

1 ROBERT H. NUNNALLY, JR.
2 State Bar Number 134151
3 WISENER★NUNNALLY★GOLD, LLP
4 625 West Centerville Road, Suite 110
5 Garland, Texas 75041
6 (972) 840-9080
7 Fax (972) 840-6575

8 Attorneys for Insurance Commissioner

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
10 FOR THE COUNTY OF LOS ANGELES

11 STEVE POIZNER, Insurance
12 Commissioner of the State of
13 California,

14 Applicant,

15 vs.

16 MISSION INSURANCE
17 COMPANY, a California
18 corporation,

19 Respondent.

Case No. C 572 724

Honorable John Shepard Wiley Jr.

THE INSURANCE
COMMISSIONER'S STATUS
CONFERENCE REPORT

20 Consolidated with Case Numbers

21 C 576 324; C 576 416;
22 C 576 323; C 576 325; C 629709

Date: October 3, 2008
Time: 8:30 a.m.
Department 50

Action Filed: October 31, 1985

23 Steve Poizner, Insurance Commissioner of the State of California, in
24 his capacity as Trustee of the Mission Insurance Company Trust, the
25 Mission National Insurance Company Trust and the Enterprise Insurance
26 Company Trust ("Insurance Commissioner"), hereby submits this Status
27 Report and advises the Court as follows:
28

I. Insurance Commissioner's Closing Status

At the last status conference, the Insurance Commissioner advised the Court that he would submit an application regarding the shares distribution for the Mission National Insurance Company Trust and regarding interest payments for Mission National Insurance Company Trust. That motion is on file with the Court, to be heard at the time of this status conference.

The Insurance Commissioner has determined that a substantial distribution may be made to general creditors of the Mission Insurance Company Trust this year, and is readying a motion to approve this distribution. The Insurance Commissioner has determined that a substantial distribution may be made of interest to appropriate approved claimants in Mission National Insurance Company Trust this year, and is readying a motion to approve this distribution. Both motions will be on file within the next thirty days.

These estates operate in the closing stages, with the substantial portion of the assets of the estates distributed to policyholders and general creditors. A substantial sum is being held in reserve in the trusts, pending final wind-up. Sums continue to be collected from the reinsurance debtors of the estates, including in particular insolvent reinsurers which owe the Trusts reinsurance proceeds.

The Rehabilitation Plan Implementation Agreement requires the distribution of Covanta Holding Corporation shares to as Receiver of Holland-America Insurance Company Trust. Mission Insurance Company Trust is a creditor of that Missouri entity. Mission Insurance Company Trust has a substantial approved claim against Holland-America Insurance Company Trust. Holland-America Insurance Company Trust has assets sufficient to satisfy a substantial portion of the claims. The Missouri

1 Receiver's attorneys advise that they are working out some minor creditor
2 issues before negotiating the conditions for payment of the funds.

3 This Court has previously approved the Rehabilitation Plan
4 Implementation Agreement with Covanta Holding Corporation. Pursuant
5 to this plan, Covanta Holding Corporation assumed the duty to process the
6 Latent Deficiency Claims.

7 The steps to be followed this year to substantially advance wind-up
8 include:

9 A. the motion before the Court to approve the Mission National
10 Insurance Company Trust valuations;

11 B. the subsequent motions to approve the dollar amount and
12 logistics of cash distribution;

13 C. the actual distribution late this year or early next year of the
14 sums to be distributed;

15 D. the distribution of the shares of Covanta Holding Corporation
16 shares.

17 The ongoing closing process will continue to involve:

18 A. The holding of reserves for unexpected contingencies;

19 B. The collection of further sums due to the estates, including
20 sums due from the Holland-America Insurance Company Trust wind-up,
21 from the Centaur Insurance Company wind-up and from reinsurer debtors
22 of the Mission companies;

23 C. The completion of appropriate unclaimed property procedures.

24 A copy of the current draft financial statements for the trusts is attached as
25 Exhibit "A".

26 The Insurance Commissioner's Conclusion

27 Covanta Holding Corporation's continued progress on the remaining
28 steps it is to complete under the Rehabilitation Plan Implementation

1 Agreement will continue to move this matter toward final wind-up. The
2 Insurance Commissioner continues to collect sums due to the Trusts, but
3 the case does not require frequent hearings in light of its status in closing
4 process. The goal remains to collect the remaining assets and deal with the
5 rehabilitation plan issues, so as to reduce the administration to the
6 collection of the last sums due, and, upon passage of a sufficient time,
7 distribution of the assets held in reserve.

8 The Insurance Commissioner suggests that a further status
9 conference be set in January 2009.

10 Respectfully Submitted,

11 Wisener ★ Nunnally ★ Gold, L.L.P

12
13 By: 

14 Robert H. Nunnally, Jr. [134151]
15 625 W. Centerville Road, Suite 110
16 Garland, Texas 75041
17 T: 972.840.9080
18 F: 972.840.6575
19
20
21
22
23
24
25
26
27
28

CONSOLIDATED: Mission Ins Cos
STATEMENT OF AVAILABLE ASSETS AND ESTIMATED LIABILITIES
As of June 30, 2008

	672	170	540	TOTAL
	Mission	Mission National	Enterprise	
ASSETS				
Cash and cash equivalents:				
Restricted	574,000	-	-	574,000
Participation in pooled investments, at market	115,803,000	111,021,000	960,000	227,784,000
Non-pooled short-term investments, at market	-	-	-	-
Unrestricted	-	-	1,036,000	1,036,000
Other securities held	21,377,000	7,286,000	-	28,663,000
Accrued investment income	789,000	753,000	8,000	1,550,000
Recoverable from reinsurers	10,603,000	1,079,000	-	11,682,000
Receivable from affiliates	77,415,000	-	-	77,415,000
Other receivable	-	163,000	-	163,000
Total Available Assets	226,561,000	120,303,000	2,004,000	348,868,000
LIABILITIES				
Secured claims	1,481,000	661,000	515,000	2,657,000
Administrative expenses (Class 1)	77,583,000	15,867,000	579,000	94,029,000
Claims against policies, including guarantee associations (Class 2), before distributions	839,160,000	399,174,000	120,573,000	1,358,907,000
Early access and other Class 2 distributions Payable to Affiliates (Class 7)	(838,957,000)	(398,929,000)	(120,573,000)	(1,358,459,000)
All other claims (Class 7)	78,724,000	22,778,000	35,556,000	137,058,000
Total Estimated Liabilities	222,857,000	(22,778,000)	77,000	200,156,000
	380,848,000	16,773,000	36,728,000	434,349,000
NET ASSETS (DEFICIENCY)	(154,287,000)	103,530,000	(34,723,000)	(85,481,000)

New York Liquidation Bureau
Attn: Mission - Nicholas L. Cremonese
123 William Street
New York, New York 10038-3889

John Horner
Conservation & Liquidation Office
P.O. Box 26894
San Francisco, CA 94126

Robb Canning, Vice President
Guy Carpenter
One State Street, Suite 1500
Hartford, CT 06103

John C. Craft, Esq.
Lathrop & Gage Law Offices
2345 Grand Blvd. Suite 2800
Kansas City, MO. 64108-2612

Pamela Webster, Esq.
Buchalter, Nemer, A Professional Corporation
1000 Wilshire Blvd., 15th Floor
Los Angeles, CA 90017

Jean L. Bertrand, Esq.
Morgenstein & Jubelirer
One Market Plaza, Spear St., 32d Fl
San Francisco, CA 94105

General Counsel
GAF Corporation
1361 Alps Road
Wayne, NJ 07470

Eric Lipsitt, Esq.
Howard & Howard Attorneys, PC
39400 Woodward Ave Ste 101
Bloomfield Hills, MI 48304

Scott Pearce
Conservation & Liquidation Office
P.O. Box 26894
San Francisco, CA 94126

Dean Hansell, Esq.
Dewey & LeBoeuf LLP
333 South Grand Ave., Ste 2600
Los Angeles, CA 71-1530

C. Guerry Collins, Esq.
Lord, Bissell & Brook
300 South Grand Avenue, 8th Floor
Los Angeles, CA 90071

Lawrence Mulryan
California Insurance Guarantee
700 N. Brand Blvd. #12TH-FL
Glendale, CA 91203-1247

Mark Egerman, Esq.
9401 Wilshire Boulevard #500
Beverly Hills, CA 90212

Stephan Mills, Esq.
Zemanek & Mills
11845 W. Olympic Blvd, Suite 625
Los Angeles, CA 90064

Keith Wenzel
Missouri Department of Insurance
P.O. Box 690
Jefferson City, MO 65102

Jack Hom, Esq.
California Dept. of Insurance
45 Fremont Street, 24th Floor
San Francisco, CA 94105

Jennifer A. Brennan
Gilbert Heintz & Randolph LLP
1100 New York Ave., NW, Ste 700
Washington, DC 20005-3987

Bradley J. Bening
Willoughby, Stuart & Bening
50 West San Fernando, Suite 400
San Jose, CA 95113

Wendy L. Feng
Covington & Burling
One Front Street
San Francisco, CA 94111

Michael L. Cioffi
Blank Rome, LLP
PNC Center 201 East Fifth St., Ste. 1700
Cincinnati, OH 45202

Stephen A. Marshall
Sonnenschein Nath & Rosenthal, L.L.P.
1221 Avenue of the Americas, 24th Floor
New York, NY 10020-1089

Amy Fink, Esq.
Howrey, Simon, Arnold & White, L.L.P.
550 S. Hope St., 14th Floor
Los Angeles, CA 90071

Vernon K. Jones
29518 Rd. 156
Visalia, CA 93295

Lawrence James Less
Less & Weaver Attorneys At Law
Sutter Plaza 1388 Sutter St., Suite 800
San Francisco, CA. 94109-5453

Jordan Stanzler, Esq.
Stanzler, Funderburk, & Castellon, L.L.P.
180 Montgomery St. Suite 1700
San Francisco, CA. 94104

Robert M. Mason, III, Esq.
Bergman & Dacey, Inc.
10880 Wilshire Blvd., Suite 900
Los Angeles, CA. 90024

John E.V. Pieski, Esq.
Suite 400 Kane Building
116 North Washington Avenue
Scranton, PA 18501-0234

Monika P. Lee, Esq.
Heller Ehrman White & McAuliffe LLP
333 Bush Street
San Francisco, CA. 94104-2878

David DeGroot, Esq.
Sheppard, Mullin, Richter & Hampton, LLP
Four Embarcadero Center, 17th Floor
San Francisco, CA. 94111

David P. Schack
Kirkpatrick & Lockhart, L.L.P.
10100 Santa Monica Blvd., 7th Floor
Los Angeles, CA.90067

David G. Stone
Neal, Gerber & Eisenberg, LLP
2 N. LaSalle Street, Suite 2200
Chicago, IL 60602

Claudia M. Morehead, Esq.
Lewis Brisbois Bisgaard & Smith, LLP
650 Town Center Dr. Suite 1400
Costa Mesa, CA 92626

D. Douglas Shureen
McMillan & Shureen
50 Santa Rosa Ave., 5th Floor
Santa Rosa, CA 95404

Darrell J. Hieber, Esq.
Skadden, Arps, Slate, Meagher & Flom, L.L.P.
300 S. Grand Ave., Ste. 3400
Los Angeles, CA 90071

Gregory O. Eisenreich
Barger & Wolen LLP
633 W. 5th Street, 47th Floor
Los Angeles, California 90071

James D. Scrimgeour, Esq.
St. Paul Travelers Companies, Inc.
One Tower Square
Hartford, CT 06101

Michael W. Rhodes
Lathrop & Gage L.C.
2345 Grand Blvd., Ste. 2800
Kansas City, MO 64108-2684

Michael S. Greenberg
Heller Ehrman LLP
333 Bush Street
San Francisco, CA94104-2878

Kim Winter
Lathrop & Gage L.C.
2345 Grand Blvd., Ste. 2800
Kansas City, MO 64108-2684

