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

9 Attorneys for Ricardo Lara, Insurance Commissioner
of the State of California in his Capacity as
10 Rehabilitator/Liquidator of Executive Life Insurance
Company
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12 SUPERIOR COURT OF THE STATE OF CALIFORNIA
13 COUNTY OF LOS ANGELES, CENTRAL DISTRICT

14 INSURANCE COMMISSIONER OF THE
STATE OF CALIFORNIA,

15 Applicant,

16 v.

17 EXECUTIVE LIFE INSURANCE
18 COMPANY, a California corporation, and
DOES 1 through 1000, inclusive,

19 Respondents.
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Case No. BS 006912

**PROGRESS UPDATE OF INSURANCE
COMMISSIONER AS LIQUIDATOR OF
EXECUTIVE LIFE INSURANCE
COMPANY PURSUANT TO
DECEMBER 4, 2019 ORDER**

**Dept: 72
Judge: Hon. Ruth A. Kwan**

1 The Insurance Commissioner as Liquidator of Executive Life Insurance Company hereby
2 files his progress update to apprise the Court of interim progress made by the Commissioner in
3 effectuating the provisions of the Order Granting Insurance Commissioner's Application for
4 Order: (1) Approving Final Accounting; (2) Approving Closing Budget; (3) Approving Document
5 Destruction Plan; (4) Approving Final Distribution Plan; (5) Dissolving Executive Life Insurance
6 Company and Discharging the Commissioner After Filing of a Declaration of Compliance; and
7 (6) Establishing Procedures for Dismissing and Terminating Proceedings ("December 4th Order").

8 This progress update is provided pursuant to paragraph 8 of the December 4th Order, which
9 provides in part: "To apprise the Court of the Commissioner's interim progress under this Order,
10 the Commissioner shall file a progress update on the anniversary date of the entry of this Order."

11 Under paragraph 6 of the December 4th Order the Commissioner was authorized to make a
12 final distribution of all residual assets of the Executive Life Insurance Company estate.

13 Accordingly, on July 1, 2020, the Commissioner distributed \$79,181,142 to Non Opt-Out and
14 Opt-Out policyholders net of expenses. Non Opt-Out policyholders received \$52,846,885 which
15 was \$209,556 less than projected at the time of the December 4th Order due to closing budget
16 increases resulting from the Commissioner's Court-approved settlement with National Structured
17 Settlements Trade Association, *et al.*, and a true up of legal expenses. Opt-Out policyholders
18 received \$26,334,257, which was \$446,586 more than projected at the time of the December 4th
19 Order. This increase was due to an upward revision of funds available for distribution to Opt-Out
20 policyholders. The Commissioner was authorized to make the foregoing adjustments under
21 paragraph 6 of the December 4th Order authorizing the Commissioner to make modifications to
22 the assets available for distribution as he deems appropriate by reason of accounting adjustments,
23 true-ups of expected tax recovery and investment returns and the resolution of the then pending
24 Order to Show Cause proceeding brought by National Structured Settlements Trade Association,
25 *et al.*

26 On July 31, 2020, following the July 1, 2020 distribution, the Opt-Out Trust held funds
27 relating to unclaimed distributions amounting to \$12.2 million (\$9.6 million of which were funds
28 remaining unclaimed in previous distributions). Since then the estate has identified certain

1 policyholders, corrected mailing addresses and distributed \$1.7 million of the held funds. The
2 CLO is continuing its effort to identify and distribute additional funds before they will need to be
3 escheated to the various state unclaimed funds departments.

4 The Commissioner has projected that all actions pursuant to the December 4th Order will
5 be completed by July 31, 2021. During the period leading up to that date, the Commissioner is
6 vigorously working on certain administrative initiatives; for example, the preparation of tax
7 notices (1099s), as well as an outreach to policyholders who have not in the past updated either
8 their addresses or point of contact. This outreach effort is being made in order to provide
9 unclaimed funds to policyholders prior to the date of required escheatment to the unclaimed
10 property departments of 54 states and territories of the United States.

11 Currently the remaining funds in the closing budget approved in the December 4th Order
12 are expected to be adequate to fund the foregoing tasks. As provided in the December 4th Order,
13 if the closing budget is not fully utilized for the closing of the estate, the excess funds not utilized
14 are to be deposited in the California Department of Insurance expense fund. December 4th Order,
15 Paragraph 4.

16 Pursuant to paragraphs 8 and 9 of the December 4th Order this case is to be terminated
17 upon the filing by the Commissioner of a Declaration of Compliance with the December 4th Order

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1 and a Request for Dismissal. The Commissioner currently anticipates that the foregoing filings
2 will occur on or about August 1, 2021.

3 Dated: December 4, 2020

4 Respectfully Submitted:

5 CYNTHIA J. LARSEN
6 ORRICK, HERRINGTON & SUTCLIFFE LLP

7 KAREN HO
8 ERVIN COHEN & JESSUP LLP

9 By: 

10 CYNTHIA J. LARSEN

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12 Commissioner of the State of California in his
13 Capacity as Rehabilitator/Liquidator of
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