

## Affidavit of Joseph Holloway

I, Joseph Holloway, declare:

1. I am the duly appointed Receivership Manager of Physicians Indemnity Risk Retention Group, Inc. in Receivership ("PIRRG"). I have personal knowledge of the facts set forth herein and if called upon as a witness, I would testify as set forth below.

2. I have a Bachelor of Arts degree in accounting from North Carolina State University and hold the designation of Certified Financial Examiner from the Society of Financial Examiners. From 1985 to 2005, I worked as an examiner, regulatory specialist, and chief forensic accountant for the North Carolina Department of Insurance. Since 2005, I have worked for the Insurance Commissioner's Conservation & Liquidation Office / Regulatory Services Group as an employee/consultant. I currently hold the title of Chief Executive Officer. I have over 28 years of experience working with insurance companies experiencing financial difficulties, including companies in supervision, conservation, rehabilitation, and liquidation.

3. On behalf of the Nevada Insurance Commissioner, in her capacity as Temporary Receiver of PIRRG, I am responsible for managing the affairs of PIRRG in receivership.

4. On March 19, 2020 the Insurance Commissioner of the State of Nevada, Barbara D. Richardson (the "Commissioner") was appointed by the Second Judicial District Court of the State of Nevada (the "Court") as Temporary Receiver of PIRRG pursuant to NRS 696B.270(1) of the Nevada Revised Statutes, (Case no. CV20-000496)(the "Order"). The Commissioner has the responsibility to take these actions whenever a company is determined to be statutorily impaired.

5. On April 2, 2020 the Commissioner in her court-appointed capacity as Receiver of PIRRG retained the services of Regulatory Services Group to act as the Receiver Manager for PIRRG. Regulatory Services Group ("RSG") acting as the Receivership Manager is vested with all the rights, duties and authority of the Receiver, subject to the supervision of the Nevada Insurance Commissioner as Receiver and of the Court.

6. In accordance with the Order and specifically NRS 696B.270 (1), pending the show cause hearing and further orders of the Court, all officers, directors, stockholders, members, subscribers, agents, employees and all other persons, except the Receiver or any person or persons designated by the Receiver are immediately enjoined from transacting any further business on behalf of the PIRRG or wasting or disposing of any assets or property of PIRRG.

7. In further accordance with the Order and specifically NRS 696B.340, pending further orders of the Court, all persons are immediately enjoined from the commencement or prosecution of any actions by or on behalf of or against PIRRG, and the Court will have exclusive jurisdiction over any actions involving the Receiver or PIRRG. Further, all persons shall be restrained from obtaining any preferences, judgements, attachments, or other liens as to any property of PIRRG or making any levy against PIRRG or against their assets or any part thereof.

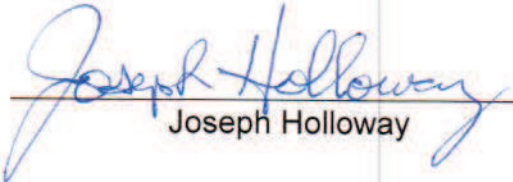
8. Treating claimant creditors differently potentially creates voidable preferences. The PIRRG Receiver believes that prior to a final order from the Nevada Court which is likely to impose stays for claims against the company, PIRGG benefits by stay orders being entered in cases where PIRRG and/or PIRRG's insureds are defendants. This allows the Receiver to evaluate claims in a static, as opposed to a



dynamic, environment and to evaluate the extent to which claims can be paid. It is likely that all claims against PIRRG and/or PIRRG's insureds will have to go through a proof of claim process initiated by the Receiver and approved claims will receive a pro rata distribution based on the available assets in the PIRRG estate.

9. Irrespective of whether cases against PIRRG and/or PIRRG insureds are allowed to go forward without a stay, the Receiver will be unable to pay any claims, legal defense costs including expert witness engagements, or other discovery costs all of which may be very prejudicial to the PIRRG policyholders. PIRRG insureds would have to pay for their own legal defense, judgments, and/or settlements and seek recovery through a claim process against PIRRG.

Dated: April 10, 2020

  
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Joseph Holloway