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RECEIVED
LOS ANGELES SUPERIOR COURT
JUL 22 2021
S. DREW

FILED
Superior Court of California
County of Los Angeles
AUG 31 2021
Sherri R. Carter, Executive Officer/Clerk of Court
By *Berta Guerrero* Deputy

*Attorneys for Applicant Ricardo Lara, Insurance
Commissioner of the State of California, in his
capacity as Liquidator of Superior National
Insurance Company, Superior Pacific Casualty
Company, California Compensation Insurance
Company, Commercial Compensation Casualty
Company and Combined Benefits Insurance
Company*

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
SPRING STREET COURTHOUSE

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

Applicant,

v.

**SUPERIOR NATIONAL INSURANCE
COMPANY,**

Respondent.

Case No. BS061974

~~PROPOSED~~ ORDER:

- (1) **SETTLING AND APPROVING FINAL REPORT AND ACCOUNT OF LIQUIDATOR;**
- (2) **AUTHORIZING DISBURSEMENT OF FUNDS;**
- (3) **APPROVING PAYMENT OF EXPENSES; AND**
- (4) **TERMINATING LIQUIDATION PROCEEDING AND DISCHARGING INSURANCE COMMISSIONER AS LIQUIDATOR**

Date: August 31, 2021
Time: 2:00 p.m.
Dept: 14
Judge: Hon. Kenneth R. Freeman

09/08/2021

BY FAX

1 The Application of the Insurance Commissioner of the State of California (Commissioner or
2 Liquidator), in his capacity as the Liquidator of Superior National Insurance Company, Superior
3 Pacific Casualty Company, California Compensation Insurance Company, Commercial
4 Compensation Casualty Company and Combined Benefits Insurance Company for Orders: 1)
5 Settling and Approving Final Report and Account of Liquidator of Fremont Indemnity Company;
6 (2) Authorizing Disbursement of Funds; (3) Approving Payment of Expenses; and (4)
7 Terminating Liquidation Proceeding and Discharging Insurance Commissioner as Liquidator
8 (Application) came on for hearing on August 31, 2021, at 2:00 p.m. in Department 14 of the
9 above-entitled court, the Honorable Kenneth R. Freeman, presiding.

10 The Court, after reviewing the Application, the Memorandum of Points and Authorities,
11 the declarations and argument having been heard and good cause appearing,

12 IT IS HEREBY ORDERED that:

- 13 1. The Liquidator's final report and accounting is settled and approved.
- 14 2. The Liquidator is authorized to distribute to the approved claimants of the
15 Insolvent Insurers as follows:
 - 16 a. approximately \$36,397,566.55 to the approved Class 2 claimants of
17 Superior National Insurance Company as set forth in Exhibit A attached to
18 the Application based on a distribution rate of 51.07 % of the approved
19 claim amount;
 - 20 b. approximately \$17,190,516.90 to the approved Class 2 claimants of
21 California Compensation Insurance Company as set forth in Exhibit B
22 attached to the Application based on a distribution rate of 53.96 % of the
23 approved claim amount;
 - 24 c. approximately \$4,102,034.78 to the approved claimants of Combined
25 Benefits Insurance Company as set forth in Exhibit C attached to the
26 Application based on a distribution rate of 100% of the approved claim
27 amount, plus interest in the amount \$3,648.007.35;
 - 28 d. approximately \$14,164,183.94 to the approved Class 2 claimants of

99/09/2021

1 Commercial Compensation Casualty Company as set forth in Exhibit D
2 attached to the Application based on a distribution rate of 86.06 % of the
3 approved claim amount; and

4 e. approximately \$16,948,903.62 to the approved Class 2 claimants of
5 Superior Pacific Casualty Company as set forth in Exhibit E attached to the
6 Application based on a distribution rate of 44.48 % of the approved claim
7 amount.

8 The amount available for distribution is subject to adjustment for investment income and changes
9 in market value of investments that have been posted as of the date the investments are withdrawn
10 from the investment pool. The distributions shall be made within forty-five (45) days of the entry
11 of the Court's order.

12 3. The Liquidator is authorized to retain a reserve of \$1,019,186.95 for payment of
13 administrative closing expenses incurred by the Liquidator from and after May 1, 2021. A report
14 to the Court of the expenditure of these funds shall not be required.

15 4. Without further court order, the Liquidator is further authorized to distribute pro
16 rata any surplus amount of the closing reserve to the approved claimants based on the approved
17 overall projected distribution rate for each Insolvent Insurer.

18 5. Without further court order, the Liquidator is further authorized to distribute other
19 post-distribution proceeds to the approved claimants based on each claimant's equitable (pro rata)
20 share of the remaining approved unpaid portion of the Insolvent Insurer's liability. The
21 Commissioner shall not be required to pay any distribution amount less than \$10.

22 6. In accordance with the six month waiting period of Code of Civil Procedure
23 section 1517, the Commissioner, as to disbursements which are either undeliverable or as to
24 which issued checks have not then been negotiated, is authorized to void such checks as have not
25 then been negotiated and escheat all undeliverable amounts and amounts of non-negotiated
26 checks to the Insurance Fund pursuant to Insurance Code section 12937.

27 7. The Liquidator is authorized to destroy all records of the Insolvent Insurers in his
28 custody and control, except for those records necessary for examination by the Department of

09/08/2021

1 Finance or other auditor of the Liquidator's books and records pursuant to Insurance Code section
2 1061.

3 8. The estates of Superior National Insurance Company, Superior Pacific Casualty
4 Company, California Compensation Insurance Company, Commercial Compensation Casualty
5 Company and Combined Benefits Insurance Company be closed and the Commissioner shall be
6 discharged as liquidator upon the filing of a declaration that the Commissioner has distributed the
7 assets in accordance with this Court's order.

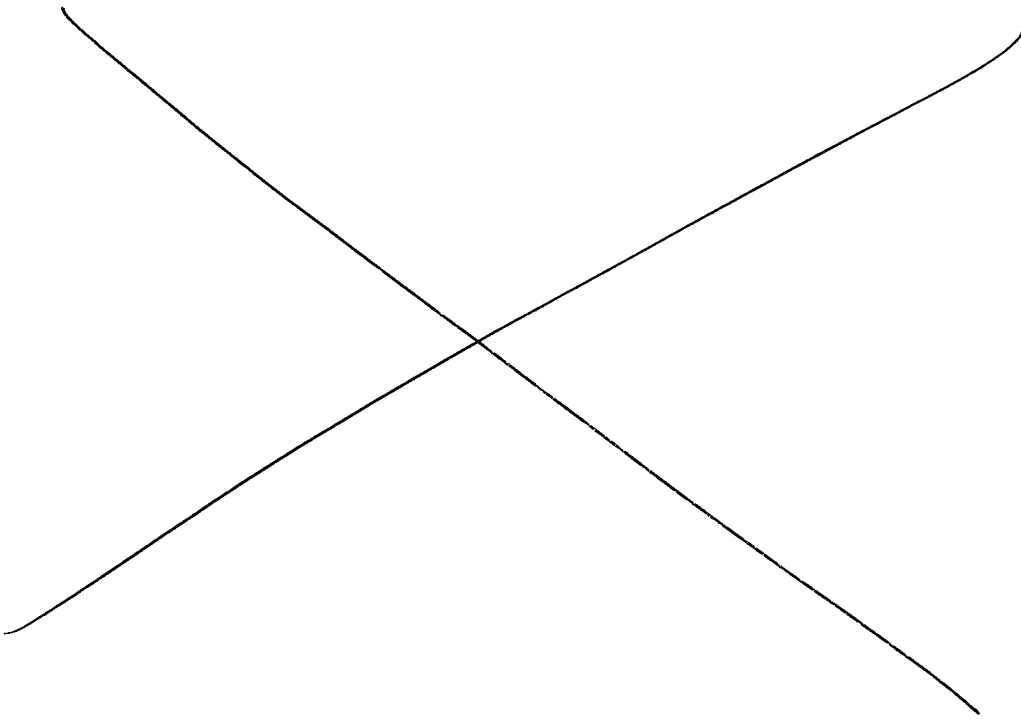
8 9. The Liquidator is authorized to take any action necessary to accomplish the purpose
9 of this Order.

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Dated: 8-31-2021


The Honorable Kenneth R. Freeman
Judge of the Superior Court

LA2000CV0370



DECLARATION OF SERVICE BY U.S. MAIL

Case Name: **Insurance Commissioner v. Superior National Insurance Co.
Insurance Company and Consolidated Proceedings**
Superior Court of California, County of Los Angeles, Case No.: BS061974

Consolidated With: **BS061675
BS062171
BS062173
BS063746**

I declare:

I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar, at which member's direction this service is made. I am 18 years of age or older and not a party to this matter; my business address is 300 South Spring Street, Suite 1702, Los Angeles, CA 90013.

On July 22, 2021, I served the attached

[PROPOSED] ORDER:

- (1) SETTling AND APPROVING FINAL REPORT AND ACCOUNT OF LIQUIDATOR;**
- (2) AUTHORIZING DISBURSEMENT OF FUNDS;**
- (3) APPROVING PAYMENT OF EXPENSES; AND**
- (4) TERMINATING LIQUIDATION PROCEEDING AND DISCHARGING INSURANCE COMMISSIONER AS LIQUIDATOR**

by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid, in the United States Mail at Los Angeles, California, addressed as follows:

SEE ATTACHED SERVICE LIST

I declare under penalty of perjury under the laws of the State of California and the United States of America the foregoing is true and correct and that this declaration was executed on July 22, 2021, at Los Angeles, California.

Norma L. Herrera-Gilbody
Declarant


Signature

SERVICE LIST

**Insurance Commissioner v. Superior National
Insurance Company and Consolidated Proceedings**
Superior Court of California, County of Los Angeles, Case No.: BS061974

Consolidated With: **BS061675**
 BS062171
 BS062173
 BS063746

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