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DEC 2 2024 RCVD

6 Attorneys for Insurance Commissioner as Trustee

7 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
8 **FOR THE COUNTY OF LOS ANGELES**

9 CHARLES QUACKENBUSH, Insurance
Commissioner of the State of California,

10 Applicant,

11 vs.

12 MISSION INSURANCE COMPANY, a
13 California corporation, et al

14 Respondent.

Case No. C 572 724

Honorable Teresa A. Beaudet

**STATUS REPORT FOR MISSION
INSURANCE COMPANY TRUST,
MISSION NATIONAL INSURANCE
COMPANY TRUST AND ENTERPRISE
INSURANCE COMPANY TRUST**

15 Consolidated with Case Numbers

16 C 576 324; C 576 416;
17 C 576 323; C 576 325; C 629709

**December 9, 2024
Time: 10:00 a.m.
Department 50**

Action Filed: October 31, 1985

28 STATUS REPORT FOR MISSION INSURANCE COMPANY TRUST, MISSION NATIONAL INSURANCE
COMPANY TRUST AND ENTERPRISE INSURANCE COMPANY TRUST - 1

1 Ricardo Lara, Insurance Commissioner of the State of California, in his capacity as Trustee
2 of the Mission Insurance Company Trust, the Mission National Insurance Company Trust, and the
3 Enterprise Insurance Company Trust, respectfully submits this Status Report and shows:
4

5
6 **Nature of the Proceedings**

7 Mission Insurance Company, Mission National Insurance Company and Enterprise
8 Insurance Company (“The Mission Companies”), three substantial property and casualty insurance
9 companies, entered conservation proceedings on October 31, 1985. They entered liquidation
10 proceedings on February 24, 1987. As part of the process of administering these liquidation estates,
11 their assets were transferred by order of this Court to the Mission Insurance Company Trust, the
12 Mission National Insurance Company Trust, and the Enterprise Insurance Company Trust (the
13 “Mission Companies’ Trusts”).
14

15 **The Progress in Fixing the Claims, Valuing Assets and Making Distributions**

16 The Insurance Commissioner previously reported that the claims process has been
17 completed, and all proofs of claim determined, resulting in substantial distributions of assets.
18

19 Each approved policyholder priority creditor of each of the Mission Companies has
20 received all the principal amount of its claim, and in the case of Mission National Insurance
21 Company Trust, a substantial interest payment. Each general creditor of Mission National
22 Insurance Company Trust has received one hundred percent of the approved principal amount of
23 its claim, and the general creditors of Mission Insurance Company Trust and Enterprise Insurance
24 Company Trust have received substantial but not one hundred percent distributions on their general
25 creditor claims.
26

27 This Court entered its Closing Order for the eventual wind-up of these trusts, but the trusts

1 remain open to collect assets and make distributions.

2 Prior status reports advised two assets remaining for collection by the Trusts. The
3 Commissioner is pleased to report that the principal asset owing to the Mission Insurance
4 Company Trust appears on the verge of achieving a substantial collection.

5
6 Holland-America Insurance Company Trust, a sister company of the Mission Companies'
7 Trusts in receivership in Missouri, owes Mission Insurance Company Trust a substantial sum on
8 a general creditor proof of claim. While Holland-America Insurance Company Trust has paid its
9 policyholder claims, it has been for many years in the process of seeking its release from the United
10 States of any super-priority claims.

11
12 Although Mission Insurance Company Trust, Mission National Insurance Company Trust
13 and Enterprise Insurance Company Trust obtained their releases some years ago, the Holland-
14 America Insurance Company Trust had been negotiating the terms of a super-priority release with
15 the United States.

16
17 The news is good. Since the last status conference, the Insurance Commissioner as Trustee,
18 through counsel, has followed up with counsel for the Missouri director of insurance as trustee of
19 the Holland-America Insurance Company Trust. The Missouri trustee has reached an agreement
20 in principle with the United States, which is in the process of being documented. When that
21 agreement has been converted to writing, it is expected to create conditions that will permit a
22 substantial dividend from Holland-America Insurance Company Trust to its creditors, including
23 its primary creditor, Mission Insurance Company Trust. This will enable Mission Insurance
24 Company Trust to make a distribution to its general creditors, including Enterprise Insurance
25 Company Trust. This will further enable Enterprise Insurance Company Trust to make
26 distributions to, among other creditors, Mission National Insurance Company Trust. In turn,

1 Mission National Insurance Company Trust will be able to distribute an interest payment to its
2 approved proof of claim holders.

3 The process will require some steps. The Missouri Director as Trustee and the United
4 States will need to document the agreement in principle, and the Missouri receivership court may
5 need to approve it. The Missouri Director as Trustee will need to follow whatever steps Missouri
6 law requires to authorize the distributions to creditors. Then in this Court, the Insurance
7 Commissioner as Trustee will seek this Court's approval of the distribution, as the Insurance
8 Commissioner has done with each major distribution. But despite these procedural steps, it now
9 appears that 2025 will bring the Holland-America Insurance Company distribution at last.
10

11 The last remaining asset is another approved proof of claim in a receivership outside
12 California. This one arises against Universale Ruckversicherungs (Universale), a Swiss reinsurer
13 in receivership, also owes money to Mission Insurance Company Trust, Mission National
14 Insurance Company Trust and the Enterprise Insurance Company Trust. The estate has assets, but
15 has been in the process of seeking to liquidate them for distribution. But the process of the Swiss
16 receivers to realize on the last assets of this estate has not proven to be quick. The trusts should
17 stay open for collection of this asset.
18

19 The Insurance Commissioner as Trustee attaches the financial statements for the trusts as
20 Exhibit A.
21

22 The Insurance Commissioner as Trustee seeks to complete the wind-up, but the trusts
23 should stay in existence until their assets are collected and distributed. The Insurance
24 Commissioner as Trustee requests that the Court set a further status conference in late 2025. But
25 the Commissioner's hope is that the funds will be received from Missouri long before that time,
26 resulting in a motion to approve a distribution being filed earlier in 2025.
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Respectfully submitted,
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Attorneys for Insurance Commissioner as
Trustee

CONSOLIDATED: Mission Ins Cos
STATEMENT OF ASSETS AND LIABILITIES
As of September 30, 2024

	672	170	
	<u>Mission</u>	<u>Mission National</u>	<u>TOTAL</u>
ASSETS			
Participation in pooled investments, at market	2,388,300	3,488,700	5,877,100
Accrued investment income	17,100	24,600	41,700
Recoverable from reinsurers	649,700	1,793,200	2,442,900
Receivable from affiliates	23,816,400	-	23,816,400
Total Available Assets	26,871,500	5,306,500	32,178,100
LIABILITIES			
Secured claims	1,414,400	1,501,700	2,916,100
Accrued administrative expenses	-	-	-
Claims against policies, including guaranty associations, before distributions	846,832,600	596,098,500	1,442,931,000
Early access and other Class 2 distributions	(846,832,600)	(536,482,600)	(1,383,315,200)
Payable to affiliates	78,724,300	36,075,900	114,800,200
All other claims	(4,663,000)	(19,237,800)	(23,900,900)
Total Estimated Liabilities	75,475,700	77,955,700	153,431,200
NET ASSETS (DEFICIENCY)	(48,604,200)	(72,649,200)	(121,253,100)
ADMIN EXPENSES			
Legal expenses	1,500	500	2,000
Consultants and temps	14,400	10,500	24,900
Office expenses	470,600	-	470,600
Allocated overhead expenses	112,800	60,700	173,500
	599,300	71,700	671,000

CONSOLIDATED: Mission Ins Cos
STATEMENT OF ASSETS AND LIABILITIES
As of September 30, 2024

	672	170	
	Mission	Mission National	TOTAL
ASSETS detail			
Cash and Investments			
12001	2,388,335	3,488,715	5,877,050
	<u>2,388,335</u>	<u>3,488,715</u>	<u>5,877,050</u>
13015	17,114	24,603	41,717
Reinsurance Receivable			
13001	649,734	1,793,162	2,442,895
	<u>649,734</u>	<u>1,793,162</u>	<u>2,442,895</u>
Receivable from affiliates			
13012.EIC	-	6,900,203	6,900,203
13012.HAIC	39,649,980	-	39,649,980
13012.1	(15,833,536)	(6,900,203)	(22,733,739)
	<u>23,816,444</u>	<u>-</u>	<u>23,816,444</u>
	<u>26,871,627</u>	<u>5,306,480</u>	<u>32,178,107</u>
Total Available Assets			
LIABILITIES detail			
Secured Claims			
22001	1,414,444	1,501,677	2,916,121
	<u>1,414,444</u>	<u>1,501,677</u>	<u>2,916,121</u>
Class 1: Payables and Accrued Expenses			
25001	1	1	2
	<u>1</u>	<u>1</u>	<u>2</u>
Class 2: Losses, Reserves and non-IGA Claims			
28001	-	110,872,815	110,872,815
28006	661,199,259	284,717,623	945,916,882
29001	185,633,302	200,508,039	386,141,341
	<u>846,832,561</u>	<u>596,098,477</u>	<u>1,442,931,038</u>
Early Access and Other Class 2 Distributions			
28007	(661,199,259)	(358,838,212)	(1,020,037,471)
41005	(177,960,427)	(175,029,447)	(352,989,874)
41012	(7,672,875)	(2,614,935)	(10,287,810)
	<u>(846,832,560)</u>	<u>(536,482,595)</u>	<u>(1,383,315,155)</u>
Class 3, 5 & 6: Calif and Federal claims			
27003	111,132	-	111,132
41002	(111,132)	-	(111,132)
	<u>-</u>	<u>-</u>	<u>-</u>

CONSOLIDATED: Mission Ins Cos
STATEMENT OF ASSETS AND LIABILITIES
As of September 30, 2024

		672	170	
		<u>Mission</u>	<u>Mission National</u>	<u>TOTAL</u>
Class 7: Payable to Affiliates				
30002.MIC	Payable to Mission	-	22,778,042	22,778,042
30002.MNIC	Payable to Mission National	21,729,091	-	21,729,091
30002.EIC	Payable to Enterprise	40,205,805	-	40,205,805
30002.HAIC	Payable to Holland America	11,543,156	-	11,543,156
30002.MRC	Payable to Mission Re	5,246,200	-	5,246,200
30002.INT	Interest Payable to Affiliates	-	13,297,901	13,297,901
	Class 7 Payable to Affiliates	<u>78,724,251</u>	<u>36,075,943</u>	<u>114,800,193</u>
Class 7: All Other Claims				
30001	Accounts Payable-Pre Liquidation	-	-	-
30005	Reinsurance Payable	383,122,808	5,396,962	388,519,771
30008	Other Class 7 Liabilities	2,255,708	2,442,517	4,698,225
41006	Class 7 Distributions	(390,041,525)	(27,077,326)	(417,118,852)
	Class 7 Liabilities	<u>(4,663,009)</u>	<u>(19,237,847)</u>	<u>(23,900,856)</u>
	Total Estimated Liabilities	<u><u>75,475,687</u></u>	<u><u>77,955,656</u></u>	<u><u>153,431,343</u></u>
	NET ASSETS (DEFICIENCY)	<u><u>(48,604,060)</u></u>	<u><u>(72,649,176)</u></u>	<u><u>(121,253,237)</u></u>

PROOF OF SERVICE: By REGULAR MAIL
(Code Civ. Proc., ' ' 1013, 2015.5)

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STATE OF TEXAS, COUNTY OF DALLAS.

I am employed in the County of Dallas, State of Texas. I am over the age of 18 and not a party to the within action; my business address is 245 Cedar Sage Drive, Suite 240, Garland, Texas 75040.

On this date, I served the foregoing document described as **STATUS REPORT FOR MISSION INSURANCE COMPANY TRUST, MISSION NATIONAL INSURANCE COMPANY TRUST AND ENTERPRISE INSURANCE COMPANY TRUST** by placing a copy thereof enclosed in sealed envelopes addressed as follows:

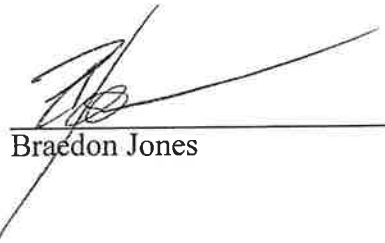
Sent via FIRST CLASS MAIL to:
The Attached List

I am readily familiar with my employer's practices of collection and processing correspondence for mailing with the U.S. Postal Service and the above-referenced correspondence will be deposited with the U.S. Postal Service on the same date as stated below, following the ordinary course of business.

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

(Federal) I declare that I am employed by the office of a member of the bar of this court at whose direction the service was made.

Executed on November 22, 2024 at Garland, Texas.



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