

10/23/2018 9:16AM

No. 8760 P. 42/008

IN THE DISTRICT COURT FOR OKLAHOMA COUNTY
STATE OF OKLAHOMA
FILED IN DISTRICT COURT
OKLAHOMA COUNTY

STATE OF OKLAHOMA, ex rel.)
JOHN DOAK, Insurance Commissioner,)
)
Plaintiff,)
)
vs.)
)
IMPERIAL CASUALTY AND)
INDEMNITY COMPANY, a domestic insurance)
company,)
)
Defendant.)

OCT 22 2018
RICK WARREN
COURT CLERK
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Case No. CJ-2010-2340
The Honorable Thomas E. Prince



RECEIVER'S RECOMMENDATION
FOR ADJUDICATION OF CLASS 2 CLAIMS
AND APPLICATION FOR APPROVAL OF FINAL CLASS 2 PAYMENTS
AND NOTICE OF HEARING

John Doak, Insurance Commissioner for the State of Oklahoma acting through the Assistant Receiver, Mark D. Tharp ("Receiver"), as Receiver for Imperial Casualty and Indemnity Company Company, in liquidation ("Imperial"), respectfully: (a) presents his recommendation for adjudication of the Class 2 claims pending against the receivership estate of Imperial ("Imperial Estate") pursuant to 36 O.S. § 1918; and (b) applies to the Court for approval of final Class 2 payments in the aggregate amount of \$765,719 as detailed in the attached Exhibit 1 ("Application"). In support of this Application, the Receiver states as follows:

BACKGROUND

1. On May 12, 2010, this Court placed Imperial in liquidation through its Consent Order of Liquidation With a Finding Insolvency and Permanent Injunction ("Liquidation Order").
2. Under a provision of the Oklahoma Uniform Insurers Liquidation Act, 36 O.S. § 1930, the Receiver must notify all persons holding claims against Imperial to file proofs of claims.

3. On September 23, 2010, the Receiver filed the Receiver's Application for Order Approving Forms of Proof of Claim and Setting Deadline for Filing.

4. On October 14, 2010, the Court entered an order that approved (a) the Receiver's proposed Proof of Claim Form and accompanying instructions; and (b) the Receiver's requested claims deadline of **February 15, 2011**.

5. The Receiver took all reasonable efforts to determine the identity of all persons who may have claims against Park Avenue and to provide them with notice to allow them the opportunity to file a claim before the February 15, 2011 claims bar date.

6. Among the claims presented to the Receiver are claims of state guaranty associations seeking reimbursement for their administrative expenses. There are 38 such claims now pending against the Imperial Estate. Those claims are listed on the table attached hereto as Exhibit 1.

RECOMMENDATION

7. The Receiver recommends that each of the claims listed on Exhibit 1 be classified as a Class 2 claim to the extent it seeks reimbursement of administrative expenses as contemplated under 36 O.S. § 1927.1(B)(2).

8. The Receiver further recommends that the Court allow each of the claims on Exhibit 1, to the extent it seeks reimbursement of Class 2 expenses as contemplated under 36 O.S. § 1927.1(B)(2), in the amount listed for that claim under the column labeled "Class 2 Recommended Allowance."

9. The Class 2 Recommended Allowance for a given state guaranty association is equal to the administrative expenses paid by that state guaranty association as of June 30, 2018, plus an amount reserved for administrative expenses for that state guaranty association after June 30, 2018.

The Class 2 Recommended Allowance listed on Exhibit 1 for a given state guaranty association is reasonable and otherwise properly payable as a Class 2 claim pursuant to 36 O.S. § 1927.1(B)(2).

10. The Receiver further requests that the Court order that the disposition of the Class 2 claims listed on Exhibit 1 be treated as final based on amounts paid plus reserves as of June 30, 2018, and that no modification of the Class 2 Recommended Allowance shall be made based on Class 2 paid after June 30, 2018.

11. To the extent any of the claims listed on Exhibit 1 seek amounts that come within the scope of a Class 3 claim, they are reserved for the Receiver's Class 3 recommendations to be presented to the Court in a later submission.

PROPOSED FINAL DISTRIBUTION

12. The Receiver also seeks approval for a final distribution of Class 2 payments to state guaranty associations.

13. The Court has previously approved and the Receiver has disbursed early access payments to the state guaranty associations that have pending claims for reimbursement of administrative expenses. Those payments and other appropriate credits against the claims of those state guaranty associations for reimbursement expenses are referred to herein as the "Credits."

14. The Receiver recommends that a final distribution equal to the Class 2 Recommended Allowance for a given claim less the Credits for that claim be approved. The amount of the recommended final Class 2 distribution for a given claim is listed in the Class 2 Recommended Final Distribution column for that claim on Exhibit 1.

15. If no amount is listed in the Class 2 Recommended Final Distribution column for a claim, the Credits exceed the Class 2 Recommended Allowance for the claim and therefore the Receiver recommends that no further payment be made to that claimant as to Class 2.

16. The Receiver further requests that the Court order that the payment of the Class 2 claims listed on Exhibit 1 in the amount stated in the Class 2 Recommended Final Distribution column for that claim be treated as final as to Class 2.

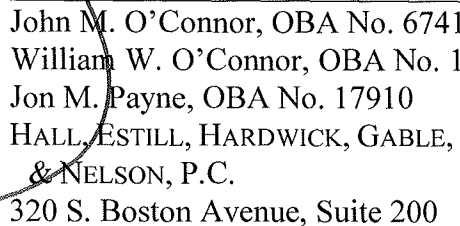
17. The disbursement of final Class 2 payments to the state guaranty associations for which this Application seeks approval are in the best interest of the Imperial receivership estate.

REQUEST FOR RELIEF

Accordingly, the Receiver requests that the Court:

- a. set this Application for hearing and order the Receiver to provide notice of the hearing to each of the claimants directly or through their counsel;
- b. adopt the Receiver's recommendations and (i) classify each of the claims listed on Exhibit 1 as a Class 2 claim to the extent it seeks reimbursement of administrative expenses; and (ii) allow each claim, as to Class 2, in the amount listed in the Class 2 Recommended Allowance column on Exhibit 1 for that claim;
- c. approve a final Class 2 distribution to each state guaranty association in an amount equal to the amount listed in the Class 2 Recommended Final Distribution column on Exhibit 1 for that state guaranty association;
- d. order that the disposition of the Class 2 claims listed on Exhibit 1 be treated as final based on paid and reserves as of June 30, 2018 and that no modification of the Class 2 Recommended Allowance shall be made based on paid after June 30, 2018;
- e. order that payment of the Class 2 claims listed on Exhibit 1 in the amount stated in the Class 2 Recommended Final Distribution column for that claim be treated as final as to Class 2; and
- f. grant the Receiver such other and further relief to which the Receiver may show himself to be entitled.

Respectfully submitted,



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**ATTORNEYS FOR PLAINTIFF, STATE OF
OKLAHOMA, ex rel., JOHN DOAK, Insurance
Commissioner for the State of Oklahoma, as
Receiver for Park Avenue Property and
Casualty Insurance Company f/k/a Providence
Property and Casualty Insurance Company, in
Liquidation**

NOTICE OF HEARING

Please take notice that the Court will conduct a hearing on the 15th day of November, 2018 at 4:00 p.m. in the Courtroom for Judge Thomas E. Prince at the Oklahoma County Courthouse, 321 Park Avenue, Room 304 on the foregoing instrument.

CERTIFICATE OF SERVICE

I hereby certify that on the 22nd day of October, 2018, a true and correct copy of the above and foregoing instrument was sent via U.S. Mail, postage paid, to:

Oklahoma Receivership Office
Donna Wilson / Debra Crowe
3613 NW 56th Street, Suite 330
Oklahoma City, OK 73112

James Mills
Oklahoma Insurance Department
3625 NW 56th Street, Ste. 100
Oklahoma City, OK 73112

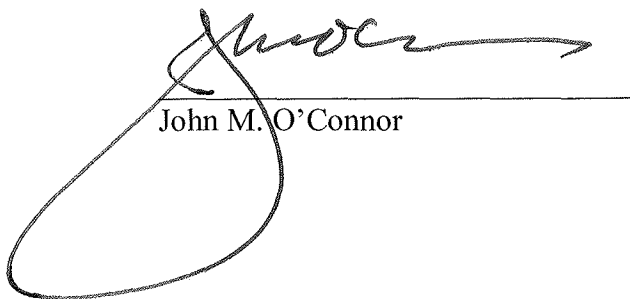
Mark Tharp
Tharp & Associates
4802 East Ray Road, Suite 23-282
Phoenix, AZ 85044-6417

John Blatt
National Conference of Insurance Guaranty
Funds
300 North Meridian Street
Suite 1020
Indianapolis, IN 46204-1754

Providence Holdings Inc.
P. O. Box 396
Addison, TX 75001

Stephen Jones
Jones, Otjen & Davis
P. O. Box 472
Enid, OK 73702-0472

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John M. O'Connor

**Imperial Casualty and Indemnity Company
Recommendations - Class 2**

No.	POC No.	Claimant	Class 2 Recommended Allowance	Credits	Class 2 Recommended Final Distribution
1	ICIC-00038	Alabama Insurance Guaranty Association	\$ 1,257,740	\$ 1,257,740	\$ -
2	ICIC-00310	Arkansas Property & Casualty Guaranty Fund	4,928	-	4,928
3		Arizona Property & Casualty Guaranty Insurance Fund	7,601	\$ 7,601	-
4	ICIC-00032	Colorado Insurance Guaranty Association	2,145	2,100	45
5	ICIC-00053	Connecticut Insurance Guaranty Association	90,567	85,834	4,733
6	ICIC-00054	District of Columbia Insurance Guaranty Association	2,595	2,587	8
7	ICIC-00165	Delaware Insurance Guaranty Association	2,963	-	2,963
8	ICIC-00091	Georgia Insurers Insolvency Pool	762,356	\$ 762,356	-
9	ICIC-00146	Hawaii Insurance Guaranty Association	7,786	7,752	33
10		Idaho Insurance Guaranty Association	-	\$ -	-
11	ICIC-00141	Illinois Insurance Guaranty Association	708,529	636,495	72,033
12	ICIC-00167	Indiana Insurance Guaranty Association	621,371	\$ 621,371	-
13	ICIC-00046	Kentucky Insurance Guaranty Association	101,681	80,540	21,141
14	ICIC-00241	Louisiana Insurance Guaranty Association	43,703	2,911	40,792
15	ICIC-00056	Massachusetts Insurance Insolvency Fund	18	-	18
16	ICIC-00169	Maryland Property & Casualty Insurance Guaranty Corporation	463,631	\$ 463,631	-
17	ICIC-00092	Michigan Property & Casualty Guaranty Association	257,231	\$ 257,231	-
18	ICIC-00094	Minnesota Insurance Guaranty Association	512,743	464,557	48,186
19	ICIC-00277	Missouri Property & Casualty Insurance Guaranty Association	2,427	\$ 2,427	-
20	ICIC-00162	Mississippi Insurance Guaranty Association	254,033	252,786	1,247
21	ICIC-00035	Montana Insurance Guaranty Association	159,278	\$ 159,278	-
22	ICIC-00236	North Carolina Insurance Guaranty Association	609,331	\$ 609,331	-
23	ICIC-00144	Nebraska Property & Liability Insurance Guaranty Association	3,749	\$ 3,749	-
24	ICIC-00258	New Jersey Workers' Comp Security Fund	449,916	395,090	54,825
25	ICIC-00022	New Mexico Property & Casualty Guaranty Association	592,036	\$ 592,036	-
26	ICIC-00039	Nevada Insurance Guaranty Association	53,453	53,098	355
27	ICIC-00099	Oklahoma Property & Casualty Insurance Guaranty Association	533,345	288,726	244,618
28	ICIC-00023	Oregon Insurance Guaranty Association	179,068	\$ 179,068	-
29	ICIC-00130	Pennsylvania Workers' Compensation Security Fund	695,275	\$ 695,275	-
30	ICIC-00197	South Carolina Property & Casualty Insurance Guaranty Association	249,685	\$ 249,685	-
31	ICIC-00042	South Dakota Insurance Guaranty Association	54,653	40,838	13,815
32	ICIC-00031	Tennessee Insurance Guaranty Association	1,134,514	\$ 1,134,514	-
33	ICIC-00166	Texas Property & Casualty Insurance Guaranty Association	74,254	6,954	67,300
34	ICIC-00075	Utah Property & Casualty Insurance Guaranty Association	109,454	62,315	47,139
35	ICIC-00060	Virginia Property & Casualty Insurance Guaranty Association	189,256	\$ 189,256	-
36	ICIC-00059	Vermont Property & Casualty Insurance Guaranty Association	30,379	22,817	7,562
37	ICIC-00242	Wisconsin Insurance Security Funds	246,346	125,014	121,332
38	ICIC-00030	West Virginia Insurance Guaranty Association	12,647	-	12,647
Totals			\$ 10,480,684	\$ 9,714,966	\$ 765,719

