

STATE OF VERMONT

SUPERIOR COURT
WASHINGTON UNIT

COMMISSIONER OF THE)
DEPARTMENT OF FINANCIAL)
REGULATION)
PLAINTIFF,)

v.)

GLOBAL HAWK INSURANCE CO.)
RISK RETENTION GROUP,)
RESPONDENT.)

CIVIL DIVISION
DOCKET NO. 196-5-20 Wncv

LIQUIDATOR'S FIRST REPORT OF CLAIMS

I, J. David Leslie, Special Deputy Liquidator, hereby submit this First Report of Claims regarding the liquidation of Global Hawk Insurance Company Risk Retention Group (“Global Hawk RRG” or the “Company”).

1. On May 15, 2020, the Commissioner of the Department of Financial Regulation (“Commissioner”) filed an *ex parte* Petition for Seizure Order pursuant to 8 V.S.A. § 7042(b), seeking, among other things, authorization to take possession and control of Global Hawk RRG. The Court granted the Commissioner’s petition by entering the requested order (“Seizure Order”) on May 20, 2020. Following entry of the Seizure Order, the Commissioner further investigated the Company’s condition, concluded that rehabilitation would be futile, and filed a Petition for Order of Liquidation on June 5, 2020. The Company’s founding member – (an entity entitled by the bylaws to exercise more than half the Company’s membership votes) – assented to the proposed Order of Liquidation. On June 8, 2020, the Court entered its Order of Liquidation (“Liquidation Order”) that, among other things, appointed the Commissioner as Liquidator (“Liquidator”), authorized him to appoint a special deputy liquidator, and approved the Plan of

Liquidation. The Liquidator appointed me to serve as Special Deputy Liquidator on June 9, 2020.

2. Notice of Liquidation and Provision of Proof of Claim Forms. The Plan of Liquidation directed the Liquidator to furnish notice of the Liquidation Order as provided in 8 V.S.A. § 7061 and to include with that notice a copy of a proof of claim form (“POC”). See Plan of Liquidation, ¶ 2.c. As described in the Liquidator’s First Status Report (filed on November 12, 2020), the Liquidator established December 8, 2021, as the claim filing deadline and issued notices of liquidation to the various individuals and entities entitled to receive such notice. See id., ¶ 7.

3. Receipt of POCs. The Liquidator received 335 POCs prior to the December 1, 2021 claim filing deadline and an additional 306 POCs between expiration of that deadline and the date of this report. See 8 V.S.A. § 7074(d) (“The liquidator may consider any claim filed late... and permit it to receive distributions... if the payment does not prejudice the orderly administration of the estate.”) Because the process of collecting estate assets is protracted, the submission of these late-filed claims has not caused prejudice to the orderly administration of the estate.


4. A POC may present a single claim (e.g. recovery for loss resulting from a single motor vehicle accident) or multiple claims (e.g. the form may enclose a schedule identifying losses relating to several motor vehicle accidents. To address these issues and facilitate the investigation/determination of claims, the Liquidator has administratively divided certain POCs and assigned separate control numbers (e.g. POC 551 has been subdivided into 12 subclaims assigned POC nos. 551A through 551L). Counted in this manner, the Liquidator has received a total of 673 claims through the date of this filing.

5. The raw count of POCs may provide helpful information regarding claim volume. It is an imperfect measure, however, as multiple POCs may all relate to the same incident and may be partially or completely overlapping. For example, a single automobile accident could give rise to claims from the Global Hawk RRG insured (for defense/indemnity under the policy), defense counsel (for pre-liquidation services rendered), one or more third-party claimants (authorized to file direct claims pursuant to 8 V.S.A. § 7077), and insurers seeking subrogation. The Liquidator has, therefore, attempted to group claims by incident. Counted in this manner, there are 322 incidents requiring investigation/determination and 27 other POCs that do not relate to automobile accidents (e.g. claims for return premium).

6. Claim Determinations and First Report of Claims. The Liquidator is charged with receiving claims, making such further investigations as he deems necessary, and (if he finds it is a valid claim) issuing a determination as to the value and priority class in which it should be recommended for allowance. See 8 V.S.A. §§ 7078 and 7082; but see Plan of Liquidation, ¶ 2.d (“If [a] claim falls within priority classes 4 through 10, the Liquidator may decline to make a determination as to the amount of such claim and instead issue a determination solely as to priority.”). A claim is “finally determined” if it has been withdrawn or if the Liquidator has completed his investigation, issued a notice of determination, and the claimant has either agreed or failed to object within the allotted time. See 8 V.S.A. § 7078 (“Within 60 days from the mailing of the notice [of determination], the claimant may file an objection with the liquidator. If no such objection is made, the claimant may not further object to the determination.”)

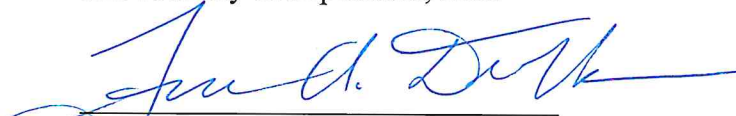
7. As of the date of this report, the Liquidator has issued notices of determination regarding eighty-one claims of which four are finally determined. Those four finally determined claims are reported in the Liquidator’s First Report of Claims, attached hereto as Exhibit A, together with the Liquidator’s recommendations. See 8 V.S.A. § 7082(a) (“As soon as

practicable, the liquidator shall present to the Court a report of the claims against the insurer with recommendations.”) By his Motion for Order Approving Liquidator’s First Report of Claims (filed herewith), the Liquidator requests that the Court enter an order approving the First Report of Claims. See 8 V.S.A. § 7082(b). (“The court may approve, disapprove, or modify the report on claims [filed] by the liquidator.”)



J. David Leslie
Special Deputy Liquidator

Subscribed and sworn before me
this 18th day of September, 2023



Notary Public
My commission expires: 2/16/2029

EXHIBIT A

Liquidator's First Report of Claims for Global Hawk RRG

September 18, 2023

Claims Recommended for Allowance in Priority Class 3

<u>POC No.</u>	<u>Claimant Name</u>	<u>Claimant Address</u>	<u>Priority</u>	<u>Amount</u>
POC 311	Agile Premium Finance	475 Half Day Rd., Suite 550, Lincolnshire, IL 60069	3	4,898,3009.36
POC 372	Insurance Finance Co.	1454 30 th St., Suite 203, West Des Moines, IL 50266	3	4,198.76
POC 373	Insurance Finance Co.	1454 30 th St., Suite 203, West Des Moines, IL 50266	3	9,790.43
POC 374	Insurance Finance Co.	1454 30 th St., Suite 203, West Des Moines, IL 50266	3	8,123.02

Recommended for Allowance in First Report of Claims \$ 4,920,421.57