-Unrestricted	2,245,015
12001 Participation in Pooled Investment	228,662,003
12002 Short Term Investments	197,174
12003 Short Term Inv. Restricted	40,215,011
Cash and Investments	271,319,203
13015 Accrued Int & Div Receivable	2,912,803
12012 Statutory Deposits	67,535,185
Reinsurance Receivable	
13001 Rein Recoverable-Paid	5,159,491
13002 Rein Recover-Unpaid Losses	233,088,235
Reinsurance Receivable	238,247,727
Receivable From Affiliates	
13012 Receivable from Affiliates	324,043
Receivable from Affiliates Net of Allowance	324,043
Other Receivables	
13013 Int & Div Receiv-Unrestricted	-
13018 Other Receivables	15,410,212
Other Receivable	15,410,212
Other Assets	
15005 Other Prepaid Expense	531,412
16001 Funds Held by Reinsurance	13,793
17003 Other Assets	8,552,291
17004 Provision Against Other Assets	(7,297,520)
Other Assets	1,799,976
Total Available Assets	597,549,149
LIABILITIES detail	
Secured Claims	
22001 Unclaimed Funds Payable	105,455
Secured Claims	105,455
Class 1: Payables and Accrued Expenses	
22005 Other General Liability	7,013,474
24005 Accrued Employee Benefits	16,207
25001 Due To/From Intercompany Acct	(0)
Class 1 Liabilities	7,029,681
Class 2: Losses, Reserves and non-IGA Claims	
28001 Loss & ALAE Reserve	725,951,774
28003 Unearned Premiums	1,060,981
28006 Liability Due to GAs	314,832,793
29001 Other Class 2 Payable	14,550,633
Class 2 Liabilities before Distributions	1,056,396,181
Early Access and Other Class 2 Distributions	
28007 Advances to Guaranty Associations	(251,520,019)
Early access and other Class 2 distributions	(251,520,019)
Class 7: All Other Claims	
30005 Reinsurance Payable	61,278,471
30007 Contingent Commission	(28,583)
30008 Other Class 7 Liabilities	113,442
31001 Funds Held for Others	3,588,849
Class 7 Liabilities	64,952,179
Total Estimated Liabilities	876,963,477
NET ASSETS (DEFICIENCY)	(279,414,328)

157 CastlePoint National Ins Co
STATEMENT OF CHANGES IN NET ASSETS IN LIQUIDATION
For Twelve Months Ended December 31, 2021

		2021
	BEGINNING NET ASSETS	(274,393,549)
	REVENUES	
52003	Salvage/Subrogation Recoveries	822,571
54003	Miscellaneous Income	80,486
	TOTAL REVENUES	903,057
	EXPENSES	
	Legal	
62001	DOI Legal	1,351
62002	DOJ Legal	98,804
62003	Other Legal Expense	233,350
	Total Legal Expenses	333,505
	Consultants and Contractors	
63002	Accounting & Auditing	20,821
63003	Software Contractor Expense	36,608
63004	Actuarial Expense	72,353
63005	Temporary Help Expense	78,056
63007	Other Professional Fees	337,360
63008	Tax Consulting and Compliance	11,901
	Total Consultant Expenses	557,098
	Office Expenses	
65002	Postage	290
65007	Misc Licenses, Fees and Taxes	1,412
65015	Storage Rent	117,116
65019	Delivery	170
65021	Utilities	(80)
65027	Bank Charges	5,830
	Total Office Expenses	124,738
70002	Allocated Expenses	2,793,923
	Direct Admin Exp only	1,015,341
	Total Admin Expenses	3,809,264
	Losses	
61002	Assumed Loss & LAE	1,243,963
61004	Ceded Loss & LAE	(23,241)
65023	Bad Debt Expense	3
83002	Expense For Other Claims	121
	Total Loss Expenses	1,220,845
	Total non-Admin Expenses	1,220,845
	TOTAL EXPENSES	5,030,109
	INVESTMENTS	
53001.1	Taxable Interest-Pool	3,177,416
53001.2	Taxable Interest-Non Pool	1,085,994
53001.3	Taxable Interest-Other	721,408
53002	Interest Earned-Non Taxable	(128,519)
	Total Investment Income	4,856,299
68001	Investment Expense	(416,263)
68003	Interest Expense	(6,673)
	Total Investment Expenses	(422,937)
82001	LT Realized Gn/Ls-Pool	(767,618)
82002	ST Realized Gn/Ls-Pool	(6,650,369)
82005	Mark to Market-Pool	3,163,619
82006	G/L on Sale LT Non Pool Sec	186,824
82008	G/L Non Pool Reap of Sec	(1,259,545)
	Net G/L on Securities	(5,327,089)
	NET INVESTMENT INCOME	(893,727)
	NET INCOME (LOSS)	(5,020,779)
	Loading Balance/Net Asset Adj	-
	ENDING NET ASSETS	(279,414,328)

157 **157 CastlePoint National Ins Co**
STATEMENT OF CASH FLOWS
For Twelve Months Ended December 31, 2021

	<u>2021</u>
<u>Cash flows from operating activities</u>	
Net income	(5,020,779)
Decrease (increase) in statutory deposits held by other states	(71,433)
Decrease (increase) in recoverable from reinsurers	7,028,387
Decrease (increase) in other receivable	37,953
Increase (decrease) in accrued admin expenses	0
Increase (decrease) in unpaid claims against policies, including guaranty associations	-
Increase (decrease) in early access and other distributions	-
Increase (decrease) in general creditor claims	(2,844,717)
Adjustments to Net Assets / Loading balance	-
Net cash flow from operating activities	<u>(870,590)</u>
<u>Cash flows from investing activities</u>	
Decrease (increase) in accrued investment income-Non Restricted	54,438
Decrease (increase) in accrued investment income-Restricted	(52,852)
<u>Cash flows from financing activities</u>	
	-
Net increase (decrease) in cash, cash equivalents, and restricted cash	<u>(869,005)</u>
Cash, Cash Equivalents, and Restricted Cash at beginning of period	272,188,208
Cash, Cash Equivalents, and Restricted Cash at end of period	<u><u>271,319,203</u></u>

Conservation & Liquidation Office
CastlePoint National Insurance Com
INCOME AND EXPENSES

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2021
INCOME								
Salvage/Subrogation Recoveries	56,881	4,352	333,650	86,640	6,727	1,197	2,205	822,571
Other Revenue	4,636	70	1,878	519	71,965	2,686	(1,896)	80,486
Net Investment Income	(106,822)	602,215	162,002	(479,099)	(765,826)	32,808	(700,386)	(893,727)
Total Income	(45,304)	606,637	497,531	(391,939)	(687,134)	36,692	(700,077)	9,330
OPERATING EXPENSES								
Legal and Consulting	28,573	126,725	30,311	106,174	37,690	94,542	88,252	890,603
General and Administrative	11,250	9,408	11,563	8,265	9,464	8,962	21,085	124,738
Allocated Overhead Expenses	227,657	209,947	182,032	174,006	211,946	218,590	256,897	2,793,923
Total Operating Expenses	267,481	346,080	223,906	288,445	259,101	322,094	366,234	3,809,264
Net Income after Operating Expenses	(312,785)	260,558	273,624	(680,384)	(946,235)	(285,403)	(1,066,312)	(3,799,934)
LOSSES AND OTHER EXPENSES								
Incurred Losses and Claims Expense	1	(493,422)	(12,281)	(21,371)	536,898	-	4,395,162	1,220,845
Losses and Other Expenses	1	(493,422)	(12,281)	(21,371)	536,898	-	4,395,162	1,220,845
Changes to Net Assets	(312,786)	753,980	285,905	(659,013)	(1,483,132)	(285,403)	(5,461,473)	(5,020,779)
Details								
REVENUES								
Recoveries								
52003 Salvage/Subrogation Recoveries	56,881	4,352	333,650	86,640	6,727	1,197	2,205	822,571
Total Recoveries	56,881	4,352	333,650	86,640	6,727	1,197	2,205	822,571
Other Revenue								
54003 Miscellaneous Income	4,636	70	1,878	519	71,965	2,686	(1,896)	80,486
Total Other Revenue	4,636	70	1,878	519	71,965	2,686	(1,896)	80,486
TOTAL REVENUES	61,517	4,422	335,529	87,159	78,692	3,884	309	903,057
EXPENSES								
Legal								
62001 DOI Legal	498	299	-	-	406	-	-	1,351
62002 DOJ Legal	2,860	7,920	-	20,286	-	18,730	6,758	98,804
62003 Other Legal Expense	6,864	11,917	23,718	17,690	16,799	5,428	26,318	233,350
Total Legal Expenses	10,222	20,135	23,718	37,976	17,205	24,158	33,075	333,505
Consultants and Contractors								
63002 Accounting & Auditing	3,986	502	-	-	-	-	-	20,821
63003 Software Contractor Expense	-	36,608	-	-	-	-	-	36,608
63004 Actuarial Expense	-	-	-	-	-	58,853	-	72,353
63005 Temporary Help Expense	6,610	8,262	2,066	8,865	8,201	4,797	4,957	78,056
63007 Other Professional Fees	3,702	61,218	4,528	59,333	8,491	6,735	50,220	337,360
63008 Tax Consulting and Compliance	4,054	-	-	-	3,793	-	-	11,901
Total Consultant Expenses	18,352	106,590	6,593	68,198	20,485	70,385	55,177	557,098
Office Expenses								
65002 Postage	16	27	20	9	25	24	26	290
65007 Misc Licenses, Fees and Taxes	-	25	-	-	-	-	597	1,412
65015 Storage Rent	10,976	9,139	8,941	7,907	9,206	8,645	20,308	117,116
65019 Delivery	33	-	-	-	64	41	-	170
65021 Utilities	-	(80)	-	-	-	-	-	(80)
65027 Bank Charges	225	297	2,602	349	169	252	154	5,830
Total Office Expenses	11,250	9,408	11,563	8,265	9,464	8,962	21,085	124,738
Allocated Expenses								
70002 Allocated Expenses	227,657	209,947	182,032	174,006	211,946	218,590	256,897	2,793,923
Total Net Allocated Expenses	227,657	209,947	182,032	174,006	211,946	218,590	256,897	2,793,923
Direct Admin Exp only								
	39,824	136,133	41,874	114,438	47,154	103,505	109,337	1,015,341
Total Admin Expenses	267,481	346,080	223,906	288,445	259,101	322,094	366,234	3,809,264
Losses								
61002 Assumed Loss & LAE	-	1,304	-	-	536,898	-	-	1,243,963
61004 Ceded Loss & LAE	-	(494,726)	(12,281)	(21,371)	-	-	4,395,161	(23,241)
65023 Bad Debt Expense	1	-	0	0	0	-	0	3
83002 Expense For Other Claims	-	-	-	-	-	-	-	121
Total Loss Expenses	1	(493,422)	(12,281)	(21,371)	536,898	-	4,395,162	1,220,845
Total non-Admin Expenses	1	(493,422)	(12,281)	(21,371)	536,898	-	4,395,162	1,220,845
TOTAL EXPENSES	267,482	(147,342)	211,626	267,074	795,999	322,094	4,761,396	5,030,109
INVESTMENTS								
Investment Income								
53001 Interest Earned-Taxable	423,124	354,580	537,060	252,847	260,076	610,848	298,329	4,984,818
53002 Interest Earned-Non Taxable	(58,026)	-	-	-	-	-	(39,841)	(128,519)
Total Investment Income	365,098	354,580	537,060	252,847	260,076	610,848	258,488	4,856,299

CastlePoint National Insurance Com
INCOME AND EXPENSES

		Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2021
	Investment Expenses								
68001	Investment Expense	(28,561)	(26,766)	(24,152)	(87,680)	(22,929)	(48,562)	(32,024)	(416,263)
68003	Interest Expense	(459)	281	41	(259)	(3,500)	(2,614)	(76)	(6,673)
	Total Investment Expenses	(29,021)	(26,485)	(24,110)	(87,939)	(26,429)	(51,177)	(32,100)	(422,937)
	Gain (Loss) on Securities								
82001	LT Realized Gn/Ls-Pool	(78,339)	(57,903)	(40,924)	(292,606)	24,455	(51,726)	(110,401)	(767,618)
82002	ST Realized Gn/Ls-Pool	(1,055,461)	605,624	(491,641)	(171,643)	(1,908,265)	(749,514)	(458,192)	(6,650,369)
82005	Mark to Market-Pool	506,995	(302,905)	248,333	77,508	905,560	371,123	145,850	3,163,619
82006	G/L on Sale LT Non Pool Sec	(5,398)	8,109	(5,459)	(4,091)	(3,636)	(5,196)	15,468	186,824
82008	G/L Non Pool Reap of Sec	189,305	21,195	(61,257)	(253,175)	(17,588)	(91,550)	(519,499)	(1,259,545)
	Net G/L on Securities	(442,899)	274,120	(350,948)	(644,007)	(999,473)	(526,863)	(926,773)	(5,327,089)
	NET INVESTMENT INCOME	(106,822)	602,215	162,002	(479,099)	(765,826)	32,808	(700,386)	(893,727)
	NET INCOME (LOSS)	(312,786)	753,980	285,905	(659,013)	(1,483,132)	(285,403)	(5,461,473)	(5,020,779)

EXHIBIT C

157 CastlePoint National Ins Co
STATEMENT OF ASSETS AND LIABILITIES
As of December 31, 2022

	Dec 31 2022
ASSETS	
Cash and cash equivalents:	
Unrestricted	2,816,000
Participation in pooled investments, at market	164,014,400
Non-pooled short-term investments, at market	
Unrestricted	299,100
Restricted	37,303,800
Accrued investment income	3,008,300
Statutory deposits held by other states	61,847,100
Recoverable from reinsurers	208,420,600
Receivable from affiliates	324,000
Other receivable	16,313,200
Deposits and other assets	1,800,000
Total Available Assets	496,146,500
LIABILITIES	
Secured claims	105,500
Accrued administrative expenses	7,013,500
Claims against policies, including guaranty associations, before distributions	1,071,223,100
Early access and other Class 2 distributions	(312,262,100)
All other claims	64,312,500
Total Estimated Liabilities	830,392,500
NET ASSETS (DEFICIENCY)	(334,246,000)

157 CastlePoint National Ins Co**STATEMENT OF CHANGES IN NET ASSETS IN LIQUIDATION**

For Twelve Months Ended December 31, 2022

		2022
	BEGINNING NET ASSETS	(279,414,328)
	REVENUES	
52003	Salvage/Subrogation Recoveries	911,399
54003	Miscellaneous Income	236,016
	TOTAL REVENUES	1,147,415
	EXPENSES	
	Legal	
62001	DOI Legal	3,431
62002	DOJ Legal	15,522
62003	Other Legal Expense	124,914
	Total Legal Expenses	143,867
	Consultants and Contractors	
63002	Accounting & Auditing	21,990
63004	Actuarial Expense	15,090
63005	Temporary Help Expense	86,690
63007	Other Professional Fees	136,675
63008	Tax Consulting and Compliance	11,901
	Total Consultant Expenses	272,346
	Office Expenses	
65002	Postage	247
65007	Misc Licenses, Fees and Taxes	46
65008	Ins License and Fees	237
65015	Storage Rent	111,647
65016	Record Retrieval	141
65019	Delivery	152
65027	Bank Charges	2,199
	Total Office Expenses	114,669
70002	Allocated Expenses	3,398,588
	Direct Admin Exp only	530,882
	Total Admin Expenses	3,929,470
	Losses	
61001	Direct Loss & LAE	14,826,881
61002	Assumed Loss & LAE	1,397,711
61004	Ceded Loss & LAE	22,061,654
65023	Bad Debt Expense	(1)
	Total Loss Expenses	38,286,245
	Total non-Admin Expenses	38,286,245
	TOTAL EXPENSES	42,215,715
	INVESTMENTS	
53001.1	Taxable Interest-Pool	3,512,944
53001.2	Taxable Interest-Non Pool	799,340
53001.3	Taxable Interest-Other	777,046
53002	Interest Earned-Non Taxable	18,390
	Total Investment Income	5,107,721
68001	Investment Expense	(371,838)
68003	Interest Expense	(436,043)
	Total Investment Expenses	(807,881)
82001	LT Realized Gn/Ls-Pool	(1,316,509)
82002	ST Realized Gn/Ls-Pool	(17,881,496)
82005	Mark to Market-Pool	8,408,894
82006	G/L on Sale LT Non Pool Sec	80,853
82008	G/L Non Pool Reap of Sec	(7,371,099)
	Net G/L on Securities	(18,079,356)
	NET INVESTMENT INCOME	(13,779,517)
	NET INCOME (LOSS)	(54,847,816)
	Loading Balance/Net Asset Adj	16,207
	ENDING NET ASSETS	(334,245,938)

157 **157 CastlePoint National Ins Co**
STATEMENT OF CASH FLOWS
For Twelve Months Ended December 31, 2022

	<u>2022</u>
<u>Cash flows from operating activities</u>	
Net income	(54,847,816)
Decrease (increase) in statutory deposits held by other states	5,688,078
Decrease (increase) in recoverable from reinsurers	29,827,165
Decrease (increase) in other receivable	(902,980)
Increase (decrease) in accrued admin expenses	(16,207)
Increase (decrease) in unpaid claims against policies, including guaranty associations	14,826,881
Increase (decrease) in early access and other distributions	(60,742,131)
Increase (decrease) in general creditor claims	(639,693)
Adjustments to Net Assets / Loading balance	16,207
Net cash flow from operating activities	<u>(66,790,495)</u>
<u>Cash flows from investing activities</u>	
Decrease (increase) in accrued investment income-Non Restricted	(128,248)
Decrease (increase) in accrued investment income-Restricted	32,800
<u>Cash flows from financing activities</u>	
	-
Net increase (decrease) in cash, cash equivalents, and restricted cash	<u>(66,885,943)</u>
Cash, Cash Equivalents, and Restricted Cash at beginning of period	271,319,203
Cash, Cash Equivalents, and Restricted Cash at end of period	<u><u>204,433,260</u></u>

Conservation & Liquidation Office
CastlePoint National Insurance Com
 INCOME AND EXPENSES

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2022
INCOME								
Salvage/Subrogation Recoveries	110,837	2,227	8,278	1,370	5,474	1,337	125,185	911,399
Other Revenue	5,368	1,754	-	-	-	10,858	205	236,016
Net Investment Income	(1,920,536)	1,770,989	(1,627,886)	(3,367,249)	(173,292)	4,764,668	(3,397,520)	(13,779,517)
Total Income	(1,804,331)	1,774,970	(1,619,609)	(3,365,879)	(167,818)	4,776,863	(3,272,129)	(12,632,102)
OPERATING EXPENSES								
Legal and Consulting	15,527	100,217	18,027	43,083	23,027	18,430	30,860	416,213
General and Administrative	1,791	10,862	11,367	9,132	7,876	10,033	8,788	114,669
Allocated Overhead Expenses	271,405	279,336	287,199	317,247	296,635	289,177	242,122	3,398,588
Total Operating Expenses	288,723	390,415	316,593	369,463	327,538	317,641	281,769	3,929,470
Net Income after Operating Expenses	(2,093,054)	1,384,555	(1,936,202)	(3,735,342)	(495,356)	4,459,223	(3,553,899)	(16,561,571)
LOSSES AND OTHER EXPENSES								
Incurred Losses and Claims Expense	(205,320)	-	(3,981)	(286,204)	(164,619)	1,252,061	39,374,996	38,286,245
Losses and Other Expenses	(205,320)	-	(3,981)	(286,204)	(164,619)	1,252,061	39,374,996	38,286,245
Changes to Net Assets	(1,887,734)	1,384,555	(1,932,221)	(3,449,138)	(330,737)	3,207,162	(42,928,895)	(54,847,816)
Details								
REVENUES								
Recoveries								
52003 Salvage/Subrogation Recoveries	110,837	2,227	8,278	1,370	5,474	1,337	125,185	911,399
Total Recoveries	110,837	2,227	8,278	1,370	5,474	1,337	125,185	911,399
Other Revenue								
54003 Miscellaneous Income	5,368	1,754	-	-	-	10,858	205	236,016
Total Other Revenue	5,368	1,754	-	-	-	10,858	205	236,016
TOTAL REVENUES	116,206	3,981	8,278	1,370	5,474	12,195	125,390	1,147,415
EXPENSES								
Legal								
62001 DOJ Legal	1,914	-	-	-	892	223	112	3,431
62002 DOJ Legal	330	12	-	3,960	3,575	1,485	990	15,522
62003 Other Legal Expense	853	25,192	9,765	30,861	6,782	10,253	8,705	124,914
Total Legal Expenses	3,097	25,204	9,765	34,821	11,249	11,961	9,807	143,867
Consultants and Contractors								
63002 Accounting & Auditing	5,821	3,778	-	-	-	204	-	21,990
63004 Actuarial Expense	-	-	-	-	-	-	9,560	15,090
63005 Temporary Help Expense	6,610	4,957	8,262	8,262	6,610	6,265	8,055	86,690
63007 Other Professional Fees	-	66,278	-	-	1,375	-	3,438	136,675
63008 Tax Consulting and Compliance	-	-	-	-	3,793	-	-	11,901
Total Consultant Expenses	12,431	75,013	8,262	8,262	11,778	6,469	21,053	272,346
Office Expenses								
65002 Postage	4	8	20	33	7	7	12	247
65007 Misc Licenses, Fees and Taxes	-	-	-	-	-	-	25	46
65008 Ins License and Fees	-	-	237	-	-	-	-	237
65015 Storage Rent	1,775	10,854	9,725	9,099	7,869	9,878	8,732	111,647
65016 Record Retrieval	-	-	-	-	-	141	-	141
65019 Delivery	12	-	-	-	-	8	18	152
65027 Bank Charges	-	-	1,385	-	-	-	-	2,199
Total Office Expenses	1,791	10,862	11,367	9,132	7,876	10,033	8,788	114,669
Allocated Expenses								
70002 Allocated Expenses	271,405	279,336	287,199	317,247	296,635	289,177	242,122	3,398,588
Total Net Allocated Expenses	271,405	279,336	287,199	317,247	296,635	289,177	242,122	3,398,588
Direct Admin Exp only	17,319	111,079	29,394	52,216	30,903	28,463	39,648	530,882
Total Admin Expenses	288,723	390,415	316,593	369,463	327,538	317,641	281,769	3,929,470
Losses								
61001 Direct Loss & LAE	-	-	-	-	-	-	14,826,881	14,826,881
61002 Assumed Loss & LAE	-	-	-	-	-	1,397,711	-	1,397,711
61004 Ceded Loss & LAE	(205,320)	-	(3,982)	(286,203)	(164,619)	(145,651)	24,548,119	22,061,654
65023 Bad Debt Expense	0	-	1	(1)	-	1	(3)	(1)
Total Loss Expenses	(205,320)	-	(3,981)	(286,204)	(164,619)	1,252,061	39,374,996	38,286,245
Total non-Admin Expenses	(205,320)	-	(3,981)	(286,204)	(164,619)	1,252,061	39,374,996	38,286,245
TOTAL EXPENSES	83,403	390,415	312,612	83,259	162,919	1,569,701	39,656,765	42,215,715
INVESTMENTS								
Investment Income								
53001 Interest Earned-Taxable	320,741	429,219	518,962	342,126	525,653	502,835	402,559	5,089,330
53002 Interest Earned-Non Taxable	4,992	22,492	(94)	19	9,108	22,679	(40,805)	18,390
Total Investment Income	325,733	451,711	518,868	342,145	534,762	525,514	361,753	5,107,721

CastlePoint National Insurance Com
INCOME AND EXPENSES

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2022
Investment Expenses								
68001 Investment Expense	(27,423)	(39,361)	(27,921)	(37,564)	(39,792)	(31,038)	(26,149)	(371,838)
68003 Interest Expense	(4,537)	7,442	(158,714)	(194,380)	(5,155)	15,961	6,905	(436,043)
Total Investment Expenses	(31,960)	(31,920)	(186,634)	(231,944)	(44,947)	(15,077)	(19,244)	(807,881)
Gain (Loss) on Securities								
82001 LT Realized Gn/Ls-Pool	(107,226)	(375,329)	(58,391)	(40,697)	(54,022)	(74,486)	(95,652)	(1,316,509)
82002 ST Realized Gn/Ls-Pool	(2,942,368)	3,370,971	(3,118,256)	(4,447,494)	(471,770)	2,865,589	296,949	(17,881,496)
82005 Mark to Market-Pool	1,449,786	(1,711,065)	1,350,297	2,189,023	(95,534)	(1,376,923)	(210,258)	8,408,894
82006 G/L on Sale LT Non Pool Sec	(4,295)	(3,474)	(23,781)	(2,606)	(2,627)	(2,610)	(2,610)	80,853
82008 G/L Non Pool Reap of Sec	(610,206)	70,095	(109,989)	(1,175,676)	(39,152)	2,842,662	(3,728,459)	(7,371,099)
Net G/L on Securities	(2,214,309)	1,351,197	(1,960,120)	(3,477,449)	(663,106)	4,254,232	(3,740,029)	(18,079,356)
NET INVESTMENT INCOME	(1,920,536)	1,770,989	(1,627,886)	(3,367,249)	(173,292)	4,764,668	(3,397,520)	(13,779,517)
NET INCOME (LOSS)	(1,887,734)	1,384,555	(1,932,221)	(3,449,138)	(330,737)	3,207,162	(42,928,895)	(54,847,816)

EXHIBIT D

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