

RECEIVERSHIP STATUS REPORT TO THE SPECIAL MASTER

May 1, 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:

- Confirmed reinsurance balances for premiums and losses.
- Segregated paper files for NCIC. Began the process of segregating electronic files.
- Mailed approximately 12,000 Proof of Claim forms.
- Filed an application for early access for \$200,000 to TPCIGA.
- Filed Premium Tax return for approximately \$121,000.
- Negotiated the sale of agent commissions owed to NCIC, pending finalization of agreement with the buyer.
- Completed a review of open subrogation matters.

Next Quarter Goals:

- Complete record transfer plan, including all legacy paper files and digital files. File an application with the Court for approval.
- Finalize negotiations with a reinsurer on commutation of Cat 43 treaty.
- Coordinate with TPCIGA on delivery of ongoing claims information.
- Log all Proof of Claims received and ensure transmission of those impacting TPCIGA.

Background Narrative:

- Order of Liquidation and Permanent Injunction entered on September 3, 2025. The Special Deputy Receiver was designated 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 March 31, 2026:

• Total Assets	\$1,699,902
• Total Cash & Cash Equivalents	\$1,542,621
• Total Non-Cash Assets	\$ 157,281
• Total Liabilities	\$7,964,220

Asset Recovery (post liquidation):

	3/31/26	
	QTR	ITD
• Premium Collected	\$ 0	\$ 64,120
• Reinsurance Collected	\$ 63,471	\$ 82,471
• Investment sold/matured	\$ 0	\$1,784,928
• Other, primarily Stop Pay Outstanding Checks	\$ 0	\$ 841,501

Estate Activities:

- **Asset Recovery**
 - The SDR collected \$63,471 of reinsurance balances during the 3 months ended March 31, 2026.
 - Ceded premiums due to reinsurers total \$2.4 million for the 2025 excess of loss, casualty clash and CAT treaties. Reinsurance recoverables for losses on these same treaties total \$343k. These treaties name all RVOS companies as ceding companies, namely NCIC, RVOS, and Priority One.
 - The SDR analyzed the net due by reinsurer for the above premiums and losses. Amounts due to reinsurers total \$2.1 million and due from reinsurers total \$54k. An allowance for the entire \$343k, noted above, has been recorded due to the uncertainty of collecting any amounts. The SDR has reported these amounts to the broker but will await claim finalization before initiating collection efforts on the \$54k.
 - NCIC has \$22k of reinsurance recoverable for Loss and LAE under the equipment breakdown treaty. The reinsurer has challenged the claim adjudication on the most recent billed amount. The SDR responded with assistance from TPCIGA. The SDR has recorded an allowance on the entire \$22k billing pending resolution of this matter.
 - The SDR filed the 2025 Texas Insurance Premium Tax Return on March 25, 2026 which indicates a \$121,564 refund due to NCIC.
 - The SDR finalized its analysis on agent commissions owed to NCIC due to the cancelation of policies after liquidation. The amount due from agents totals \$71,434.

The SDR is negotiating a contract with RVOS to sell these receivables to RVOS for \$35,717, which will allow the estate to avoid the expense of collections.

- **Claims**

- The SDR reported 372 claims to TPCIGA. As of March 31, 2026, 173 remain open and 199 have been closed.
- The direct case loss and loss adjustment expense (LAE) reserves, including payments made by TPCIGA, total approximately \$4.1 million as of March 31, 2026. Incurred but not reported LAE reserves total \$110,000.
- TPCIGA has paid losses of \$1.97 million and LAE of \$323,000 as of March 31, 2026. TPCIGA has reported \$90,000 in administrative expenses paid as of December 31, 2025.
- 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.

- **Federal Release**

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

- **Proof of Claims (POCs)**

- The POC form was approved by the Court on January 29, 2026. The SDR compiled mailing lists from the Company's records which totaled 11,750 POC mailings. These mailings are complete.
- As of April 12, 2026 the SDR had received 26 POCs from four claimants. 24 of the 26 POCs are from independent adjusters who performed pre-liquidation claim services for NCIC. One of the remaining POCs is for an amount already paid to the Claimant by TPCIGA.

- **Early Access**

- The SDR has filed an application requesting authority to make a first early access payment to TPCIGA in the amount of \$200,000. The \$200,000 payment represents 37.4% of the TPCIGA Class 1 claim as of December 31, 2025.
- For purposes of the application, the Company reports cash assets totaling \$1.6 million available for administrative costs as of February 28, 2026. After deduction of the \$1.4 million reserve, for other administrative costs, including the Special Deputy Receiver's costs, TPCIGA's early access amounts to \$200,000.

- **Estimated Closing Date of Receivership**

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