

1 SUPERIOR COURT OF THE STATE OF CALIFORNIA

FILED
San Francisco County Superior Court

2 COUNTY OF SAN FRANCISCO

JAN 19 2021

3 UNLIMITED JURISDICTION

CLERK OF THE COURT

4 INSURANCE COMMISSIONER OF THE
STATE OF CALIFORNIA ,

BY: R. Michael Dil
Deputy Clerk

5 Applicant,

Case No. CPF-97-984502

6 v.

~~[PROPOSED]~~ STRUCTURED CASE
CLOSURE ORDER

7 GOLDEN EAGLE INSURANCE
8 COMPANY, a California corporation, and
9 DOES 1 through 1000,

Date: September 18, 2020
Time: 1:30 p.m.
Dept.: 306
Judge: The Hon. Richard B. Ulmer

10 Respondents.

11 **THIS MATTER** comes before the Court, at the request of California Insurance
12 Commissioner Ricardo Lara in his capacity as the California Insurance Commissioner and
13 the Statutory Liquidator of Golden Eagle Insurance Company (including his predecessor and
14 successor insurance commissioners, the "Commissioner") and Liberty Mutual Insurance
15 Company ("LMIC") and its subsidiaries, Golden Eagle Insurance Corporation ("GEICorp") and
16 San Diego Insurance Company ("SDIC" and collectively with LMIC and GEICorp, "Liberty
17 Mutual"), for hearing on the Commissioner's Motion For Entry Of Structured Case Closure
18 Order filed on April 24, 2020 (the "Motion"), as to which Liberty Mutual joined, seeking the
19 entry of an order:

20 (a) Approving:

21 (1) the Structured Case Closure Agreement attached as Exhibit 1 to the
22 Declaration of Joseph Holloway ("Holloway Declaration") in Support of the
23 Motion (the "Agreement") and authorizing its execution by the parties thereto ;

24 (2) the sworn statement proof of loss form attached as Exhibit B to the
25 Agreement (the "Sworn Statement Proof of Loss Form");

26 (3) the form sworn statement proof of loss letter attached as Exhibit C to the
27 Agreement (the "Form Sworn Statement Proof of Loss Letter");
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(4) the form claim determination notice attached as Exhibit D to the Agreement (the "Form Claim Determination Notice");

(5) the residual trust agreement attached as Exhibit E to the Agreement (the "Residual Trust Agreement"); and

(6) the Final Accounting of Golden Eagle Insurance Company in Liquidation as of the closure attached as Exhibit 2 to the Holloway Declaration (the "Final Accounting"); and

(b) Closing this case (the "Case"), subject to its reopening in accordance with Section H below in order to:

(1) resolve any unresolved disputes and adjudicate any newly asserted claims against Golden Eagle Insurance Company ("Golden Eagle") in accordance with the substantive and procedural provisions of the plan of rehabilitation for Golden Eagle entitled Golden Eagle Insurance Company Rehabilitation Agreement and dated June 18, 1997 (the "Rehabilitation Agreement," and as thereafter amended, together with all related agreements and subsequent related agreements entered into among the Commissioner and Liberty Mutual and all related orders and subsequent related orders of the Court related to the Rehabilitation Plan, as defined in the Rehabilitation Agreement, the "Plan");

(2) enter any other interim orders as necessary to implement and preserve the purposes of the Plan, the Final Order Approving Rehabilitation Plan dated August 4, 1997 (the "Plan Approval Order"), and the Final Order Of Liquidation For Golden Eagle Insurance Company dated February 18, 1998 (the "Liquidation Order"); and/or

(3) ultimately enter an order that discharges the Commissioner as statutory liquidator, discharges Liberty Mutual of any further obligations under the Plan, and closes the Case with prejudice (the "Final Case Closure Order").

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1 The Court, having reviewed the Motion and been advised as necessary by the Commissioner
2 regarding the extensive record in the Case (the "Record"), makes the following Findings of
3 Fact, Conclusions of Law, and Order.

4 **THE COURT FINDS AND CONCLUDES:**

5 1. On or about January 30, 1997, the Court appointed the Commissioner as the
6 statutory conservator of Golden Eagle.

7 2. Extensive contested proceedings during 1997 resulted in the Court authorizing the
8 Commissioner and Liberty Mutual to finalize and execute the Rehabilitation Agreement for the
9 rehabilitation for Golden Eagle, a process that was completed on or around June 18, 1997.

10 3. Pursuant to the Plan, Liberty Mutual, *inter alia*, (i) reinsured certain insurance
11 policies previously issued by Golden Eagle (the "Business Reinsured") subject to certain express
12 exclusions from coverage and subject to an aggregate limit on Liberty Mutual's liability, and
13 (ii) undertook responsibility to administer claims arising under such Business Reinsured pursuant
14 to procedures, indemnities, and exclusions from liability specified in the Plan and under the
15 supervision of the Commissioner.

16 4. On or about August 4, 1997, the Court entered the Plan Approval Order, thereby
17 (i) approving the Plan, (ii) reaffirming that all prior injunctions shall remain in full force and effect,
18 and (iii) retaining jurisdiction to supervise the implementation of the Plan, resolve disputes in the
19 manner provided for in the Plan, and adjudicate all third party claims (for the elimination of doubt,
20 all subsequent references to the Plan shall include the Plan Approval Order).

21 5. On or about August 21, 1997, the Plan became effective.

22 6. On or about February 18, 1998, the Court entered the Liquidation Order, thereby
23 converting the Commissioner's status from the statutory conservator of Golden Eagle to the
24 statutory liquidator of Golden Eagle, reaffirming that all prior injunctions shall remain in full force
25 and effect, and retaining sole and exclusive jurisdiction over all assets of Golden Eagle and all
26 claims of any kind or nature related to Golden Eagle or its assets.

27 7. On November 8, 2006, the Court entered its Order Approving Trust Wind-Up Plan
28 and Distribution of Trust Assets, pursuant to which the Court approved certain transactions that

1 effected certain modifications to the Plan, including, *inter alia*, Golden Eagle's purchase of
2 additional reinsurance from Liberty Mutual (the "2006 Plan Modification Order").

3 8. On or about November 30, 2006, the Commissioner and Liberty Mutual entered
4 into, pursuant to and authorized by the 2006 Plan Modification Order, a new reinsurance
5 agreement entitled Aggregate Excess of Loss Reinsurance and Claims Administration Agreement
6 (the "2006 Agreement") incorporating the procedures, indemnities, and exclusions from liability
7 specified in the Plan and extending reinsurance coverage and claims administration services by
8 Liberty Mutual to Business Reinsured up to a new aggregate limit of liability (for the elimination
9 of doubt, all subsequent references to the Plan shall include the 2006 Plan Modification Order and
10 the 2006 Agreement).

11 9. The Plan and the Liquidation Order contemplated that the Case would remain open
12 until the completion of the transactions and activities provided for under the Plan, including the
13 administration and payment by Liberty Mutual of covered policyholder claims under the Business
14 Reinsured, up to the aggregate limit on Liberty Mutual's liabilities, at which point Liberty Mutual
15 would be discharged and the Commissioner would bring to the Court a plan for the final
16 disposition of any remaining claims against Golden Eagle.

17 10. The Commissioner has administered the conservation and liquidation of Golden
18 Eagle and supervised the activities of Liberty Mutual related thereto, including Liberty Mutual's
19 administration and payment of covered policyholder claims under the Business Reinsured.

20 11. As of the date of the filing of the Motion, except for workers' compensation claims
21 that are being adjudicated before the California Workers' Compensation Appeals Board
22 ("WCAB") and environmental and asbestos claims as to which there currently exists no coverage
23 dispute, all previously asserted covered policyholder claims under the Business Reinsured have
24 been adjudicated or otherwise resolved by agreement, and while neither the Commissioner nor
25 Liberty Mutual are aware of any unasserted covered policyholder claims under the Business
26 Reinsured, the Plan continues to provide for any covered policyholder claims reported in the future
27 to be administered and paid, if actually covered.

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1 12. Under the supervision of the Commissioner, Liberty Mutual has made payments to
2 the holders of allowed covered policyholder claims under the Business Reinsured and continues
3 to make payments to holders of allowed covered policyholder claims under the Business
4 Reinsured having ongoing periodic payment obligations, such as indemnity and medical payments
5 arising from workers' compensation claims, which activities and payments will continue
6 notwithstanding the entry of this Order, unless a dispute were to later arise, such as, without
7 limitation, a dispute relative to future medical treatment or payment demand.

8 13. Barring an unforeseen influx of newly reported covered policyholder claims under
9 the Business Reinsured, the most recent actuarial analysis indicates that the last payment to
10 holders of allowed covered policyholder claims under the Business Reinsured is not expected to
11 be made until approximately 2043.

12 14. The Case has been pending for more than twenty-three years, and, if the Case were
13 to remain open until the last payment to holders of allowed covered policyholder claims under the
14 Business Reinsured is made, the Case could remain open for another twenty-five years.

15 15. The Court recently asked the Commissioner and Liberty Mutual if it were possible
16 to close the Case at this juncture without prejudice to the rights and obligations of the
17 Commissioner and Liberty Mutual and the interests of policyholders and claimants covered under
18 the Business Reinsured, and, if so, the Court requested that the Commissioner and Liberty Mutual
19 submit a proposal, if reasonably possible consistent with the Plan and the rights of the interested
20 parties, that could accomplish such a closure.

21 16. The Commissioner and Liberty Mutual have entered into the Agreement in order
22 to achieve such a structured closure of the Case and to clarify the treatment of disputes and claims
23 arising following the closure of the Case, including but not limited to the terms under which the
24 Case shall be reopened and administered upon such reopening, while preserving the substantive
25 and procedural rights and legal protections of all parties in interest, thereby addressing the Court's
26 request.

27 17. By its express terms, the Agreement is subject to the Court's approval.

28 18. On or April 24, 2020, the Commissioner filed the Motion.

1 19. The Commissioner has given due and proper notice of the Motion to all persons
2 and entities entitled thereto.

3 20. Liberty Mutual has stated its support of the Motion For Entry Of Structured Case
4 Closure Order.

5 21. The Plan has been substantially consummated. Even so, there remains the need to
6 maintain the Plan in effect in order to provide for the continued payments to holders of allowed
7 covered policyholder claims and to provide for the possibility that certain as yet unknown persons
8 and entities may have unasserted covered policyholder claims under the Business Reinsured,
9 necessitating the continuation of the substantive and procedural rights and legal protections that
10 formed the basis of the Plan.

11 22. The Agreement is fair, just, reasonable, in the public interest, supported by the
12 Record, and should be approved.

13 23. The Sworn Statement Proof of Loss Form is fair, just, reasonable, in the public
14 interest, supported by the Record, and should be approved.

15 24. The Form Sworn Statement Proof of Loss Letter is fair, just, reasonable, in the
16 public interest, supported by the Record, and should be approved.

17 25. The Form Claim Determination Notice is fair, just, reasonable, in the public
18 interest, supported by the Record, and should be approved.

19 26. The Residual Trust Agreement is fair, just, reasonable, in the public interest,
20 supported by the Record, and should be approved.

21 27. The Final Accounting is fair, just, reasonable, in the public interest, supported
22 by the Record, and should be approved.

23 28. The closure of the Case on the terms set forth herein, and supported by the
24 covenants within the Agreement, will not materially impair the substantive and procedural rights
25 of any party-in-interest, including the Commissioner, Liberty Mutual and the holders of covered
26 policyholder claims under the Business Reinsured. Accordingly, good cause exists for closing the
27 Case, subject to its reopening under certain specified terms and conditions set forth herein.

28 29. Based upon the foregoing, good cause exists for granting the Motion.

1 **IT IS THEREFORE ORDERED:**

2 A. Grant of Motion. The Motion is hereby granted.

3 B. Approval of Agreement, Sworn Statement Proof of Loss Form, Form Sworn
4 Statement Proof of Loss Letter, Form Claim Determination Notice and Residual Trust
5 Agreement. The Agreement, the Sworn Statement Proof of Loss Form, the Form Sworn Statement
6 Proof of Loss Letter, the Form Claim Determination Notice, and the Residual Trust Agreement
7 are each hereby approved and the Agreement and the Residual Trust Agreement shall be
8 executed forthwith by the parties thereto.

9 C. Approval of the Final Accounting. The Commissioner's Final Accounting
10 submitted with the Motion, including the incurred and paid expenses of administration reflected
11 therein, is approved.

12 D. Closure of Case Subject to its Reopening. Subject to the terms and conditions
13 set forth herein, the Case is hereby closed, without prejudice and subject to its later reopening
14 on the terms and conditions as provided for in this Order.

15 E. Retention of Exclusive Jurisdiction. Notwithstanding the closure of the Case by
16 the entry of this Order or any similar subsequent order, the Court retains exclusive jurisdiction in
17 order to:

18 (1) Resolve any unresolved disputes and adjudicate all claims against Golden
19 Eagle, whether or not pertaining to Business Reinsured, including those claims hereafter
20 asserted, and all disputes related thereto, according to the substantive and procedural
21 provisions of the Plan;

22 (2) Enter any orders as necessary to implement and preserve the purposes of the
23 Plan and the Liquidation Order and to resolve any disputes between the Commissioner and
24 Liberty Mutual concerning the interpretation of the Plan and the Liquidation Order;

25 (3) Enter any orders as necessary to enforce previously issued injunctions,
26 including the anti-suit injunction barring all persons and entities having claims against Golden
27 Eagle from filing any claim, or commencing any action to recover on such a claim, in any
28 forum other than this Court (the "Anti-Suit Injunction");

- 1 (4) Enter an order discharging the Commissioner as statutory liquidator;
2 (5) Enter an order discharging Liberty Mutual of any further obligations under
3 the Plan; and
4 (6) Enter the Final Case Closure Order.

5 F. Continuing Effect of the Plan, Liquidation Order, Injunctions & Order to Show
6 Cause Protocol. Notwithstanding the closure of the Case by the entry of this Order or any similar
7 subsequent order, until such time as the Case is reopened and the Court enters the Final Case Closure
8 Order:

9 (1) All covered policyholder claims under the Business Reinsured shall continue
10 to be administered in accordance with the Plan and the order to show cause protocol
11 established in Paragraph 26 of the Plan Approval Order (the "OSC Protocol") and California
12 Insurance Code § 1032 as it exists on the date of the entry of this Order;

13 (2) The Commissioner's capacity and authority as statutory liquidator, as well as
14 Liberty Mutual's capacity and authority as the Commissioner's claims administrator, shall
15 survive;

16 (3) Except as expressly modified by the entry of this Order, all provisions of the
17 Plan and the Liquidation Order, including without limitation the provisions limiting Liberty
18 Mutual's liability and protecting its interests, shall remain in full force and effect;

19 (4) All prior injunctions, including the Anti-Suit Injunction, shall remain in full
20 force and effect; and

21 (5) Liberty Mutual shall retain the right to later dispute any claim against Golden
22 Eagle, including, without limitation, any open claim as to which Liberty Mutual: (i) has made,
23 or is currently making, any good faith payments, (ii) has funded, or is currently funding, the
24 defense of a lawsuit subject to a reservation of rights, or (iii) opposes future treatment or
25 payment demand or otherwise elects to later contest for any reason.

26 G. Administration of Claims Against Golden Eagle. The OSC Protocol states, in
27 relevant part, as follows:
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In the event a Covered Policyholder Claim is rejected, either in whole or in part, the claimant shall have recourse to this Court through an order to show cause proceeding as set forth in section 1032 of the California Insurance Code, subject to the time deadlines set forth therein or any other remedies permitted by law.

California Insurance Code § 1032, as it currently exists, provides as follows:

When a claim is rejected by the commissioner, written notice of rejection shall be given by mail, addressed to the claimant at the address set forth in his claim. Within thirty days after the mailing of the notice the claimant may apply to the court in which the liquidation proceeding is pending for an order to show cause why the claim should not be allowed.

Accordingly, without limiting the foregoing, all open claims and all claims hereafter asserted against Golden Eagle shall be administered as follows:

(1) Workers' Compensation Claims.

(a) All workers' compensation claims shall be submitted to Liberty Mutual, in its capacity as claims administrator for the Commissioner, using the claim form promulgated by the State of California Department of Industrial Relations, Division of Workers' Compensation (the "DWC").

(b) Workers' compensation claims shall be delivered to Liberty Mutual at one of the following addresses (or such other address as may be agreed to in the future between the Commissioner and Liberty Mutual and thereafter designated on the website of the Conservation & Liquidation Office of the Insurance Commissioner of the State of California (the "CLO") in the section pertaining to Golden Eagle):

Delivery by U.S. Postal Service:	Delivery other than by U.S. Postal Service:
Liberty Mutual Insurance Company	Liberty Mutual Insurance Company
P.O. Box 4555	650 NE Holladay
Portland, OR 97208	Portland, OR 97232

(c) Workers' compensation claims shall be adjusted and/or adjudicated using: (i) model forms contained in the DWC Benefit Notice Instruction Manual, (ii) forms customarily used by Liberty Mutual in the adjustment of workers' compensation claims, or (iii) such other forms that are substantially similar to any of the aforementioned forms.

1 (2) Non-Workers' Compensation Claims.

2 (a) All non-workers' compensation claims shall be submitted to
3 Liberty Mutual, in its capacity as claims administrator for the Commissioner,
4 using Liberty Mutual's Sworn Statement Proof of Loss Form.

5 (b) In the event that a claimant submits a non-workers' compensation
6 claim in any format other than on Liberty Mutual's Sworn Statement Proof of
7 Loss Form, Liberty Mutual shall send a Sworn Statement Proof of Loss Letter to
8 the claimant, directing the claimant to resubmit his/her/its claim on Liberty
9 Mutual's Sworn Statement Proof of Loss Form. Notwithstanding anything to the
10 contrary contained herein or elsewhere, provided that a Sworn Statement Proof
11 of Loss Letter substantially comports with the form attached as Exhibit C to the
12 Agreement, such Sworn Statement Proof of Loss Letter shall be deemed to be
13 satisfactory and no cause of action in law or equity for alleged defect or
14 insufficiency of notice shall be permitted against Golden Eagle, the
15 Commissioner or Liberty Mutual.

16 (c) Non-workers' compensation claims shall be delivered to Liberty
17 Mutual at the following address (or such other address as may be agreed to in the
18 future between the Commissioner and Liberty Mutual and thereafter designated on
19 the CLO's website in the section pertaining to Golden Eagle):

20 Liberty Mutual Insurance Company
21 Environmental Department
22 100 Liberty Way
Dover, NH 03820

23 (d) Liberty Mutual, as claims administrator for the Commissioner, shall
24 make a determination as to whether to allow or reject the claim.

25 (e) Pursuant to California Insurance Code § 1032, if Liberty Mutual, as
26 claims administrator for the Commissioner, rejects the claim in whole or in part, it
27 shall send a written notice of its decision to the claimant (the "Claim Determination
28 Notice") by First Class mail, using the Form Claim Determination Notice or such

1 other notice substantially similar to the Form Claim Determination Notice.

2 (f) Among other things, the Claim Determination Notice shall include:

3 (i) an explanation of the procedural posture of the Case (*i.e.*, whether the Case is
4 currently open or closed), and (ii) notice that, upon receipt of written notice from the
5 claimant that it wishes to proceed with its claim, the Commissioner (or his claims
6 administrator, Liberty Mutual) shall file an application or motion with the Court to
7 reopen the Case in order to adjudicate the claim in accordance with the OSC Protocol
8 and California Insurance Code §1032.

9 (g) Notwithstanding anything to the contrary contained in this Order or
10 elsewhere, provided that a Claim Determination Notice substantially comports with
11 the Form Claim Determination Notice attached as Exhibit D to the Agreement, such
12 Claim Determination Notice shall be deemed to satisfy all legal and equitable
13 requirements (including any applicable statutes or regulations) and no cause of action
14 in law or equity for alleged defect or insufficiency of notice shall be permitted against
15 Golden Eagle, the Commissioner or Liberty Mutual.

16 (h) If the claimant wishes to dispute the treatment of its claim as
17 disclosed in the Claim Determination Notice, within thirty days of Liberty Mutual's
18 mailing of the Claim Determination Notice, the claimant shall notify the
19 Commissioner, through Liberty Mutual, of the claimant's intent to apply to the Court
20 for an order to show cause why the claim should not be allowed promptly when the
21 Case is reopened, and such notice shall be deemed to have satisfied the time
22 limitation in California Insurance Code Section 1032 if delivered within 30 days of
23 the date of the Claim Determination Notice.

24 (3) Exclusive Venue for Adjudicating Claims. In the event that any person or
25 entity files a claim against Golden Eagle in any forum other than the Court and this Case, such
26 claim shall be transferred to the Court for adjudication in this Case, subject to the following:

27 (a) Environmental & Asbestos Claims. Any coverage dispute related to
28 an environmental or asbestos claim, whether such claim is currently existing or is

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asserted hereafter, shall be resolved by the Court through the OSC Protocol; however, with the consent of the Commissioner (or its claims administrator, Liberty Mutual), the balance of the environmental or asbestos claim may be adjudicated outside of the Court.

(b) Workers' Compensation Claims. Consistent with prior orders of the Court and the long-standing process for administering claims of injured workers under workers' compensation insurance policies issued by Golden Eagle (which this section shall supersede), all disputes regarding workers' compensation benefits, whether related to an existing workers' compensation claim or a new workers' compensation claim asserted hereafter, shall continue to be resolved in the first instance through the WCAB; provided, however, that disputes resolved through the WCAB shall not seek to abrogate the exclusivity of remedy afforded to Golden Eagle insureds set forth in Division 4 of the California Labor Code, including but not limited to Section 3602 therein. All attempts to abrogate such rights shall be resolved by the Court through the OSC Protocol.

(c) All Other Claims. Should any other claims be asserted hereafter or otherwise discovered to currently exist, such claims shall be resolved by the Court through the OSC Protocol.

(4) Nothing herein constitutes a waiver by Liberty Mutual of any rights it possesses under the Plan.

H. Grounds For Reopening the Case. The following grounds constitute good cause to reopen the Case:

- (1) To adjudicate an OSC proceeding for a covered policyholder claim under the Business Reinsured that cannot be consensually resolved in the ordinary course by the claimant and Liberty Mutual as the Commissioner's administrative agent;
- (2) To enforce any injunction previously issued in the Case, including the Anti-Suit Injunction;

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1 (3) To enter any orders necessary to implement and preserve the purposes of
2 the Plan and the Liquidation Order;

3 (4) To adjudicate any dispute among the Commissioner and Liberty Mutual
4 regarding the interpretation or implementation of the Plan, the Agreement or the Liquidation
5 Order;

6 (5) In the event a higher court overturns all or any portion of this Order, to enter
7 such orders *nunc pro tunc* as are necessary to preserve the rights of the Commissioner and
8 Liberty Mutual under the Plan and the Liquidation Order;

9 (6) To enter a final liquidation order that includes a judicial finding of
10 insolvency in the event that the aggregate limit of Liberty Mutual's liability has been
11 reached, or is reasonably likely to be reached shortly, and the Commissioner asserts that
12 there is a reasonable risk that claims payable under Golden Eagle policies may remain
13 unpaid, and to make arrangements to transfer any unpaid claims to the California Insurance
14 Guarantee Association ("CIGA") or other similar state insurance guarantee associations that
15 may have statutory responsibility to administer and pay such unpaid claims; and

16 (7) Any other good cause consistent with the rights and responsibilities of the
17 Commissioner and Liberty Mutual under the Plan.

18 I. Procedure For Reopening the Case. The Case shall be reopened in accordance with
19 the foregoing procedure:

20 (1) In the event the Commissioner determines that grounds exist to reopen the
21 Case, the Commissioner shall file an *ex parte* application or motion with the Court to
22 reopen the Case, giving notice to Liberty Mutual and other persons or entities with an
23 actual interest in an OSC or the Case, but without publication notice.

24 (2) In the event Liberty Mutual determines that grounds exist to reopen the Case,
25 Liberty Mutual shall send to the Commissioner a statement that grounds exist to reopen
26 the Case, along with a request that the Commissioner file an *ex parte* application or motion
27 with the Court to reopen the Case and give notice to Liberty Mutual and other persons or
28 entities with an actual interest in an OSC or the Case, but without publication notice.

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(a) In the event that the Commissioner concurs with Liberty Mutual’s statement or determines that other grounds exist to reopen the Case, prior to the expiration of the tenth day following the meet and confer referenced in Section J below, the Commissioner shall file an *ex parte* application or motion with the Court to reopen the Case and give notice to Liberty Mutual and other persons or entities with an actual interest in an OSC or the Case, but without publication notice.

(b) In the event the Commissioner fails *for any reason* to timely file such an application or motion to reopen the Case, irrespective of whether the Commissioner disputes the grounds submitted to it by Liberty Mutual, Liberty Mutual shall have the right, but not the obligation, to file an *ex parte* application or motion with the Court to reopen the Case and give notice to the Commissioner and other persons or entities with an actual interest in an OSC or the Case, but without publication notice. No claimant seeking review of a claim disposition under the OSC Protocol shall seek to admit into the record for such OSC proceeding any of the proceedings or argument related to the process of reopening the Case.

(3) If the Commissioner or Liberty Mutual files an application or motion to reopen the Case and the grounds for reopening the Case are eliminated prior to the hearing on such application or motion (*e.g.*, by virtue of the settlement, withdrawal or other resolution of the claim or dispute giving rise to the filing of the application or motion to reopen the Case), then the person or entity filing the application or motion to reopen the Case (*i.e.*, the Commissioner or Liberty Mutual) shall withdraw such application or motion prior to the hearing thereon.

J. Pre-filing Meet and Confer Obligation. Before the Commissioner and/or Liberty Mutual file(s) an application or motion to reopen the Case, the Commissioner and Liberty Mutual shall comply with the following meet-and-confer obligations:

(1) At least one authorized representative of the Commissioner and at least one authorized representative of Liberty Mutual shall participate in the discussion;

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(2) The authorized representatives of the Commissioner and Liberty Mutual shall be one of his/its employees or engaged attorneys;

(3) The meet-and-confer discussion shall take place by telephone, unless the representatives of the Commissioner and Liberty Mutual mutually agree to meet in person;

(4) The discussion shall take place at a time that falls within the normal business hours for each of the representatives of the Commissioner and Liberty Mutual, unless otherwise agreed to among such representatives;

(5) The representatives of the Commissioner and Liberty Mutual shall use their reasonable best efforts to reach an agreement, but shall have no obligation to reach any agreement, and neither the Commissioner nor Liberty Mutual shall seek to compel the other to settle an underlying claim against the other's business judgment for the purpose of avoiding reopening the Case;

(6) Each party shall participate in the meet and confer process at its own expense; and

(7) Provided that the Commissioner and Liberty Mutual have engaged in the meet and confer in accordance with the foregoing, their failure to reach an agreement as to the subject of the meet and confer, including whether to settle any claim:

(a) shall not excuse the Commissioner from any obligation to file an application to reopen the Case;

(b) shall not result in the waiver of any rights of the Commissioner and Liberty Mutual; and

(c) shall not subject either the Commissioner or Liberty Mutual to any additional liability, including but not limited to any liability arising from a determination that the Commissioner and/or Liberty Mutual should have settled any claim rather than require the claimant to pursue the allowance of its claim before the Court.

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1 K. Administration of the Case Upon Reopening & Subsequent Reclosing.

2 (1) Upon reopening the Case, all claims shall be adjudicated in the same manner
3 as claims were adjudicated prior to the entry of this Order.

4 (2) An order reopening the Case shall be deemed effective as of the date the Case
5 was previously closed, as if the Case had remained open during the entire period between
6 the closure and reopening of the Case.

7 (3) Upon the full and final adjudication of all then-pending covered policyholder
8 claims under the Business Reinsured, the Commissioner, after participating in a meet and
9 confer with Liberty Mutual, shall file a motion requesting that the Court enter a case closure
10 order containing substantially the same terms and conditions as those contained in this Order.

11 (4) Upon reaching the aggregate limit on Liberty Mutual's liability under the
12 Plan, the Commissioner shall file a motion requesting that the Court enter a final liquidation
13 order with a finding of insolvency and in connection therewith discharge Liberty Mutual
14 from any remaining obligations under the Plan.

15 (5) At such time as the Commissioner deems appropriate to close the Case with
16 prejudice, the Commissioner shall file a motion requesting that the Court enter the Final
17 Case Closure Order (the "Final Case Closure Motion"), subject to the following terms and
18 conditions:

19 (a) In the event that the Court previously had not entered a final order
20 discharging Liberty Mutual from any remaining obligations under the Plan, as to
21 which the time for filing an appeal had expired, then:

22 (i) the Commissioner shall meet and confer with Liberty Mutual
23 prior to filing its Final Case Closure Motion; and

24 (ii) the Final Case Closure Motion shall request entry of a Final
25 Case Closure Order that meets with Liberty Mutual's approval and discharges
26 Liberty Mutual from any remaining obligations under the Plan.

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1 (b) In the event that the Court previously had entered a final order
2 discharging Liberty Mutual from any remaining obligations under the Plan, as to
3 which the time for appealing such order had expired, then:

4 (i) the Commissioner need not meet and confer with Liberty
5 Mutual prior to filing its Final Case Closure Motion; and

6 (ii) the Commissioner's Final Case Closure Motion shall seek the
7 entry of the Final Case Closure Order or such other final case closure order
8 that acknowledges that Liberty Mutual was previously discharged from any
9 remaining obligations under the Plan.

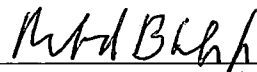
10 L. Creation of Trust for Management of Residual Assets. Effective contemporaneous
11 with the entry of this Order, the Commissioner shall place the residual assets of this liquidation
12 estate into a residual trust and the Commissioner shall administer such residual trust consistent with
13 California Insurance Code § 1057 and pursuant to the terms of the Residual Trust Agreement.

14 M. Effective Date of Order. This Order is effective immediately.

15 N. Service of Order. The Commissioner shall serve, by First Class mail, a copy of
16 this Order on all parties on the master service list maintained by the Commissioner for general
17 use in the Case. In addition, the Commissioner shall post a copy of this Order on the CLO's
18 website in the section pertaining to Golden Eagle.

19 Dated: 1/19, ²⁰²¹~~2020~~

20 ENTERED:

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23 Honorable Richard B. Ulmer
24 San Francisco Superior Court Judge
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Insurance Commissioner of the State of California v. Golden Eagle Insurance Co., et al.	Case No: CPF-97-984502
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CERTIFICATE OF ELECTRONIC SERVICE
(CCP §1010.6 & CRC §2.251)

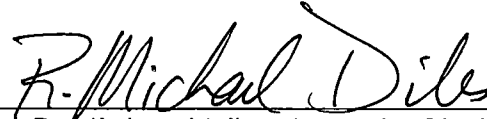
I, R. Michael Diles, a Deputy Clerk of the Superior Court of the County of San Francisco, certify that I am over the age of 18 years, employed in the City and County of San Francisco, California and am not a party to the within action.

On January 19, 2021, I electronically served the attached **Structured Case Closure Order** via File & ServeXpress on the recipients designated on the Transaction Receipt located on the File & ServeXpress website.

Dated: January 19, 2021

T. Michael Yuen, Clerk

By:



R. Michael Diles, Deputy Clerk