

FILED IN DISTRICT COURT
OKLAHOMA COUNTY

MAY 10 2021

RICK WARREN
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IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA

STATE OF OKLAHOMA, ex rel.
GLEN MULREADY, in his capacity as Insurance
Commissioner and as Receiver
for Driver's Insurance Co.,

Plaintiff,

v.

DRIVER'S INSURANCE COMPANY, a licensed domestic
insurer in the State of Oklahoma, in Receivership,

Defendant.

Case No. CJ-2013-694

Judge Anthony Bonner

**RECEIVER'S REPORT ON CLAIMS EVALUATION AND REQUEST
FOR PERMISSION TO CEASE CLAIMS REPORTING**

The State of Oklahoma, ex rel., Glen Mulready, Insurance Commissioner, as Receiver for Driver's Insurance Company, in liquidation ("Driver's"), by and through the undersigned attorney of record, and pursuant to the Oklahoma Uniform Insurers Liquidation Act, OKLA. STAT. tit. 36, § 1901, *et seq.* ("OUILA"), hereby files this Report on Claims Evaluation and Request for Permission to Cease further Claims Reporting and in support of the same, shows the Court as follows:

1. On May 13, 2013, this Court entered its "Order of Liquidation with Finding of Insolvency" for Driver's.
2. By virtue of the Court's Order, title to all property of Driver's was vested in the Receiver and the Receiver was charged with the duty of marshaling Driver's assets, liquidating those assets and distributing all remaining assets in accordance with the statutory prioritization of the allowed claims.

3. The Court further directed the Receiver to notify all persons who have claims against Driver's of the claims filing bar date, in a form approved by the Court. On June 7, 2013, the Court entered an Order Approving the Proof of Claim Form, and on October 18, 2013, the Court entered an Order Approving the Revised Claims Evaluation Plan, and established the claims filing bar date of January 10, 2014.

4. Pursuant to OKLA. STAT. tit. 36, §1930, the Receiver took all reasonable efforts to determine the identify of all persons who may have claims against the Estate and to provide them with notice to allow them the opportunity to file a claim before the January 10, 2014 claims bar date.

5. The Receiver distributed 15,177 notices of liquidation to potential claimants. Additionally, notice of the proof of claim process and the availability of the proof of claim packets was published on June 14, 2013 on the Oklahoma Receivership Office website, and then updated after the October 18, 2013 Order.

6. On October 18, 2013, the Court entered an Order Approving the Revised Claims Evaluation Plan establishing March 10, 2014, as the date by which the Receiver must file his Report of Timely Filed Claims.

7. On March 10, 2014, the Receiver filed the Receiver's Report on Timely Filed Claims. The Receiver's Report stated that 1,207 timely proofs of claim were filed with the Receiver with an aggregate submitted amount of \$57,040,554.14.

8. In the October 18, 2013 Order Approving Receiver's Revised Claims Reporting and Evaluation Plan, the Court authorized the Receiver to submit, no later than May 10, 2014, the Receiver's First Claims Evaluation and Request for Confirmation (on claims to be adjudicated).

Furthermore, the Order required the Receiver, no less than every six (6) months thereafter, beginning November 10, 2014, to submit supplemental claim evaluations and request for confirmations on subsequently evaluated claims ready to be adjudicated.

9. The Receiver advises the Court that no new claims are ready to be adjudicated as of May 10, 2021.

10. The Receiver has not completed marshaling all assets of Driver's.

EXPLANATION OF RECEIVER'S RECOMMENDATION

11. Currently, the Estate does not have sufficient assets for distribution beyond Class 2 claims. Pursuant to 36 O.S. § 1927.1, Class 2 is "The administrative expenses of guaranty associations." The outstanding Class 2 liability to the Guaranty Associations is approximately \$7,100,000. As of March 31, 2021, the Estate had \$6,700,000 in available assets.

12. The claims waiting recommendation are Class 3 (136) and Class 6 (175). Pursuant to 36 O.S. § 1927.1:

- a. Class 3 is "All claims under policies including claims of the federal or any state or local government for losses incurred ("loss claims") including third-party claims, claims for unearned premiums, all claims of a guaranty association for payment of covered claims or covered obligations of the insurer and all claims of a guaranty association for reasonable expenses other than those included in Class 2."
- b. Class 6 is "Claims of any person, including claims or state or local governments, except those specifically classified elsewhere in this section."

13. The Receiver is not recommending an "Amount Recommended" for Class 3 as the Estate assets are insufficient to make distributions to these claimants.

14. The Receiver is not recommending an "Amount Recommended" for Class 6 as the Estate assets are insufficient to make distributions to these claimants.

15. As a result of insufficient Estate assets, all claims' evaluations have ceased and will resume if the Estate's assets exceed the Class 2 liabilities.

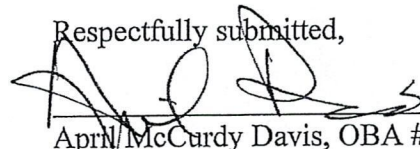
16. The Receiver recommends that claims reporting to the Court cease until either closure of the Estate or there are sufficient Estate assets to exceed the Class 2 liabilities.

17. The Receiver requests the Court to set a hearing on the request to cease further claims reporting to the Court, and upon hearing, approve the relief requested herein.

WHEREFORE, the Receiver respectfully requests that this Court:

- a. establish a date for hearing the Receiver's recommendations to the Court on cessation of claims reporting;
- b. upon hearing, enter an order approving the Receiver's request to cease further claims reporting confirming; and
- c. grant the Receiver such other and further relief as the Court deems appropriate.

Respectfully submitted,



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ATTORNEYS FOR PLAINTIFF,
STATE OF OKLAHOMA, ex rel.
GLEN MULREADY, INSURANCE
COMMISSIONER for the State of
Oklahoma, as Receiver for Driver=s
Insurance Company

CERTIFICATE OF MAILING

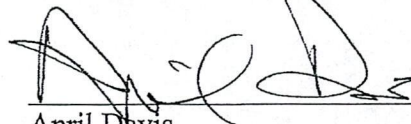
I hereby certify that on the 10th day of May, 2021, a true and correct copy of the above and foregoing document was sent via Electronic Mail with written consent and/or U.S. Mail, postage prepaid, to:

Terry Smith
Assistant Receiver
4020 S. Columbia Place
Tulsa, Oklahoma 74105

Joe Holloway
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c/o Regulatory Services Group
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April Davis