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FILED

Clerk of the Superior Court

MAY 26 2015

By: E. CASTANEDA, Deputy

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the State of California*

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN DIEGO

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

Plaintiff,

v.

**FRONTIER PACIFIC INSURANCE
COMPANY, A California Corporation,**

Defendants.

Case No. GIC774028

**NOTICE OF APPLICATION AND
APPLICATION FOR ORDER
APPROVING LIQUIDATOR'S FINAL
REPORT AND ACCOUNTING, AND
FINAL DISTRIBUTION OF ASSETS OF
THE ESTATE OF FRONTIER PACIFIC
INSURANCE COMPANY**

Date: June 19, 2015
Time: 10:00 A.M.
Dept: 71
Judge: Hon. Ronald S. Prager
Trial Date: None Set
Action Filed: September 7, 2001

TO ALL INTERESTED PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that Dave Jones, Insurance Commissioner of the State of California, in his capacity as Liquidator ("Liquidator") of Frontier Pacific Insurance Company, ("FPIC") hereby applies for an Order approving the Liquidator's Final Report and Accounting, and his proposed Final Distribution of Assets of the estate of FPIC in the above-entitled liquidation proceeding. The application will be based on this notice and application, the accompanying memorandum of points and authorities, the supporting declarations of

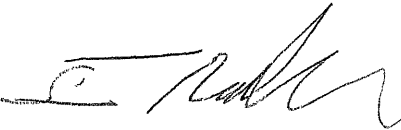
1 Willard Roberts, Raymond Minehan, John Battle and Dick Oshita and exhibits attached thereto,
2 the files and pleadings in this case, and such oral arguments as may be made in support of the
3 application at the hearing on this matter.

4 PLEASE TAKE FURTHER NOTICE that any objection or opposition to this Application
5 must be filed directly in Department 71 and served on all parties on or before June 8, 2015. If no
6 objection or opposition to this Application is received by the Court by that date, the Court may
7 rule on the Application without a hearing.

8 Dated: May 22, 2015

Respectfully submitted,

9 KAMALA D. HARRIS
10 Attorney General of California
11 STEPHEN LEW
Supervising Deputy Attorney General

12 

13 TIM NADER
14 Deputy Attorney General
15 *Attorneys for Applicant, Insurance*
Commissioner of the State of California

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DECLARATION OF SERVICE BY MESSENGER

Case Name: **Insurance Commissioner of the State of California v. Frontier Pacific Insurance Company, a California Corporation**

Case No.: **GIC774028**

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: 110 West A Street, Suite 1100, P.O. Box 85266, San Diego, CA 92186-5266.

On May 26, 2015, I caused the attached **NOTICE OF APPLICATION AND APPLICATION FOR ORDER APPROVING LIQUIDATOR'S FINAL REPORT AND ACCOUNTING, AND FINAL DISTRIBUTION OF ASSETS OF THE ESTATE OF FRONTIER PACIFIC INSURANCE COMPANY** to be personally served by [ACE Services] by placing a true copy thereof for delivery to the following person(s) at the address(es) as follows:

Kevin Lewis
National Indemnity Company
Berkshire Hathaway Group –
Reinsurance Division
100 First Stamford Place
Stamford, CT 06902

New York Property and Casualty
Insurance Guarantee Fund
1 Commerce Plaza, 20th Floor
New York, NY 12257

Chief Executive Officer
Frontier Insurance Company
195 Lake Louise Marie
Rock Hill, NY 12775-2100

Willard Roberts Estate Trust Officer
Conservation & Liquidation Office
100 Pine St., 26th Floor
San Francisco, CA 94111

Joseph Termine
Special Deputy Superintendent
State of New York Insurance Dept.
Liquidation Bureau
123 William Street
New York, NY 10038

Christopher L. Dueringer, Esq.
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120 Broadway, Suite 300
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Andrew Pearson, Esq.
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3900 Harney Street, First Floor
San Diego, CA 92110-2825

Wayne Wilson
Executive Director
California Insurance Guarantee Assn.
101 North Brand, Suite 600
Glendale, CA 91209

South Carolina Property and Casualty
Insurance Guaranty Association
Attn: Edward Moon, Claims Supervisor
One Greystone Building, Suite 101
240 Stoneridge Drive
Columbia, SC 29201

Jeffery D. Goetz, Esq
Bradshaw, Fowler, Proctor and
Fairgrave PC
801 Grand Ave., Suite 3700
Des Moines, IA 50309

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct and that this declaration was executed on May 26, 2015, at San Diego, California.

N. Rodriguez
Declarant


Signature

LA2007601229
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ATTORNEY GENERAL

FILED

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MAY 26 2015

By: E. CASTANEDA, Deputy

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

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

Plaintiff,

v.

**FRONTIER PACIFIC INSURANCE
COMPANY, A California Corporation,**

Defendants.

Case No. GIC774028

**MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF
APPLICATION FOR ORDER
APPROVING FINAL REPORT AND
ACCOUNTING AND FINAL
DISTRIBUTION OF ASSETS**

Date: June 19, 2015
Time: 10:00 A.M.
Dept: 71
Judge: Hon. Ronald S. Prager
Trial Date: None Set
Action Filed: September 7, 2001

SUMMARY OF APPLICATION

The Commissioner has now completed the liquidation of Frontier Pacific. (Exhibit 1, Declaration of Willard Roberts ¶ 8.) All claims have been adjusted. In addition, all reinsurance has been collected and/or written off. (*Ibid.*) All assets have been marshalled and all administrative tasks have been completed. (*Ibid.*) The Liquidator seeks court approval for his Final Report and Accounting and proposal to make a final distribution of FPIC's assets.

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1 **I. THE ESTATE IN LIQUIDATION MAY BE CLOSED WHEN THERE IS NO**
2 **FURTHER NEED TO ADMINISTER THE AFFAIRS OF THE FAILED**
3 **INSURANCE COMPANY**

4 Insurance Code section 1057¹ provides that the Commissioner shall be deemed to be
5 trustee for all creditors. "It was his duty to collect the assets (§ 1037, Ins. Code) and distribute
6 them ratably among the creditors (§ 1025, Ins. Code) subject to certain priorities (§ 1033, Ins.
7 Code)" (*Jones & Son v. Independence Indemnity Co.*) (1942) 52 Cal.App.2d 374, 378-79.)

8 Code of Civil Procedure section 1517 subdivision (b) provides:

9 (b) All property distributable in the course of voluntary or involuntary
10 dissolution or liquidation of an insurer or other person brought under Article 14
11 (commencing with Section 1010) of Chapter 1 of Part 2 of Division 1 of the
12 Insurance Code, that is unclaimed by the owner after six months of the date of
13 final distribution shall be transferred to the Department of Insurance, with any
14 proceeds of sale of property and other funds to be deposited in the Insurance Fund
15 for expenditure as provided in Section 12937 of the Insurance Code.

16 Insurance Code section 12937 provides:

17 (a) Escheated funds deposited in the Insurance Fund pursuant to subdivision (b) of
18 section 1517 of the Code of Civil Procedure shall be available for expenditure by
19 the commissioner to fund proceedings and to pay expenses on non-asseted estates
20 for which liabilities have been or will be incurred.

21 (b) A policyholder who was entitled to funds described in subdivision 9a)
22 pursuant to an order of distribution and who has not previously received an
23 appropriate distribution may submit a claim to the commissioner. The
24 commissioner shall pay the claim from the escheated funds deposited in the
25 Insurance Fund pursuant to subdivision (a) upon verification that the claim is
26 valid.

27 (c) The department shall not be required to conduct outreach programs to attempt
28 to locate policyholders described in subdivision (b).

29 In accordance with the foregoing provisions, the estate will wait the six month time
30 provided by Code of Civil Procedure section 1517 and thereafter, in accordance with the

31 _____
32 ¹ All statutory references are to the Insurance Code unless otherwise indicated.

provisions of Insurance Code section 12937, the Commissioner, as to disbursement that either is undeliverable or as to which issued checks have not then been negotiated, will void such checks as have not then been negotiated and escheat all undeliverable amounts and amounts of non-negotiated checks to the Insurance Fund pursuant to Insurance Code section 12937.

II. LIQUIDATOR'S FINAL REPORT AND ACCOUNTING

As noted in the summary, the Commissioner has completed the liquidation of FPIC and is submitting the following report and accounting in support of his application.

A. Financial Statements

The financial statements for FPIC for the period September 7, 2001 (date of conservation) to March 31, 2015, are attached as Exhibit A to the supporting Declaration of Raymond Minehan (Exhibit 2 attached hereto). (Mr. Minehan is the Chief Financial Officer of the Commissioner's Conservation and Liquidation Office.) These financial statements include the Statement of Assets and Liabilities of the Estate in Liquidation and the Statement of Income and Expenses.

These financial statements show that as of March 31, 2015, FPIC had assets in the total amount of \$12,689,100 and liabilities in the total amount of \$27,258,200, which result in a net asset deficiency of \$14,569,100. (Exhibit 2, Declaration of Raymond Minehan, ¶ 6, and Exhibit A thereto.)

In summary, from the date of conservation on September 7, 2001, the FPIC estate incurred the following expenses:

General and Administrative Expenses:	\$ 3,646,800
Legal and Professional Fees:	12,199,000
Allocation Expenses:	9,700,400

(Exhibit A to Declaration of Raymond Minehan, Statement of Changes to Net Assets.)

B. Claims

Pursuant to section 1021, the Commissioner published notices to creditors that claims against the insolvent estate of FPIC had to be filed by no later than the Claims Bar Date of August 3, 2003. (Exhibit 3, Declaration of John Battle ¶ 4.)

///

1 The Liquidator mailed approximately 308,605 Proof of Claim ("POC") forms to person
2 possibly interested in making a claim against FPIC. (Exhibit 3, Declaration of John Battle, ¶ 5.)
3 There were 43,574 POC forms that were timely filed. (*Ibid.*). The claims that were covered by
4 the California Insurance Guarantee Association ("CIGA") were forwarded to CIGA. (*Ibid.*)

5 The Liquidator completed the substantive review of 43,574 POCs that were timely
6 filed. (Exhibit 3, Declaration of John Battle, ¶ 6.) This total includes "non-covered" and "over
7 cap" claims.²

8 The Commissioner approved 32,373 total claims, and the amount approved for these
9 32,373 claims is \$ 46,310,163.28. (Exhibit 3, Declaration of John Battle, ¶ 7.) Of the 32,373
10 approved POCs, there were 32,276 Class 2 approved claims for a total \$42,249,391.54. (*Ibid.* at ¶
11 7) Of this amount, \$23,077,548.05 (54.6%) was approved for CIGA and the New York
12 Liquidation Bureau ("NYLB"). There was no other insurance guaranty association that had a
13 claim against FPIC. (Exhibit 3, Declaration of John Battle, ¶ 8.) The other 32,274 approved
14 Class 2 POCs were non-IGA covered claims, and they were approved for a total of
15 \$19,171,843.49. (Exhibit 3, Declaration of John Battle, ¶ 9.) The Liquidator rejected 4,326
16 POCs (3,870 Class 2 and 456 Class 7) and another 49,998 closed due to bad addresses, duplicate
17 filings, or they were forwarded to CIGA. (Exhibit 3, Declaration of John Battle, ¶ 9.) In
18 summary, all claims against the estate have been reviewed and final determinations have been
19 made. The time to challenge those determinations has expired pursuant to section 1032. (Exhibit
20 3, Declaration of John Battle, ¶ 9)

21 C. Reinsurance

22 Over the course of the conservation and liquidation of FPIC, the Liquidator's reinsurance
23 department billed and adjusted for \$42,056,180.01, retained reserves \$4,737,945.27, wrote off as
24 uncollectable \$23,330,925.27 and collected \$23,463,200.01. (Exhibit 4, Declaration of Dick
25 Oshita, ¶ 3.)

26
27 ² "Non-covered" claims are those claims that are not covered by an insurance guaranty
28 association. (Section 1063.1 subd. (c).) "Over cap" claims are those claims that exceed CIGA's
statutory limit of \$500,000. (Section 1063.1, subd. (c)(7).)

1 The final reinsurance transactions are completed. (Exhibit 4, Declaration of Dick Oshita,
2 ¶ 4.)

3 **D. Legal Matters**

4 All legal matters have been resolved. (Exhibit 1, Declaration of Willard Roberts, ¶ 8.)

5 **III. PROPOSED FINAL DISTRIBUTION OF ASSETS**

6 The Commissioner is authorized by section 1033 to make a distribution of assets on
7 claims in a statutory insolvency proceeding in accordance with the priorities specified therein. As
8 discussed previously, the Commissioner has made a final determination as to all timely filed
9 claims, and all estate assets have been marshaled. The Commissioner now proposes to make a
10 pro rata distribution of those assets to claimant under section 1033 on allowed claims.

11 Specifically, in accordance with section 1033, the Commissioner proposes to make a final
12 distribution of FPIC's assets to approved claimants in the following order of priority: expenses of
13 administration; insurance guaranty associations and policyholder claims; and all other claims.

14 Section 1033 requires the equitable distribution of an insolvent insurer's assets among all
15 claimants similarly situated, i.e., in the same priority class. Thus, claimants in a lower priority
16 class are not entitled to any distribution until claimants in a higher priority class have been fully
17 paid. Claimants within the same class are entitled to share pro rata in the distribution to that
18 class. (*Commercial Nat. Bank v. Superior Court (Garamendi)* (1993) 14 Cal. App. 4th 393, 398.)

19 The Liquidator proposes to distribute approximately a total of \$11,600,000.00 in this Final
20 Distribution as follows:

21 (1) With this Final Distribution, all Class (a)(2) will have received 85.24% of their
22 approved claim.

23 (2) CIGA will receive \$5,065,269.20

24 (3) NYLB will receive \$843,767.68

25 (4) The other Class (a)(2) claimants will receive \$5,711,044.12

26 (See Exhibit 2, Declaration of Raymond Minehan and Exhibit B attached thereto.)

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1 **IV. RECORDS RETENTION**

2 The Liquidator proposes to maintain some of FPIC's records in the Conservation &
3 Liquidation Office's imaged databases. (Exhibit 1, Declaration of Willard Roberts, ¶ 9.) A
4 portion of the records will be maintained in hardcopy format at a storage warehouse. (*Ibid.*) The
5 Liquidator proposes to maintain these records for three years from the Court's order, and
6 thereafter will destroy said records, except for those records necessary for examination or audit by
7 the
8 Department of Finance or other auditor. (*Ibid.*)

9 **V. CLOSING BUDGET**

10 The Liquidator proposes to reserve \$271,055 to pay Administrative Expenses for the next
11 three years. (Exhibit 1, Declaration of Willard Roberts, ¶ 10.) The Administrative Expenses
12 include storage and destruction of records, legal expenses, audit expenses, tax consultation and
13 tax preparation, and indirect expenses. (*Ibid.*)

14 **CONCLUSION**

15 The Liquidator has completed the liquidation of respondent Frontier Pacific insurance
16 company and should be allowed to disburse the remaining assets so that this matter may be
17 concluded and the Liquidator discharged.

18 WHEREFORE, the Insurance Commissioner prays that the Court issue an Order as
19 follows:

20 1. The Final Report and Account of Conservator and Liquidator for the period from
21 September 7, 2001 to March 31, 2105, is settled and approved;

22 2. The Commissioner is authorized to distribute approximately \$11,600,000.00 to
23 approved claimants. The amount available for distribution is subject to adjustment for investment
24 income and changes in the market value of investments that have been posted as of the date the
25 investments are withdrawn from the investment pool. The distributions shall be made within
26 three weeks of receipt of the signed order from the Court;

27 3. The Commissioner is authorized to retain (1) the sum of \$271,055 for payment
28 of administrative expenses incurred by the Commissioner from April 1, 2015 through June 16,

1 2015 and for administrative and closing costs. The Commissioner is authorized to pay any excess
2 closing and administrative costs out of the funds appropriated for the maintenance of the
3 Department of Insurance. A report to the Court of the expenditure of these funds shall not be
4 required;

5 4. In accordance with the six month waiting period of the Code of Civil Procedure
6 section 1517, the Commissioner, as to disbursements that are either undeliverable or as to which
7 issued checks have not then been negotiated, is authorized to void such checks as have not then
8 been negotiated and escheat all undeliverable amounts and amounts of non-negotiated checks to
9 the Insurance Fund pursuant to section 12937;

10 5. The Commissioner is authorized to maintain in the Conservation & Liquidation
11 Office imaged databases of all records of FPIC for a period of three years from the date of the
12 Court's order, and thereafter the Commissioner is authorized to destroy all records of Respondent
13 FPIC, except for those records necessary for examination by the Department of Finance or the
14 auditor of the Commissioner's books and records pursuant to section 1061;

15 6. The Commissioner is authorize to take any action necessary to accomplish the
16 purpose of this Order; and

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1 7. The estate of FPIC shall be closed and the Commissioner shall be discharged as
2 liquidator upon the filing of a declaration that the Commissioner has distributed the assets of
3 FPIC in accordance with this Court's order approving final distribution. The Commissioner, his
4 Special Deputies, the Conservation and Liquidation Office, its employees, the California
5 Department of Insurance, and its personnel, and the Commissioner's agents and attorneys, shall
6 be, upon such filing, DISCHARGED from any and all claims, debts, liabilities, or duties to
7 further account for the assets or liabilities of FPIC through the date of the declaration, and shall
8 have no liability of any kind or nature for such claims or debts.

9
10 Dated: May 22, 2015

Respectfully Submitted,

11 KAMALA D. HARRIS
12 Attorney General of California
13 STEPHEN LEW
14 Supervising Deputy Attorney General



15 TIM NADER
16 Deputy Attorney General
17 *Attorneys for Applicant, Insurance*
18 *Commissioner of the State of California*

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DECLARATION OF SERVICE BY MESSENGER

Case Name: **Insurance Commissioner of the State of California v. Frontier Pacific Insurance Company, a California Corporation**

Case No.: **GIC774028**

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: 110 West A Street, Suite 1100, P.O. Box 85266, San Diego, CA 92186-5266.

On May 26, 2015, I caused the attached **MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF APPLICATION FOR ORDER APPROVING FINAL REPORT AND ACCOUNTING AND FINAL DISTRIBUTION OF ASSETS** to be personally served by [ACE Services] by placing a true copy thereof for delivery to the following person(s) at the address(es) as follows:

Kevin Lewis
National Indemnity Company
Berkshire Hathaway Group –
Reinsurance Division
100 First Stamford Place
Stamford, CT 06902

New York Property and Casualty
Insurance Guarantee Fund
1 Commerce Plaza, 20th Floor
New York, NY 12257

Chief Executive Officer
Frontier Insurance Company
195 Lake Louise Marie
Rock Hill, NY 12775-2100

Willard Roberts Estate Trust Officer
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One Greystone Building, Suite 101
240 Stoneridge Drive
Columbia, SC 29201

Jeffery D. Goetz, Esq
Bradshaw, Fowler, Proctor and
Fairgrave PC
801 Grand Ave., Suite 3700
Des Moines, IA 50309

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct and that this declaration was executed on May 26, 2015, at San Diego, California.

N. Rodriguez
Declarant

N. Rodriguez
Signature

LA2007601229
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EXHIBIT 1

1 KAMALA D. HARRIS
Attorney General of California
2 STEPHEN LEW
Supervising Deputy Attorney General
3 TIM NADER
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4 State Bar No. 106093
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5 San Diego, CA 92101
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8 *Attorneys for Applicant, Insurance Commissioner of
the State of California*

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 COUNTY OF SAN DIEGO

13 **INSURANCE COMMISSIONER OF THE
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15 Plaintiff,

16 v.

17 **FRONTIER PACIFIC INSURANCE
COMPANY, A California Corporation,**

18 Defendants.

Case No. GIC774028

**DECLARATION OF WILLARD
ROBERTS IN SUPPORT OF INSURANCE
COMMISSIONER'S APPLICATION FOR
ORDER APPROVING FINAL REPORT
AND ACCOUNTING AND FINAL
DISTRIBUTION OF ASSETS OF THE
ESTATE OF FRONTIER PACIFIC
INSURANCE COMPANY**

Date: June 19, 2015
Time: 10:00 A.M..
Dept: 71
Judge: Hon. Ronald S. Prager
Trial Date: None Set
Action Filed: September 7, 2001

23 I, WILLARD ROBERTS, declare:

24 1. I am employed as an Estate Trust Officer for the California
25 Insurance Commissioner's ("Commissioner" or "Liquidator") Conservation &
26 Liquidation Office ("CLO").

1 2. As an Estate Trust Officer, I am responsible for the management of
2 financially impaired or insolvent insurance companies (referred to as
3 "estates") from the time of conservation or liquidation until the court has
4 discharged the Commissioner of his or her duties as Conservator or
5 Liquidator. I serve as a fiduciary, and in this capacity, I lead and direct a
6 support team consisting of individuals who work in the areas of Accounting,
7 Claims, Reinsurance, Legal Finance, Information Technology, Human
8 Resources, and Administration.

9 3. The statements contained in this declaration are not all within my
10 personal knowledge, and I am informed that no single officer of the CLO has
11 personal knowledge of all of these matters. As to those matters that are
12 within my own personal knowledge, the statements are true. Those
13 statements in this declaration that are not based on my personal knowledge
14 are based upon information assembled by authorized employees of the CLO
15 and retained in CLO files for the Frontier Pacific Insurance Company ("FPIC")
16 estate. As to any matters stated on information and belief, I am informed
17 and believe they are true. If called upon as a witness, I would testify as set
18 forth herein.

19 4. I have reviewed the CLO files for FPIC which are maintained in the
20 normal course of business.

21 5. FPIC was a corporation duly organized and existing under and by
22 virtue of the laws of the State of California. Under a Certificate of Authority
23 issued by the Commissioner in his regulatory capacity, FPIC was authorized
24 to transact the business of Fire, Marine, Surety, Disability, Plate Glass,
25 Liability, Workers' Compensation, Common Carrier Liability insurance, Boiler
26 and Machinery, Burglary, Credit, Sprinkler, Team and Vehicle, Automobile,
27 Aircraft, Legal Insurance and Miscellaneous.

1 6. On September 7, 2001, upon the Commissioner's application, this
2 Court appointed the Commissioner as Conservator of FPIC.

3 7. On November 30, 2001, upon the Commissioner's application, this
4 Court terminated the Commissioner's appointment as Conservator and
5 appointed him as Liquidator.

6 8. Over the course of the next 13 1/2 years, the Commissioner as
7 Liquidator monetized FPIC's assets, terminated real estate and equipment
8 leases, resolved disposed of furniture, fixtures, and equipment, resolved all
9 legal matters, wrote off all uncollectable amounts, released funds to the
10 insurance guaranty association (hereinafter "IGA") that made claims
11 payments to FPIC's policyholders, distributed additional assets to the IGA and
12 to policyholder claimants who had non-covered claims. The liquidation of the
13 FPIC estate is now complete and all legal matters closed or concluded.

14 9. The Liquidator proposes to maintain some of FPIC's records in the
15 Conservation & Liquidation Office's imaged databases. A portion of the
16 records will be maintained in hardcopy format at a storage warehouse. The
17 Liquidator proposes to maintain these records for three years from the
18 Court's order, and thereafter will destroy said records, except for those
19 records necessary for examination or audit by the Department of Finance or
20 other auditor.

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10. The Liquidator has reserved \$271,055 of FPIC's assets for its closing budget for payment of administrative expenses for three years following closure of estate. The Administrative Expenses include storage and destruction of records, legal expenses, audit expenses, tax consultation and tax preparation, and indirect expenses.

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

Executed this 13th day of May, 2015, at San Francisco, California.

Willard Roberts

DECLARATION OF SERVICE BY MESSENGER

Case Name: **Insurance Commissioner of the State of California v. Frontier Pacific Insurance Company, a California Corporation**

Case No.: **GIC774028**

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: 110 West A Street, Suite 1100, P.O. Box 85266, San Diego, CA 92186-5266.

On May 26, 2015, I caused the attached **DECLARATION OF WILLARD ROBERTS IN SUPPORT OF INSURANCE COMMISSIONER'S APPLICATION FOR ORDER APPROVING FINAL REPORT AND ACCOUNTING AND FINAL DISTRIBUTION OF ASSETS OF THE ESTATE OF FRONTIER PACIFIC INSURANCE COMPANY** to be personally served by [ACE Services] by placing a true copy thereof for delivery to the following person(s) at the address(es) as follows:

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Berkshire Hathaway Group –
Reinsurance Division
100 First Stamford Place
Stamford, CT 06902

New York Property and Casualty
Insurance Guarantee Fund
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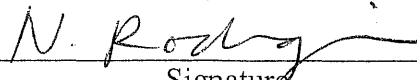
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801 Grand Ave., Suite 3700
Des Moines, IA 50309

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct and that this declaration was executed on May 26, 2015, at San Diego, California.

N. Rodriguez
Declarant


Signature

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81062544.doc

EXHIBIT 2

1 KAMALA D. HARRIS
Attorney General of California
2 STEPHEN LEW
Supervising Deputy Attorney General
3 TIM NADER
Deputy Attorney General
4 State Bar No. 106093
110 West A Street, Suite 1100
5 San Diego, CA 92101
P.O. Box 85266
6 San Diego, CA 92186-5266
Telephone: (619) 645-2210
7 Fax: (619) 645-2489
E-mail: Tim.Nader@doj.ca.gov
8 *Attorneys for Applicant, Insurance Commissioner of
the State of California*

9
10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 COUNTY OF SAN DIEGO
12

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

14 Plaintiff,

15 v.
16

17 **FRONTIER PACIFIC INSURANCE
COMPANY, A California Corporation,**

18 Defendants.
19

Case No. GIC774028

**DECLARATION OF RAYMOND
MINEHAN IN SUPPORT OF INSURANCE
COMMISSIONER'S APPLICATION FOR
ORDER APPROVING FINAL REPORT
AND ACCOUNTING AND FINAL
DISTRIBUTION OF ASSETS OF THE
ESTATE OF FRONTIER PACIFIC
INSURANCE COMPANY**

Date: June 19, 2015
Time: 10:00 a.m..
Dept: 71
Judge: Hon. Ronald S. Prager
Trial Date: None Set
Action Filed: September 7, 2001

22
23 I, RAYMOND MINEHAN, declare:

24 1. I am the Chief Financial Officer working on behalf of the California
25 Commissioner of Insurance in the Conservation and Liquidation Office
26 ("CLO"). The facts in this declaration are within my personal knowledge. If
27 called upon as a witness, I could and would testify competently to them.
28

1 2. I have served as the Chief Financial Officer of the CLO since May
2 2005. Previously, I was a Chief Financial Officer and Chief Administrative
3 Officer at two investment banks. Prior to that, I spent 17 years, the last five
4 of which as an audit partner, at Arthur Andersen & Co. from 1972 through
5 1989. My duties include oversight of all of the CLO Accounting Department
6 and Human Resources Department. In addition, I am a member of the
7 Executive Committee of the CLO.

8 3. In determining the proposed amount to be distributed by Frontier
9 Pacific Insurance Company ("FPIC") and pursuant to Insurance Code
10 §1035.5(b) the Liquidator has retained sufficient assets to provide for the
11 payment of estimated closing expenses of administration, the payment of
12 claims of secured creditors (to the extent of the value of the security held),
13 and claims within the priorities established in paragraphs (1) to (4),
14 inclusive, of subdivision (a) of Section 1033.

15 4. Pursuant to Insurance Code § 1035.5(b) the Liquidator has
16 retained liquid investment assets on behalf of the Frontier Pacific Insurance
17 Company ("FPIC") in the amount of \$772,958 for unclaimed property to be
18 escheated. After taking into account these amounts including the proposed
19 distribution, FPIC has reserved an additional \$271,055 in excess liquid
20 investment assets available for a closing budget which is more than adequate
21 to cover future administrative expenditures.

22 6. Attached and incorporated herein as Exhibit "A" is a true and
23 correct copy of a spreadsheet entitled "Frontier Pacific Insurance Company,
24 Statement of Assets & Liabilities." This spreadsheet accurately details total
25 cash and other assets in possession and estimated liabilities of the Liquidator
26 as of March 31, 2015. FPIC had assets in the total amount of \$12,689,100
27 and liabilities in the total amount of \$27,258,200, which result in a net asset
28 deficiency of \$14,569,100.

7. Attached and incorporated herein as Exhibit "B" is a true and correct copy of a spreadsheet entitled "Frontier Pacific Insurance Company Estimated Cash Available for Final Distribution." This spreadsheet accurately details the final distribution amounts by certain insurance guaranty associations ("IGAs") and non-IGA policyholder claimants on behalf of the FPIC estate and the calculation for the proposed amount of the final distribution to each state IGA and non-IGA policyholder claimants. Other than the two IGAs set forth on these spreadsheets, I am not aware of any payments made by any other IGAs on behalf of Frontier Pacific Insurance Company.

8. Incorporated herein by reference is the true and correct copy of the spreadsheet entitled "Frontier Pacific Insurance Company, Final Distribution to non-IGA Policyholders" lodged with court in conjunction with Frontier Pacific Insurance Company's application listing the proposed final distribution to non-IGA policyholder claimants.

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

Executed this 14 day of May, 2015, at San Francisco, California.



Raymond Minehan

EXHIBIT A

Insurance Commissioner of the State of California
Conservation & Liquidation Office
Frontier Pacific Ins Co

STATEMENT OF ASSETS AND LIABILITIES
As of March 31, 2015

	(Opening Balance) Sep 7 2001	Mar 31 2015	Change
ASSETS			
Cash and cash equivalents, unrestricted	\$15,681,100	\$12,323,400	(\$3,357,700)
Restricted cash	-	\$340,700	340,700
Other securities held	7,799,600	-	(7,799,600)
Accrued investment income	-	25,000	25,000
Recoverable from reinsurers	61,882,100	-	(61,882,100)
Premiums receivable	769,800	-	(769,800)
Receivable from affiliates	2,088,100	-	(2,088,100)
Deposits and other assets	18,088,000	-	(18,088,000)
Total Available Assets	106,308,700	12,689,100	(93,619,600)
LIABILITIES			
Secured claims	\$626,200	\$773,000	\$146,800
Accrued administrative expenses	23,700	-	(23,700)
Claims against policies, including guaranty associations	77,328,000	42,249,400	(35,078,600)
Early access and other Class 2 distributions	-	(24,439,800)	(24,439,800)
California and Federal claims having preference	-	165,100	165,100
All other claims	10,088,100	8,510,500	(1,577,600)
Total Estimated Liabilities	88,066,000	27,258,200	(60,807,800)
NET ASSETS (DEFICIENCY)	\$18,242,700	(\$14,569,100)	(\$32,811,800)

STATEMENT OF CHANGES TO NET ASSETS
September 7, 2001 to March 31, 2015

Income		
Reinsurance recoveries	\$18,020,900	
Litigation Recoveries	4,724,700	
Salvage/subrogation recoveries	1,981,000	
Fees and Miscellaneous income	1,042,400	
Net investment income	7,154,100	
		\$32,923,100
less: Operating Expenses		
Legal and consulting	\$12,199,000	
General and administrative	3,646,800	
Allocated overhead expenses	9,700,400	
		(25,546,200)
less: Losses and Other Expenses		
Incurred losses and claims expense	\$40,188,700	
		(40,188,700)
CHANGES TO NET ASSETS		(\$32,811,800)

EXHIBIT B

Frontier Pacific Estimated Cash Available for Final Distribution

Pool balance as of 3/31/2015	12,323,386
UBOC Collateral Acct	2,384
CA Bank & Trust Collateral Acct	326,889
UBOC Surety Collaterals	11,437
	<u>12,664,095</u>
Less	
Unclaimed Property to be Escheated	772,958
Estimated Closing Budget	271,055
	<u>1,044,013</u>
Estimated Available Cash	11,620,081

	Approved POC	Prior Distribution	This Proposed Distribution	Final Including This Distribution	Final Distribution %
CIGA	\$ 19,393,175	\$ 11,465,923	\$ 5,065,269	\$ 16,531,192	85.24%
NYLB	\$ 3,684,373	\$ 2,296,877	\$ 843,767	\$ 3,140,645	85.24%
Non-IGA Class 2	\$ 19,171,843	\$ 10,631,479	\$ 5,711,045	\$ 16,342,524	85.24%
	<u>\$ 42,249,392</u>	<u>\$ 24,394,279</u>	<u>\$ 11,620,081</u>	<u>\$ 36,014,361</u>	<u>85.24%</u>

DECLARATION OF SERVICE BY MESSENGER

Case Name: **Insurance Commissioner of the State of California v. Frontier Pacific Insurance Company, a California Corporation**

Case No.: **GIC774028**

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: 110 West A Street, Suite 1100, P.O. Box 85266, San Diego, CA 92186-5266.

On May 26, 2015, I caused the attached **DECLARATION OF RAYMOND MINEHAN IN SUPPORT OF INSURANCE COMMISSIONER'S APPLICATION FOR ORDER APPROVING FINAL REPORT AND ACCOUNTING AND FINAL DISTRIBUTION OF ASSETS OF THE ESTATE OF FRONTIER PACIFIC INSURANCE COMPANY** to be personally served by [ACE Services] by placing a true copy thereof for delivery to the following person(s) at the address(es) as follows:

Kevin Lewis
National Indemnity Company
Berkshire Hathaway Group –
Reinsurance Division
100 First Stamford Place
Stamford, CT 06902

New York Property and Casualty
Insurance Guarantee Fund
1 Commerce Plaza, 20th Floor
New York, NY 12257

Chief Executive Officer
Frontier Insurance Company
195 Lake Louise Marie
Rock Hill, NY 12775-2100

Willard Roberts Estate Trust Officer
Conservation & Liquidation Office
100 Pine St., 26th Floor
San Francisco, CA 94111

Joseph Termine
Special Deputy Superintendent
State of New York Insurance Dept.
Liquidation Bureau
123 William Street
New York, NY 10038

Christopher L. Dueringer, Esq.
Bryan Cave LLP
120 Broadway, Suite 300
Santa Monica, CA 90401-2305

Andrew Pearson, Esq.
Marks, Golia & Finch, LLP
3900 Harney Street, First Floor
San Diego, CA 92110-2825

Wayne Wilson
Executive Director
California Insurance Guarantee Assn.
101 North Brand, Suite 600
Glendale, CA 91209

South Carolina Property and Casualty
Insurance Guaranty Association
Attn: Edward Moon, Claims Supervisor
One Greystone Building, Suite 101
240 Stoneridge Drive
Columbia, CA 29201

Jeffery D. Goetz, Esq
Bradshaw, Fowler, Proctor and
Fairgrave PC
801 Grand Ave., Suite 3700
Des Moines, IA 50309

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct and that this declaration was executed on May 26, 2015, at San Diego, California.

N. Rodriguez
Declarant

N. Rodriguez
Signature

LA2007601229
81062547.doc

EXHIBIT 3

1 KAMALA D. HARRIS
Attorney General of California
2 STEPHEN LEW
Supervising Deputy Attorney General
3 TIM NADER
Deputy Attorney General
4 State Bar No. 106093
110 West A Street, Suite 1100
5 San Diego, CA 92101
P.O. Box 85266
6 San Diego, CA 92186-5266
Telephone: (619) 645-2210
7 Fax: (619) 645-2489
E-mail: Tim.Nader@doj.ca.gov
8 *Attorneys for Applicant, Insurance Commissioner of
the State of California*

9
10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 COUNTY OF SAN DIEGO
12

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

14 Plaintiff,

15 v.
16

17 **FRONTIER PACIFIC INSURANCE
COMPANY, A California Corporation,**

18 Defendants.
19

Case No. GIC774028

**DECLARATION OF JOHN BATTLE IN
SUPPORT OF INSURANCE
COMMISSIONER'S APPLICATION
FOR ORDER APPROVING FINAL
REPORT AND ACCOUNTING AND
FINAL DISTRIBUTION OF ASSETS OF
THE ESTATE OF FRONTIER PACIFIC
INSURANCE COMPANY**

Date: June 19, 2015
Time: 10:00 A.M.
Dept: 71
Judge: Hon. Ronald S. Prager
Trial Date: None Set
Action Filed: September 7, 2001

22
23 I, JOHN BATTLE, declare:

24 1. I am employed by the Insurance Commissioner of the State of
25 California's Conservation and Liquidation Office ("CLO") as its Chief Claims
26 Officer. I have personal knowledge of the facts set forth herein and if called
27 upon as a witness, I would testify as set forth below.

28 2. As the Chief Claims Officer, I supervise the CLO's Claims

1 Department. I oversee the administration of all claims submitted by
2 policyholders and creditors of the insolvent insurers being liquidated by the
3 Commissioner, including the Frontier Pacific Insurance Company in
4 Liquidation ("FPIC").

5 3. I have 47 years in handling claims, primarily in a workers
6 compensation and general liability environment. Prior to my employment
7 with the CLO, I was employed in various management capacities since 1975,
8 and later as the Vice President for Claims for the Superior National Insurance
9 Group, Inc. and its subsidiary companies which liquidated in 2000. I have
10 worked in a liquidation environment exclusively since Superior National's
11 liquidation. On July 1, 2004, I became employed by the CLO and am
12 responsible for FPIC's claims in liquidation.

13 4. Pursuant to section 1021, the Commissioner published notices to
14 creditors that claims against the insolvent estate of FPIC had to be filled by
15 no later than the Claims Bar Date of August 3, 2003.

16 5. The Liquidator mailed approximately 308,605 Proof of Claim
17 ("POC") forms to person possibly interested in making a claim against FPIC.
18 There were 43,574 POC forms that were timely filed. The claims that were
19 covered by the California Insurance Guarantee Association and the New York
20 Liquidation Bureau were forwarded to the respective entities and
21 administratively closed.

22 6. The Liquidator completed the substantive review of 43,574 POCs
23 that were timely filed. This total included "non-covered" and "overcap"
24 claims. "Non-covered" claims are those claims that are not covered by an
25 insurance guaranty association. (Section 1063.1, subd. (c)). "Overcap"
26 claims are those claims that exceed CIGA's statutory limit of \$500,000.

27 7. The Commissioner approved 32,373 of the 43,574 claims, and the
28 amount approved for these claims is \$46,310,163.28. Of the 32,373

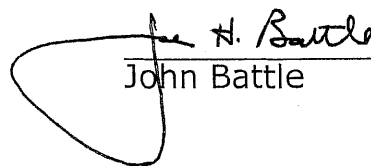
1 approved POCs, there were 32,276 Class 2 approved claims for a total of
2 \$42,249,391.54.

3 8. Of this Class 2 amount \$23,077,548.05 (54.6%) was approved
4 for the two IGAs, CIGA and the New York Liquidation Bureau ("NYLB").
5 There was no other insurance guaranty association that had a claim against
6 FPIC.

7 9. The other 32,274 Class 2 POCs were primarily surety claims that
8 are not covered by an insurance guaranty association, and unearned
9 premium claims caused by the liquidation terminating in force policies or
10 surety bonds, and these were approved for a total of \$19,171,843.49. The
11 Liquidator rejected 4,326 POCs (3870 Class 2 and 456 Class 7) and another
12 49,998 were closed due to bad addresses, duplicate filings, or they were
13 forwarded to CIGA. In summary, all claims against the estate have been
14 reviewed and final determinations have been made. The time to challenge
15 those determinations has expired pursuant to section 1032.

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

18 Executed this _13_ day of May, 2015, at San Francisco, California.
19
20

21 
22 John Battle
23
24
25
26
27
28

DECLARATION OF SERVICE BY MESSENGER

Case Name: **Insurance Commissioner of the State of California v. Frontier Pacific Insurance Company, a California Corporation**

Case No.: **GIC774028**

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: 110 West A Street, Suite 1100, P.O. Box 85266, San Diego, CA 92186-5266.

On May 26, 2015, I caused the attached **DECLARATION OF JOHN BATTLE IN SUPPORT OF INSURANCE COMMISSIONER'S APPLICATION FOR ORDER APPROVING FINAL REPORT AND ACCOUNTING AND FINAL DISTRIBUTION OF ASSETS OF THE ESTATE OF FRONTIER PACIFIC INSURANCE COMPANY**

to be personally served by [ACE Services] by placing a true copy thereof for delivery to the following person(s) at the address(es) as follows:

Kevin Lewis
National Indemnity Company
Berkshire Hathaway Group –
Reinsurance Division
100 First Stamford Place
Stamford, CT 06902

New York Property and Casualty
Insurance Guarantee Fund
1 Commerce Plaza, 20th Floor
New York, NY 12257

Chief Executive Officer
Frontier Insurance Company
195 Lake Louise Marie
Rock Hill, NY 12775-2100

Willard Roberts Estate Trust Officer
Conservation & Liquidation Office
100 Pine St., 26th Floor
San Francisco, CA 94111

Joseph Termine
Special Deputy Superintendent
State of New York Insurance Dept.
Liquidation Bureau
123 William Street
New York, NY 10038

Christopher L. Dueringer, Esq.
Bryan Cave LLP
120 Broadway, Suite 300
Santa Monica, CA 90401-2305

Andrew Pearson, Esq.
Marks, Golia & Finch, LLP
3900 Harney Street, First Floor
San Diego, CA 92110-2825

Wayne Wilson
Executive Director
California Insurance Guarantee Assn.
101 North Brand, Suite 600
Glendale, CA 91209

South Carolina Property and Casualty
Insurance Guaranty Association
Attn: Edward Moon, Claims Supervisor
One Greystone Building, Suite 101
240 Stoneridge Drive
Columbia, CA 29201

Jeffery D. Goetz, Esq
Bradshaw, Fowler, Proctor and
Fairgrave PC
801 Grand Ave., Suite 3700
Des Moines, IA 50309

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct and that this declaration was executed on May 26, 2015, at San Diego, California.

N. Rodriguez
Declarant

N. Rodriguez
Signature

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EXHIBIT 4

1 KAMALA D. HARRIS
Attorney General of California
2 STEPHEN LEW
Supervising Deputy Attorney General
3 TIM NADER
Deputy Attorney General
4 State Bar No. 106093
110 West A Street, Suite 1100
5 San Diego, CA 92101
P.O. Box 85266
6 San Diego, CA 92186-5266
Telephone: (619) 645-2210
7 Fax: (619) 645-2489
E-mail: Tim.Nader@doj.ca.gov
8 *Attorneys for Applicant, Insurance Commissioner of
the State of California*

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 COUNTY OF SAN DIEGO

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

15 Plaintiff,

16 v.

17 **FRONTIER PACIFIC INSURANCE
COMPANY, A California Corporation,**

18 Defendants.

Case No. GIC774028

**DECLARATION OF DICK OSHITA IN
SUPPORT OF INSURANCE
COMMISSIONER'S APPLICATION FOR
ORDER APPROVING FINAL REPORT
AND ACCOUNTING AND FINAL
DISTRIBUTION OF ASSETS OF THE
ESTATE OF FRONTIER PACIFIC
INSURANCE COMPANY**

Date: June 19, 2015
Time: 10:00 A.M.
Dept.: 71
Judge: Hon. Ronald S. Prager
Trial Date: None Set
Action Filed: September 7, 2001

24 I, DICK OSHITA, declare:

25 1. I am employed by the California Insurance Commissioner's
26 Conservation and Liquidation Office ("CLO") as a Reinsurance Manager. I
27 have over 27 years of experience in handling reinsurance matters. I have
28

1 personal knowledge of the facts set forth herein and if called upon as a
2 witness, I would testify as set forth below.

3
4 2. By virtue of my work on the FPIC estate, I am familiar with the
5 contractual relationships between FPIC and its reinsurers.

6 3. Over the course of the conservation and liquidation of FPIC, the
7 Liquidator's reinsurance department billed and adjusted for \$42,056,180.01,
8 retained reserves \$4,737,945.27, wrote off as uncollectable \$23,330,925.27
9 and collected \$23,463,200.01.

10
11 4. The final reinsurance transactions are completed.

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

14 Executed this 13th day of May, 2015, at San Francisco, California.

15
16
17 
18 DICK OSHITA

DECLARATION OF SERVICE BY MESSENGER

Case Name: **Insurance Commissioner of the State of California v. Frontier Pacific Insurance Company, a California Corporation**

Case No.: **GIC774028**

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: 110 West A Street, Suite 1100, P.O. Box 85266, San Diego, CA 92186-5266.

On May 26, 2015, I caused the attached **DECLARATION OF DICK OSHITA IN SUPPORT OF INSURANCE COMMISSIONER'S APPLICATION FOR ORDER APPROVING FINAL REPORT AND ACCOUNTING AND FINAL DISTRIBUTION OF ASSETS OF THE ESTATE OF FRONTIER PACIFIC INSURANCE COMPANY** to be personally served by [ACE Services] by placing a true copy thereof for delivery to the following person(s) at the address(es) as follows:

Kevin Lewis
National Indemnity Company
Berkshire Hathaway Group –
Reinsurance Division
100 First Stamford Place
Stamford, CT 06902

New York Property and Casualty
Insurance Guarantee Fund
1 Commerce Plaza, 20th Floor
New York, NY 12257

Chief Executive Officer
Frontier Insurance Company
195 Lake Louise Marie
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Conservation & Liquidation Office
100 Pine St., 26th Floor
San Francisco, CA 94111

Joseph Termine
Special Deputy Superintendent
State of New York Insurance Dept.
Liquidation Bureau
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Christopher L. Dueringer, Esq.
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120 Broadway, Suite 300
Santa Monica, CA 90401-2305

Andrew Pearson, Esq.
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3900 Harney Street, First Floor
San Diego, CA 92110-2825

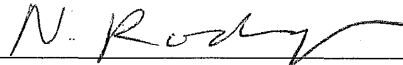
Wayne Wilson
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California Insurance Guarantee Assn.
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South Carolina Property and Casualty
Insurance Guaranty Association
Attn: Edward Moon, Claims Supervisor
One Greystone Building, Suite 101
240 Stoneridge Drive
Columbia, CA 29201

Jeffery D. Goetz, Esq
Bradshaw, Fowler, Proctor and
Fairgrave PC
801 Grand Ave., Suite 3700
Des Moines, IA 50309

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct and that this declaration was executed on May 26, 2015, at San Diego, California.

N. Rodriguez
Declarant


Signature

OFFICE COPY

KAMALA D. HARRIS
Attorney General of California
STEPHEN LEW
Supervising Deputy Attorney General
TIM NADER
Deputy Attorney General
State Bar No. 106093
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San Diego, CA 92101
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Telephone: (619) 645-2210
Fax: (619) 645-2489
E-mail: Tim.Nader@doj.ca.gov
*Attorneys for Applicant, Insurance Commissioner of
the State of California*

ATTORNEY GENERAL

FILED

SAN DIEGO SUPERIOR COURT

JUN 23 2015

CLERK OF THE SUPERIOR COURT

BY: T. RAY

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN DIEGO

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

Plaintiff,

v.

**FRONTIER PACIFIC INSURANCE
COMPANY, A California Corporation,**

Defendants.

Case No. GIC774028

**[PROPOSED] ORDER APPROVING
LIQUIDATOR'S FINAL REPORT AND
ACCOUNTING, AND FINAL
DISTRIBUTION OF ASSETS OF THE
ESTATE OF FRONTIER PACIFIC
INSURANCE COMPANY**

Date: June 19, 2015
Time: 1:00 p.m.
Dept: 71
ICJ: Hon. Ronald S. Prager
Trial Date: None Set
Action Filed: September 7, 2001

On May , 2015, the Insurance Commissioner, as Liquidator of Frontier Pacific Insurance Company, filed his Notice of Application and Application for Order Approving Liquidator's Final Report and Accounting and Final Distribution of Assets of the Estate of Frontier Insurance Company with Points and Authorities and with supporting Declarations of Willard Roberts, Raymond Minehan, John Battle and Dick Oshita, which motion and support are incorporated herein by reference. The matter was heard at a noticed hearing on June 19, 2015.

1 Good cause appearing therefor, IT IS HEREBY ORDERED that:

2 1. The Final Report and Account of Conservator and Liquidator for the
3 period from September 7, 2001 to March 31, 2105, is settled and approved;

4 2. The Commissioner is authorized to distribute approximately
5 \$11,600,000.00 to the approved claimants as set forth in the motion and support incorporated
6 herein by reference. The amount available for distribution is subject to adjustment for investment
7 income and changes in the market value of investments that have been posted as of the date the
8 investment are withdrawn from the investment pool. The distributions shall be made within three
9 weeks of receipt of the signed order from the Court;

10 3. The Commissioner is authorized to retain the sum of \$271,055
11 for payment of administrative expenses incurred by the Commissioner from April 1, 2015
12 through June 16, 2015 and for administrative and closing costs. The Commissioner is authorized
13 to pay any excess closing and administrative costs out of other funds appropriated for the
14 maintenance of the Department of Insurance. A report to the Court of the expenditure of these
15 funds shall not be required;

16 4. In accordance with the six month waiting period of the Code of Civil
17 Procedure section 1517, the Commissioner, as to disbursements that are either undeliverable or as
18 to which issued checks have not then been negotiated, is authorized to void such checks as have
19 not then been negotiated and escheat all undeliverable amounts and amounts of non-negotiated
20 checks to the Insurance Fund.

21 5. The Commissioner is authorized to maintain in the Conservation &
22 Liquidation Office imaged databases of all records of FPIC for a period of three years from the
23 date of the Court's order, and thereafter the Commissioner is authorized to destroy all records of
24 Respondent FPIC, except for those records necessary for examination by the Department of
25 Finance or the auditor of the Commissioner's books and records pursuant to Insurance Code
26 section 1061;

27 6. The estate of FPIC shall be closed and the Commissioner shall be
28 discharged as liquidator upon the filing of a declaration that the Commissioner has distributed the

1 assets of FPIC in accordance with this Court's order approving final distribution. The
2 Commissioner, his Special Deputies, the Conservation and Liquidation Office, its employees, the
3 California Department of Insurance, and its personnel, and the Commissioner's agents and
4 attorneys, shall be, upon such filing, DISCHARGED from any and all claims, debts, liabilities, or
5 duties to further account for the assets or liabilities of FPIC through the date of the declaration,
6 and shall have no liability of any kind or nature for such claims or debts; and

7 7. The Commissioner is authorized to take any action and execute all
8 documents necessary to accomplish the purpose of this order.

9 IT IS SO ORDERED

10 Date _____

11 THE HONORABLE RONALD S. PRAGER
12 JUDGE OF THE SUPERIOR COURT

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16
17
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27
28

DECLARATION OF SERVICE BY MESSENGER

Case Name: **Insurance Commissioner of the State of California v. Frontier Pacific Insurance Company, a California Corporation**

Case No.: **GIC774028**

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: 110 West A Street, Suite 1100, P.O. Box 85266, San Diego, CA 92186-5266.

On May 26, 2015, I caused the attached **[PROPOSED] ORDER APPROVING LIQUIDATOR'S FINAL REPORT AND ACCOUNTING, AND FINAL DISTRIBUTION OF ASSETS OF THE ESTATE OF FRONTIER PACIFIC INSURANCE COMPANY** to be personally served by **[ACE Services]** by placing a true copy thereof for delivery to the following person(s) at the address(es) as follows:

Kevin Lewis
National Indemnity Company
Berkshire Hathaway Group –
Reinsurance Division
100 First Stamford Place
Stamford, CT 06902

New York Property and Casualty
Insurance Guarantee Fund
1 Commerce Plaza, 20th Floor
New York, NY 12257

Chief Executive Officer
Frontier Insurance Company
195 Lake Louise Marie
Rock Hill, NY 12775-2100

Willard Roberts Estate Trust Officer
Conservation & Liquidation Office
100 Pine St., 26th Floor
San Francisco, CA 94111

Joseph Termine
Special Deputy Superintendent
State of New York Insurance Dept.
Liquidation Bureau
123 William Street
New York, NY 10038

Christopher L. Dueringer, Esq.
Bryan Cave LLP
120 Broadway, Suite 300
Santa Monica, CA 90401-2305

Andrew Pearson, Esq.
Marks, Golia & Finch, LLP
3900 Harney Street, First Floor
San Diego, CA 92110-2825

Wayne Wilson
Executive Director
California Insurance Guarantee Assn.
101 North Brand, Suite 600
Glendale, CA 91209

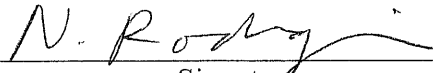
South Carolina Property and Casualty
Insurance Guaranty Association
Attn: Edward Moon, Claims Supervisor
One Greystone Building, Suite 101
240 Stoneridge Drive
Columbia, CA 29201

Jeffery D. Goetz, Esq
Bradshaw, Fowler, Proctor and
Fairgrave PC
801 Grand Ave., Suite 3700
Des Moines, IA 50309

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct and that this declaration was executed on May 26, 2015, at San Diego, California.

N. Rodriguez

Declarant



Signature