

# Insolvency Experience

Insurance Regulatory Practice

As a premier law firm serving the legal needs of the insurance and reinsurance industries, Sonnenschein has significant experience representing clients and industry leaders worldwide in matters involving insurance company receiverships. Our Insurance, Bankruptcy and Litigation lawyers work together to ensure that we deliver the best advice to our clients in challenging times.

Our internationally recognized insolvency team delivers strategic solutions that address the legal, practical and business issues that our clients face in today's complex marketplace, making us the go-to law firm for insurance receivership needs. Clients turn to us for our deep expertise in all lines of insurance business, including life, accident, health, mortgage guaranty, financial guaranty, workers' compensation, excess and surplus lines, and commercial and personal property and casualty.

Our attorneys have experience representing guaranty associations, reinsurers, creditors and policyholders adverse to insurance receivers, as well as representing insurance commissioners and special deputy receivers in insolvency-related matters involving all stages of receivership, including seizure, rehabilitation and liquidation. We also represent troubled insurers in administrative supervision, including those insurers seeking turnaround options or preparing for insolvency proceedings.

## Our Insolvency Services and Experience

- Represent insurance receivers as in-house counsel and special deputy receivers as well as lead outside counsel on large multi-state receiverships
- Represent insurance receivers and guaranty associations as outside counsel involving complex litigation
- Handle insurance insolvency proceedings and complex insurance and reinsurance matters in connection with large multi-state insolvencies involving all aspects of the insurer's business, including reinsurance; claims; guaranty association issues; preference actions; priorities; cut throughs; large deductibles; and third-party actions against directors, officers, accountants and actuaries
- Represent receivers in multi-state rehabilitations involving successful turnarounds and sales of rehabilitated insurers and books of business
- Represent conservators and liquidators in all aspects of insurance receivership, from cradle to grave, from takeover to estate closing
- Represent reinsurers and the insolvent estates before almost every insurance regulatory body in the United States and in a number of foreign jurisdictions, as well as in arbitrations involving major insolvencies and run-offs worldwide, including those in the United States, the United Kingdom, Japan and Bermuda
- Assist corporate clients, policyholders and creditors of troubled insurers in developing strategies to minimize the impact of an impending insolvency
- Advise clients regarding financially impaired insurers, including matters related to insurer insolvency, voidable preferences, fraudulent transfers, recoupment, the reduction/return of policyholder collateral, proof of claim submission and guaranty fund protection
- Represent life guaranty associations in connection with several life insurance company insolvencies,

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including transfers of blocks of business covered by the guaranty association and protecting the guaranty association's interests in insolvency proceedings

- Represent reinsurers and other entities in connection with acquiring assets from troubled insurers or in effectuating commutations
- Represent ceding companies and reinsurers under all forms of reinsurance contracts
- Represent employee leasing and temporary staffing companies on matters related to insurer insolvency
- Provide strategic counsel to clients on Insurance Holding Company Act issues and related bankruptcy matters
- Perform insolvency audits to advise corporate policyholders regarding the structure and provisions of existing and proposed insurance programs to minimize insurer insolvency exposure
- Work with the National Association of Insurance Commissioners (NAIC) in monitoring the effectiveness and performance of state administration of receiverships and the state guaranty fund system; coordinating cooperation and communication among regulators, receivers and guaranty funds; and monitoring ongoing receiverships
- Serve on the NAIC Insolvency Task Force and Related Working Groups and serve as contributing authors of the *NAIC Receivership Handbook*
- Specialize in litigation involving insolvent insurers, reinsurance and coverage
- Represent numerous insurers, reinsurers and related entities involving insolvent California workers' compensation insurers

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