



Department of Insurance

Bureau of Rehabilitation and Liquidation

**NOTICE OF LIQUIDATION OF FREESTONE INSURANCE COMPANY
FORMERLY KNOWN AS DALLAS NATIONAL INSURANCE COMPANY;
NOTICE OF CANCELLATION OF ALL INSURANCE POLICIES
ISSUED BY FREESTONE INSURANCE COMPANY;
AND NOTICE OF BAR DATE FOR FILING CLAIMS**

**PLEASE READ THE ENCLOSED DOCUMENTS CAREFULLY
AS YOUR RIGHTS MIGHT BE AFFECTED!**

On July 22, 2014, Freestone Insurance Company, a Delaware domestic property and casualty insurance company ("FREESTONE") was ordered liquidated by the Court of Chancery of the State of Delaware (the "Court"), effective August 15, 2014. The Honorable Karen Weldin Stewart, CIR-ML, Insurance Commissioner of the State of Delaware, is the court appointed statutory Receiver of FREESTONE. The Receiver appointed George J. Piccoli as the Deputy Receiver to carry out the responsibilities of the Receiver with respect to the liquidation of FREESTONE. A copy of the Liquidation and Injunction Order with Bar Date (the "Order") is enclosed. The Order, and all subsequent proceedings concerning FREESTONE, will be conducted in accordance with Chapter 59 of the Delaware Code (18 Del. C. § 5901 *et seq.*).

FREESTONE was incorporated in 1987, and was headquartered in Dallas, Texas. Until 2013, FREESTONE was formerly known as Dallas National Insurance Company. The company wrote workers' compensation, personal automobile, warranty, and general liability policies or contracts in forty-one (41) States and the District of Columbia. Pursuant to the Order, all persons or entities are enjoined from instituting or further prosecuting any action at law or in equity, or proceeding with any pretrial conference, trial, application for judgment, or proceedings on judgment or settlements and such action at law, in equity, special, or other proceedings in which FREESTONE is obligated to defend a party insured or any other person it is legally obligated to defend by virtue of its insurance contract is **STAYED** for a period of 180 days from the date of the Order. All persons or entities having in their possession Assets or possible Assets are enjoined from transacting any business of, or on behalf of, FREESTONE or selling transferring, destroying, wasting, encumbering, or disposing of any of the Assets, without the prior written permission of the Receiver or upon further Order of the Court. All persons holding Assets of, or on behalf of, FREESTONE, are directed to comply with Paragraphs 9 and 10 of the Order. All persons are required to fully comply with the terms of the Order.

POLICY CANCELLATION: As set forth in Paragraph 14 of the Liquidation and Injunction Order with Bar Date, all insurance policies, surety bonds, and contracts of insurance issued by FREESTONE, whether issued in the State of Delaware or elsewhere, in effect as the date of the Liquidation and Injunction Order with Bar Date shall only continue in force until the *earlier* of the following events: (i) the stated expiration or termination date and time of the insurance policy, surety bond, or contract of insurance; (ii) the effective date and time of a replacement insurance policy, surety bond, or contract of insurance of the same type issued by another insurer regardless of whether the coverage is identical coverage; (iii) the effective date and time that the FREESTONE insurance policy, surety bond, or contract of insurance obligation is transferred to another insurer or entity authorized by law to assume such obligation; or (iv) the cancellation and termination for all purposes of the insurance policy, surety bond, or contract of insurance at 12:01 a.m. on the thirtieth (30th) calendar day from the effective date (which Effective Date is August 15, 2014) of the Order pursuant to subparagraph 14(b) of the Order.

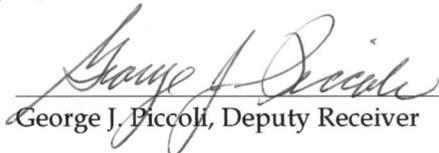
BAR DATE: ANY AND ALL CLAIMS NOT FILED WITH THE RECEIVER ON OR BEFORE THE CLOSE OF BUSINESS ON DECEMBER 31, 2015 (THE "BAR DATE") SHALL BE BARRED FROM CLASSES II THROUGH VI AS THOSE CLASSES ARE DEFINED IN 18 DEL. C. §§5918(e)(2) THROUGH (e)(6) AND SHALL NOT RECEIVE ANY DISTRIBUTIONS FROM THE GENERAL ASSETS OF THE ESTATE OF FREESTONE UNLESS AND UNTIL ASSETS BECOME AVAILABLE FOR A DISTRIBUTION TO CLASS VII CLAIMANTS AS DEFINED IN 18 DEL. C. §5918(e)(7). THIS BAR DATE SHALL SUPERSEDE ANY APPLICABLE STATUTES OF LIMITATIONS OR OTHER STATUTORY OR CONTRACTUAL TIME LIMITS WHICH HAVE NOT YET EXPIRED WHETHER ARISING UNDER DELAWARE LAW, UNDER THE APPLICABLE LAWS OF ANY OTHER JURISDICTION, OR UNDER A CONTRACT WITH FREESTONE BUT SHALL ONLY APPLY TO CLAIMS AGAINST FREESTONE IN THE LIQUIDATION PROCEEDINGS AND DOES NOT APPLY TO, AND EXCLUDES, CLAIMS BROUGHT BY FREESTONE. ALL CLAIMANTS SHALL ATTACH TO SUCH PROOF OF CLAIM DOCUMENTATION SUFFICIENT TO SUPPORT SUCH CLAIM. CONTINGENT AND UNLIQUIDATED CLAIMS THAT ARE PROPERLY FILED WITH THE RECEIVER IN ACCORDANCE WITH THIS ORDER SHALL ONLY BE ELIGIBLE TO SHARE IN A DISTRIBUTION OF THE ASSETS OF FREESTONE IN ACCORDANCE WITH 18 DEL. C. §5928.

If You Have Any Questions: Until further notice, policyholders, claimants, agents, brokers, attorneys, and other persons with questions regarding FREESTONE in LIQUIDATION should visit the website at:

http://delawareinsurance.gov/departments/berg/rehab_bureau.shtml.

(Please note that there is an underline between the words "rehab" and "bureau" in the website address.); Call 1-866-874-6860; or Contact the Deputy Receiver directly as follows:

FREESTONE INSURANCE COMPANY IN LIQUIDATION
c/o Delaware Insurance Department, Bureau of Rehabilitation and Liquidation
704 N. King Street, Suite 602, Wilmington, DE 19801


George J. Piccoli, Deputy Receiver