

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.)

NOV 16 2018
 RICK WARREN
 COURT CLERK
 42_____

Case No. CJ-2010-2340
The Honorable Thomas E. Prince

**AGREED ORDER APPROVING RECOMMENDATIONS
 CONCERNING CLASS 2 CLAIMS**

On this 15th day of November, 2018, the Receiver’s Recommendation for Adjudication of Class 2 Claims and Application for Approval of Final Class 2 Payments (“Recommendation”), filed in this proceeding on October 22, 2018, comes before the undersigned Judge of the District Court.

The Receiver appeared through Assistant Receiver Mark Tharp and counsel of record, John M. O’Connor, of Hall, Estill, Hardwick, Gable, Golden & Nelson, P.C. The various State Guaranty Associations (collectively, the “SGAs”) appeared through counsel of record, Pete G. Serrata, III, of Derryberry & Naifeh, LLP.

No entity or person appeared at this hearing to oppose the Receiver’s Recommendation. The Court, being fully advised in the premises, for good cause, finds and concludes as follows:

1. On May 12, 2010, the Court placed Imperial Casualty and Indemnity Company (“Imperial”) into liquidation pursuant to a *Consent Order of Liquidation with a Finding of Insolvency and Permanent Injunction* in this proceeding (“Liquidation Order”).
2. Thirty-Eight SGAs have submitted timely proofs of claim against the Imperial Receivership Estate seeking reimbursement for their administrative expenses.

RECEIVED NOV 19 2018

3. On October 22, 2018, the Receiver filed his Recommendation for Adjudication of Class 2 Claims and Application for Approval of Final Class 2 Payments (“Recommendation”).

4. On October 26, 2018, the Court entered an Order Establishing Deadline Relating to Receiver’s Recommendation for Adjudication of Class 2 Claims and Application for Approval of Final Class 2 Payments and Notice of Hearing on the Receiver’s Recommendation.

5. On November 9, 2018, the SGAs filed a Response to the Receiver’s Recommendation, stating their support for the same, provided that the Court’s approval order contain a limitation and finding that its approval and adoption of the Receiver’s Recommendations regarding the SGAs’ claims is not a precedential adjudication of the character or nature of any large deductible policyholder obligations collected by the Receiver from policyholders after the entry of the Liquidation Order.

6. On November 13, 2018, the Receiver filed with the Court a Certificate of Service evidencing the service of the Notice of Objection Deadline and Hearing on the Receiver’s Recommendation for Adjudication of Class 2 Claims and Application for Approval of Final Class 2 Payments on October 31, 2018 (“Notice of Hearing”).

7. The Notice of Hearing complies with 36 O.S. § 1918 and is otherwise proper in all respects.

8. In the Recommendation, the Receiver recommends that (a) the SGAs’ claims for reimbursement of administrative expenses be classified as Class 2 claims under 36 O.S. § 1927.1(B)(2); (b) the Court allow each of the claims for reimbursement of administrative expenses in the amount listed for each respective claim on Exhibit 1 attached to the Recommendation under the column titled “Class 2 Recommended Allowance” (the “Class 2 Recommended Allowance”); (c) a final Class 2 Distribution be approved in the amount listed for each respective claim in the amount listed for that claim on Exhibit 1 under the column titled “Class 2 Recommended Final Distribution”

(the “Class 2 Recommended Final Distribution”); and (d) the disposition of the Class 2 Recommended Final Distribution be treated as final and that no modification to either the Class 2 Recommended Allowance or the Class 2 Recommended Final Distribution be made based upon administrative expenses incurred or payments made by the SGAs after June 30, 2018.

9. The Class 2 Recommended Final Distribution is equal to the *administrative expenses* paid by each respective state guaranty association as of June 30, 2018, plus an amount reserved for administrative expenses for that state guaranty association after June 30, 2018, *less* the amounts paid by the Receiver to that state guaranty association to date in early access distributions.

10. The Receiver further requests that the Court authorize disbursements in accordance with the Class 2 Recommended Final Distribution as set forth on said Exhibit 1, a copy of which is also attached to, and made a part of, this Order.

11. The Receiver’s Recommendation should be adopted in its entirety and the SGAs’ claims for reimbursement of administrative expenses should be (a) classified as Class 2 claims under 36 O.S. § 1927.1(B)(2); (b) allowed in the amount set forth as the Class 2 Recommended Allowance on Exhibit 1; and (c) paid in the final amount, after application of credits, set forth as the Class 2 Recommended Final Distribution.

12. Good cause to grant the Receiver’s Application for Approval of payment of the Class 2 Recommended Final Distribution exists and it is in the best interest of the Imperial Receivership Estate that the Court grant the Application and enter this Order.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED that the Receiver’s recommendations contained in the Recommendation be and hereby are **ADOPTED** and **APPROVED** in their entirety.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that SGAs' claims for reimbursement of administrative expenses are classified as Class 2 claims pursuant to 36 O.S. § 1927.1(B)(2).

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that each claim for reimbursement of administrative expenses is allowed in the respective amount *listed in the Class 2 Recommended Allowance column* for that claim on the schedule attached to this Order as Exhibit 1.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Class 2 Recommended Allowance is final, based on paid and reserves as of June 30, 2018, and that no modification of the Class 2 Recommended Allowance shall be made, and no distributions from the estate shall be paid, based on administrative expenses incurred or payments made after June 30, 2018.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Receiver shall distribute an amount equal to the amount listed in the Class 2 Recommended Final Distribution column on the schedule attached to this Order as Exhibit 1, in final payment for each claim.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that that the payment of the Class 2 Recommended Final Distribution for each claim listed on Exhibit 1 attached hereto is final and that no modification to the Class 2 Recommended Final Distribution will be made based upon administrative expenses incurred or payments made by the SGAs after June 30, 2018.


IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Receiver is **AUTHORIZED** to make Class 2 Recommended Final Distribution to the SGAs totaling \$765,719.00 in accordance with the attached Exhibit 1.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the approval and adoption of proposed Final Class 2 Distribution granted herein is not, and is not intended to be by

implication, a precedential adjudication of the character or nature of any large deductible policyholder obligations collected by the Receiver from policyholders after the entry of the Liquidation Order that may be included or credited in the Class 2 Recommended Final Distribution, or of any issue with respect to the ultimate entitlement to large deductible policyholder obligations collected by the Receiver from policyholders after the entry of the Liquidation Order in this or any other insurance liquidation.

IT IS FINALLY ORDERED, ADJUDGED, AND DECREED that this Order is a final, appealable order pursuant to 36 O.S. § 1918(D).

SIGNED THIS 15th DAY OF NOVEMBER, 2018.



The Honorable Thomas E. Prince
Judge of the District Court

CERTIFIED COPY
AS FILED OF RECORD
IN DISTRICT COURT

NOV 16 2018

RICK WARREN COURT CLERK
Oklahoma County



AGREED:



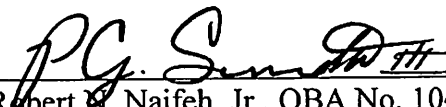
John M. O'Connor, OBA No. 6741
Jon M. Payne, OBA No. 17910
HALL, ESTILL, HARDWICK, GABLE, GOLDEN
& NELSON, P.C.

320 S. Boston Avenue, Suite 200
Tulsa, Oklahoma 74103
Telephone: (918) 594-0400
Facsimile: (918) 594-0505
joconnor@hallestill.com

-AND-

Barron A. Brown, OBA No. 31346
Sara A. Worten, OBA No. 21532
3613 NW 56th Street, Ste. 330
Oklahoma City, OK 73112
(405) 947-0022 – telephone
(405) 947-0046 – facsimile
barron.brown@oid.ok.gov

**ATTORNEYS FOR PLAINTIFF, STATE
OF OKLAHOMA, ex rel., JOHN DOAK,
Insurance Commissioner for the State of
Oklahoma, as Receiver for Imperial
Casualty and Indemnity Company, in
Liquidation**



Robert N. Naifeh, Jr., OBA No. 10419
Pete G. Serrata, III, OBA No. 21352
DERRYBERRY & NAIFEH, LLP
4800 North Lincoln Blvd.
Oklahoma City, OK 73105
Phone: (405) 528-6569
Facsimile: (405) 528-6462
rnaifeh@derryberrylaw.com

-OF COUNSEL-

Rowe W. Snider, Esq.
LOCKE LORDE, LLP
111 South Wacker Drive
Chicago, IL 60606
Phone: (312) 443-0667
Facsimile: (312) 896-6667
rsnider@lockelord.com

**Attorneys for State Guaranty
Associations**

CERTIFICATE OF SERVICE

I hereby certify that on the ^{16th}~~15th~~ day of November, 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

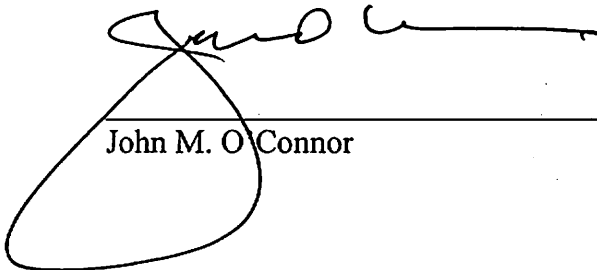
James Mills
Oklahoma Insurance Department
3625 NW 56th Street, Ste. 100
Oklahoma City, OK 73112

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



John M. O'Connor

3765049.1:003973:00010

**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

