

RECEIVERSHIP STATUS REPORT TO THE SPECIAL MASTER

November 7, 2025

New Century Insurance Company, in Liquidation (R-567)

Special Deputy Receiver: FitzGibbons & Co. Inc.

TX Guaranty Assoc. TPCIGA

SDR Responsible Person: Michael FitzGibbons

Receiver's Counsel: Shawn Martin

SDR's Counsel: Robert Nunnally

Estimated Closing Date: September 30, 2027

Initial Accomplishments:

- All requisite notices to policyholders, claimants, agents and mortgagees completed.
- New website launched by Special Deputy Receiver.¹
- Memorandum of Understanding (MOU) entered with RVOS Farm Mutual to continue to provide certain services for monthly fee.
- Obtained control of bank operating and investment accounts.
- Stay has been noticed where necessary.
- Files delivered to TPCIGA along with real time system access.

Next Quarter Goals:

- Liquidate investment portfolio.
- Complete outstanding reinsurance information.
- Complete analysis of remaining 7% UEP claims for delivery to TPCIGA.
- File application to approve Proof of Claim (POC) process
- Make either early access report or file application for early access depending on calculation of distributable assets.
- Initiate request for Federal release.

¹ <https://www.newcenturyliquidation.com/>

Background Narrative:

- Order of Liquidation and Permanent Injunction entered on September 3, 2025. The Special Deputy Receiver designation was filed that same day.
- Order of Reference to Master was entered on October 3, 2025.
- New Century Insurance Company (NCIC) was incorporated and commenced business in August 2000. It is a wholly owned subsidiary of NCL Management Corporation (NCL). NCL is an intermediate holding company and a wholly owned subsidiary of RVOS Farm Mutual, the Ultimate Controlling Person (UCP).
- NCIC is licensed in Texas only and wrote Homeowners.
- NCIC 2024 gross premiums written amounted to \$15.3 million; net premiums written \$8.6 million
- NCIC has no employees nor facilities and operated under a cost sharing agreement with RVOS Farm Mutual Insurance Company.

Statement of Assets and Liabilities as of September 30, 2025:

• Total Assets	\$2,531,472
• Total Cash & Invested Assets	\$2,223,940
• Total Non-Cash/Invested Assets	\$307,532
• Total Liabilities	\$5,150,929

Asset Recovery for month of September 30, 2025 (post liquidation):

• Premium Collected	\$44,980
• Reinsurance Collected	\$13,306
• Investment sold/matured	\$6,751
• Other, primarily Stop Pay Outstanding Checks	\$841,501

Estate Activities:

- **Asset Recovery**
 - The Special Deputy Receiver promptly obtained control of bank operating and investment accounts.
 - The Special Deputy Receiver will begin a review of the reinsurance upon receipt of requested information. Once completed, a review of open balances and ceded reserves will follow. We've identified an excess of loss treaty, a 100% quota share treaty related to equipment breakdown endorsements, and open catastrophe treaties related to pre 2024 cat events.

- **Claims**

- There are 291 open claims at this writing, inclusive of 50 reopened files as result of the stop payment of checks. This is inclusive of 3 liability claims.
- The direct case loss reserves are approximately \$2.8 million, and the direct loss adjustment expense (LAE) reserves are approximately \$38,000. Incurred but not reported (IBNR) loss and LAE reserves are \$458,000 and \$69,000 respectively. The Special Deputy Receiver will taper the IBNR amount during the remainder of 2025.
- The Special Deputy Receiver held an initial in person meeting with TPCIGA at Company offices on September 10th. UDS file delivery to TPCIGA is ongoing. To date the A, F and G records with the majority of the B records have been transferred to TPCIGA. TPCIGA has now been provided with access to the Company's claims and policy systems, permitting their personnel to review all claims files in their entirety in native formats.
- The Special Deputy Receiver is in the process of engaging GSI (a subsidiary of NCIGF) to assist in the conversion of the I record from the Company's legacy system to the UDS format.
- Promptly following policy cancelation on October 3rd, the Special Deputy Receiver commenced processing an initial B record for unearned premium. TPCIGA suggested UEP records in tranches, and the Special Deputy Receiver concurs. 90% of the UEP claims were delivered in the first tranche to TPCIGA on 10-17-25. An additional tranche consisting of 3% of the UEP claims were delivered to TPCIGA on 10-23-25.
- Proof of Claims (POCs): The Special Deputy Receiver has drafted an initial POC form which is under legal review.

Federal Release: Mr. Nunnally has commenced drafting of the request for a federal release. The Special Deputy Receiver's request will be submitted no later than March 31, 2026. There is little, if any, Federal exposure noted to date.

Estimated Closing Date of Receivership:

We expect this estate to be closed September 30, 2027, considering TPCIGA's 18-month claims filing deadline.