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ELECTRONICALLY
FILED
Superior Court of California,
County of San Francisco

06/15/2021
Clerk of the Court
BY: ERNALYN BURA
Deputy Clerk

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14 *Commissioner of the State of California as*
Liquidator of Western Employers Insurance
15 *Company*

16 SUPERIOR COURT OF THE STATE OF CALIFORNIA
17 COUNTY OF SAN FRANCISCO

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

21 Applicant,

22 v.

23 **WESTERN EMPLOYERS INSURANCE**
24 **COMPANY,**

25 Respondent.

Case No. CPF-97-984281

**NOTICE OF APPLICATION AND
APPLICATION FOR APPROVAL OF
FINAL REPORT AND ACCOUNT OF
LIQUIDATOR OF WESTERN
EMPLOYERS INSURANCE COMPANY,
SHAREHOLDER AGREEMENT, FINAL
DISTRIBUTION OF FUNDS, AND
CLOSING OF ESTATE**

26 Date: July 19, 2021
27 Time: 9:30 a.m.
28 Dept: 302
Judge: Honorable Ethan P. Schulman

1 TO ALL PERSONS AND ENTITIES WHO HAVE APPEARED AND ASSERTED AN
2 INTEREST IN THE ESTATE OF WESTERN EMPLOYERS INSURANCE COMPANY:

3 PLEASE TAKE NOTICE THAT on July 19, 2021, at 9:30 a.m., or as soon thereafter as
4 the matter may be heard, in Department 302 of the San Francisco County Superior Court, located
5 at 400 McAllister Street, San Francisco, California, remotely by Zoom videoconference, applicant
6 Insurance Commissioner of the State of California (“Commissioner”), as the liquidator of
7 Western Employers Insurance Company (“WEIC”), will apply for an order approving of a
8 number of actions as set forth below to conclude this liquidation proceeding.

9 The Commissioner hereby apply for an order that provides each of the following:

- 10 1. Settlement and approval of the final report and account of the Liquidator;
- 11 2. Approval of a shareholder agreement regarding the distribution of surplus funds in
12 connection with distribution of the remaining funds;
- 13 3. Authorization of distribution and disbursement of the remaining funds;
- 14 4. Approval of payment of expenses;
- 15 5. Authorization of the destruction of records; and
- 16 6. Authorization of the end of this liquidation proceeding, including entering a final
17 permanent injunction and discharging the Insurance Commissioner as liquidator.

18 This application is based on this notice of motion and motion; the supporting memorandum
19 of points and authorities and declarations of Scott Pearce, Regina Alava and Michle Vass
20 concurrently filed herewith; all papers and pleadings on file in this case; such other and further
21 evidence as is permitted and requested by the Court at the time of hearing; and such oral
22 argument as may be presented at the hearing.

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Dated: June 14, 2021

Respectfully Submitted,

ROB BONTA
Attorney General of California
MICHAEL D. GOWE
Supervising Deputy Attorney General

/s/ Karen W. Yiu

KAREN W. YIU
Deputy Attorney General
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20 **STATE OF CALIFORNIA,**

21 Applicant,

22 v.

23 **WESTERN EMPLOYERS INSURANCE**
24 **COMPANY,**

25 Respondent.

Case No. CPF-97-984281

**MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OR
APPLICATION FOR APPROVAL OF
FINAL REPORT AND ACCOUNT OF
LIQUIDATOR OF WESTERN
EMPLOYERS INSURANCE COMPANY,
SHAREHOLDER AGREEMENT, FINAL
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1 **INTRODUCTION**

2 Western Employers Insurance Company (WEIC) entered liquidation as an insolvent
3 insurance company. After a successful liquidation process, which included the full payment of the
4 approved claims of WEIC’s policyholders and creditors with interest, applicant Insurance
5 Commissioner of the State of California, in his capacity as the Liquidator of WEIC
6 (Commissioner or Liquidator), now seeks the Court’s approval to facilitate the final distribution
7 and closing of WEIC. This process involves the distribution of remaining assets, the destruction
8 of records, and the reservation of a closing budget. The Liquidator believes that it is now
9 appropriate to close the estate, as the estate is solvent and all claims have been administered. The
10 remaining expenses are reasonable and the Insurance Code authorizes distribution of the
11 remaining proceeds. The Liquidator respectfully requests that the Court grant the application.

12 **ROLES OF THE LIQUIDATOR AND THE COURT**

13 Generally, Insurance Code sections 1010 through 1062¹ govern conservation and
14 liquidation proceedings against insurers domiciled in California. Under these provisions, the
15 Commissioner has broad authority and discretion to operate, wind down, liquidate, and distribute
16 the assets of an insolvent insurer to ensure the “orderly and equitable distribution of the assets” to
17 those entitled to share those assets. (*In re Title USA Corp.* (1996) 36 Cal.App.4th 363, 372.)

18 As liquidator, the Commissioner acts as a “trustee for the benefit of all creditors and other
19 persons interested in the estate of the person against whom the proceedings are pending.” (§
20 1057.) The Liquidator is vested with “broad powers” to conduct the liquidation in the manner that
21 he determines to be in the best interests of policyholders and creditors. (*Commercial Nat. Bank v.*
22 *Superior Court* (1993) 14 Cal.App.4th 393, 402.)

23 The Court also plays a vital role in the process. In addition to assisting the Liquidator in
24 enforcing the various injunctions set forth in the Liquidation Order (which injunctions were
25 specifically authorized by the Insurance Code), the Court acts as the arbiter of disputed claims (§
26 1032) and approves the compensation of deputies, clerks and assistants (§ 1035), the
27 compensation of outside counsel employed to assist in the liquidation (§ 1036), compromises of

28 ¹ All statutory references are to the Insurance Code unless otherwise specified.

1 any claims by or against the insurance company (§ 1037, subd. (c)), the acquisition or disposition
2 of certain property (§ 1037, subd. (d)), and larger investment transactions (§ 1037, subd. (g)).

3 LIQUIDATOR'S FINAL REPORT AND ACCOUNTING

4 I. LIQUIDATOR'S REPORT ON ACTIVITIES

5 A. Liquidation of WEIC

6 WEIC was a substantial property and casualty insurance company which underwrote
7 business in multiple states. (Declaration of Scott Pearce in support of motion ("Pearce Decl."), ¶
8 4). The company was originally incorporated in New York, but was domiciled in California at the
9 time of its liquidation. (Declaration of Michele Vass in Support of Motion ("Vass Decl."), ¶ 3.)
10 WEIC's records reflect that at one time, WEIC was licensed to do business in 38 states. (*Ibid.*)
11 Among other policies, WEIC underwrote numerous policies which were excess occurrence
12 policies that attached only after exhaustion of substantial underlying policies, and were often
13 issued to business concerns. This type of business is sometimes referred to as "long-tail"
14 business, because losses can be reported many years after the policy's expiration. (*Ibid.*) Prior to
15 the insolvency proceedings, the records of the Commissioner's Conservation and Liquidation
16 Office (CLO) indicate that WEIC was in "run-off," in which it ceased underwriting new policies,
17 but paid its claims on existing policies. However, WEIC could not sustain its operations in run-
18 off, resulting in liquidation. (*Ibid.*)

19 On April 2, 1991, the Court appointed the Commissioner as Conservator of WEIC under
20 Insurance Code section 1011 et seq. On April 19, 1991, the Court issued its Order Appointing
21 Liquidator and Restraining Orders ("Liquidation Order"). The Liquidation Order found WEIC to
22 be insolvent, and appointed the Insurance Commissioner as its Liquidator. (Pearce Decl., ¶ 3.)

23 After WEIC entered liquidation proceedings, a proof of claim deadline of November 15,
24 1991 was established for WEIC under sections 1021 through 1024. (Vass Decl., ¶ 4.) The
25 Liquidator transferred claims files that contained potential covered claims within the meaning of
26 the insurance guaranty fund statutes to the pertinent insurance guaranty associations. (*Ibid.*) The
27 Liquidator also collected assets due to WEIC, including over \$54 million in reinsurance
28 recoverables that came due as claims were resolved. (Pearce Decl., ¶ 5.)

1 **B. Early Access Distributions to Insurance Guaranty Associations**

2 The entry of the liquidation order triggered the duty of insurance guaranty associations
3 (IGAs) to pay WEIC’s insurance policy liabilities according to the terms of each insurance
4 guaranty association’s state statute. The IGAs took over the adjustment and payment of WEIC’s
5 insurance claims that were transferred to them. The IGAs made substantial payments to
6 claimants, and became subrogated to those policyholders’ claims against WEIC. (Pearce Decl., ¶
7 6.)

8 Under section 1035.5, the Liquidator may make early access payments to the IGAs to
9 “disburse the insurer’s assets, from time to time as such assets become available to the California
10 Insurance Guarantee Association” and similar guaranty associations in other states, subject to a
11 reconciliation process to ensure that guaranty association and other policy claims were equitably
12 treated. These balances distributed as “early access” are later offset against the guaranty
13 associations’ proofs of claims, so that in effect the guaranty associations get access to funds with
14 which to pay claims, but the funds are ultimately submitted to a “true-up” process to ensure that
15 all policyholder-priority claimants (Insurance Code section 1033, Class 2) receive equitable
16 treatment. During the course of this liquidation, the Liquidator obtained court approval to make a
17 series of early access payments to the IGAs under section 1035.5. In December 1991, the Court
18 approved an initial early access distribution of 10% of the IGAs’ outstanding losses and loss
19 reserves. (Pearce Decl., ¶ 6.) In October 2015, the Court approved a second early access
20 distribution to guaranty associations of 80% of the amount of losses paid by those associations
21 through December 31, 2014. (*Ibid.*)

22 **C. Administration of Proofs of Claim**

23 The Liquidator engaged in an extensive proof of claim process. A substantial number of
24 claims were contingent and unliquidated proofs of claim. Given the long-tailed nature of WEIC’s
25 general liability business and the substantial number of excess and umbrella policies it
26 underwrote, it took considerable time to properly administer the claims. (Vass Decl., ¶ 5; see
27 Pearce Decl., ¶ 4.) The Liquidator received 9,608 proofs of claim by the claims bar date, of which
28 4,966 were in lines of business other than workers’ compensation. (Vass Decl., ¶ 4.) The CLO

1 adjusted the claims for which no potential guaranty fund association coverage existed, with
2 assistance of counsel. (*Ibid.*) Two court orders assisted the Liquidator to determine the value of
3 proofs of claims that were filed as contingent and undetermined claims. First, the Order Requiring
4 Claims Updates, dated February 2, 2010, required holders of contingent and undetermined non-
5 workers' compensation claims to file detailed claims updates about the further development of
6 their contingent and undetermined claim. Second, the Order Granting the Insurance
7 Commissioner of the State of California's Motion to Set Date for Liquidation of Contingent and
8 Undetermined Claims for Purposes of Liquidation, dated December 15, 2016, set April 28, 2017
9 as the final date by which contingent and unliquidated claims must be liquidated. The order
10 further required each holder of a contingent and undetermined claim to file a detailed claims
11 update form by July 3, 2017. (Vass Decl., ¶ 6.) The Liquidator processed all the proofs of claim,
12 and approved, rejected or compromised each timely proof of claim. (*Ibid.*)

13 Further, the Liquidator negotiated an agreement with the United States that the United
14 States would not assert any super-priority claim. On or about July 28, 2015, this Court approved
15 the agreement. Even though the United States had agreed that it would assert no further super-
16 priority claims, the United States submitted two claims for which it asserted Class 2 priority
17 under section 1033, against insureds Old Bridge Township and Pioneer Metal Finishing
18 Company. The Liquidator ultimately settled both claims, approved by the Court. (Vass Decl., ¶¶ 8
19 & 9.)

20 There were sufficient assets to pay in full policyholder-class (i.e., Insurance Code section
21 1033, Class 2) claims. In October 2015, when the Court approved the second early access
22 distribution to guaranty associations, the Court also approved an interim distribution to holders of
23 approved Class 2 claims in the amount of 60% of their approved claims. On August 20, 2019, the
24 Court granted the Commissioner's Amended Motion for Approval of Second Interim
25 Distribution, which brought the level of distribution for all approved claims up to 100%, plus
26 approved a payment of interest to all claimants. (Vass Decl., ¶ 11; Pearce Decl., ¶ 6.) All timely-
27 filed proofs of claim were approved, rejected, litigated, or compromised to conclusion. (Vass
28 Decl., ¶ 6; Pearce Decl., ¶ 8.)

1 **II. LIQUIDATOR’S ACCOUNT**

2 The balance sheet for WEIC at the time of liquidation reflected that WEIC was insolvent.
3 Its balance sheet at the time of conservation showed a negative surplus of (\$322,147).
4 (Declaration of Regina Alava in Support of Motion (Alava Decl.), ¶ 5.) By December 31, 2020,
5 the net assets after deduction of liabilities had increased to a positive \$40,307,652. (*Ibid.*) Exhibit
6 A to the supporting declaration of Regina Alava documents the assets, liabilities, income and
7 expenses through the course of this liquidation proceeding. (Alava Decl., Ex. A.) For the period
8 from 2006 through 2019, the California Department of Finance, Office of State Audits and
9 Evaluations has issued an Independent Accountant’s Review Report for WEIC, which is publicly
10 available. (Alava Decl., ¶ 4.) The reviews involved reviewing the financial statements for WEIC,
11 applying analytical procedures to management’s financial data, and making inquiries of CLO
12 management. They provide assurance and oversight as to the procedures CLO employed in
13 preparing the financial statements. (*Ibid.*)

14 **SHAREHOLDER AGREEMENT**

15 Because the assets of WEIC are sufficient to permit return of a surplus to the shareholder of
16 WEIC, the Liquidator sought to enter into an agreement with the successor-in-interest of the
17 shareholder of WEIC to deal with the anticipated surplus available for distribution after payment
18 of all creditor claims. That parent company is currently known as Level 3 Parent, LLC, a
19 Delaware limited liability company. The Liquidator and Level 3 Parent, LLC negotiated an
20 agreement titled Agreement Between Shareholder and Insurance Commissioner of the State of
21 California, as Liquidator Regarding Western Employers Insurance Company (Shareholder
22 Agreement), which is pending the Court’s approval. (Pearce Decl., Ex. B, ¶ 16.) The Shareholder
23 Agreement provides the following:

- 24 1. Express warranty that Level 3 Parent, LLC is the successor-in-interest to the
25 shareholder of WEIC (Pearce Decl., Ex. B, ¶ 5);
- 26 2. Consent to the rejection and disallowance of Level 3 Parent, LLC’s other claims and
27 to the discharge of the Liquidator (Pearce Decl., Ex. B, ¶ 10);
- 28

1 proofs of claims, plus interest on the claims. As the estate has a surplus after full payment of all
2 approved claims, it is appropriate to consider distributing the remaining assets to WEIC's
3 shareholder, which may be eligible for payment under section 1033, subdivision (a)(9). The
4 Liquidator and Level 3 Parent, LLC, the successor-in-interest of WEIC's shareholder, have
5 entered into an agreement in which, among other things, Level 3 Parent, LLC warrants its
6 shareholder status, releases any claims against the Liquidator, and consents to the closing of the
7 WEIC estate. (Pearce Decl., Ex. A.) As the proposed final distribution will disburse of the
8 remaining assets of the estate, it will contribute to the conclusion of this liquidation proceeding.
9 The Court should approve the agreement between the Liquidator and Level 3 Parent, LLC and
10 authorize the final distribution of the remaining assets of the WEIC estate to its shareholder.

11 With the final distribution of the remaining assets, there are only a few final administrative
12 tasks left behind. To minimize administrative expenses, the Liquidator has exercised his
13 discretion to administratively close the estate at this time. The Liquidator has set aside a closing
14 budget of \$372,948 for the final expenses. (Alava Decl., ¶ 6 & Ex. B; Pearce Decl., ¶ 9.) These
15 expenses are typical expenses for the closing of an insolvent insurer's estate. (Alava Decl., ¶ 6.)
16 Additionally, WEIC maintained 6,791 boxes of records for the adjustment of claims. They need
17 not be maintained and the cost of storage is no longer justified. (Pearce Decl., ¶ 9.) While some of
18 the records should be preserved for the administration of WEIC's estate and other records should
19 be transmitted to Level 3 Parent, LLC, the remaining records should be destroyed to minimize
20 expenses for storing the records. (*Ibid.*) Further, there is an amount of \$195,294.53 representing
21 funds for approved claims that are still unclaimed. (Pearce Decl., ¶ 12.) Under section 12937 and
22 Code of Civil Procedure section 1517, subdivision (b), unclaimed funds after six months of final
23 distribution escheat to the state and shall be deposited in the Insurance Fund. Finally, section
24 1020 authorizes issuance of stay orders, and the liquidation order for WEIC contains just such an
25 order. The Liquidator requests that the order entered by the Court continue the stay against further
26 litigation or service of process and WEIC and its Liquidator in place. The Court should approve
27 the completion of these tasks to bring this liquidation to conclusion.

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CONCLUSION

The Court should grant the application and issue an order which:

1. Settles and approves the final report and account of the Liquidator;
2. Approves the shareholder agreement regarding the distribution of surplus funds in connection with distribution of the remaining funds;
3. Authorizes distribution and disbursement of the remaining funds;
4. Approves the closing budget and payment of expenses;
5. Authorizes the destruction or transfer of records of the WEIC estate, provided that the Liquidator may retain such records as are necessary for the Liquidator’s purposes and for any necessary financial examination by the Department of Finance;
6. Authorizes the handling of unclaimed sums for distribution to claimants as provided by Code of Civil Procedure section 1517 and Insurance Code section 12937.
7. Enters a final permanent injunction;
8. Discharges the Commissioner as Liquidator; and
9. Directs the Commissioner as Liquidator to file a declaration following distribution of the assets to confirm the distribution.

Dated: June 14, 2021

Respectfully Submitted,

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Attorney General of California
MICHAEL D. GOWE
Supervising Deputy Attorney General

/s/ Karen W. Yiu

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20 Applicant,

21 v.

22
23 **WESTERN EMPLOYERS INSURANCE**
COMPANY,

24 Respondent.

Case No. CPF-97-984281

DECLARATION OF SCOTT PEARCE IN
SUPPORT OF APPLICATION FOR
APPROVAL OF FINAL REPORT AND
ACCOUNT OF LIQUIDATOR OF
WESTERN EMPLOYERS INSURANCE
COMPANY, SHAREHOLDER
AGREEMENT, FINAL DISTRIBUTION
OF FUNDS, AND CLOSING OF ESTATE

25 Date: July 19, 2021
26 Time: 9:30 a.m.
27 Dept: 302
28 Judge: Honorable Ethan P. Schulman

1 I, Scott Pearce, hereby declare as follows:

2 1. I am the Senior Estate Trusts Officer (ETO) in the California Insurance
3 Commissioner's Conservation and Liquidation Office (CLO). I have been an ETO at the CLO
4 since February 2003. I have been the Senior ETO since May 2005. As Senior ETO, I have
5 supervised other ETOs at the CLO, who in turn oversee the administration of insolvent insurance
6 company estates. I make this declaration in my official capacity as Senior ETO for the CLO. One
7 of the insolvent estates that I oversee, along with Estate Trust Manager (ETM) Rommel Adao, is
8 the Western Employers Insurance Company (WEIC) liquidation. I am responsible for the
9 management of financially impaired or insolvent insurance companies (referred to as "estates")
10 from the time of conservation or liquidation until the court has discharged the Insurance
11 Commissioner of his or her duties as the conservator or liquidator. I serve as a fiduciary, and in
12 this capacity, I lead and direct a support team consisting of individuals who work in the areas of
13 accounting, claims, reinsurance, legal, finance, information technology, human resources, and
14 administration.

15 2. I am authorized to make this declaration on behalf of applicant Insurance
16 Commissioner of the State of California, in his capacity as Liquidator of WEIC (Liquidator). The
17 following statements are based on my personal knowledge, acquired through my direct
18 involvement in the WEIC liquidation. At the same time, I refer to certain facts and events in this
19 declaration based on information and belief and on records prepared by personnel at the CLO and
20 kept in the ordinary course of CLO's business. If called upon to testify, I could and would testify
21 competently to the facts herein, except as to those matters stated on information and belief, and as
22 to those matters, I believe them to be true.

23 3. I am aware that on April 19, 1991, the Orange County Superior Court issued an
24 Order Appointing Liquidator and Restraining Orders ("Order of Liquidation") and appointed the
25 Commissioner as liquidator of WEIC. I am aware that this liquidation case was ultimately
26 transferred to San Francisco County Superior Court. When WEIC entered liquidation
27 proceedings, the best estimate of WEIC's asset and liabilities was that WEIC was insolvent.

28 4. WEIC was a substantial property and casualty insurance company. The policies it

1 underwrote included, among other policies, numerous policies which were excess occurrence
2 policies that attached with potential claim payments triggered only after exhaustion of substantial
3 underlying policies, general liability policies, and workers' compensation policies, often issued to
4 corporate business concerns. This type of product is sometimes referred to as "long-tail" business,
5 because losses can be reported on this exposure many years after the policy's expiration. General
6 liability policies and workers' compensation policies present challenges in liquidation
7 proceedings also because holders of excess general liability policies may have incurred but not
8 reported claims that may not be liquidated for years, and workers' compensation claims (usually
9 covered by insurance guaranty associations) can involve disability claims that can involve
10 lifelong benefits.

11 5. WEIC had reinsured a substantial portion of its business. This reinsurance was one
12 of its key assets. In addition to adjusting the proofs of claims filed against WEIC, the CLO billed
13 and collected substantial sums from reinsurers of WEIC. The CLO reinsurance department
14 reports that the amount of reinsurance collections by the Liquidator exceeded \$54 million. In
15 some instances, the CLO's reinsurance department advised that arbitration was necessary to
16 resolve disputed collection efforts but, in most instances, the CLO billed and collected
17 reinsurance mostly through an amicable and forthright collection process.

18 6. A substantial portion of WEIC's insurance business gave rise to "covered claims"
19 which triggered the involvement of the California Insurance Guarantee Association and similar
20 associations in other states, and ultimately payment of covered claims by those entities. Insurance
21 Code section 1035.5 provides for the Liquidator to provide "early access" payments to guaranty
22 associations, subject to a reconciliation process to ensure that guaranty association and other
23 policy claims under Insurance Code section 1033, Class 2 ("non-covered claims") are equitably
24 treated. In December 1991, the Liquidator obtained leave of court to make an early access
25 distribution equal to 10% of their outstanding losses and loss reserves. In October 2015, the
26 Court issued its Order Approving First Interim Distribution and Second Early Access Payment.
27 This order increased the early access distribution to insurance guaranty associations to 80% of the
28 losses paid by the insurance guaranty associations through December 31, 2014. In addition, the

1 same order provided for a first interim distribution of 60% of the claims to Class 2 (policyholder
2 class) claimants whose claims had been approved by June 30, 2015. For the substantial number of
3 claims which were covered by insurance guaranty associations, guaranty associations made
4 substantial payments to claimants, and then were entitled to subrogate to those claimants' claims
5 against WEIC.

6 7. The federal release process can be a challenge for a property and casualty
7 insurance company in liquidation, because of the potential that the United States (and in particular
8 the Environmental Protection Agency) may have potential claims against the insureds of WEIC.
9 The "federal release process" involves a detailed discussion of potential claims and exchanges of
10 information with the U.S. Department of Justice. In this estate, this exchange involved not only a
11 detailed process seeking the federal super-priority releases, but also two additional claims that
12 were resolved in 2019 and in 2021 and approved by the Court.

13 8. I am informed and believe that all timely filed proofs of claims filed against WEIC
14 in this liquidation have been approved, rejected, or compromised, including but not limited to the
15 claims of state insurance guaranty associations. I am further informed and believe that a
16 reconciliation of early access funds has taken place with regard to the state insurance guaranty
17 associations.

18 9. The winding-up of WEIC will require substantial further efforts. The Liquidator
19 has about 6,791 boxes in storage that should be properly destroyed. As part of the closing process,
20 the Liquidator seeks permission to destroy or to transfer to WEIC's parent corporation WEIC's
21 boxes and records, with the exception of those records that the Liquidator elects to retain for tax
22 and other purposes. After the liquidation is concluded, there will not be any purpose to retain the
23 remaining records of WEIC. Continued storage would only result in unnecessary expenses. In
24 addition, the Liquidator will have final tax returns to prepare and must reserve funds for their
25 preparation and for payment of the taxes estimated to be due. CLO has prepared a closing budget
26 for the final expenses for this liquidation, subject to the Court's approval.

27 10. After the distributions made to creditors in the WEIC matter and the final expenses
28 for the administration of the WEIC estate, the estate will have a substantial surplus to be

1 distributed to its corporate parent. Once the Liquidator recognized the potential that surplus funds
2 would remain, CLO researched the status and the corporate successor of WEIC's corporate
3 parent. Then the Liquidator negotiated a shareholder agreement with Level 3 Parent, LLC, the
4 successor-in-interest to the parent corporation, subject to this Court's approval. This agreement
5 requires the shareholder to warrant its rights as the shareholder, contains a mutual release and
6 contains a consent to discharge of the Insurance Commissioner as Liquidator. Attached hereto as
7 Exhibit A is a true and correct copy of the Agreement Between Shareholder and Insurance
8 Commissioner of the State of California, as Liquidator Regarding Western Employers Insurance
9 Company.

10 11. After deduction of the closing budget, the Liquidator seeks permission pursuant to
11 the shareholder agreement to distribute the remaining residual funds to Level 3 Parent, LLC. In
12 this connection, the Liquidator requests permission to transfer any rights to intangible assets to
13 the parent corporation using the form attached hereto as Exhibit B.

14 12. In some instances, certain claims distributions to approved claimants have
15 remained unclaimed. The current aggregate unclaimed amount is approximately \$195,294.53.
16 The Liquidator requests permission to deposit any such funds in the Insurance Fund pursuant to
17 Code of Civil Procedure section 1517 and Insurance Code section 12937.

18 I declare under the penalty of perjury under the laws of the State of California that the
19 foregoing facts are true and correct. Executed on this 11th day of June, 2021 at Santa Rosa,
20 California.



SCOTT PEARCE

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EXHIBIT A

**AGREEMENT BETWEEN SHAREHOLDER AND INSURANCE COMMISSIONER OF
THE STATE OF CALIFORNIA, AS LIQUIDATOR
REGARDING WESTERN EMPLOYERS INSURANCE COMPANY**

This is an agreement (“Agreement”) between the Insurance Commissioner of the State of California, in his capacity as statutory liquidator for Western Employers Insurance Company (“the Insurance Commissioner”) and Level 3 Parent, LLC, a Delaware limited liability company, the successor-in-interest to the sole shareholder of Western Employers Insurance Company (“Shareholder”). Western Employers Insurance Company shall be referred to hereinafter as “Western Employers”. The Insurance Commissioner and Shareholder are sometimes referred to herein collectively as the “Parties”.

I. INTRODUCTION

1. On April 19, 1991, Western Employers was placed into liquidation proceedings (the “Liquidation”) in Case No. 653863 (now CPF-97-984281), *Insurance Commissioner of the State of California v. Western Employers Insurance Company*, pending in the Superior Court of the State of California for the County of Orange (the “Liquidation Court”).
2. On December 27, 1991, the Liquidation Court entered the Order Authorizing Distribution of Assets to Guaranty Associations, which approved the Insurance Commissioner’s interim distribution to guaranty associations of various states.
3. On October 8, 2015, the Liquidation Court entered the Order Approving First Interim Distribution and Second Early Access Payment, which approved the Insurance Commissioner’s interim distribution to policyholders with approved claims and other Class Two claimants and the second early access payment to insurance guarantee associations.

4. On August 20, 2019, the Liquidation Court entered the Order Granting Applicant Insurance Commissioner of the State of California's Amended Motion for Approval of Second Interim Distribution, which approved the Insurance Commissioner's distribution to Class 2 and Class 7 claimants. The Parties enter into this Agreement to address the possibility of funds remaining after all distributions are made to creditors.

5. Shareholder represents and warrants to the Insurance Commissioner that it is entitled to receive any distributions made by the Insurance Commissioner to the shareholder class of interests, i.e., distributions to the Class 9 shareholder class of interests pursuant to California Insurance Code Section 1033 (the "Shareholder Distribution") as the sole shareholder of Western Employers.

6. The Insurance Commissioner makes no promises or guarantees that any funds will be available to distribute to Class 9 claimants of Western Employers, although at the present time the Parties all believe that a significant possibility of such a distribution exists.

7. The Parties agree that the agreement as to distribution set forth in this Agreement resolves all issues arising from or related to the Shareholder's entitlement to any Class 9 distributions. Other than as provided by this Agreement, the Shareholder waives the right to assert any further claim against Western Employers.

8. The Parties recognize that some assets distributed by the Insurance Commissioner may be assigned or distributed in kind, AS IS, without warranty.

9. In addition to all other remedies, the Insurance Commissioner and Western Employers are entitled to offset any damages, costs and attorneys' fees arising from any breach of this Agreement and the warranties contained herein from any distributions.

II. APPROVAL, RELEASES AND DISMISSAL

10. Except for the Shareholder Distribution, all claims that concern, relate to, or arise in any way from the claims Shareholder may have against Western Employers, the Insurance Commissioner, or their respective agents, deputies, employees, clerks, assistants, officers, directors and shareholders, attorneys, successors and assigns, whether such claims are statutory, contractual, extra-contractual, administrative or otherwise, are rejected and disallowed in all other respects. Shareholder recognizes that the Insurance Commissioner may request the Court to discharge the Insurance Commissioner as liquidator, and agrees not to oppose such a discharge.

11. Except for those obligations under this Agreement, including, but not limited to, the Shareholder Distribution, the Shareholder hereby releases, covenants not to sue, and forever discharges the Insurance Commissioner, the California Department of Insurance, and Western Employers, including without limitation, their respective agents, deputies, employees, clerks, assistants, officers, directors and shareholders, attorneys, successors and assigns (collectively, the “Western Employers Released Entities”), from

i. any and all claims, including claims that were or could have been asserted in proofs of claim, it may have; and,

ii. any and all liabilities and obligations with respect to, arising out of or in connection with any act, omission, representation, or conduct of any sort in connection with the Liquidation, whether known or unknown, reported or unreported, and whether currently existing or arising in the future, including, but not limited to, all claims,

obligations, offsets, debts, demands, actions, causes of action, suits, sums of money, covenants, contracts, controversies, agreements, reckonings, bonds, bills, promises, damages, judgments, claims for costs, claims for expenses, and other claims of any kind or nature whatsoever which the Shareholder or its predecessors in interest, with respect to, arising out of, or in connection with the Liquidation, and/or with respect to, arising out of or in connection with any act, omission, representation, or conduct of any sort in connection with the Liquidation.

12. In addition, Shareholder agrees to save, defend, indemnify, and hold harmless, the Western Employers Released Entities from and against any and all losses, damages, liabilities, deficiencies, actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind (including reasonable attorneys' fees) arising out of or resulting from a breach of the representations and warranties expressed in paragraph 5 hereinabove, including, without limitation, any claims by a third party who claim an entitlement to distribution to the shareholder class of interests. The Insurance Commissioner, at his sole and unfettered discretion, may offset such indemnity obligation (in whole or in part) by way of deduction from any payment due to Shareholder under this Agreement. Notwithstanding the foregoing, the Shareholder's liability under this paragraph 12 shall not exceed the Shareholder Distribution on an aggregate cumulative basis.

13. Except for those the obligations under this Agreement, including but not limited to the indemnities set forth in this Agreement, the Insurance Commissioner hereby releases the Shareholder, including without limitation, its agents, deputies, employees, clerks, assistants, officers, directors and shareholders, attorneys, successors and assigns from any and all claims, obligations, offsets, debts, demands, actions, causes of action, suits, sums of money, covenants,

contracts, controversies, agreements, reckonings, bonds, bills, promises, damages, judgments, claims for costs, claims for expenses, and other claims of any kind or nature which the Insurance Commissioner or the Insurance Commissioner's predecessors in interest have which relate to or arise from the Liquidation. The Insurance Commissioner issues this release in his capacity as the statutory liquidator for Western Employers and not (i) as a release by the State of California or the California Insurance Commissioner as an insurance regulator or (ii) in his individual capacity.

14. To the extent applicable, the Parties fully understand and agree that they are, by entering into this Agreement, expressly waiving their rights and benefits under section 1542 of the California Civil Code or any similar provisions of the California or any other state law. Section 1542 provides in its material part that a general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known to him must have materially affected his settlement with the debtor. The Parties hereby confirm their acceptance of this provision by their respective representatives' initials below:

Insurance Commissioner of the State of California, in his capacity as statutory liquidator for Western Employers Insurance Company: JBH

Level 3 Parent, LLC, a Delaware limited liability company: RM

III. REMEDIES

15. The Liquidation Court shall have continuing exclusive jurisdiction over all matters arising out of or relating to this Agreement.

IV. COURT APPROVAL

16. Notwithstanding any other provision hereof, all of the provisions of this Agreement are subject to this Agreement being finally approved by the Liquidation Court. In the event such court voids or fails to approve this Agreement, all of the provisions shall be null and void.

17. The Insurance Commissioner shall within a reasonable time seek approval of this Agreement from the Liquidation Court, and this Agreement shall be filed with the Liquidation Court.

18. If funds remain for distribution to Class 9 claimants, the Shareholder shall provide fully-completed accurate current W-9 forms and wire instructions before the Insurance Commissioner is required to make any distribution to them.

V. GENERAL

19. The Parties further acknowledge that this Agreement is made solely for the consideration specified herein, without reliance on any statement, warranties, or representations by any other party, except as expressly provided herein.

20. The Parties understand and agree that this Agreement is a compromise in settlement of disputed liabilities, obligations and claims and in no way constitutes an admission thereof by the other party of any liability or obligation whatsoever in connection with the Liquidation.

21. This Agreement is binding on and inures to the benefit of the Parties and their officers, directors, subsidiaries, affiliates and respective successors and assigns. The Insurance Commissioner makes this agreement in his capacity as the statutory liquidator for Western Employers and not (i) as an obligation of the State of California or (ii) in his individual capacity.

22. This Agreement constitutes the entire agreement between the Parties and may not be altered, amended, modified or otherwise changed in any respect whatsoever, except by written amendment duly executed by an authorized representative of each of the Parties.

23. This Agreement may be executed and delivered in multiple counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute

but one and the same instrument and agreement. A facsimile or electronic signature shall be treated as an original signature.

IN WITNESS WHEREOF, the Insurance Commissioner and Shareholder execute the Agreement by their duly authorized officers or representatives.

THE INSURANCE COMMISSIONER AS LIQUIDATOR OF Western Employers Insurance Company

By: Joseph Holloway Date: 1/7/2021
Joseph Holloway
Chief Executive Officer, and not individually, signing on behalf of
the Insurance Commissioner of the State of California as Liquidator of Western Employers
Insurance Company, and not as an obligation of the State of California

Level 3 Parent, LLC, a Delaware limited liability company

By: [Signature]
Printed Name: Ryan M. Mawis
Title: VP - Deputy GC

Date: 12/17/20

EXHIBIT B

ASSIGNMENT OF ASSETS

Background:

1. The California Insurance Commissioner is the Liquidator of Western Employers Insurance Company (“WEIC”)

2. WEIC’s liquidation is in the process of being wound up. Certain assets have been or will be distributed to creditors, and certain assets will be distributed to the shareholder. Certain assets may be used for payment of taxes, and certain assets will be used to take steps to close the estate of WEIC as approved by the Court. This assignment does not affect any of those assets, but instead assigns unknown, contingent, undistributed and unrecovered assets of WEIC to its shareholder, Level 3 Parent, LLC.

The Assignment:

3. This assignment is intended to deal with any unknown, contingent, undistributed or unrecovered assets of WEIC. The Commissioner hereby assigns all right, title and interest to these unknown, contingent, undistributed and unrecovered assets of WEIC to Level 3 Parent, LLC, as follows:

1. This assignment further includes, without limitation, all contract rights, rights to collect unclaimed property, dividends, tort claims, Medicare Secondary Payer rights, intangible rights, sums owed to WEIC, rights under tax sharing agreements, and other rights to tangible property or monies belonging to WEIC. The assignment does not include any claims against the Liquidator or Receiver of WEIC, their attorneys or agents.

2. This assignment is intended to facilitate and not to limit or supersede the terms of the Agreement between Shareholder and Insurance Commissioner of the State of California, as Liquidator, regarding Western Employers Insurance Company (Shareholder Agreement”) This assignment does not limit the release and other language contained in the Shareholder Agreement.
3. This assignment is intended to include, but not be limited to, property, causes of action, judgments, claims, unclaimed property deposits, tort claims, contract claims, statutory claims, contract rights, rights to recovery or to distribution, unknown claims, unrecovered claims and as-yet-undiscovered claims and assets. The assignment is to be broadly construed to include even rights and assets not presently known or imagined.
4. This assignment is intended to grant to the assignees hereunder the authority to demand and receive payments, to collect assets, to pursue causes of action, to assert contract and distribution rights, to collect contingent, liquidated and unliquidated assets, and to include all assets, past, present and future. Nothing in this assignment shall give the assignee the right to pursue any claim against the Commissioner, his special deputies, the CLO, their attorneys, employees or agents.
5. This assignment and the Shareholder Agreement together are the final and integrated expression of their agreement. This assignment is made without express or implied warranty, AS IS, and is made without recourse. Nothing in this assignment waives any

defense or claim of WEIC.

So assigned on _____ day of _____, 2021.

Ricardo Lara, Insurance Commissioner of the State of California, as Liquidator of Western Employers Insurance Company, and not individually.

By:

Joseph Holloway, Chief Executive Officer, Conservation and Liquidation Office and not individually.

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ELECTRONICALLY
FILED
Superior Court of California,
County of San Francisco

06/15/2021
Clerk of the Court
BY: ERNALYN BURA
Deputy Clerk

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13 *Attorneys for Applicant Insurance*
14 *Commissioner of the State of California as*
Liquidator of Western Employers Insurance
15 *Company*

16 SUPERIOR COURT OF THE STATE OF CALIFORNIA
17 COUNTY OF SAN FRANCISCO

18
19 **INSURANCE COMMISSIONER OF THE**
STATE OF CALIFORNIA,

20 Applicant,

21 v.

22
23 **WESTERN EMPLOYERS INSURANCE**
COMPANY,

24 Respondent.

Case No. CPF-97-984281

**DECLARATION OF REGINA ALAVA IN
SUPPORT OF APPLICATION FOR
APPROVAL OF FINAL REPORT AND
ACCOUNT OF LIQUIDATOR OF
WESTERN EMPLOYERS INSURANCE
COMPANY, SHAREHOLDER
AGREEMENT, FINAL DISTRIBUTION,
AND CLOSING OF ESTATE**

25 Date: July 19, 2021
26 Time: 9:30 a.m.
27 Dept: 302
28 Judge: Honorable Ethan P. Schulman

1 I, Regina Alava, hereby declare as follows:

2 1. I am the Chief Financial Officer in the California Insurance Commissioner's
3 Conservation and Liquidation Office (CLO). I have over 24 years of experience with the CLO, as
4 well as experience prior to my time at CLO working in the finance department of insurance
5 companies. My responsibilities with CLO have included leading the internal CLO financial
6 operations, ensuring the transition of financial data of insolvent companies into the liquidation
7 accounting framework, managing audits and internal controls and implementing upgrades to the
8 financial systems. I am well familiar with the financial records for WEIC because, as the Chief
9 Financial Officer and previously the Vice President of Finance, I ensured that WEIC's financial
10 statements are accurately prepared. I make this declaration in my official capacity as the Chief
11 Financial Officer of the CLO.

12 2. I am authorized to make this declaration on behalf of applicant Insurance
13 Commissioner of the State of California, in his capacity as Liquidator of WEIC. The following
14 statements are based on my personal knowledge, acquired through my direct involvement in the
15 WEIC liquidation. If called upon to testify, I could and would testify to the facts herein. I have
16 reviewed the exhibits attached to this declaration. The exhibits were created in the ordinary
17 course of CLO's business from information maintained in a systematic manner. I supervised the
18 creation of these documents.

19 3. Attached hereto as Exhibit A and incorporated herein by reference is a true and
20 correct copy of a detailed accounting from the inception of the WEIC liquidation to year-end
21 2020. The exhibit contains a balance sheet and statement of operations for each year of the
22 liquidation of WEIC.

23 4. For the years 2006 through 2019, the California Department of Finance, Office of
24 State Audits and Examinations has conducted a review of the WEIC estate and issued an
25 Independent Accountant's Review Report. A copy of the reports for 2007 through 2019 is
26 publicly available on CLO's website at www.caclo.org. These financial reviews provide CLO
27 with assurance and oversight as to the procedures we employ in preparing the financial
28 statements.

1 5. In the course of CLO's administration of this estate, CLO succeeded in collecting
2 assets for distribution to holders of approved policyholder claims and to creditors. Exhibit A
3 reflects that, at the time of Conservation in 1991, the estate showed a deficiency of \$322,147. At
4 year-end 2020, the estate showed a surplus of \$40,307,652. This resulted from CLO's adjustment
5 of claims, collection of assets, and investments of the funds of WEIC. The administration of the
6 WEIC insolvency has permitted the payment of the principal and interest to all approved proof of
7 claim holders. At the time of this declaration, one last payment, approved by the Court is to be
8 made to the United States, as to a matter referred to as Pioneer Metal Finishing.

9 6. Attached hereto as Exhibit B and incorporated herein is a true and correct copy of
10 the closing budget for expenditures that have been made and projected to be made in 2021 in the
11 closing of this estate. The projected expenses covered in the closing budget are typical for the
12 closing of an insolvent insurer's estate. This closing budget does not include the claims payment
13 set forth in the preceding paragraph.

14 I declare under the penalty of perjury under the laws of the State of California that the
15 foregoing facts are true and correct. Executed on this 11th day of June, 2021 at
16 San Francisco, California.

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REGINA ALAVA

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EXHIBIT A

WESTERN EMPLOYERS INSURANCE COMPANY

STATEMENT OF AVAILABLE ASSETS AND LIABILITIES

	Conservation		
	4/2/1991	12/31/2020	Change
Assets			
Cash & Equivalents	\$ 1,697,079	\$ -	\$ (1,697,079)
Participation in pooled investments, at market:	-	42,396,832	42,396,832
Non-Pooled Short-Term Investments, at market	-	-	-
Bonds & Stocks	71,706,099	-	(71,706,099)
Accrued Investment Income	1,464,676	106,122	(1,358,554)
Statutory deposits held by other states	-	-	-
Fund Held by Guarantee Associations	-	-	-
Recoverable from Reinsures	4,520,242	-	(4,520,242)
Fixed Assets	77,637	-	(77,637)
Other Receivables	2,418	-	(2,418)
Deposits and Other Assets	1,127,434	-	(1,127,434)
Total Assets	\$ 80,595,585	\$ 42,502,954	\$ (38,092,631)
Liabilities			
Administrative expenses (Class 1)	\$ 1,391,982	\$ 195,294	\$ (1,196,688)
Claims Against Policies, Including Guarantee Associations (Class 2), before distributions	63,764,311	176,034,112	\$ 112,269,801
Early Access and Other Class 2 Distributions	-	(174,034,103)	(174,034,103)
All Other Claims (Class 7)	15,761,439	-	(15,761,439)
Total Liabilities	80,917,732	2,195,302	(78,722,430)
Adjustments to Net Assets	-	-	-
Net Assets (Deficiency)	\$ (322,147)	\$ 40,307,652	\$ 40,629,799

STATEMENT OF OPERATIONS

	Inception To
	12/31/2020
Revenue	
Recoveries	\$ 18,335,735
Other Revenue	8,297,446
Total revenues	26,633,181
Expenses	
Administrative Expenses	
Legal Expenses	2,008,946
Consultants and Temps	2,713,912
Salaries, Wages and Benefits	651,707
Office Expenses	1,770,193
Depreciation and Amortization	31,786
Allocated Expenses	14,214,933
Total Administrative Expenses	21,391,478
Loss Expense	65,487,324
Taxes and Other Expenses	14,171,503
Total Non-Administrative Expenses	79,658,827
Total expenses	101,050,304
Investments	
Investment Income	101,051,477
Investment Expenses	(137,716,102)
Net Gain (Loss) on Securities	156,672,978
Net Investment Income	120,008,353
Net Income (Loss)	\$ 45,591,230

WESTERN EMPLOYERS INSURANCE COMPANY

STATEMENT OF AVAILABLE ASSETS AND LIABILITIES

	12/31/1992	1993	1994	1995
Assets				
Cash & Equivalents	\$ 1,389,812	\$ 450,935	\$ 327,472	\$ 757,202
Participation in pooled investments, at market:	35,126,081	18,402,369	19,254,644	21,634,029
Non-Pooled Short-Term Investments, at market	-	10,001,301	8,799,762	11,106,446
Bonds & Stocks	7,128,808	7,113,455	-	-
Accrued Investment Income	186,979	-	471,078	455,059
Statutory deposits held by other states	16,321,618	16,437,514	16,907,113	16,707,370
Fund Held by Guarantee Associations	25,091,212	-	-	-
Recoverable from Reinsures	2,729,226	1,588,737	2,091,312	2,579,811
Fixed Assets	5,746	5,928	7,170	6,443
Other Receivables	-	70,564	-	-
Deposits and Other Assets	682,860	1,112,200	6,090,495	6,706,834
Total Assets	\$ 88,662,342	\$ 55,183,003	\$ 53,949,048	\$ 59,953,195
Liabilities				
Administrative expenses (Class 1)	\$ (32,576,931)	\$ 28,028	\$ 259,116	\$ 79,639
Claims Against Policies, Including Guarantee Associations (Class 2), before distributions	75,498,400	136,608,439	90,479,069	97,926,952
Early Access and Other Class 2 Distributions	-	(41,572,626)	(43,437,042)	(47,735,634)
All Other Claims (Class 7)	37,702,226	(32,651,200)	47,531,421	47,531,421
Total Liabilities	80,623,695	62,412,640	94,832,563	97,802,378
Adjustments to Net Assets	-	-	-	-
Net Assets (Deficiency)	\$ 8,038,647	\$ (7,229,637)	\$ (40,883,516)	\$ (37,849,182)

STATEMENT OF OPERATIONS

	4/2/1991- 12/31/1992	1993	1994	1995
Revenue				
Recoveries	\$ 5,957,331	\$ 3,317,627	\$ 162,462	\$ 2,477,137
Other Revenue	4,008,716	11,648	9,363	2,120,910
Total revenues	9,966,047	3,329,275	171,825	4,598,047
Expenses				
Administrative Expenses				
Legal Expenses	247,759	523,538	(41)	3,799
Consultants and Temps	315,249	135,536	64,452	194,314
Salaries, Wasges and Benefits	275,836	379,296	(3,284)	(140)
Office Expenses	660,570	157,531	188,719	90,719
Depreciation and Amortization	-	13,414	1,867	727
Allocated Expenses	-	-	813,069	650,807
Total Administrative Expenses	1,499,414	1,209,315	1,064,781	940,228
Loss Expense	26,857,906	13,146,730	(20,756,201)	7,423,715
Taxes and Other Expenses	3,023,428	-	1,987	10,893
Total Non-Administrative Expenses	29,881,334	13,146,730	(20,754,214)	7,434,608
Total expenses	31,380,748	14,356,045	(19,689,433)	8,374,836
Investments				
Investment Income	7,698,876	2,108,593	2,825,194	3,976,604
Investment Expenses	(135,829,068)	52,770	(70,430)	(71,024)
Net Gain (Loss) on Securities	149,237,627	1,635,851	(2,384,289)	2,905,543
Net Investment Income	21,107,435	3,797,215	370,475	6,811,123
Net Income (Loss)	\$ (307,266)	\$ (7,229,555)	\$ 20,231,733	\$ 3,034,333

WESTERN EMPLOYERS INSURANCE COMPANY

STATEMENT OF AVAILABLE ASSETS AND LIABILITIES

	1996	1997	1998	1999
Assets				
Cash & Equivalents	\$ 300,836	\$ 300,836	\$ 300,836	\$ 305,846
Participation in pooled investments, at market:	33,204,272	36,235,346	41,239,023	47,248,968
Non-Pooled Short-Term Investments, at market	910,954	961,041	1,013,654	1,065,444
Bonds & Stocks	-	-	-	-
Accrued Investment Income	477,268	412,676	511,762	678,532
Statutory deposits held by other states	17,199,769	17,436,450	15,581,077	15,672,462
Fund Held by Guarantee Associations	-	-	-	-
Recoverable from Reinsurers	2,488,299	2,445,305	5,131,991	3,703,360
Fixed Assets	-	-	-	-
Other Receivables	-	-	-	-
Deposits and Other Assets	7,003,394	7,550,543	8,313,983	7,803,488
Total Assets	\$ 61,584,793	\$ 65,342,198	\$ 72,092,327	\$ 76,478,101
Liabilities				
Administrative expenses (Class 1)	\$ (155,619)	\$ (289,322)	\$ 67,942	\$ 103,800
Claims Against Policies, Including Guarantee Associations (Class 2), before distributions	105,933,789	103,454,265	102,707,102	108,139,705
Early Access and Other Class 2 Distributions	(49,590,622)	(51,102,458)	(54,479,511)	(55,835,057)
All Other Claims (Class 7)	47,832,157	47,832,157	48,460,345	48,263,602
Total Liabilities	104,019,705	99,894,641	96,755,877	100,672,050
Adjustments to Net Assets	-	-	-	-
Net Assets (Deficiency)	\$ (42,434,912)	\$ (34,552,443)	\$ (24,663,551)	\$ (24,193,949)

STATEMENT OF OPERATIONS

	1996	1997	1998	1999
Revenue				
Recoveries	\$ 690,735	\$ 687,516	\$ 27,009	\$ 30,418
Other Revenue	23,180	42,563	25,330	11,926
Total revenues	713,915	730,079	52,339	42,344
Expenses				
Administrative Expenses				
Legal Expenses	35,673	15,677	6,597	(8,786)
Consultants and Temps	65,203	110,217	135,984	343,239
Salaries, Wages and Benefits	-	-	-	-
Office Expenses	87,717	102,811	24,874	16,334
Depreciation and Amortization	10,911	-	-	-
Allocated Expenses	351,004	471,488	449,116	434,646
Total Administrative Expenses	550,508	700,192	616,571	785,434
Loss Expense	7,991,651	(2,312,389)	(4,435,218)	(125,219)
Taxes and Other Expenses	208,247	(11,649)	-	-
Total Non-Administrative Expenses	8,199,898	(2,324,038)	(4,435,218)	(125,219)
Total expenses	8,750,406	(1,623,846)	(3,818,647)	660,215
Investments				
Investment Income	4,484,767	4,454,626	4,033,632	4,346,665
Investment Expenses	(79,583)	(56,483)	(41,638)	(46,643)
Net Gain (Loss) on Securities	(954,423)	1,130,401	2,025,912	(3,212,550)
Net Investment Income	3,450,761	5,528,544	6,017,906	1,087,472
Net Income (Loss)	\$ (4,585,730)	\$ 7,882,469	\$ 9,888,892	\$ 469,602

WESTERN EMPLOYERS INSURANCE COMPANY

STATEMENT OF AVAILABLE ASSETS AND LIABILITIES

	2000	2001	2002	2003
Assets				
Cash & Equivalents	\$ 315,933	\$ 324,431	\$ 327,750	\$ -
Participation in pooled investments, at market:	55,291,992	60,325,893	67,216,299	72,693,196
Non-Pooled Short-Term Investments, at market	1,133,147	1,179,802	1,200,502	1,213,342
Bonds & Stocks	-	-	-	-
Accrued Investment Income	958,708	824,000	684,403	579,839
Statutory deposits held by other states	12,006,342	12,255,929	12,130,937	11,739,832
Fund Held by Guarantee Associations	-	-	-	-
Recoverable from Reinsures	3,088,854	525,979	2,210,223	1,905,142
Fixed Assets				
Other Receivables	895	1,021	1,021	1,021
Deposits and Other Assets	8,517,725	9,123,253	9,837,305	9,837,305
Total Assets	\$ 81,313,595	\$ 84,560,308	\$ 93,608,440	\$ 97,969,677
Liabilities				
Administrative expenses (Class 1)	\$ 16,663	\$ 28,392	\$ 29,625	\$ 222
Claims Against Policies, Including Guarantee Associations (Class 2), before distributions	115,478,277	116,961,629	119,507,648	114,592,346
Early Access and Other Class 2 Distributions	(59,884,335)	(61,457,190)	(62,498,959)	(63,416,192)
All Other Claims (Class 7)	48,276,433	48,351,443	48,071,985	47,187,406
Total Liabilities	103,887,038	103,884,273	105,110,298	98,363,783
Adjustments to Net Assets	-	-	-	-
Net Assets (Deficiency)	\$ (22,573,442)	\$ (19,323,964)	\$ (11,501,858)	\$ (394,106)

STATEMENT OF OPERATIONS

	2000	2001	2002	2003
Revenue				
Recoveries	\$ 432,176	\$ (355,728)	\$ 29,135	\$ 9,728
Other Revenue	250,634	150,396	-	394
Total revenues	682,810	(205,332)	29,135	10,122
Expenses				
Administrative Expenses				
Legal Expenses	1,077	6,814	563	6,855
Consultants and Temps	448,457	273,066	12,974	14,901
Salaries, Wages and Benefits	-	-	-	-
Office Expenses	13,470	15,522	17,894	19,488
Depreciation and Amortization	-	-	-	-
Allocated Expenses	336,093	351,972	463,476	469,019
Total Administrative Expenses	799,097	647,374	494,907	510,263
Loss Expense	5,885,893	1,597,514	(983,321)	(8,118,420)
Taxes and Other Expenses	-	2,107,590	-	-
Total Non-Administrative Expenses	5,885,893	3,705,104	(983,321)	(8,118,420)
Total expenses	6,684,990	4,352,477	(488,414)	(7,608,157)
Investments				
Investment Income	4,811,218	5,581,356	4,265,902	3,878,727
Investment Expenses	(52,826)	(62,615)	(52,948)	(62,359)
Net Gain (Loss) on Securities	2,864,295	2,295,831	3,091,603	(326,894)
Net Investment Income	7,622,687	7,814,572	7,304,557	3,489,473
Net Income (Loss)	\$ 1,620,507	\$ 3,256,763	\$ 7,822,107	\$ 11,107,752

WESTERN EMPLOYERS INSURANCE COMPANY

STATEMENT OF AVAILABLE ASSETS AND LIABILITIES

	2004	2005	2006	2007
Assets				
Cash & Equivalents	\$ -	\$ -	\$ -	\$ -
Participation in pooled investments, at market:				
Non-Pooled Short-Term Investments, at market	76,904,423	80,170,140	85,560,530	90,965,252
Bonds & Stocks	1,228,503	1,266,067	1,328,166	1,397,723
Accrued Investment Income	-	-	-	-
Statutory deposits held by other states	565,801	519,613	456,450	529,714
Fund Held by Guarantee Associations	11,909,219	11,909,219	2,935,285	2,940,255
Recoverable from Reinsures	-	-	9,022,403	9,223,536
Fixed Assets	912,412	17,274,368	19,542,926	19,141,044
Other Receivables	-	-	-	-
Deposits and Other Assets	2,859	126	126	126
Total Assets	\$ 10,221,383	\$ 10,221,383	\$ 10,332,000	\$ 10,332,000
Liabilities				
Administrative expenses (Class 1)	\$ 8,187	\$ 6,399	\$ 3,952	\$ 10,464
Claims Against Policies, Including Guarantee Associations (Class 2), before distributions	109,965,564	120,609,670	118,045,812	205,252,088
Early Access and Other Class 2 Distributions	(62,765,723)	(63,409,125)	(63,029,741)	(63,029,741)
All Other Claims (Class 7)	46,735,588	46,735,588	44,913	3,479,490
Total Liabilities	93,943,616	103,942,533	55,064,936	145,712,301
Adjustments to Net Assets	-	-	1,162	-
Net Assets (Deficiency)	\$ 7,800,983	\$ 17,418,383	\$ 74,114,112	\$ (11,182,651)

STATEMENT OF OPERATIONS

	2004	2005	2006	2007
Revenue				
Recoveries	\$ -	\$ 165,918	\$ 136,235	\$ 90,148
Other Revenue	1,839	3,852	15	-
Total revenues	1,839	169,769	136,250	90,148
Expenses				
Administrative Expenses				
Legal Expenses	11,064	13,425	3,477	7,636
Consultants and Temps	35,290	14,940	8,167	5,713
Salaries, Wages and Benefits	-	-	-	-
Office Expenses	17,440	21,222	23,099	18,624
Depreciation and Amortization	-	804	944	3,118
Allocated Expenses	344,735	420,222	616,765	677,281
Total Administrative Expenses	408,529	470,613	652,452	712,372
Loss Expense	(5,920,925)	(7,764,224)	(6,045,755)	83,338,010
Taxes and Other Expenses	-	-	(23,204)	3,458,525
Total Non-Administrative Expenses	(5,920,925)	(7,764,224)	(6,068,959)	86,796,535
Total expenses	(5,512,396)	(7,293,611)	(5,416,507)	87,508,907
Investments				
Investment Income	4,192,817	3,783,107	4,064,545	4,352,742
Investment Expenses	(69,550)	(67,779)	(67,685)	(62,636)
Net Gain (Loss) on Securities	(1,442,413)	(1,561,380)	428,840	1,333,052
Net Investment Income	2,680,853	2,153,948	4,425,700	5,623,158
Net Income (Loss)	\$ 8,195,088	\$ 9,617,328	\$ 9,978,457	\$ (81,795,601)

WESTERN EMPLOYERS INSURANCE COMPANY

STATEMENT OF AVAILABLE ASSETS AND LIABILITIES

	2008	2009	2010	2011
Assets				
Cash & Equivalents	\$ -	\$ -	\$ -	\$ -
Participation in pooled investments, at market:				
Non-Pooled Short-Term Investments, at market	94,236,011	109,520,262	115,247,849	117,909,676
Bonds & Stocks	1,439,551	1,447,093	1,449,800	1,451,043
Accrued Investment Income	67,834	-	-	-
Statutory deposits held by other states	652,120	635,304	581,349	530,167
Fund Held by Guarantee Associations	3,036,017	2,977,323	121,624	120,629
Recoverable from Reinsures	9,436,608	9,641,026	8,567,241	7,654,577
Fixed Assets	18,644,354	18,911,244	15,700,618	16,269,801
Other Receivables	-	-	-	-
Deposits and Other Assets	-	-	-	-
Total Assets	\$ 10,332,000	\$ -	\$ -	\$ -
	\$ 137,844,495	\$ 143,132,252	\$ 141,668,481	\$ 143,935,893
Liabilities				
Administrative expenses (Class 1)	\$ 3,160	\$ 21,706	\$ 1,502	\$ 979
Claims Against Policies, Including Guarantee Associations (Class 2), before distributions	176,653,362	183,305,287	210,564,966	180,490,671
Early Access and Other Class 2 Distributions	(63,029,741)	(62,913,940)	(67,069,999)	(68,189,999)
All Other Claims (Class 7)	6,329,132	6,329,132	6,352,530	6,377,325
Total Liabilities	119,955,913	126,742,185	149,848,999	118,678,976
Adjustments to Net Assets	-	-	-	-
Net Assets (Deficiency)	\$ 17,888,582	\$ 16,390,067	\$ (8,180,518)	\$ 25,256,917

STATEMENT OF OPERATIONS

	2008	2009	2010	2011
Revenue				
Recoveries	\$ 21,483	\$ 228,241	\$ 1,413	\$ 19,805
Other Revenue	69,008	358,444	82,122	154
Total revenues	90,491	586,685	83,535	19,959
Expenses				
Administrative Expenses				
Legal Expenses	27,015	38,231	16,844	7,207
Consultants and Temps	640	28,712	25,401	30,908
Salaries, Wages and Benefits	-	-	-	-
Office Expenses	17,917	33,287	61,381	18,687
Depreciation and Amortization	-	-	-	-
Allocated Expenses	531,481	724,835	554,094	584,171
Total Administrative Expenses	577,053	825,065	657,720	640,973
Loss Expense	(27,354,751)	5,672,028	29,511,374	(31,973,620)
Taxes and Other Expenses	-	2,430,922	(1,830,519)	16,604
Total Non-Administrative Expenses	(27,354,751)	8,102,950	27,680,855	(31,957,016)
Total expenses	(26,777,698)	8,928,015	28,338,575	(31,316,043)
Investments				
Investment Income	4,209,222	3,838,602	3,336,797	3,116,919
Investment Expenses	(75,142)	(73,847)	(94,574)	(97,536)
Net Gain (Loss) on Securities	(1,930,912)	3,098,205	446,336	(917,952)
Net Investment Income	2,203,168	6,862,960	3,688,559	2,101,431
Net Income (Loss)	\$ 29,071,357	\$ (1,478,370)	\$ (24,566,481)	\$ 33,437,433

WESTERN EMPLOYERS INSURANCE COMPANY

STATEMENT OF AVAILABLE ASSETS AND LIABILITIES

	2012	2013	2014	2015
Assets				
Cash & Equivalents	\$ -	\$ -	\$ -	\$ -
Participation in pooled investments, at market:				
Non-Pooled Short-Term Investments, at market	120,744,261	124,366,652	134,766,556	83,203,006
Bonds & Stocks	1,452,454	1,452,990	1,453,506	1,453,971
Accrued Investment Income	-	-	-	-
Statutory deposits held by other states	451,281	342,012	358,439	267,713
Fund Held by Guarantee Associations	119,631	118,631	117,632	116,632
Recoverable from Reinsures	7,653,448	7,740,271	7,800,225	7,672,067
Fixed Assets	16,598,349	16,439,489	5,657,676	-
Other Receivables	-	-	-	-
Deposits and Other Assets	-	-	-	-
Total Assets	\$ 147,019,424	\$ 150,460,045	\$ 150,154,034	\$ 92,713,389
Liabilities				
Administrative expenses (Class 1)	\$ 351,425	\$ 350,000	\$ 350,000	\$ 350,000
Claims Against Policies, Including Guarantee Associations (Class 2), before distributions	181,628,521	167,914,786	166,685,244	162,689,426
Early Access and Other Class 2 Distributions	(68,189,999)	(68,189,999)	(68,189,999)	(122,246,679)
All Other Claims (Class 7)	3,040,083	2,971,795	2,971,795	3,012,126
Total Liabilities	116,830,030	103,046,582	101,817,040	43,804,873
Adjustments to Net Assets				
Net Assets (Deficiency)	\$ 30,189,394	\$ 47,413,463	\$ 48,336,994	\$ 48,908,516

STATEMENT OF OPERATIONS

	2012	2013	2014	2015
Revenue				
Recoveries	\$ 88,154	\$ 209,228	\$ 3,068,277	\$ 472,819
Other Revenue	3,797	49,522	1,485	11,000
Total revenues	91,951	258,750	3,069,762	483,819
Expenses				
Administrative Expenses				
Legal Expenses	36,836	38,785	254,512	571,160
Consultants and Temps	56,167	81,610	120,810	50,271
Salaries, Wages and Benefits	-	-	-	-
Office Expenses	20,303	23,471	16,024	21,739
Depreciation and Amortization	-	-	-	-
Allocated Expenses	910,997	846,392	533,414	580,039
Total Administrative Expenses	1,024,303	990,258	924,760	1,223,209
Loss Expense	(3,986,021)	(17,567,479)	2,384,258	(582,896)
Taxes and Other Expenses	1,570,679	484,000	351,000	692,000
Total Non-Administrative Expenses	(2,415,342)	(17,083,479)	2,735,258	109,104
Total expenses	(1,391,039)	(16,093,221)	3,660,018	1,332,313
Investments				
Investment Income	3,130,501	2,271,054	2,090,711	2,086,636
Investment Expenses	(100,543)	(97,447)	(98,246)	(123,818)
Net Gain (Loss) on Securities	419,530	(1,301,508)	(496,840)	(524,640)
Net Investment Income	3,449,488	872,099	1,495,625	1,438,178
Net Income (Loss)	\$ 4,932,478	\$ 17,224,070	\$ 905,369	\$ 589,684

WESTERN EMPLOYERS INSURANCE COMPANY

STATEMENT OF AVAILABLE ASSETS AND LIABILITIES

	2016	2017	2018	2019
Assets				
Cash & Equivalents	\$ -	\$ -	\$ -	\$ -
Participation in pooled investments, at market:	83,744,071	84,144,704	102,272,838	41,322,586
Non-Pooled Short-Term Investments, at market	1,455,512	-	-	-
Bonds & Stocks	-	-	-	-
Accrued Investment Income	237,199	299,928	286,439	113,734
Statutory deposits held by other states	116,729	115,821	-	-
Fund Held by Guarantee Associations	7,683,826	7,633,552	-	-
Recoverable from Reinsures	-	-	-	-
Fixed Assets	-	-	-	-
Other Receivables	-	1,463,724	-	-
Deposits and Other Assets	-	-	-	-
Total Assets	\$ 93,237,337	\$ 93,657,729	\$ 102,559,277	\$ 41,436,320
Liabilities				
Administrative expenses (Class 1)	\$ 350,000	\$ 355,386	\$ 350,000	\$ 193,431
Claims Against Policies, Including Guarantee Associations (Class 2), before distributions	162,229,092	161,892,623	162,295,220	176,034,112
Early Access and Other Class 2 Distributions	(122,292,941)	(122,950,401)	(115,074,945)	(174,034,105)
All Other Claims (Class 7)	3,012,126	3,012,126	3,012,126	-
Total Liabilities	43,298,277	42,309,734	50,582,401	2,193,438
Adjustments to Net Assets				
Net Assets (Deficiency)	\$ 49,939,060	\$ 51,347,995	\$ 51,976,876	\$ 39,242,882

STATEMENT OF OPERATIONS

	2016	2017	2018	2019
Revenue				
Recoveries	\$ 165,889	\$ 114,941	\$ -	\$ 1,114
Other Revenue	284,012	777,135	-	-
Total revenues	449,901	892,076	-	1,114
Expenses				
Administrative Expenses				
Legal Expenses	15,481	44,486	38,797	37,487
Consultants and Temps	22,458	24,100	28,927	43,270
Salaries, Wages and Benefits	-	-	-	-
Office Expenses	16,636	15,348	15,492	18,607
Depreciation and Amortization	-	-	-	-
Allocated Expenses	427,248	385,128	513,780	524,388
Total Administrative Expenses	481,823	469,062	596,996	623,752
Loss Expense	(294,444)	(221,528)	402,597	19,718,059
Taxes and Other Expenses	302,000	270,000	116,000	757,000
Total Non-Administrative Expenses	7,556	48,472	518,597	20,475,059
Total expenses	489,379	517,534	1,115,593	21,098,811
Investments				
Investment Income	1,281,166	1,588,752	2,224,444	2,063,501
Investment Expenses	(66,035)	(72,790)	(81,800)	(64,317)
Net Gain (Loss) on Securities	(145,109)	(481,569)	(396,052)	1,252,075
Net Investment Income	1,070,022	1,034,393	1,746,592	3,251,259
Net Income (Loss)	\$ 1,030,544	\$ 1,408,935	\$ 630,999	\$ (17,846,438)

WESTERN EMPLOYERS INSURANCE COMPANY

STATEMENT OF AVAILABLE ASSETS AND LIABILITIES

	2020
Assets	
Cash & Equivalents	\$ -
Participation in pooled investments, at market:	42,396,832
Non-Pooled Short-Term Investments, at market	-
Bonds & Stocks	-
Accrued Investment Income	106,122
Statutory deposits held by other states	-
Fund Held by Guarantee Associations	-
Recoverable from Reinsures	-
Fixed Assets	-
Other Receivables	-
Deposits and Other Assets	-
Total Assets	\$ 42,502,954
Liabilities	
Administrative expenses (Class 1)	\$ 195,294
Claims Against Policies, Including Guarantee Associations (Class 2), before distributions	176,034,112
Early Access and Other Class 2 Distributions	(174,034,103)
All Other Claims (Class 7)	-
Total Liabilities	2,195,302
Adjustments to Net Assets	-
Net Assets (Deficiency)	\$ 40,307,652

STATEMENT OF OPERATIONS

	2020
Revenue	
Recoveries	\$ 86,523
Other Revenue	-
Total revenues	86,523
Expenses	
Administrative Expenses	-
Legal Expenses	6,979
Consultants and Temps	22,936
Salaries, Wages and Benefits	-
Office Expenses	15,266
Depreciation and Amortization	-
Allocated Expenses	249,273
Total Administrative Expenses	294,454
Loss Expense	-
Taxes and Other Expenses	236,000
Total Non-Administrative Expenses	236,000
Total expenses	530,454
Investments	
Investment Income	953,802
Investment Expenses	(29,509)
Net Gain (Loss) on Securities	584,408
Net Investment Income	1,508,701
Net Income (Loss)	\$ 1,064,770

EXHIBIT B

Western Employers Insurance Company
 Estimated Administrative and Closing Budget
 For Januray 2021 to August 2021

Description	Amount
Direct Expenses	
Administration Expenses	
Destruction of Boxes	\$ 55,893
Storage	\$ 26,619
Department of Insurance	\$ 1,338
Department of Justice	\$ 7,718
Other Legal Expenses	\$ 20,910
External Auditor - Department of Finance	\$ 31,369
Tax consultants - PWC	\$ 35,871
Income Tax Expense	\$ 50,000
Indirect Expenses	
Allocated Expenses: CLO department overhead costs	\$ 143,230
Total Estimated Budget	<u>\$ 372,948</u>

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16 SUPERIOR COURT OF THE STATE OF CALIFORNIA
17 COUNTY OF SAN FRANCISCO

18
19 **INSURANCE COMMISSIONER OF THE**
STATE OF CALIFORNIA,

20 Applicant,

21 v.

22
23 **WESTERN EMPLOYERS INSURANCE**
COMPANY,

24 Respondent.

Case No. CPF-97-984281

**DECLARATION OF MICHELE VASS IN
SUPPORT OF APPLICATION FOR
APPROVAL OF FINAL REPORT AND
ACCOUNT OF LIQUIDATOR OF
WESTERN EMPLOYERS INSURANCE
COMPANY, SHAREHOLDER
AGREEMENT, FINAL DISTRIBUTION
OF FUNDS, AND CLOSING OF ESTATE**

Date: July 19, 2021
Time: 9:30 a.m.
Dept: 302
Judge: Honorable Ethan P. Schulman

1 I, Michele Vass, hereby declare as follows:

2 1. I am the Chief Claims Officer in the California Insurance Commissioner's
3 Conservation and Liquidation Office (CLO). I have over 30 years of claims representative
4 experience in the adjustment of claims, both as to solvent insurers and as to insolvent insurers. I
5 have been with the CLO for over twenty years. In my prior role as a CLO Claims Manager, and
6 now as its Chief Claims Officer, I have had hands-on involvement in claims adjustment as to
7 Western Employers Insurance Company (WEIC) in liquidation. I make this declaration in my
8 official capacity as the Chief Claims Officer of the CLO.

9 2. I am authorized to make this declaration on behalf of applicant Insurance
10 Commissioner of the State of California, in his capacity as Liquidator of WEIC (Liquidator). The
11 following statements are based on my personal knowledge, acquired through my direct
12 involvement in the WEIC liquidation. At the same time, I refer to certain facts and events in this
13 declaration based on information and belief and on records prepared by personnel at the CLO and
14 kept in the ordinary course of CLO's business. If called upon to testify, I could and would testify
15 competently to the facts herein, except as to those matters stated on information and belief, and as
16 to those matters, I believe them to be true.

17 3. WEIC was a substantial property and casualty insurance company which the CLO
18 records reflect was originally incorporated in New York, but domiciled in California at the time
19 of its liquidation. The records indicate that WEIC at one time was licensed to transact business in
20 38 states. The policies it underwrote included, among other policies, numerous policies which
21 were excess occurrence policies that attached only after exhaustion of substantial underlying
22 policies, general liability policies, and workers' compensation policies, often issued to corporate
23 business concerns. This type of business is sometimes referred to as "long-tail" business, because
24 losses can be reported on this business many years after the policy's expiration. CLO's records
25 indicate that WEIC was in a "run-off" in which it ceased underwriting new policies, but paid
26 claims on its existing policies. However, WEIC determined that it could no longer sustain its
27 operations in run-off, and this liquidation resulted.

28 4. The initial deadline for submitting proofs of claims against WEIC was November

1 15, 1991. CLO's records reflect that the Liquidator received 9,608 proofs of claim by the claims
2 bar date, of which 4,966 were in lines of business other than workers' compensation. Those
3 claims potentially covered by state insurance guaranty associations were forwarded to those
4 associations. The Liquidator adjusted those proofs of claims for which no potential guaranty
5 association coverage existed. With assistance of counsel, the CLO adjusted the proofs of claims,
6 and issued approvals of some in whole or in part, rejections of other proofs of claims, and in some
7 cases reached agreed amounts with the claimant for each proof of clam.

8 5. One of the challenges facing the Liquidator of WEIC is that a substantial number
9 of proofs of claim were filed as contingent and unliquidated proofs of claims, as permitted by the
10 Insurance Code. Here, the long-tailed nature of WEIC's general liability business and the
11 substantial number of excess and umbrella policies meant that insureds' claims against WEIC
12 required determination after years of claims development. The Liquidator provided a substantial
13 time period for these claims to mature.

14 6. Two court orders aided the Liquidator's effort in adjusting claims. On February 2,
15 2010, this Court granted the Liquidator's Motion for an Order Requiring Claims Updates. This
16 order required each non-workers-compensation claimant to submit a detailed update as to the
17 progress of its contingent and undetermined claims by August 31, 2010. This update process
18 provided the Liquidator with information to adjust claims, and further helped the Liquidator
19 gauge the proper timing for an order seeking a valuation of all contingent and unliquidated
20 claims. Using these updates, the CLO claims staff adjusted proofs of claims. On December 15,
21 2016, this Court grants the Liquidator's Motion to Set Date for Liquidation of Contingent and
22 Undetermined Claims for Purposes of Distribution. This order set a deadline for holders of non-
23 workers-compensation claims to demonstrate the liquidated value of the claims as of April 28,
24 2017. The claimants were required to file an update on a form prescribed by the Liquidator by
25 July 3, 2017. The Liquidator received the updated claims and processed those claims, approving,
26 rejecting or compromising proofs of claims as appropriate. In some instances, applications for
27 orders to show cause were filed pursuant to Insurance Code section 1032 by claimants seeking to
28 overturn a claims rejection or a claims partial approval. Most of these matters were resolved via

1 compromise. The Liquidator's records reflect that each timely-filed proof of claim was approved,
2 rejected, litigated, or compromised to conclusion.

3 7. The potential for claims by the United States poses a challenge for the Liquidator
4 any time sufficient funds exist in the estate so that claims with priority after the policyholder class
5 may potentially be reached. This is because of the potential that the United States may argue that
6 its claims against WEIC might be accorded a "super-priority" that entitles the United States to
7 payment prior to the claims of general creditors. The Liquidator applied to the United States for a
8 release of super-priority claims in 2012. My predecessor as Chief of Claims, the late John Battle,
9 and I were involved, with the assistance of counsel and of CLO claims professional Susan
10 Collins, in the handling and resolution of these claims. A three-year analysis of WEIC policies
11 and various Environmental Protection Agency (EPA) sites ensued, as the EPA sought to
12 determine if there were any claims that might give rise to super-priority claims. This involved an
13 effort to pull and review policy information and EPA site information to provide the United States
14 Department of Justice with the pertinent information. On May 11, 2015, the Liquidator entered
15 into an agreement to resolve all super-priority claims in return for payment of a United States
16 Department of Labor claim in the amount of \$59,668.98. On July 28, 2015, the Court approved
17 the agreement.

18 8. Although the United States had released its claims that it was entitled to a super-
19 priority, the United States brought forth two proof of claim matters after 2015. One was a United
20 States EPA claim arising from the Old Bridge Township matter. The United States contended that
21 while it did not seek super-priority status, it wanted the status accorded to a claimant against a
22 policyholder (under Class 2 of Insurance Code section 1033). In 2019, the Insurance
23 Commissioner as Liquidator submitted Motion for Approval of Raritan Bay Slag Superfund Site
24 Settlement Agreement [USA: Old Bridge Township]. This settlement sought to resolve this claim
25 for a discounted amount, with no party making an admission of liability. This Court approved this
26 agreement in 2019.

27 9. In 2019, the United States also brought up a second matter involving an EPA claim
28 against Pioneer Metal Finishing Company. This proof of claim, first filed in August 2019, sought

1 to establish a policyholder priority claim in the amount of \$2 million. Ultimately, this proof of
2 claim was settled without admission of liability for an approved claim of \$1.2 million in February
3 2021, based upon this Court's approval in March 2021.

4 10. I was active, along with the late John Battle, in dealing with the insurance guaranty
5 associations, and in ensuring that the proper approval amount was applied to each association, as
6 well as ensuring proper credits to the Liquidator for any early access payments made under
7 Insurance Code section 1035.5.

8 11. Because of these efforts, all approved proofs of claims received 100 percent of the
9 principal value of their claims, as well as interest on the claims. This Court approved the payment
10 in its Order Granting Applicant Insurance Commissioner of the State of California's Amended
11 Motion for Approval of Second Interim Distribution, dated August 20, 2019. Since that time, the
12 two United States later-filed proofs of claims have been addressed.

13 12. The WEIC estate has involved the adjustment of complex claims, the balancing of
14 the need to wind up the company's affairs with the rights of those insureds who bought excess
15 policies attaching subject to substantial underlying layers, and the adjustment of claims
16 appropriate to each claim. The CLO's records reflect that this process is now complete.

17 I declare under the penalty of perjury under the laws of the State of California that the
18 foregoing facts are true and correct. Executed on this 11th day of June, 2021 at
19 So San Francisco, California.

20
21 
22 MICHELE VASS

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13 *Attorneys for Applicant Insurance*
14 *Commissioner of the State of California as*
Liquidator of Western Employers Insurance
15 *Company*

16 SUPERIOR COURT OF THE STATE OF CALIFORNIA
17 COUNTY OF SAN FRANCISCO

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

21 Applicant,

22 v.

23 **WESTERN EMPLOYERS INSURANCE**
24 **COMPANY,**

25 Respondent.

Case No. CPF-97-984281

**[PROPOSED] ORDER GRANTING
APPLICATION FOR APPROVAL OF
FINAL REPORT AND ACCOUNT OF
LIQUIDATOR OF WESTERN
EMPLOYERS INSURANCE COMPANY,
SHAREHOLDER AGREEMENT, FINAL
DISTRIBUTION OF FUNDS, AND
CLOSING OF ESTATE**

26 Date: July 19, 2021
27 Time: 9:30 a.m.
28 Dept: 302
Judge: Honorable Ethan P. Schulman

1 On July 19, 2021, at 9:30 a.m. in Department 302, the Court heard the application of the
2 Insurance Commissioner of the State of California (“Liquidator”), as the liquidator of Western
3 Employers Insurance Company (“WEIC”), for an order approving the final accounting, the
4 shareholder’s agreement, and a number of actions relating to the conclusion of this liquidation
5 proceeding.

6 The Court considered the application papers. Good cause appearing, IT IS HEREBY
7 ORDERED THAT the Liquidator’s application is granted as follows:

- 8 1. The final report and account of the Liquidator is settled and approved;
- 9 2. The Agreement Between Shareholder and Insurance Commissioner of the State of
10 California, as Liquidator Regarding Western Employers Insurance Company is authorized and
11 approved;
- 12 3. The Liquidator may make distribution and disbursement of the remaining funds.
13 Without further order, the Liquidator may make distributions to the successor-in-interest of any
14 later-received WEIC proceeds in excess of \$5,000, less the costs of such distributions incurred by
15 the Liquidator. The Liquidator may expend funds set forth in the closing budget for the purposes
16 of closing WEIC;
- 17 4. The Liquidator may reserve the funds for the closing budget, which is approved. The
18 payment of expenses is approved;
- 19 5. The Liquidator is authorized to destroy all records of WEIC in his custody and
20 control, provided that the Liquidator may retain such records as are necessary for the Liquidator’s
21 purposes and for any necessary financial examination by the Department of Finance. Further, the
22 Liquidator may transfer all or part of such records, in his discretion, to Level 3 Parent, LLC, the
23 successor-in-interest to the sole shareholder of WEIC.
- 24 6. Any unclaimed sums for distribution to claimants shall be handled as provided by
25 Code of Civil Procedure section 1517 and Insurance Code section 12937.
- 26 7. The Liquidator is authorized to take any action reasonably necessary to accomplish
27 the purposes of this Order;
- 28

1 8. The estate of WEIC shall be closed and the Commissioner shall be discharged as
2 Liquidator upon filing a declaration that the Liquidator has distributed the assets in accordance
3 with this Order;

4 9. The permanent injunction issued in the Court’s Order Appointing Liquidator and
5 Restraining Orders shall remain in place. Further, pursuant to Insurance Code section 1020 and
6 this Court’s inherent power, the Court hereby stays and enjoins the institution or prosecution of
7 any action or proceeding against WEIC, the Liquidator, the Conservation and Liquidation Office,
8 its attorneys, employees and agents. This stay shall extend to, but shall not be limited to, lawsuits,
9 arbitration, civil proceedings, as well the issuance of process such as discovery requests or
10 subpoenas, and to other process of any kind. This Court maintains jurisdiction to enforce and
11 apply this injunction.

12 10. The Commissioner shall file a declaration of compliance with the distributions set
13 forth in this order within 180 days of this Order.

14
15 Dated: _____

HONORABLE ETHAN P. SCHULMAN
JUDGE OF THE SUPERIOR COURT

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13 *Attorneys for Applicant Insurance*
14 *Commissioner of the State of California as*
Liquidator of Western Employers Insurance
15 *Company*

16 SUPERIOR COURT OF THE STATE OF CALIFORNIA
17 COUNTY OF SAN FRANCISCO

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

21 Applicant,

22 v.

23 **WESTERN EMPLOYERS INSURANCE**
24 **COMPANY,**

25 Respondent.

Case No. CPF-97-984281

**NOTICE OF PAYMENT OF COURT
REPORTER'S FEE**

Date: July 19, 2021
Time: 9:30 a.m.
Dept: 302
Judge: Honorable Ethan P. Schulman

1 Applicant Insurance Commissioner of the State of California would be responsible for
2 paying the court reporter's fees for the July 19, 2021 hearing on this Application for Approval
3 Final Report and Account of Liquidator of Western Employers Insurance Company, Shareholder
4 Agreement, Final Distribution of Funds, and Closing of Estate. The Insurance Commissioner,
5 however, is exempt from paying the fees, pursuant to Government Code section 6103.

6 Dated: June 14, 2021

Respectfully Submitted,

7 ROB BONTA
8 Attorney General of California
9 MICHAEL D. GOWE
Supervising Deputy Attorney General

10 /s/ Karen W. Yiu

11 KAREN W. YIU
12 Deputy Attorney General
13 *Attorneys for Applicant Insurance*
14 *Commissioner of the State of California as*
Liquidator of Western Employers Insurance
Company

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16 91370885.doc

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FILED
Superior Court of California,
County of San Francisco

06/15/2021
Clerk of the Court
BY: ERNALYN BURA
Deputy Clerk

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State Bar No. 134151
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12 Email: robert@wnrlaw.com

13 *Attorneys for Applicant Insurance*
14 *Commissioner of the State of California as*
Liquidator of Western Employers Insurance
15 *Company*

16 SUPERIOR COURT OF THE STATE OF CALIFORNIA
17 COUNTY OF SAN FRANCISCO

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

Case No. CPF-97-984281

21 Applicant,

DECLARATION OF SERVICE

22 v.

Date: July 19, 2021

Time: 9:30 a.m.

Dept: 302

Judge: Honorable Ethan P. Schulman

23 **WESTERN EMPLOYERS INSURANCE**
24 **COMPANY,**

25 Respondent.

DECLARATION OF SERVICE BY U.S. MAIL

Case Name: *Insurance Commissioner v. Western Employers Insurance Company*
Case No.: CPF-97-984281

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 1515 Clay Street, 20th Floor, Oakland, CA 94612-0550.

On June 15, 2021, I served the attached the following documents:

1. Notice of Application and Application for Approval of Final Report and Account of Liquidator of Western Employers Insurance Company, Shareholder Agreement, Final Distribution of Funds, and Closing of Estate;
2. Memorandum of Points and Authorities in Support of Application for Approval of Final Report and Account of Liquidator of Western Employers Insurance Company, Shareholder Agreement, Final Distribution of Funds, and Closing of Estate;
3. Declaration of Scott Pearce in Support of Application for Approval of Final Report and Account of Liquidator of Western Employers Insurance Company, Shareholder Agreement, Final Distribution of Funds, and Closing of Estate;
4. Declaration of Regina Alava in Support of Application for Approval of Final Report and Account of Liquidator of Western Employers Insurance Company, Shareholder Agreement, Final Distribution of Funds, and Closing of Estate;
5. Declaration of Michele Vass in Support of Application for Approval of Final Report and Account of Liquidator of Western Employers Insurance Company, Shareholder Agreement, Final Distribution, and Closing of Estate;
6. [Proposed] Order Granting Application for Approval of Final Report and Account of Liquidator of Western Employers Insurance Company, Shareholder Agreement, Final Distribution of Funds, and Closing of Estate;
7. Notice of Payment of Court Reporter's Fee;
8. Declaration of Service; and
9. Supplemental Declaration of Service

by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid,

in the United States Mail at Oakland, California, addressed as follows:

Jack Hom, Esq.
Office of the Chief Counsel
California Department of Insurance
1901 Harrison Street, Floor 6th
Oakland, CA 94612-3691

Carmel Gill
Data Protection Officer
Lumen
931 14th Street
Denver, CO 80202

Western Employer's Insurance Company
c/o Conservation and Liquidation Office
P.O. Box 26894
San Francisco, CA 94126-0894

I declare under penalty of perjury under the laws of the State of California and the United States of America the foregoing is true and correct and that this declaration was executed on June 15, 2021, at Oakland, California.

Sylvia Wu
Declarant


Signature

1 ROB BONTA
Attorney General of California
2 MICHAEL D. GOWE
Supervising Deputy Attorney General
3 KAREN W. YIU
Deputy Attorney General
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State Bar No. 134151
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11 Telephone: (972) 530-2200
Facsimile: (972) 530-7200
12 Email: Robert@wnrlaw.com

13 *Attorneys for Applicant Insurance*
Commissioner of the State of California as
14 *Liquidator of Western Employers Insurance*
Company

15 SUPERIOR COURT OF THE STATE OF CALIFORNIA
16 COUNTY OF SAN FRANCISCO
17

19 **INSURANCE COMMISSIONER OF THE**
STATE OF CALIFORNIA,
20
Applicant,
21
v.
22
WESTERN EMPLOYERS INSURANCE
COMPANY,
23
Respondent.
24

Case No. CPF-97-984281

**SUPPLEMENTAL DECLARATION OF
SERVICE RE NOTICE OF
APPLICATION AND APPLICATION
FOR APPROVAL OF FINAL REPORT
AND ACCOUNT OF LIQUIDATOR OF
WESTERN EMPLOYERS INSURANCE
COMPANY, SHAREHOLDER
AGREEMENT, FINAL DISTRIBUTION
OF FUNDS, AND CLOSING OF ESTATE**

25 Date: July 19, 2021
26 Time: 9:30 a.m.
Dept: 302
27 Judge: Honorable Ethan P. Schulman

**ELECTRONICALLY
FILED**

*Superior Court of California,
County of San Francisco*

**06/15/2021
Clerk of the Court**

BY: ERNALYN BURA
Deputy Clerk

1 **DECLARATION OF SERVICE BY U.S. MAIL**

2 Case Name: *Insurance Commissioner v. Western Employers Insurance Company*

3 Case No.: CPF-97-984281

4
5 I, Darius Meykadeh declare that I am over 18 years of age and not a party to this matter, and that my
6 business address is 455 Market Street, Suite 180, San Francisco, CA 94105.

7 On June 15, 2021, I mailed an envelope containing the following documents:

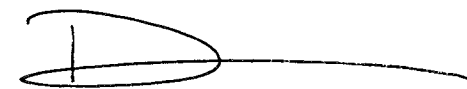
- 8 1. Notice of Application and Application for Approval of Final Report and Account of
9 Liquidator of Western Employers Insurance Company, Shareholder Agreement, Final
10 Distribution of Funds, and Closing of Estate;
- 11 2. Memorandum of Points and Authorities in Support of Application for Approval of Final
12 Report and Account of Liquidator of Western Employers Insurance Company,
13 Shareholder Agreement, Final Distribution of Funds, and Closing of Estate;
- 14 3. Declaration of Scott Pearce in Support of Application for Approval of Final Report and
15 Account of Liquidator of Western Employers Insurance Company, Shareholder
16 Agreement, Final Distribution of Funds, and Closing of Estate;
- 17 4. Declaration of Regina Alava in Support of Application for Approval of Final Report and
18 Account of Liquidator of Western Employers Insurance Company, Shareholder
19 Agreement, Final Distribution of Funds, and Closing of Estate;
- 20 5. Declaration of Michele Vass in Support of Application for Approval of Final Report and
21 Account of Liquidator of Western Employers Insurance Company, Shareholder
22 Agreement, Final Distribution, and Closing of Estate;
- 23 6. [Proposed] Order Granting Application for Approval of Final Report and Account of
24 Liquidator of Western Employers Insurance Company, Shareholder Agreement, Final
25 Distribution of Funds, and Closing of Estate;
- 26 7. Notice of Payment of Court Reporter's Fee;
- 27 8. Declaration of Service; and
- 28 9. Supplemental Declaration of Service

to each of the 160 names and addresses on the attached list. Each envelope was deposited in
the United States mail in San Francisco, CA in the county in which I am employed with all
postage thereon fully prepaid.

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 June 15, 2021, at San Francisco, California.

26 Darius Meykadeh

27 Declarant



Signature

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claimant	claimant_add	claimant_add2	claimant_city	claimant_state	claimant_zip
CALIFORNIA INS GUARANTEE ASSOC	PO BOX 29066	ATTN WAYNE D WILSON	GLENDALE	CA	91209-9066
NEW YORK LIQUIDATION BUREAU	ATTN: DAVID AXINN	180 MAIDEN LANE, 14TH FLOOR	NEW YORK	NY	10038
INDUSTRIAL COMMISSIONS OF AZ	800 W WASHINGTON ST, STE 307		PHOENIX	AZ	85007-2922
NEW HAMPSHIRE INSURANCE GUARANTY ASSOC.	ATTN PAUL M GULKO	ONE BOWDOIN SQUARE, 2ND FLOOR	BOSTON	MA	02114-2916
TEXAS PROP & CAS INS GUARANTY ASSOC	ATTN: MARVIN KELLY	9120 BURNET RD	AUSTIN	TX	78758
FLORIDA WC INSURANCE GTY ASSOC	ATTN: TOM STREUKENS	PO BOX 15159	TALLAHASSEE	FL	32317-5159
OREGON INS GUARANTY ASSOC	ATTN: CATHERINE BRAUGHTON-BAZANT	10700 SW BEAVERTON HWY, STE 426	BEAVERTON	OR	97005-3019
KAISER ALUMINUM & CHEM CORP	PETER MCAWEEENEY- MORGAN LEWIS & BROCKIUS	ONE MARKET ST, SPEAR ST. TOWER	SAN FRANCISCO	CA	94105
ABB COMBUSTION ENGINEERING	1100 NEW YORK AVE NW STE 700	GILBERT, LLP ATTN: W. HUNTER WINSTEAD	WASHINGTON	DC	20005-6133
CONGOLEUM PLAN TRUST	1251 AVENUE OF THE AMERICAS	C/O ROBERT HORKOVICH ANDERSON KILL OLICK	NEW YORK	NY	10020-1130
LIQUIDITY SOLUTIONS AS ASSIGNEE OF FORT HOWARD PAPER	1 UNIVERSITY PLAZA, SUITE 312		HACKENSACK	NJ	07601
MASSACHUSETTS INSURERS INSOLVENCY FUND	ATTN PAUL M GULKO	ONE BOWDOIN SQUARE, 2ND FLOOR	BOSTON	MA	02114-2916
HONEYWELL INTERNATIONAL	JOHN T WALDRON III, ESQ- K & L	K & L GATES CTR, 210 SIXTH AVE	PITTSBURGH	PA	15222-2613
NEW JERSEY WORKERS COMPENSATION SECURITY FUND	ATTN: JOSEPH DELLA FERA	233 MT AIRY ROAD	BASKING RIDGE	NJ	07920
UNITED STATES OF AMERICA-ENVIRONMENTAL ENFORCEMENT SECTION	US DEPT OF JUSTICE-ATT: BRANDON ROBERS	PO BOX 7611 BEN FRANKLIN STATION	WASHINGTON	DC	20044
CONNECTICUT INS GUARANTY ASSOCIATION	ATTN: PAUL GULKO	ONE BOWDOIN SQUARE, 2ND FLOOR	BOSTON	MA	02114-2916
PENNSYLVANIA WORKERS COMPENSATION SECURITY FUND	PENN INS DEPT BUREAU OF SPECIAL FUNDS	901 NORTH 7TH STREET	HARRISBURG	PA	17102
CALIFORNIA INS. GUARANTEE ASSOCIATION	PO BOX 29066		GLENDALE	CA	91209-9066
AIPSO	ATTN: LINDA PAQUIN	302 CENTRAL AVE	JOHNSTON	RI	02919-4932
NEW JERSEY PROP & LIAB INS GTY	ATTN: JOSEPH L DELLA FERA	233 MOUNT AIRY RD	BASKING RIDGE	NJ	07920-2338
AMERICAN NATIONAL RED CROSS- OFFICE OF GENERAL COUNSEL	431 18TH ST NW	LORI POLACHECK, GEN. COUNSEL	WASHINGTON	DC	20006
ACANDS SETTLEMENT TRUST	C/O JENNA HUDSON, GILBERT, LLP	1100 NEW YORK AVE NW, STE 700	WASHINGTON	DC	20005
MANOR CARE INC	C/O DONALD MCLEAN - ARENT FOX	1717 K ST NW, STE 3005P	WASHINGTON	DC	20006-5343
HARTE-HANKS COMMUNICATIONS INC	9601 MCALLISTER FREEWAY, SUITE 610		SAN ANTONIO	TX	78216
MINE SAFETY APPLIANCES CO	C/O JENNA HUDSON - GILBERT, LLP	1100 NEW YORK AVE NW, STE 700	WASHINGTON	DC	20005
PIONEER METAL FINISHING/US EPA	C/O CINCINNATI FINANCE OFFICE	26 W MARTIN LUTHER KING DR	CINCINNATI	OH	45268
ALUMINUM SHAPES	GREENBERG TRAURIG-ATT: BRIAN STRAW	77 WEST WACKER, STE 3100	CHICAGO	IL	60601
IMO INDUSTRIES	COVINGTON & BURLING-C/O JOHN NILES	ONE CITY CENTER, 850 10TH ST NW	WASHINGTON	DC	20001-4956
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REF-CHEM CORP	C/O ROBERT HULL - RISK INTL	4055 EMBASSY PKWY, SUITE 100	FAIRLAWN	OH	44333
REF-CHEM CORP	C/O RISK INTL - ROBERT HULL	4055 EMBASSY PKWY, STE 100	FAIRLAWN	OH	44333
GEORGIA INSURERS INSOLVENCY POOL	ATTN: MICHAEL C MARCHMAN	3700 CRESTWOOD PARKWAY, NW, STE 400	DULUTH	GA	30096
CONTINENTAL GROUP INC.	LEVEL (3) COMM-ATT:C. GILL, CORP COUNSEL	1025 ELDORADO BLVD	BROOMFIELD	CO	80021
VIRGINIA PROP & CAS INS GUARANTY ASSOC.	ATTN: PAUL M GULKO	ONE BOWDOIN SQUARE, 2ND FLOOR	BOSTON	MA	02114-2916
ILLINOIS INSURANCE GUARANTY FUND	ATTN: TIM SCHOTKE	150 S. WACKER DRIVE, STE. 2970	CHICAGO	IL	60606
KENTUCKY INS GUARANTY ASSOC	ATTN: A. SCOTT WEBSTER	10605 SHELBYVILLE ROAD, SUITE 101	LOUISVILLE	KY	40223
KANSAS INSURANCE GUARANTY ASSOCIATION	ATTN: CHAD ANDERSON	1720 SOUTH BELLAIRE ST STE 408	DENVER	CO	80222
MAINE INSURANCE GUARANTY ASSOCIATION	ATTN: PAUL M GULKO	ONE BOWDOIN SQUARE, 2ND FLOOR	BOSTON	MA	02114-2916
COLORADO INS GUARANTY ASSOCIATION	ATTN: CHAD ANDERSON	1720 SOUTH BELLAIRE ST. STE. 408	DENVER	CO	80222
MISSISSIPPI INS GUARANTY ASSOC	ATTN: ARTHUR RUSSELL	713 S. PEAR ORCHARD ROAD, SUITE 200	RIDGELAND	MS	39157-4823
ALABAMA INS GUARANTY ASSOC	ATTN: ANDREA LENTINE	2020 CANYON RD STE 200	BIRMINGHAM	AL	35216
MARYLAND PROP & CAS INS GTY	ATTN: JOHN R. SPIELBERGER	305 WASHINGTON AVENUE, SUITE 600	TOWSON	MD	21204-4715
TENNESSEE INS GUARANTY ASSOC	ATTN: DAVID BROEMEL	3100 WEST END AVE, STE 670	NASHVILLE	TN	37203-5805
PENNSYLVANIA P&C INS GTY ASSOC-ATTN:STEPHEN PERRONE	ONE PENN CENTER STE 1850	1617 JOHN F KENNEDY BLVD	PHILADELPHIA	PA	19103
OHIO INSURANCE GUARANTY ASSOC	ATTN: SONNI PETERSON	5005 HORIZONS DRIVE, SUITE 200	COLUMBUS	OH	43220
UTAH PROP & CAS INS GTY ASSOC	ATTN: ALLEN MUHLESTEIN	PO BOX 1608	SANDY	UT	84091-1608
DISTRICT OF COLUMBIA INS GUARANTY FUND MGMT	ATTN PAUL M GULKO	ONE BOWDOIN SQUARE, 2ND FLOOR	BOSTON	MA	02114-2916
VERMONT PROP & CAS INS GUARANTY ASSOC.	ATTN: PAUL M GULKO	ONE BOWDOIN SQUARE, 2ND FLOOR	BOSTON	MA	02114-2916
NEW MEXICO PROP & CAS INS GTY	C/O INTEGRION GROUP-ATTN: DEBBIE LUERA	PO BOX 27815	ALBUQUERQUE	NM	87125
SENTRY INDEMNITY CO	PO BOX 8032	ATTN: SARAH HINKER	STEVENS POINT	WI	54481-8032
ARKANSAS PROP & CASUALTY GTY FUND	ATTN: STEVE UHRYNOWYCZ	1023 WEST CAPITOL AVE, STE 2	LITTLE ROCK	AR	72201
ARIZONA PROP & CAS GTY FUND	ATTN: MICHAEL E SURGUINE	100 N. 15TH AVENUE, STE 102	PHOENIX	AZ	85007
US DEPT OF LABOR	200 CONSTITUTION NW RM C-4315	ATTN JOSEPH F OLIMPIO	WASHINGTON	DC	20210-0001
HAWAII INS GUARANTY ASSOC	ATTN: BLAKE J OBATA	PO BOX 4660	HONOLULU	HI	96812-4660

claimant	claimant_add	claimant_add2	claimant_city	claimant_state	claimant_zip
COMMONWEALTH OF PENNSYLVANIA, DEPT OF LABOR & INDUSTRY	1171 S CAMERON ST RM 103	BUREAU OF WORKERS COMPENSATION	HARRISBURG	PA	17104-2510
WEST VIRGINIA INS GTY ASSN	ATTN: SONNI PETERSON	5005 HORIZONS DRIVE, SUITE 200	COLUMBUS	OH	43220
NEBRASKA PROP & LIAB INS GUARANTY ASSOC.	ATTN: CHAD ANDERSON	1720 SOUTH BELLAIRE ST. STE. 408	DENVER	CO	80222
LOUISIANA INS GUARANTY ASSOC	ATTN: JOHN WELLS	2142 QUAIL RUN DRIVE	BATON ROUGE	LA	70808-4126
SOUTH CAROLINA PROP & CAS INS GTY ASSOC.	ATTN: J. SMITH HARRISON	PO BOX 407	COLUMBIA	SC	29202
WISCONSIN INS SECURITY FUND	ATTN: ALLAN PATEK	2820 WALTON COMMONS W STE 135	MADISON	WI	53718-6797
PENSION BENEFIT GUARANTY CORP	1200 K STREET, NW		WASHINGTON	DC	20005
MICHIGAN PROP & CAS GTY ASSOC	ATTN: THOMAS R KUJAWA	PO BOX 531266	LIVONIA	MI	48153-1266
NJ WORKERS' COMPENSATION SECURITY FUND	233 MOUNT AIRY RD	ATTN JOSEPH L. DELLAFERA	BASKING RIDGE	NJ	07920
MENTZ FINN CLARKE MCDOWELL & NEWTON	1633 BAYSHORE HWY STE 360	C/O HEGGENESS SWEET, ET AL-ATTN: T. FINN	BURLINGAME	CA	94010-1537
THELEN LLP	C/O OAK POINT PARTNERS LLC	PO BOX 1033	NORTHBROOK	IL	60065
GORDON & REES	1111 BROADWAY, STE 1700	ATTN: WILLIAM A ROBLES	OAKLAND	CA	94607
WILLIAM L. NAGLE	PO BOX 816		BURLINGAME	CA	94011
JOHN S. KRUG	903 DOVER CT		LOS ALTOS	CA	94022
DANIEL W. WINTERS	12040 GREENHILLS CT		LOS ALTOS HILLS	CA	94022-4527
LANDYE BENNETT BLUMSTEIN LLP	ATTN THANE W TIENSON	1300 SW 5TH AVE STE 3600	PORTLAND	OR	97201
AIKEN KRAMER & CUMMINGS - ATTN: STEVEN J CRAMER	C/O WENDEL ROSEN BLACK & DEAN LLP	1111 BROADWAY, 24TH FLOOR	OAKLAND	CA	94607-4036
VAN COTT, BAGLEY, CORNWALL & MCCARTHY	C/O FABIAN VANCOTT-ATT: SCOTT LIJIA	215 SOUTH STATE ST, STE 1200	SALT LAKE CTY	UT	84111-2323
WILLIAMS CALIRI MILLER & OTLEY	1680 ROUTE 23 NORTH, SUITE 425	ATTN: RICHARD S MILLER	WAYNE	NJ	07470
QUINN KULLY & MORROW	C/O GREGORY C FANT- ARNOLD & PORTER, LLP	777 SOUTH FIGUEROA ST, 44TH FLOOR	LOS ANGELES	CA	90017
CUNNINGHAM MACHANIC CETLIN JOHNSON HARNEY & TENNEY LLP	220 NORTH MAIN ST, STE 301		NATICK	MA	01760
MINNESOTA INS GUARANTY ASSOC	ATTN: ROBERT FARBER	7600 PARKLAWN AVENUE, SUITE 460	EDINA	MN	55435
SHELL BUFORD, PLLC - ATT: JIM BULLOCK	C/O ANDERSON CRAWLEY & BURKE PLLC	216 DRAPERTON CT	RIDGELAND	MS	39157
MCHALE & ALLEN	225 E SANTA CLARA ST, STE 110	ATTENTION LEGAL DEPARTMENT	ARCADIA	CA	91006
NORTH CAROLINA INS GTY ASSOC	ATTN: RAYMOND EVANS	2910 SUMNER BLVD.	RALEIGH	NC	27616
RHODE ISLAND PROP & CAS INS GUARANTY ASSOC.	ATTN PAUL M GULKO	ONE BOWDOIN SQUARE, 2ND FLOOR	BOSTON	MA	02114-2916
ANDERSON MCPHARLIN & CONNERS	707 WILSHIRE BLVD, 40TH FLOOR		LOS ANGELES	CA	90017
P. RICHARD COLOMBATTO	449 VASSAR AVE		BERKELEY	CA	94708
F. PHILLIP HOSP	301 N LAKE AVE STE 410		PASADENA	CA	91101-5121
SUBSEQUENT INJURY TRUST FUND	MARQUIS TWO TOWER SUITE 1250	285 PEACHTREE CENTER AVENUE NE	ATLANTA	GA	30303-1229
SEMMES BOWEN & SEMMES	ATTN: KAREN STONE	25 S CHARLES ST STE 1400	BALTIMORE	MD	21201-2400
MISSOURI PROP & CAS INS GUARANTY ASSOC.	ATTN: CHARLES F RENN	2210 MISSOURI BLVD.	JEFFERSON CITY	MO	65109
FIFE LAW, LLP	ATTN: KATHERINE FIFE	300 MONTGOMERY ST STE 850	SAN FRANCISCO	CA	94104
MURIEL WILLIAMS	109 INVERNESS DR		LA CANADA	CA	91011-4138
EAST COAST INVESTIGATIVE SRVCS	ATTN: JAMES L COLLINS	33 CENTRAL ST	HINGHAM	MA	02043
LOCKE LORD LLP	2200 ROSS AVE, STE 2800		DALLAS	TX	75201
WASHINGTON INSURANCE GUARANTY ASSOC.	ATTN: CHAD ANDERSON	1720 S BELLAIRE ST STE 408	DENVER	CO	80222
MCINERNEY & DILLON PC	1999 HARRISON ST STE 1700	ATTENTION LEGAL DEPARTMENT	OAKLAND	CA	94612-4727
TC CHENG SC D INC	POWELL HALL OF ENGINEERING	3737 WATT WAY	LOS ANGELES	CA	90089-0096
BIGHAM ENGLER JONES & HOUSTON	14 WALL ST	ATTN GEORGE A SMITH ESQ	NEW YORK	NY	10005-2101
INDIANA INS GUARANTY ASSOC	ATTN: JANIS B FUNK	3502 WOODVIEW TRACE, SUITE 100	INDIANAPOLIS	IN	46268
JOHN W KALB	61900 YUCCA RD		MOUNTAIN CENTER	CA	92561-3736
STOCKWELL SIEVERT & ETAL	PO BOX 2900	ATTN PAM ALLISON, ADMINISTRATOR	LAKE CHARLES	LA	70602-2900
IOWA INS GUARANTY ASSOC	ATTN: STEVEN M AUGSPURGER	801 GRAND AVENUE, SUITE 3700	DES MOINES	IA	50309-8004
THOMAS P REEVES	354 27TH ST		SAN FRANCISCO	CA	94131
GIERACH & GIERACH, P.A.	723 E. COLONIAL DR. STE 100	ATTN JOHN R GIERACH	ORLANDO	FL	32803
SOUTH DAKOTA P&C IGA	C/O EDWIN E. EVANS	PO BOX 2790	SIOUX FALLS	SD	57101-2790
MOORE HILL & WESTMORELAND PA	350 W CEDAR ST, STE 100		PENSACOLA	FL	32502
KAYE SCHOLER FIERMAN HAYS & HANDLER	C/O ARNOLD & PORTER KAYE SCHOLER LLP	601 MASSACHUSETTS AVE, NW	WASHINGTON	DC	20001
CAMEO DEVELOPMENT CO	355 HANSON LN.	ATT: MARTIN KOLKEY	RAMONA	CA	92065
MCCASLIN IMBUS & MCCASLIN	600 VINE ST STE 800	ATTN C J DEMICHELIS PRES	CINCINNATI	OH	45202
LAUGHLIN FALBO LEVY & MORESI	PO BOX 70907		OAKLAND	CA	94612-5200
STEVEN BECKMAN INVESTIGATIONS INC	DBA: PAUL CHANCE INVESTIGATIONS	PO BOX 70118	RIVERSIDE	CA	92513-0118
JOAN M. COTKIN	846 21ST STREET, UNIT 4		SANTA MONICA	CA	90403
KAREN C FREITAS	C/O PARKER MILLIKEN	555 SOUTH FLOWER ST, 30TH FLOOR	LOS ANGELES	CA	90071-2440
ROBERT G WILSON	4706 HAYES ST		HOLLYWOOD	FL	33021

claimant	claimant_add	claimant_add2	claimant_city	claimant_state	claimant_zip
KIRTLAND & PACKARD LLP	1638 SOUTH COAST PACIFIC HWY		REDONDO BEACH	CA	90277
OWEN & MELBYE	700 JEFFERSON AVE	ATTN PAMELA J HELMER	REDWOOD CITY	CA	94063-1833
EMERSON & YRULEGUI	5250 N PALM AVE, STE 402	ATTN: RICHARD J YRULEGUI	FRESNO	CA	93704
MONTANA INSURANCE GUARANTY ASSOC.	ATTN: CHAD ANDERSON	1720 SOUTH BELLAIRE ST. STE. 408	DENVER	CO	80222
JAMES F BROMLEY	LAW OFFICE OF JAMES F BROMLEY	6303 ROCKHURST RD	BETHESDA	MD	20817
ESTATE OF JAMES W GREENE	THOMPSON O'DONNELL LLP-ATT JAMES BROMLEY	4100 NORTH FAIRFAX DR	FAIRFAX	VA	22203
PHILIP J WALSH	PHILIP J WALSH & ASSOCIATES	1104 GLYNDON ST. S.E.	VIENNA	VA	22180
KIGHTLINGER & GRAY	211 N PENNSYLVANIA ST	ONE INDIANA SQUARE, SUITE 300	INDIANAPOLIS	IN	46204-1959
PAUL DANIELS	14159 DICKENS ST APT 310		SHERMAN OAKS	CA	91423-5807
MARGARET BASISZTA	2250 NW 114TH AVE, UNIT 1 P	PTY. 5433	DORAL	FL	33192-4177
ROBERT D KOLAR & ASSOC LTD	812 N DEARBORN ST	C/O ROBERT D KOLAR	CHICAGO	IL	60610-3317
DEBBI LESSE, AS PERSONAL REP OF ESTATE OF JOSEPH S YUCHT	442 GLEN OAK DR		EAST AMHERST	NY	14051-1171
MARGOLIS EDELSTEIN SCHERLIS & KRAEMER	ATTN MITCHELL S PINSLY	170 S INDEPENDENCE MALL W STE 400E	PHILADELPHIA	PA	19106-3337
BROWN & BROWN	399 BRADFORD ST STE 200	ATTN JEFFREY O BROWN	REDWOOD CITY	CA	94063-1585
OKLAHOMA P & C INSURANCE GUARANTY ASSOC.	ATTN: JESSICA CANNON	2601 NW EXPRESSWAY, STE 800E	OKLAHOMA CITY	OK	73112
RICHARDS BRANDT MILLER & ETAL	299 S MAIN ST. 15TH FL		SALT LAKE CTY	UT	84111
RONALD A BERGES	10061 RIVERSIDE DR STE 129		TOLUCA LAKE	CA	91602-2560
THOMAS C SANFORD	170 S EUCLID AVE		PASADENA	CA	91101-2421
GLASPY & GLASPY	1550 THE ALAMEDA, STE 200		SAN JOSE	CA	95126
ALASKA INSURANCE GUARANTY ASSOCIATION	1401 RUDAKOF CIR	C/O NORTHERN ADJUSTERS, INC., SUITE 100	ANCHORAGE	AK	99508-3108
MISSOURI DEPARTMENT OF REVENUE	PO BOX 690	ATTN: TAMARA W KOPP	JEFFERSON CITY	MO	65102-0690
INTERNATIONAL REHABILITATION ASSOCIATES INC	2701 NW VAUGHN ST # 850	ATTN LONNIE LEACH	PORTLAND	OR	97210-5311
HOLGUIN INVESTIGATIVE SERVICE INC	PO BOX 1555	C/O JEFF GREENSTEIN	MONTEBELLO	CA	90640-7555
PARKER COULTER DALEY & WHITE-ATTN: JAMES CURTIN	C/O CURTIN MURPHY & O'REILLY, PC	31 SAINT JAMES AVE, STE 320	BOSTON	MA	02116
SPRAY GOULD & BOWERS	2 CORPORATE PARK, STE 201	ATTN: OFFICE MANAGER	IRVINE	CA	92606
GRAHAM COURT REPORTERS	1001 AVENIDA PICO STE C118		SAN CLEMENTE	CA	92673-6957
SCHOEN & SMITH LTD	200 W ADAMS ST STE 2175	C/O LAW OFFICE OF LEE SCHOEN	CHICAGO	IL	60606-5211
PAUL FRANK & COLLINS INC	ONE CHURCH ST. 5TH FL	ATTN ROBERT G CAIN ESQ	BURLINGTON	VT	05401
FEDERAL EXPRESS CORPORATION	PO BOX 7221		PASADENA	CA	91109-7321
EZRA M JACOB	2823 SCOTTS VALLEY DR		HENDERSON	NV	89052
RIVERA TRANSLATION SERVICE	7648 PAINTER AVE STE B	ATTN MARY H BROWN	WHITTIER	CA	90602-5303
BANKS JOHNSON JOHNSON & ETAL	PO BOX 9007	ATTN JO VAYNE HELMER	RAPID CITY	SD	57709-9007
SANCHEZ & DANIELS	C/O SANCHEZ DANIELS & HOFFMAN LLP	333 W WACKER DR STE 500	CHICAGO	IL	60606-2218
WEST PUBLISHING COMPANY	610 OPPERMAN DR		EAGAN	MN	55123-1340
DINERS CLUB INTERNATIONAL	2500 LAKE COOK RD	C/O DISCOVER FIN. SVCS-ATT: JOHN C KLINE	RIVERWOODS	IL	60015-3851
O C TANNER SALES CO	1930 S STATE ST	ATTN CAROL JACKSON	SALT LAKE CTY	UT	84115-2311
INTERACTIVE DATA CORP	32 CROSBY DR	ATTENTION LEGAL DEPARTMENT	BEDFORD	MA	01730-1448
BORTON PETRINI, LLP	PO BOX 2026		BAKERSFIELD	CA	93303-2026
A EDELIST DEPOSITION SRVC INC	4521 SHERMAN OAKS AVE STE 1B		SHERMAN OAKS	CA	91403-3807
MURCHISON & CUMMING	801 SOUTH GRAND AVE, 9TH FLOOR		LOS ANGELES	CA	90017
EVANS & DIXON	211 NORTH BROADWAY, STE 2500		SAINT LOUIS	MO	63102
DR KENNETH DAVIS	3260 N 12TH ST, APT 220		GRAND JUNCTION	CO	81506-5432
A M BEST CO	1 AMBEST RD		OLDWICK	NJ	08858-7000
WILLIAMS ZOGRAFOS PECK & ATWOOD	PO BOX 547	C/O WILLIAMS ZOGRAFOS & PECK	LAKE OSWEGO	OR	97034-0060
ANN WILSON & ASSOCIATES	PO BOX 3898	ATTN ANN WILSON MED	OAKLAND	CA	94609-0898
PATTERSON RITNER & LOCHWOOD	PO BOX 361	ATT: KEVIN PAULEY HILLYER	LOS ANGELES	CA	90272
EARLE & THOMPSON	2660 5TH AVE N	C/O JOHN H THOMPSON IV, PA	ST PETERSBURG	FL	33713-6904
JIMMY W STRELEC	2298 W LUNDY BLVD	ATTN JIM STRELEC	POST FALLS	ID	83854-9403