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12 Attorneys for Applicant Dave Jones,
Insurance Commissioner of the State of California
13 in his Capacity as Conservator of
CastlePoint National Insurance Company
14

FILED
San Francisco County Superior Court
JUL 29 2016
CLERK OF THE COURT
BY: *[Signature]*
Deputy Clerk

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

15 SUPERIOR COURT OF THE STATE OF CALIFORNIA
16 CITY AND COUNTY OF SAN FRANCISCO
17

18 DAVE JONES, INSURANCE
COMMISSIONER OF THE STATE OF
19 CALIFORNIA,
20 Applicant,
21 v.
22 CASTLEPOINT NATIONAL INSURANCE
COMPANY, and DOES 1-50, inclusive,
23 Respondents.
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Case No. CPF-16-515183
MAK
**[PROPOSED] ORDER: (1) SETTING
HEARING DATE AND BRIEFING
SCHEDULE FOR CONSERVATOR'S
MOTION FOR ORDER APPROVING
CONSERVATION AND
LIQUIDATION PLAN FOR
CASTLEPOINT NATIONAL
INSURANCE COMPANY; (2)
ESTABLISHING PROCEDURES FOR
HEARING; (3) APPROVING FORM
OF MAIL NOTICE; (4) APPROVING
FORM OF PUBLICATION NOTICE**

**Date: July 29, 2016
Time: 11:00 a.m.
Dept: 302
Judge: Hon. Harold E. Kahn**

1 The Conservator's Ex Parte Application For An Order (1) setting a hearing date and
2 special briefing schedule for California Insurance Commissioner Dave Jones' (the
3 "Conservator's") Motion For Order Approving Conservation and Liquidation Plan for
4 CastlePoint National Insurance Company ("CastlePoint") in conservation ("Conservation and
5 Liquidation Plan" or "Plan"); (2) establishing procedures for that hearing; (3) approving the form
6 of notice by mail proposed by Conservator, and (4) approving the form of notice by publication
7 proposed by Conservator ("Application") came on for hearing at 11:00 a.m. on July 29, 2016.
8 The Court has reviewed and considered the papers and pleadings filed in connection with the
9 Motion, including exhibits, as well as the other papers and pleadings on file herein. The matter
10 having been fully argued, briefed, and submitted, and this Court having considered the evidence,
11 applicable law, and arguments of counsel, the Application is hereby granted.

12 Based on the foregoing, and good cause appearing therefore,

13 **IT IS FOUND, DETERMINED, AND ORDERED THAT:**

14 (i) A hearing on the Conservator's Motion For Order Approving Conservation and
15 Liquidation Plan for CastlePoint National Insurance Company ("Plan Motion") is hereby set for
16 September 13, 2016, at 9:30 a.m. (the "Hearing") in Department 302 of the San Francisco
17 Superior Court, or such Department to which this proceeding may be subsequently assigned, to
18 hear the Conservation and Liquidation Plan Motion and any objections, suggestions, support, or
19 comments related thereto.

20 (ii) The Conservator shall file and serve any additional points and authorities,
21 declarations, and other evidence in support of the Conservation and Liquidation Plan Motion no
22 later than August 5, 2016. The Conservator's points and authorities shall not exceed 30 pages.

23 (iii) Any person or other entity wishing to file papers in connection with the Hearing
24 shall, no later than August 23, 2016, file with the Court written notification and a summary of the
25 matters to be presented as well as copies of any documents to be presented ("Opposition Papers")
26 and shall serve such Opposition Papers by email and overnight mail upon the Conservator and his
27 counsel at the following addresses:

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1 Thomas J. Welsh, Esq.
2 Orrick, Herrington & Sutcliffe LLP
3 400 Capitol Mall, Suite 3000
4 Sacramento, CA 95814
5 tomwelsh@orrick.com

6 and

7 Marguerite Stricklin
8 Deputy Attorney General
9 1515 Clay Street, 20th Floor
10 Oakland, California 94612-0550
11 Marguerite.Stricklin@doj.ca.gov

12 and

13 Joe Holloway
14 Conservation Manager
15 CastlePoint Insurance Company in Conservation
16 10 Pine Street, 26th Floor
17 San Francisco, CA 94111
18 hollowayj@caclo.org

19 (iv) The Conservator shall provide notice of the Hearing by mailing a notice,
20 substantially in the form attached hereto as Exhibit "A," and a copy of this Order, together with
21 such other information as the Conservator deems necessary and appropriate to describe the
22 Conservation and Liquidation Plan and the procedures for the Hearing, to all policyholders, the
23 shareholder, known creditors, and other interested parties at their addresses as shown in
24 CastlePoint's records. The Court finds that such notice is reasonably calculated to and does
25 provide fair, reasonable, and adequate notice of these proceedings, this Order, the Plan Motion,
26 and the Hearing.

27 (v) The Conservator also shall provide notice of the Hearing by publication of notice,
28 substantially in the form attached hereto as Exhibit "B," in the San Francisco Chronicle, Los
Angeles Times, and such other publications as the Conservator determines may aid in giving
reasonable notice to interested parties. The Court finds that such notice is reasonably calculated
to and does provide fair, reasonable, and adequate notice of these proceedings, this Order, the
Plan Motion, and the Hearing.

1 (vi) The Conservator shall file and serve upon any person or entity filing Opposition
2 Papers any Reply thereto no later than September 6, 2016.

3 (vii) Any person or entity interested in the estate or the business, assets, or property of
4 CastlePoint and supporting or opposing or otherwise commenting upon the Plan, Conservation
5 Agreement, or Conservation Transaction Agreements, irrespective of whether they have filed
6 papers pursuant to paragraph (iii) of this Order, may appear at the hearing to show cause why the
7 Plan, the Conservation Agreement, and Conservation Transaction Agreements, and any
8 agreement ancillary thereto should or should not be approved and/or ratified. Any person who
9 fails to appear at the hearing shall be deemed to have forever waived any and all objections or
10 other matters they may have raised with respect to the Plan Motion, the Plan, all underlying
11 agreements, and/or any Order approving those motions and agreements.

12 (viii) Any objection to the Plan Motion, Plan, or underlying documents not timely raised
13 before or at the hearing is forever barred.

14 (ix) No discovery may be sought from the Conservator or his staff, or current or former
15 CastlePoint officer or employee, with respect to the Plan, including but not limited to the
16 agreements underlying the Plan, except upon prior order of this Court after a noticed hearing and
17 upon a showing of good cause.

18 (x) This Court shall continue to assert and to maintain sole and exclusive jurisdiction,
19 to the exclusion of all other courts or tribunals, over and to all assets of CastlePoint of whatsoever
20 kind or nature and wherever or however owned or held. No liens, judgments, awards, or claims
21 of any kind not entered by this Court in accordance with this and the previous orders of this
22 Court, all of which orders are hereby reaffirmed, shall be valid as against CastlePoint or any of its
23 said assets. All prior injunctions and other orders of this Court in the Conservation Order entered

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1 July 28, 2016, are reaffirmed and remain in full force and effect. All powers or authority granted
2 to the Conservator herein are in addition to, and not in limitation of, the powers of the
3 Conservator under the Insurance Code, the Conservation Order, and applicable case law.

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5 Dated: 7/29/16


HONORABLE HAROLD E. KAHN
JUDGE OF THE SUPERIOR COURT

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Exhibit A

NOTICE TO ALL POLICYHOLDERS, CLAIMANTS, CREDITORS, SHAREHOLDERS, AND ALL OTHER PERSONS OR ENTITIES INTERESTED IN CASTLEPOINT NATIONAL INSURANCE COMPANY

NOTICE IS HEREBY GIVEN that on July 28, 2016, the Superior Court of the City and County of San Francisco entered an Order Appointing Conservator, in the case entitled *Insurance Commissioner of the State of California v. CastlePoint National Insurance Company*, Case No. CPF-16-515183 (“Conservation Order”). Pursuant to the Conservation Order, the California Insurance Commissioner has been appointed as the statutory Conservator of CastlePoint National Insurance Company (“CastlePoint”). The Conservation Order authorizes and empowers the Commissioner, through his Conservation & Liquidation Office, to conserve CastlePoint and its assets for the benefit of CastlePoint’s claimants, creditors and shareholder, as provided in Sections 1010 through 1062 of the Insurance Code of the State of California. **The Conservation will not cause any disruption or delay in the delivery of workers’ compensation benefits to injured workers covered under CastlePoint policies. Claimants should continue to work with their current claims administrators. If there is a change in claims administration, you will be notified by the Conservator or one of his contracted parties. All other claims are being evaluated by the Conservator and will continue to be paid where deemed appropriate.** CastlePoint consists of the following companies that were merged prior to Conservation:

- CastlePoint National Insurance Company
- Tower Insurance Company of New York
- Tower National Insurance Company
- Hermitage Insurance Company
- CastlePoint Florida Insurance Company
- North East Insurance Company
- Massachusetts Homeland Insurance Company
- Preserver Insurance Company
- York Insurance Company of Maine
- CastlePoint Insurance Company

The Commissioner has also filed a proposed Motion for Order Approving Conservation and Liquidation Plan for CastlePoint National Insurance Company. As part of the Conservation and Liquidation Plan, CastlePoint, CP Re and ACP Re have agreed to commute a stop loss reinsurance agreement for a cash payment of \$200 million to CastlePoint. In addition, two Administrative Services Agreements will be entered for the continuity of claims servicing and payment processing. The Superior Court has set a hearing on the Commissioner’s motion to approve the proposed Conservation and Liquidation Plan for September 13, 2016, at 9:30 a.m., in Department 302, at 400 McAllister Street, San Francisco, California, 94102. A copy of the Conservation Order and the Proposed Motion and other documents in support of the Conservation and Liquidation Plan can be found on the Conservation & Liquidation Office website at: www.caclo.org. A set of questions and answers concerning the conservation of CastlePoint can be found on the same website. Additional information about CastlePoint can be found on the Company’s website at: www.twrgrp.com or contact CastlePoint at 877-813-8531.

NOTICE IS FURTHER GIVEN that any and all policyholders, claimants, creditors, shareholders, or other persons having any interest in CastlePoint and wishing to submit any written support for, opposition to or comment on the Commissioner’s Conservation and Liquidation Plan motion must file all such papers in support or opposition in the Superior Court and serve on the Commissioner no later than August 23, 2016. Any person or entity interested in the estate or the business, assets, or property of CastlePoint and supporting

or opposing or otherwise commenting upon the Plan, Conservation Agreement, or Conservation Transaction Agreements, may appear at the September 13 hearing irrespective of whether they have filed papers.

This notice is given and published pursuant to the provisions of Sections 1010 through 1062 of the California Insurance Code for the purpose of conservation and ALL PERSONS ARE HEREBY WARNED THAT FAILURE TO APPEAR AT THE SEPTEMBER 13 HEARING TO PRESENT ANY COMMENT, SUPPORT, OR OPPOSITION TO THE PLAN SHALL RESULT IN IT BEING DEEMED WAIVED AND IT MAY NOT BE CONSIDERED BY THE COURT.

Date: August __, 2016

DAVE JONES

Insurance Commissioner of the
State of California as Conservator of
CastlePoint National Insurance Company

By:

David E. Wilson
Special Deputy Insurance Commissioner

Exhibit B

**NOTICE TO ALL POLICYHOLDERS, CLAIMANTS, CREDITORS, SHAREHOLDERS, AND ALL OTHER PERSONS OR ENTITIES INTERESTED
IN CASTLEPOINT NATIONAL INSURANCE COMPANY**

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CastlePoint National Insurance Company	Tower Insurance Company of New York
Tower National Insurance Company	Hermitage Insurance Company
CastlePoint Florida Insurance Company	North East Insurance Company
Massachusetts Homeland Insurance Company	Preserver Insurance Company
York Insurance Company of Maine	CastlePoint Insurance Company

The Commissioner has also filed a proposed Motion for Order Approving Conservation and Liquidation Plan for CastlePoint National Insurance Company. As part of the Conservation and Liquidation Plan, CastlePoint, CP Re and ACP Re have agreed to commute a stop loss reinsurance agreement for a cash payment of \$200 million to CastlePoint. In addition, two Administrative Services Agreements will be entered for the continuity of claims servicing and payment processing. The Superior Court has set a hearing on the Commissioner's motion to approve the proposed Conservation and Liquidation Plan for September 13, 2016, at 9:30 a.m., in Department 302, at 400 McAllister Street, San Francisco, California, 94102. A copy of the Conservation Order and the Proposed Motion and other documents in support of the Conservation and Liquidation Plan can be found on the Conservation & Liquidation Office website at: www.caclo.org. A set of questions and answers concerning the conservation of CastlePoint can be found on the same website. Additional information about CastlePoint can be found on the Company's website at: www.twrgrp.com or contact CastlePoint at 877-813-8531.

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Date: August __, 2016

DAVE JONES

Insurance Commissioner of the
State of California as Conservator of
CastlePoint National Insurance Company

By:

David E. Wilson
Special Deputy Insurance Commissioner