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11 Attorneys for Applicant Ricardo Lara,
Insurance Commissioner of the State of California
12 in his Capacity as Liquidator of
CastlePoint National Insurance Company
13

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

14 SUPERIOR COURT OF THE STATE OF CALIFORNIA
15 CITY AND COUNTY OF SAN FRANCISCO
16

17 INSURANCE COMMISSIONER OF THE
STATE OF CALIFORNIA,

18 Applicant,

19 v.

20 CASTLEPOINT NATIONAL INSURANCE
21 COMPANY, and DOES 1-50, inclusive,

22 Respondents.
23
24
25
26
27
28

Case No. CPF-16-515183

Reservation No. [N/A]

**DECLARATION OF JOSEPH
HOLLOWAY IN SUPPORT OF
APPLICATION FOR ORDER
AUTHORIZING: (1) EARLY ACCESS
DISTRIBUTION OF ASSETS TO
STATE INSURANCE GUARANTY
FUNDS; AND (2) SETTLEMENT
AGREEMENT AND EARLY
HARDSHIP PARTIAL
DISTRIBUTION OF FUNDS TO
CLASS TWO CLAIMANT KAREN
WILKIE**

**Date: September 15, 2022
Time: 9:30 a.m.
Dept: 302
Judge: Hon. Ethan P. Schulman**

1 I, Joseph Holloway, hereby declare:

2 1. I make this declaration in support of the *Application for Order Authorizing:*
3 *(1) Early Access Distribution of Assets to State Insurance Guaranty Funds; and (2) Early*
4 *Hardship Partial Distribution to Class Two Claimant Karen Wilkie* (“Application”). The
5 following facts are known by me to be true and correct of my own personal knowledge, except as
6 to those that I have expressed as being based upon my information and belief. If called as a
7 witness to testify thereon, I could and would competently do so.

8 2. I am currently the Chief Executive Officer of the California Insurance
9 Commissioner’s Conservation & Liquidation Office (“CLO”) and the Liquidation Manager for
10 CastlePoint National Insurance Company in Liquidation (“CastlePoint”). I served in the role as
11 the on-site Conservation Manager for CastlePoint National Insurance Company in Conservation
12 during the period from July 28, 2016 through March 31, 2017 (the “Conservation Period”) and as
13 the Liquidation Manager for CastlePoint from April 1, 2017 (the “Liquidation Date”) until the
14 date hereof. Having served in these roles, I am fully familiar with all aspects of the conservation
15 and liquidation of CastlePoint.

16 3. I have a Bachelor of Arts degree in Accounting from North Carolina State
17 University and hold the designation of Certified Financial Examiner from the Society of Financial
18 Examiners. From 1985 to 2005, I worked as an examiner, regulatory specialist, and chief forensic
19 accountant for the North Carolina Department of Insurance. Since 2005, I have worked for the
20 Commissioner’s CLO. I have over 35 years of experience working with insurance companies
21 experiencing financial difficulties, including companies in supervision, conservation,
22 rehabilitation, and liquidation.

23 4. I am empowered under Paragraphs 3 and 4 of the Court’s March 30, 2017
24 Liquidation Order for CastlePoint National Insurance Company (“Liquidation Order”), and I was
25 previously empowered under Paragraph 18 of the Court’s July 28, 2016 Order Appointing
26 Insurance Commissioner As Conservator and Restraining Orders (“Conservation Order”), to carry
27 out all the duties of and exercise the authority of the Insurance Commissioner (previously Dave
28

1 Jones and now Ricardo Lara) in his statutory capacity as liquidator (formerly conservator) of
2 CastlePoint as delegated to me in the management of CastlePoint.

3 5. The Commissioner was appointed as conservator of respondent CastlePoint by the
4 Court on July 28, 2016, and was thereafter appointed as liquidator of CastlePoint by the Court on
5 March 30, 2017, pursuant to Insurance Code sections 1011 and 1016, respectively.

6 6. In aid and fulfillment of the Commissioner's role as liquidator, Insurance Code
7 section 1035.5(a) provides that the Commissioner may apply for and obtain Court approval of a
8 proposal to disburse the insurer's assets to state insurance guaranty funds as follows:

9 Within 120 days of the issuance of an order directing the winding up and
10 liquidation of the business of an insolvent insurer under Section 1016, the commissioner
11 shall make application to the court for approval of a proposal to disburse the insurer's
12 assets, from time to time as such assets become available, to the California Insurance
Guarantee Association, or the California Life and Health Insurance Guarantee
Association, and to any entity or person performing a similar function in another state.

13 Insurance Code, Section 1035.5(a). Such proposed distributions shall be in "amounts estimated at
14 least equal to the payment made or to be made by the associations for which such associations
15 could assert a claim against the commissioner" under Insurance Code Section 1035.5(c).

16 7. In addition, the Liquidation Order itself directs the Commissioner to "liquidate and
17 wind up the business of CastlePoint and to act in all ways and exercise all powers necessary for
18 the purpose of carrying out this Order and the liquidation provisions of the Insurance Code,
19 Insurance Code sections 1010 et seq." Liquidation Order, Paragraph 4. The Commissioner has
20 concluded that the estate of CastlePoint now possesses sufficient funds to make an early access
21 distribution to state insurance guaranty funds or similar entities, after reserving for amounts
22 described in Section 1035.5(b)(1). Accordingly, the Commissioner proposes to distribute
23 approximately \$60,028,780 to state insurance guaranty funds or similar entities representing
24 amounts for which they could assert a claim against the Commissioner, as itemized in the
25 Commissioner's "Proposed Distributions to Insurance Guaranty Funds from the CastlePoint
26 Estate," a true and correct copy of which is attached hereto as Exhibit A and incorporated herein
27 by this reference.

1 8. Specifically, pursuant to Section 1035.5(b)(1), the Commissioner's proposal
2 makes appropriate provisions for the payment of administrative costs, for the payment of the
3 claims of secured creditors to the extent of the value of the security held, and for claims falling
4 within the priorities established in Insurance Code, section 1033(a)(1)-(4). The CastlePoint estate
5 has accrued administrative costs as of year-end 2021 at administrative costs of \$7,029,681 and
6 liability for secured claims of \$105,455, for a total for the two categories of \$7,135,136, as shown
7 Commissioner's balance sheet entitled "CastlePoint National Estate Statement of Net Assets in
8 Liquidation as of December 31, 2021," a true and correct copy of which is attached hereto as
9 Exhibit B and incorporated herein by this reference. As of December 31, 2021, in addition to
10 other assets, the Commissioner has retained a total of \$271,319,233 in available assets, including
11 cash and cash equivalents, participation in pooled investments, and non-pooled short-term
12 investments. The Net Assets shown in Exhibit B have not materially changed since year-end
13 2021.

14 9. As shown in Exhibit A, at this time a total of forty-six (46) guaranty funds are
15 entitled, after the offset of statutory credits under Section 1035.5(d), to an aggregate amount of
16 \$60,028,780 in amounts paid on claims under CastlePoint policies and related loss adjustment
17 expenses.

18 10. The Commissioner's contemplated distribution to state insurance guaranty funds
19 of approximately \$60,028,780 would result in the pro rata payment to each guaranty fund of
20 11.46 percent of its paid losses and loss adjustment expenses. Subtracting the proposed
21 distribution to state insurance guaranty funds of \$60,028,780, and the above total amount of
22 \$7,135,136 for administrative expenses and secured claims, from the remaining cash assets in the
23 estate of \$271,319,233, it is clear that the remaining cash assets in the estate are more than
24 sufficient to cover both secured claims as well as future administrative costs, which are not
25 projected to exceed an amount equal to the accrued administrative expenses shown in Exhibit B.

26 11. The methodology used to determine the appropriate amount to be distributed at
27 this time to each state guaranty fund pursuant to Insurance Code section 1035.5 is as follows. I
28

1 and my staff, on behalf of the Commissioner as liquidator of CastlePoint, calculated the “ultimate
2 loss” to each state guaranty fund, calculated as the sum of amounts paid by the guaranty fund on
3 behalf of policyholders, claims reserves and administrative expenses. We then applied a
4 “maximum cap” for the distribution of 50 percent of each fund’s ultimate loss. Statutory releases
5 of funds from CastlePoint to state guaranty funds, as well as statutory deposits of CastlePoint to
6 be released to state guaranty funds, have been offset, along with premiums and any other
7 appropriate credits, from the proposed distribution pursuant to Insurance Code section 1035.5 (d).
8 Upon Court approval, Commissioner proposes to distribute and pay to each of the 46 guaranty
9 funds the amount set forth in Exhibit A, which are incorporated herein by this reference.

10 12. As shown in Exhibit A, there are no statutory deposits in certain states.
11 Accordingly, for those states, the Commissioner will distribute the applicable amounts without
12 applying a Section 1035.5(d) offset for statutory deposits.

13 13. If closure of the CastlePoint estate is delayed, the Commissioner may seek
14 approval of additional early access distributions when such liabilities and contingencies become
15 known and are quantified.

16 14. In accordance with Insurance Code section 1035.5, subdivision (b)(4), with respect
17 to the state insurance guaranty funds receiving a distribution, the Commissioner has already
18 requested that each fund provide an executed “early access agreement” (“EA Agreement”) to
19 return the distributed assets as required to pay claims of secured creditors and claims falling
20 within the priorities established in Insurance Code section 1033, subdivisions (a)(1) and (a)(2).
21 Many funds have already provided such executed EA Agreement. Disbursements will not be
22 made to any fund until its executed EA Agreement has been received by the Commissioner. See
23 Exhibit A (Column entitled “EA Agreement Rec’d”). A true and correct copy of the template EA
24 Agreement required to be signed by all state guaranty funds receiving a distribution is attached
25 hereto as Exhibit C.

26 15. As detailed above, the Commissioner has satisfied the requirements of Insurance
27 Code section 1035.5 for disbursements of assets to insurance guaranty funds and similar entities.

1 The disbursements are an appropriate exercise of the Commissioner's discretion and, accordingly,
2 the Commissioner requests that his proposal be approved.

3 16. The Commissioner has entered into the Wilkie Agreement, contingent on approval
4 by the Court, settling Wilkie's entitlement under her Class two claim and providing for an early
5 hardship partial distribution to Wilkie in the sum of \$877,711.12, representing the agreed present
6 value of 50 percent of Wilkie's Class Two claim, which was allowed by the Liquidator in the
7 total amount of \$2 million. A true and correct copy of the Wilkie Agreement between the
8 Liquidator and Wilkie is attached to hereto as Exhibit D ("Wilkie Agreement"). The agreed
9 present value of 50 percent of Wilkie's allowed claim was calculated using a discount rate of 1.5
10 percent applied over eight years. The discount rate was selected by the Commissioner because it
11 is the yield on the portfolio of invested assets of the Commissioner's Conservation and
12 Liquidation Office. The eight-year period was selected by the Commissioner because 2030 is the
13 currently projected time of final distribution of all assets of the CastlePoint estate. At the time of
14 final distribution of the CastlePoint estate, Wilkie will receive her pro rata share of the remaining
15 \$1 million amount of her allowed Class Two claim, along with all other Class Two claimants
16 whose claims have been allowed.

17 17. The salient facts underlying Wilkie's claim, the Commissioner's settlement with
18 her, and the Commissioner's determination that an early hardship distribution is appropriate are
19 as follows. Prior to the conservation of CastlePoint on July 28, 2016, Wilkie had obtained on
20 June 17, 2016, a \$4 million settlement agreement settling her New York personal injury action for
21 serious injuries sustained in a vehicle accident in New York in which the defendant vehicle owner
22 was insured by CastlePoint. She did not receive payment on her settlement prior to conservation,
23 and the stays imposed by the subsequent conservation and liquidation orders have precluded an
24 action against CastlePoint to recover from the CastlePoint estate on the remaining \$2 million of
25 her settlement not covered by state insurance guaranty fund payments. The Commissioner
26 granted Wilkie an allowed Class 2 claim against the CastlePoint estate in the amount of \$2
27 million to be paid ratably with other claimants from the remaining assets of the CastlePoint estate.

18. In light of her personal injuries, and other claims and circumstances relating to the long delay in receiving full payment on her negotiated settlement reached in her New York action prior to the conservation of CastlePoint, the Commissioner determined that it would be appropriate to settle Wilkie's demand for payment by granting Wilkie, subject to Court approval, an early partial hardship distribution in the amount of the present value of 50 percent of her allowed claim on the terms set forth in the Wilkie Agreement. The Wilkie Agreement is within the discretion of the Commissioner under Insurance Code section 1037(c) and applicable law thereunder and consistent with a previous Court-approved early Class Two distribution by the Commissioner with respect to Etta Pruss, a similarly situated claimant against the CastlePoint estate. The Commissioner requests that the Court authorize the Commissioner to take all appropriate steps to consummate and effectuate its provisions and the settlement and early hardship partial distribution provided for therein.

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

Executed on July 25, 2022, at Livermore, California

JOSEPH HOLLOWAY

EXHIBIT A

Chart re Proposed Distributions to Insurance Guaranty Funds from the CastlePoint Estate

Distribution 60,000,000.00
Distribution % 0.1146

State	Abbv	Ultimate Loss	Paid Loss	Max Cap	Credits	Distribution	Note	% Ultimate	State	Abbv	EA Agreement Rec'd
Alabama	AL	1,576,472.75	242,371.37	788,236.38	234,343.00	8,028.00	Credits not to exceed paid loss	0.51%	Alabama	AL	Yes
Arkansas	AR	418,798.90	111,790.75	209,399.45	-	47,994.00		11.46%	Arkansas	AR	Yes
Arizona	AZ	4,332,312.92	2,030,970.49	2,166,156.46	109,295.00	496,483.00		11.46%	Arizona	AZ	Yes
California	CA	195,819,361.75	96,290,529.75	97,909,680.88	250,653,036.80	-	Stat Deposit Released	0.00%	California	CA	No
Colorado	CO	273,364.77	243,664.59	136,682.39	-	31,328.00		11.46%	Colorado	CO	Yes
Connecticut	CT	5,722,228.14	4,481,772.69	2,861,114.07	76,500.00	655,767.00		11.46%	Connecticut	CT	Yes
District of Col	DC	15,041.54	-	7,520.77	-	-	No Paid Losses	0.00%	District of Col	DC	No
Deleware	DE	34,294.58	8,853.03	17,147.29	100,000.00	-	Stat Credits Exceed Distribution	0.00%	Deleware	DE	Yes
Florida	FL	39,406,827.05	25,356,768.77	19,703,413.53	-	4,516,022.00		11.46%	Florida	FL	Yes
Georgia	GA	3,838,123.59	2,385,967.51	1,919,061.80	-	439,849.00		11.46%	Georgia	GA	Yes
Iowa	IA	2,881.22	145.41	1,440.61	-	145.00	Match Paid Loss	5.03%	Iowa	IA	Yes
Idaho	ID	540,021.33	185,597.58	270,010.67	866,982.00	-	Stat Deposit Released	0.00%	Idaho	ID	Yes
Illinois	IL	12,111,745.00	3,116,870.00	6,055,872.50	-	1,388,006.00		11.46%	Illinois	IL	Yes
Indiana	IN	73,079.65	24,500.00	36,539.83	-	8,375.00		11.46%	Indiana	IN	Yes
Kansas	KS	374,568.69	41,377.65	187,284.35	50,500.00	-	Credit more then Paid	0.00%	Kansas	KS	Yes
Kentucky	KY	7,848.03	5,330.92	3,924.02	623,701.00	-	Stat Credits Exceed Distribution	0.00%	Kentucky	KY	Yes
Louisianna	LA	1,433,527.00	873,988.00	716,763.50	-	164,282.00		11.46%	Louisianna	LA	No
Massacusetts	MA	2,202,753.53	1,435,706.68	1,101,376.77	5,910,000.00	-	Stat Credits Exceed Distribution	0.00%	Massacusetts	MA	No
Maryland	MD	10,394,510.29	6,791,302.91	5,197,255.15	55,000.00	1,191,211.00		11.46%	Maryland	MD	Yes
Maine	ME	1,148,219.49	652,266.62	574,109.75	2,710,472.00	-	Stat Credits Exceed Distribution	0.00%	Maine	ME	Yes
Michigan	MI	2,972,833.60	1,008,507.58	1,486,416.80	-	340,687.00		11.46%	Michigan	MI	Yes
Minnesota	MN	10,677.00	97.70	5,338.50	-	98.00	Match Paid	0.92%	Minnesota	MN	Yes
Missouri	MO	171,629.76	107,740.83	85,814.88	-	19,669.00		11.46%	Missouri	MO	Yes
Mississippi	MS	2,445,455.72	760,008.82	1,222,727.86	-	280,249.00		11.46%	Mississippi	MS	Yes
North Carolina	NC	684.49	664.50	342.25	-	78.00		11.40%	North Carolina	NC	No
Nebraska	NE	2,998,818.27	676,523.41	1,499,409.14	-	343,665.00		11.46%	Nebraska	NE	Yes
New Hampshire	NH	929,567.42	48,778.79	464,783.71	1,132,539.00	-	Stat Credits Exceed Distribution	0.00%	New Hampshire	NH	No
New Jersey	NJ	75,098,475.16	31,023,916.86	37,549,237.58	2,201,353.00	8,606,285.00		11.46%	New Jersey	NJ	Yes
New Mexico	NM	1,470.67	-	735.34	320,826.00	-	Stat Credits Exceed Distribution	0.00%	New Mexico	NM	No
New York	NY	318,946,278.07	184,087,150.29	159,473,139.04	20,853,165.00	36,551,243.00		11.46%	New York	NY	Yes
Nevada	NV	17,953,270.69	3,810,356.51	8,976,635.35	726,921.00	2,057,445.00		11.46%	Nevada	NV	Yes
Ohio	OH	112,265.77	22,924.42	56,132.89	-	12,866.00		11.46%	Ohio	OH	Yes
Oklahoma	OK	1,423.73	1,144.56	711.87	-	163.00		11.45%	Oklahoma	OK	Yes
Oregon	OR	1,315.47	1,088.00	657.74	1,939,815.00	-	Stat Credits Exceed Distribution	0.00%	Oregon	OR	No
Pennsylvania	PA	8,465,382.19	2,311,064.57	4,232,691.10	-	970,133.00		11.46%	Pennsylvania	PA	Yes
Rhode Island	RI	530,713.02	287,715.66	265,356.51	285,969.00	-	Stat Credits Exceed Distribution	0.00%	Rhode Island	RI	Yes
South Carolina	SC	1,370,213.78	573,674.55	685,106.89	-	157,027.00		11.46%	South Carolina	SC	Yes
South Dakota	SD	5,984.50	-	2,992.25	-	-	No Paid Losses	0.00%	South Dakota	SD	No
Tennessee	TN	1,657,971.72	459,934.94	828,985.86	101,250.00	190,004.00		11.46%	Tennessee	TN	Yes
Texas	TX	11,440,406.63	3,220,056.78	5,720,203.32	-	1,311,071.00		11.46%	Texas	TX	Yes
Utah	UT	204,186.87	60,358.27	102,093.44	-	23,400.00		11.46%	Utah	UT	Yes
Virginia	VA	651,025.06	199,809.21	325,512.53	2,316,988.00	-	Stat Credits Exceed Distribution	0.00%	Virginia	VA	No
Vermont	VT	216,407.01	196,361.84	108,203.51	-	24,800.00		11.46%	Vermont	VT	Yes
Washington	WA	175,591.61	145,216.11	87,795.81	-	20,123.00		11.46%	Washington	WA	Yes
Wisconsin	WI	1,389,213.11	1,289,436.11	694,606.56	-	159,204.00		11.46%	Wisconsin	WI	Yes
West Virginia	WV	114,136.79	39,319.17	57,068.40	-	13,080.00		11.46%	West Virginia	WV	No
		727,591,378.33	374,611,624.20	363,795,689.17		60,028,780.00					

Tower/Castlepoint 1st Distribution 2022

1. Calculated Ultimate Loss Paid + Reserves +Admin
 2. Calculated Max Cap based on max 50% of Ultimate
 3. Listed Credits - Stat Releases for CA and ID and Stat Deposits not yet released counted as potential distributions.
 4. Calculation of Distribution
 - a. Approximated Distribution of 60M equally except for CA and ID as they have been given credits more then their Max Cap of 50% of Ultimate Loss.
 - b. Any approximate distribution that exceeded the paid loss was adjusted back to the total paid losses in column D. The states that met this criteria were AL, IA, MN
 - c. Any state that had no paid losses was adjusted to 0. States were DC, SD
 - d. Any state that appoximate Distribution exceeded credits was adjusted to 0. States include DE, KY, MA, ME, NH, NM, OR, RI, VA
 - e. ALL Remaining states were adjusted to equal amounts whereby the distribution was close to 60M in total.
 - f. All remaining amounts were rounded to .00 cents
- This number was approx 11.46% of the Ultimate Loss and the final distribution amount is 60,028,780

EXHIBIT B

STATEMENT OF NET ASSETS IN LIQUIDATION

CastlePoint National Estate Statement of Net Assets in Liquidation As of December 31, 2021

	<u>Balance</u>
Assets	
Cash and Cash Equivalents	\$ 2,245,015
Participation in Pooled Investments, at Market	228,662,003
Non-Pooled Short-Term Investments	40,412,185
Accrued Investment Income	2,912,803
Statutory Deposits	67,535,185
Recoverable from Reinsurers	238,247,726
Receivables from Affiliates	324,043
Other Receivables	15,410,212
Deposits and Other Assets	<u>1,799,976</u>
Total Assets	<u>\$ 597,549,148</u>
Liabilities	
Secured Claims	\$ 105,455
Accrued Administrative Expenses	7,029,681
Claims Against Policies, Including Guaranty Associations (Class 2), before Distributions	1,056,396,181
Early Access and Other Class 2 Distributions	(251,520,019)
All Other Claims (Class 7)	<u>64,952,179</u>
Total Liabilities	<u>876,963,477</u>
Net Assets (Deficiency) in Liquidation	<u>\$ (279,414,329)</u>

The notes are an integral part of the financial statements.

EXHIBIT C

AGREEMENT FOR EARLY ACCESS DISTRIBUTION OF FUNDS

This Agreement is entered into on this _____ day of March 2022, between the [INSURANCE GUARANTY ASSOCIATION] and the California Insurance Commissioner, acting solely in his capacity as statutory liquidator of CastlePoint National Insurance Company in Liquidation (“CastlePoint”).

Recitals

1. Pursuant to a March 30, 2017 order entered by the San Francisco City and County Superior Court, State of California, (the “CastlePoint Liquidation Court”) in *Insurance Commissioner v CastlePoint National Insurance Company*, Case No. CPF-16-515183, CastlePoint was determined to be statutorily insolvent, and appointed the California Insurance Commissioner as Liquidator (hereinafter “Liquidator”), ordering the Liquidator to liquidate and wind up the business of CastlePoint and to exercise all powers necessary for the purpose of carrying out the order;
2. CastlePoint has sufficient assets in cash and securities to distribute funds to [INSURANCE GUARANTY ASSOCIATION];
3. The Liquidator proposes, pursuant to California Insurance Code §1035.5, after reserving amounts necessary for payment of expenses of administration and the payment of claims of secured creditors (to the extent of the value of security held) and claims falling within the priorities established in subdivisions (1) and (4) of California Insurance Code §1033, to distribute available assets of CastlePoint to [INSURANCE GUARANTY ASSOCIATION].

Agreement

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the parties agree as follows:

1. The Liquidator may, from time to time, upon approval by the CastlePoint Liquidation Court, distribute assets of CastlePoint to [INSURANCE GUARANTY ASSOCIATION] after the Liquidator has first reserved assets sufficient for the following:
 - (a) payment of the expenses of administration;
 - (b) payment of claims of secured creditors to the extent of the value of the security held; and
 - (c) payment of claims falling within the priorities established in paragraphs (1) – (4), inclusive, of Insurance Code §1033, subd. (a).

Such distributions will be made equitably between all common class creditors.

2. [INSURANCE GUARANTY ASSOCIATION] agrees to make a full report to the Liquidator, accounting for all assets received by it, all disbursements made, all interest earned on the assets, and any other matter that the court may direct.

3. [INSURANCE GUARANTY ASSOCIATION] will return to the Liquidator, upon demand, all or part of the assets received pursuant to this Agreement or pursuant to applicable law, as may be required by CastlePoint to pay the pro rata portion of all allowed claims of secured creditors and claims falling within the priorities established in California Insurance Code section 1033(a) (1) – (2), in accordance with those priorities, as the code section exists or may exist in the future. This obligation will include an obligation to return any assets that are in excess of the total distribution that [INSURANCE GUARANTY ASSOCIATION] would be entitled to from the CastlePoint Estate pursuant to Insurance Code section 1033(a) at the time of a proposed distribution by the Liquidator. For clarity and the avoidance of doubt, in the event that [INSURANCE GUARANTY ASSOCIATION]'s receipt of distributions under this Agreement or its receipt of any statutory deposit held by CastlePoint results in [INSURANCE GUARANTY ASSOCIATION] having received funds that exceed the amount of the pro rata distribution to which [INSURANCE GUARANTY ASSOCIATION] is entitled under a court approved interim or final distribution approved by the Court, [INSURANCE GUARANTY ASSOCIATION] shall refund to CastlePoint such amount as is necessary to ensure that [INSURANCE GUARANTY ASSOCIATION] has received no more than its equitably allocated share of the court-approved distribution. In the event that [INSURANCE GUARANTY ASSOCIATION] must make an assessment in accordance with its enabling statute in order to make a refund to the Liquidator pursuant to this paragraph, then [INSURANCE GUARANTY ASSOCIATION] will have 120 days from the date such refund is requested to make such refund to the Liquidator.

4. [INSURANCE GUARANTY ASSOCIATION] will comply with all requirements set forth in California Insurance Code §1035.5.

5. If any legal action is necessary to enforce this agreement, [INSURANCE GUARANTY ASSOCIATION] agrees that such action will be commenced in the San Francisco Superior Court of the State of California, in the Liquidation proceeding of CastlePoint, by way of an Order to Show Cause and CastlePoint agrees, for this purpose only, to subject itself to the jurisdiction of the CastlePoint County Superior Court of the State of California by way of an Order to Show Cause procedure.

RICARDO LARA
Insurance Commissioner of the State of California,
Liquidator of CastlePoint National Insurance Company

Dated: _____, 2022

By _____

JOSEPH HOLLOWAY
Special Deputy Insurance Commissioner

Dated: _____, 2022

[INSURANCE GUARANTY ASSOCIATION]

By _____
INSERT NAME OF SIGNER
INSERT TITLE OF SIGNER

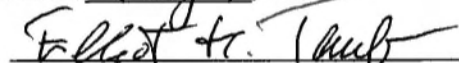
EXHIBIT D

Agreement Regarding Hardship Distribution between Karen Wilkie and California Insurance Commissioner, as Liquidator of CastlePoint National Insurance Company

Claimant Karen Wilkie ("Wilkie") and the Insurance Commissioner of the State of California, as Liquidator of CastlePoint National Insurance Company ("Liquidator"), hereby agree as follows:

1. Contingent on approval by the Liquidation Court (as defined hereinbelow), the Liquidator will pay to Wilkie the sum of \$877,711.12 as an early hardship distribution ("Hardship Distribution"). The amount of the Hardship Distribution represents the agreed present value of 50 per cent of the face amount of Wilkie's \$2 million allowed Class 2 policyholder proof of claim against CastlePoint National Insurance Company in liquidation ("CastlePoint Estate") pursuant to the provisions of California Insurance Code Sections 1010 et seq. ("CastlePoint Estate"). Said allowed proof of claim is payable to Wilkie on a pro rata basis from the assets of the CastlePoint Estate.
2. The Commissioner's agreement hereunder to pay the Hardship Distribution to Wilkie from the assets of the CastlePoint Estate is conditioned upon the entry and finality of an order approving the Hardship Distribution by the Superior Court for the County of San Francisco, California ("Liquidation Court"). The Hardship Distribution shall be paid from the assets of the CastlePoint Estate within 21 days after finality of an order of the Liquidation Court approving the Hardship Distribution. The Commissioner shall move the Liquidation Court for approval of this Agreement as soon as practicable after full execution of this Agreement.
3. Wilkie and her counsel will execute a full and complete release, in a form satisfactory to the Liquidator, of the Liquidator, the Commissioner and his Conservation and Liquidation Office, the CastlePoint Estate, and their agents and representatives, of all claims against them, excepting her pro rata share of the remaining \$1 million of her approved claim, conditional upon payment of the Hardship Distribution to her by the CastlePoint Estate.
4. Any additional pro rata distribution with respect to the remaining \$1 million of Wilkie's approved claim will be made pursuant to the Liquidations Court's approval of the closing of the CastlePoint Estate or at such earlier time as the Commissioner determines is appropriate and is approved by the Court.
5. Wilkie will bear her own costs and attorneys' fees with respect to all matters relating to her allowed claim or to this Agreement and in no event will she be compensated for her costs and attorneys' fees by the Commissioner or by the CastlePoint Estate.
6. This agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts so executed constitute one agreement.


Dated: July 9, 2022


Elliott Taub, Counsel for Claimant

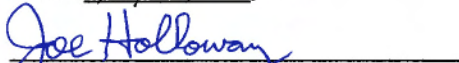
Dated: July 7, 2022


Karen Wilkie, Claimant

Dated: July 22, 2022


Joseph Holloway, Deputy Insurance Commissioner and Deputy Liquidator

Dated: July 22, 2022


California Insurance Commissioner as Liquidator of CastlePoint National Insurance Company By the Deputy Liquidator Joseph Holloway