

## RECEIVERSHIP STATUS REPORT TO THE SPECIAL MASTER

February 6, 2026

### 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

#### **Accomplishments:**

- Liquidated investment portfolio.
- Internal reinsurance balances compiled and analyzed by the SDR. Await broker discussions and confirmation regarding those balances.
- Delivered remaining UEP claims to TPCIGA.
- Filed application to approve Proof of Claim (POC) process.
- Made early access report.
- Submitted request for Federal release.

#### **Next Quarter Goals:**

- Scan all legacy paper files. Upon Court approval, shred unneeded hard copies.
- Confirm reinsurance balances with broker.
- File an application for early access depending on calculation of distributable assets.
- Compile listing and route Proof of Claim forms to all interested parties.

**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 December 31, 2025:**

• Total Assets	\$1,839,308
• Total Cash & Cash Equivalents	\$1,734,237
• Total Non-Cash/Invested Assets	\$ 105,071
• Total Liabilities	\$7,279,520

**Asset Recovery (post liquidation):**

	12/31/25		
	QTR	ITD	
• Premium Collected	\$ 19,140	\$ 64,120	
• Reinsurance Collected	\$ 5,694	\$ 19,000	
• Investment sold/matured	\$1,778,177	\$1,784,928	
• Other, primarily Stop Pay Outstanding Checks	\$ 0	\$ 841,501	

**Estate Activities:**

- **Asset Recovery**
  - The Special Deputy Receiver continues to request and review reinsurance information received from prior management and the reinsurance broker. The Special Deputy Receiver recorded reinsurance recoverable amounts on excess of loss treaties for both pre liquidation and liquidation activity. We have open requests related to some catastrophe treaties for pre 2024 cat events. NCIC did receive \$31,262 for past excess of loss billings in January 2026. The Special Deputy Receiver expects future excess of loss and cat billings to reinsurers will be largely offset by amounts due to reinsurers for ceded premiums.
  - The Special Deputy Receiver received and reviewed information related to the true-up of 2025 reinsurance premium deposits in comparison to actual premiums recorded. The Special Deputy Receiver made estimated adjustments resulting in significant amounts due to reinsurers. The ceded premium due to reinsurers as estimated by the Special Deputy Receiver totals \$2.2 million for the 2025 excess of loss and cat treaties. The Special Deputy Receiver continues to work with prior management and

the reinsurance broker to resolve remaining issues related to the premium adjustment calculations.

- Additionally, the Special Deputy Receiver has reviewed reinsurance recoverables for Loss and LAE and unearned premium on the equipment breakdown treaty. The Special Deputy Receiver expects to recover these reinsurance recoverables as the equipment breakdown reinsurer is not on any of the excess of loss and cat treaties.
- The Special Deputy Receiver is analyzing agent commissions owed to the Company due to the cancelation of policies after liquidation. An initial review of the information provided by the Company's legacy systems requires additional manual validation prior to billing.

- **Claims**

- There are 288 open claims as of December 31, 2025. 43 claims have been closed during liquidation. The open claims include 3 liability claims.
- The direct case loss reserves are approximately \$2.6 million, and the direct loss adjustment expense (LAE) reserves are approximately \$41,000. Incurred but not reported LAE reserves are now \$140,000.
- UDS file delivery to TPCIGA is ongoing. To date the A, B, F, G and I records have been transferred to TPCIGA. TPCIGA has access to the Company's claims and policy systems, permitting their personnel to review all claims files in their entirety in native formats. As new or closed files opened/reopened, records are provided to TPCIGA accordingly.
- Proof of Claims (POCs): The Special Deputy Receiver has filed a POC form for approval with the Court.

**Federal Release:** Mr. Nunnally submitted a request for federal release on January 20, 2026. We expect no Federal exposure.

**Estimated Closing Date of Receivership:**

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