

STATE OF NEW JERSEY  
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF KODIAK INSURANCE )  
COMPANY’S PLAN FOR THE TRANSFER ) ORDER  
OF LIABILITIES, DISTRIBUTION OF ) APPROVING DISSOLUTION  
ASSETS AND DISSOLUTION OF EXISTENCE )

This matter having come before the Commissioner of Banking and Insurance (“Commissioner”) of the New Jersey Department of Banking and Insurance (the “Department”) through the filing of a Plan of Dissolution for Kodiak Insurance Company (“Kodiak” or the “Company”) involving the transfer of liabilities and distribution of assets (the “Dissolution Plan”) with the Department pursuant to N.J.S.A. 17:1-8.1, 17:1-15e and 17:17-10 and all powers expressed or implied therein; and

IT APPEARING that Kodiak is a New Jersey domiciled insurer licensed to write multiple lines of business in New Jersey; and

IT FURTHER APPEARING that Kodiak is a wholly-owned direct subsidiary of Hermitage Insurance Company (“HIC”), a New York domestic insurer; and

IT FURTHER APPEARING that Kodiak and HIC are part of the Tower Holding Company System; and

IT FURTHER APPEARING that Kodiak is not actively writing new or renewal direct business and has curtailed its insurance operations; and

IT FURTHER APPEARING that Kodiak wrote its last new direct policy in 2011 and has novated all of its assumed business; and

IT FURTHER APPEARING that the Board of Directors of the Company consented to the adoption of a resolution by unanimous written consent, in lieu of a meeting, that approved the dissolution of the Company and authorized, empowered and directed certain officers of the Company to perform such acts as necessary to cause the dissolution of the Company; and

IT FURTHER APPEARING that the Plan for Dissolution will consist of four steps; and

IT FURTHER APPEARING that the first step is the commutation of the existing Quota Share Reinsurance Agreement between Kodiak and affiliate Preserver Insurance Company (“PIC”) a New Jersey-domiciled and California commercially domiciled property and casualty insurance company, which was effective July 1, 2009; and

IT FURTHER APPEARING that the second step is the assumption and reinsurance of all obligations of Kodiak by its affiliated entity CastlePoint National Insurance Company (“CNIC”), an Illinois domiciled property and casualty insurance company; and

IT FURTHER APPEARING that the third step is the novation of all assumed reinsurance agreements to which Kodiak is currently a party; and

IT FURTHER APPEARING that the fourth step is the return of capital to HIC; and

IT FURTHER APPEARING that Kodiak has submitted to the Department four Form D filings - Prior Notices of a Transaction with respect to steps 1, 2, and 3 mentioned above; and

IT FURTHER APPEARING that Kodiak submitted a Plan of Dissolution (“Plan”) to the Department on March 26, 2014, which Plan was subsequently approved by the Department on September 12, 2014.

NOW THEREFORE IT IS on this 12th day of September, 2014

ORDERED that the dissolution of Kodiak be approved in accordance with the terms and conditions set forth below:

1. The dissolution of Kodiak is hereby approved. Kodiak shall undertake any remaining steps, to complete the dissolution of the Company, including, but not limited to, payment of any outstanding liabilities on its books.

2. Kodiak shall apply to the Office of Solvency Regulation in the Department for the return of any special deposit made on behalf of the Company.

3. In the unlikely event that any claim should be asserted against Kodiak, its successor in interest shall fully satisfy any such claim pursuant to the novation, assumption and reinsurance agreements. In the unlikely event that any other liability should be asserted against the Company, its successor in interest or its parent HIC shall fully satisfy any such liability as is appropriate under the circumstances.

4. Kodiak shall forthwith surrender its Certificate of Authority to the Office of Solvency Regulation of the Department, Attention: Kwame Asare, PO Box 325, Trenton, NJ 08625-0325.

September 12, 2014  
Date



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Kenneth E. Kobylowski  
Commissioner

DHT14-07 Kodiak Dissolution /inoord