



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN THE MATTER OF: )  
)  
STATE OF DELAWARE ex rel. )  
THE HONORABLE TRINIDAD )  
NAVARRO, Insurance Commissioner of )  
the State of Delaware, )  
)  
Plaintiff, )  
)  
v. )  
)  
AMERICAN CASUALTY )  
REINSURANCE OF DELAWARE LLC, )  
a Delaware special purpose captive )  
insurance company; )  
)  
and )  
)  
AMERICAN EQUINE INSURANCE )  
COMPANY, LLC, a Delaware special )  
purpose captive insurance company, )  
)  
Defendants. )

C.A. No. 2024-1206-NAC

**LIQUIDATION AND INJUNCTION ORDER WITH BAR DATE**

WHEREAS, Plaintiff, the Honorable Trinidad Navarro, in his capacity as the Insurance Commissioner of the State of Delaware (the "Commissioner"), has filed a Complaint seeking the entry of a Liquidation and Injunction Order with Bar Date concerning, *inter alia*, defendant AMERICAN EQUINE INSURANCE COMPANY, LLC, a Delaware domestic special purpose captive insurance company ("AEIC"), pursuant to 18 *Del. C.* § 5901, *et seq.*;

WHEREAS defendant AEIC operates Series Captive Insurance Companies (“SCICs”) which are Delaware-domiciled insurance companies formed under AEIC, pursuant to which the SCICs write coverage for their owner-insureds which are, in turn, reinsured through AEIC;

WHEREAS, CaptiveOne Management, LLC (“CaptiveOne Management”) and its affiliated entities,<sup>1</sup> through Wayne Jenkins (“Jenkins”) and others have taken on duties, including serving as the captive manager of AEIC, supplying principals and/or designees of the CaptiveOne Affiliates to serve as officers and/or directors of the SCICs, underwriting risks, determining rates, making coverage descriptions and setting benefits limits, deductibles and reasonable premiums on behalf of the SCICs, invoicing and collecting premium payments on behalf of the SCICs, performing all bookkeeping and accounting functions for the SCICs, maintaining appropriate bank deposit and commercial checking accounts on behalf of the SCICs, making payments on behalf of SCIC; and making and monitoring investments and reinvestments of the SCICs;

WHEREAS, on or about June 4, 2024, the Court of Chancery of the State of Delaware entered a Confidential Seizure and Injunction Order seizing AEIC pursuant to Section 5943 of Title 18 of the Delaware Code, that inter alia, enjoined CaptiveOne Management, the CaptiveOne Affiliates, Jenkins, and the Jenkins

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<sup>1</sup> CaptiveOne Administrators, LLC, CaptiveOne Advisors, LLC, CaptiveOne Auto Advisors, LLC, CaptiveOne Canine/Equine Advisors, LLC, CaptiveOne Health Advisors, LLC, CaptiveOne Holdings, LLC, CaptiveOne Services, LLC, CaptiveOne Specialty Holdings, LLC, (collectively with CaptiveOne Management, the “CaptiveOne Affiliates”).

Parties from transacting the business of AEIC or transferring or disposing of its assets, and certain related-party assets in order to protect the assets of AEIC and its SCICs as the Delaware Insurance Department (“Department”) had uncovered several areas of high concern as to the financial viability of an affiliated company, American Casualty Reinsurance of Delaware, LLC (“ACRE”) and its similar operation by CaptiveOne Management and Jenkins as set forth more particularly in the Verified Complaint for Entry of a Liquidation and Injunction Order with Bar Date;

WHEREAS, since the seizure of AEIC, ongoing investigation by the Department has confirmed the Department’s concerns that formed the basis of the seizure;

WHEREAS, this Court is authorized pursuant to 18 *Del. C.* §§ 5905, 5906 and 6918 to issue a Liquidation and Injunction Order concerning a Delaware captive insurer upon application of the Commissioner evidencing that grounds for a formal delinquency proceeding exist concerning such insurer;

WHEREAS, the Commissioner has provided the Court with evidence sufficient to support the conclusion that AEIC is in an unsound condition, that AEIC, CaptiveOne Management and the other CaptiveOne Affiliates were operated in such a manner as to render AEIC’s further transaction of insurance presently or prospectively hazardous to its creditors and SCICs, and that conduct of CaptiveOne, the other CaptiveOne Affiliates, and Jenkins with respect to ACRE disable them from serving in the same or similar roles for AEIC and make the continued operation of

AEIC hazardous to its SCIC owners/insureds, AEIC, its creditors, and members of the public; and

WHEREAS, this Court finds that sufficient cause exists for the liquidation of AEIC, pursuant to 18 *Del. C.* §§ 5905 and 5906, as well as 18 *Del. C.* chs. 59 and 69, and for the entry of a Liquidation and Injunction Order with Bar Date (“Liquidation Order”) concerning AEIC.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED and DECREED:

1. The verified Complaint, including the exhibits thereto, contain sufficient evidence to support the conclusion that AEIC is in an unsound condition, and a condition that renders its further transaction of insurance presently or prospectively hazardous to its SCICs, its creditors and the public.

2. These allegations are also supported by the exhibits to the Complaint.

3. Consequently, it is hereby declared that: AEIC is in an unsound condition, and in a condition that renders its further transaction of insurance presently or prospectively hazardous to its creditors and SCICs. Therefore, sufficient cause exists for the liquidation of AEIC pursuant to 18 *Del. C.* §§ 5905, 5906, and 18 *Del. C.* ch. 59 and for the entry of a Liquidation Order concerning AEIC.

4. Pursuant to 18 *Del. C.* § 5913(a), the Commissioner and his successors in office are hereby appointed as the receiver (hereinafter the “Receiver”) of AEIC.

5. Pursuant to 18 *Del. C.* §§ 5911 and 5913, the Receiver shall forthwith take exclusive possession and control of the property of AEIC, liquidate its business,

and deal with AEIC's property and business in the name of the Receiver or in the name of AEIC. Further, the Receiver shall be vested with all right, title and interest in, of or to, all of the property of AEIC, including, without limitation, all of AEIC's assets, contracts, rights of action, books, records, bank accounts, certificates of deposits, collateral and rights to collateral of AEIC, securities or other funds, and all real or personal property of any nature of AEIC including, without limitation, all proceeds of or accessions to any of the foregoing, wherever located, in the possession, custody or control of AEIC or any trustee, bailee, or any agent acting for or on behalf of AEIC, Jenkins, CaptiveOne Management or the other CaptiveOne Affiliates (collectively, the "Assets").

6. The Receiver may, at his election, change to his own name as Receiver, the name of AEIC's accounts, funds or other property or assets held with any bank, savings and loan association or other financial institution, and may withdraw such funds, accounts and other property or assets from such institutions or take any lesser action necessary for the proper conduct of this liquidation.

7. The Receiver is further authorized to take such actions as the nature of this cause and interests of the creditors, SCICs and members of AEIC and the public may require, when and as required by 18 *Del. C. ch. 59*.

8. The Receiver is hereby authorized to deal with the Assets, business and affairs of AEIC including, without limitation, the right to sue, defend, and continue to prosecute suits or actions already commenced by or for AEIC, or for the benefit of the SCICs, cedents, creditors and members of AEIC in the courts, tribunals, agencies

and arbitration panels for this State and other states and jurisdictions in his name as the Receiver of AEIC, or in the name of AEIC.

9. The Receiver is hereby vested with the right, title and interest in and to all funds recoverable under treaties and agreements of reinsurance heretofore entered into by AEIC as the ceding insurer or as the assuming insurer, and all reinsurance companies involved with AEIC are enjoined and restrained from making any settlements with any claimant, cedent or SCIC of AEIC other than with the express written consent of the Receiver, except as permitted by cut-through agreements or endorsements which were issued to the policyholder, which were properly executed before the date of this Order, which comply in all respects with 18 *Del. C.* § 914, as amended by 72 *Del. Laws c.* 405, and which were approved by the Delaware Insurance Department if such approval was required. The amounts recoverable by the Receiver from any reinsurer of AEIC shall not be reduced or diminished as a result of this receivership proceeding or by reason of any partial payment or distribution on a reinsured policy, contract or claim, and each such reinsurer of AEIC is hereby enjoined and restrained from terminating, canceling, failing to extend or renew, or reducing or changing coverage under any reinsurance policy, reinsurance contract or letter of credit. The Receiver may terminate or rescind any reinsurance policy or contract that is contrary to the best interests of the receivership.

10. All persons or entities, including but not limited to, the officers, directors, agents, servants and employees of AEIC, Jenkins, CaptiveOne Management and the



other CaptiveOne Affiliates, accountants, actuaries, managing general agents, captive managers, venders, consultants, banks, brokerage houses, reinsurers and cedents, or any other person or entity that have in their possession Assets or possible Assets of AEIC or have notice of these proceedings or of the Liquidation Order are enjoined, restrained and prohibited from transacting any business of AEIC or selling, transferring, destroying, wasting, encumbering or disposing of any of the Assets or possible Assets without the prior written permission of the Receiver or until further Order of this Court. This prohibition includes, without limitation, Assets or possible Assets pertaining to any business transaction between AEIC and any other person or entity. No actions concerning, involving, or relating to such Assets or possible Assets, may be taken by any of the aforesaid persons or entities enumerated herein, without the express written consent of the Receiver, or until further Order of this Court. For the avoidance of doubt, this provision applies to (i) Wayne Jenkins and his agents, servants, employees, and attorneys and all those persons in active concert or participation with them, (ii) CaptiveOne Management and the other CaptiveOne Affiliates, their officers, agents, servants, employees, and attorneys and all those persons in active concert or participation with them, and (iii) Jenkin's other affiliates, including Bryste Holdings, LLC, Jackman Reynolds Resources, LLC, Dixie Customs LLC, Equitas, LLC, Equestrian Boutique LLC, Island Charters LLC, and Equine Risk Management Company, LLC, their officers, agents, servants, employees, and attorneys and all those persons in active concert or participation with them (collectively (i)-(iii) are referred to as the "Jenkins Parties").

11. All persons or entities that have in their possession any assets of AEIC or its SCICs used for improper purposes, or have notice of these proceedings or of the Liquidation Order are enjoined, restrained and prohibited from selling, transferring, encumbering, assigning, or foreclosing upon such assets or otherwise taking action to interfere with the claims of AEIC or the SCIC owners/insureds such assets until further Order of Court. For the avoidance of doubt, these provisions apply to the Jenkins Parties.

12. All persons or entities having notice of these proceedings or of the Liquidation Order are hereby enjoined and restrained from exercising or relying upon any contractual right which would permit such third party or parties from withholding, failing to pay, setting-off or netting, except pursuant to 18 *Del. C.* § 5927, or taking similar action with respect to any obligations owed to AEIC.

13. All persons or entities having notice of these proceedings or of the Liquidation Order are hereby enjoined and restrained from commutating, terminating, accelerating or modifying any policy of insurance, agreement of reinsurance, or other contract or agreement, or asserting a default or event of default or otherwise exercising, asserting or relying upon any other right or remedy, based upon: (1) the filing of the Complaint for Entry of Liquidation and Injunction Order with Bar Date, (2) the entry of this Liquidation Order, (3) the unsound or hazardous condition of AEIC, (4) the impairment or insolvency of AEIC; or (5) the facts and circumstances set forth in the Complaint for Entry of Liquidation and Injunction Order with Bar Date, without the prior written permission of the Receiver or until further Order of this Court.



14. Except as otherwise indicated elsewhere in this Liquidation Order, or except as excluded by express written notice provided by the Receiver, all agents, brokers and all other persons or entities that hold Assets of, or on behalf of, AEIC, and that have notice of these proceedings or of this Liquidation Order, shall forthwith file an accounting of those Assets with the Receiver, regardless of whether such persons or entities dispute the Receiver's entitlement to such Assets, and shall within ten (10) days of having received notice of these proceedings or of this Liquidation Order, turn those Assets over to the Receiver. For the avoidance of doubt, these provisions apply to the Jenkins Parties.

15. All persons and entities that have notice of these proceedings or of this Order are hereby prohibited from instituting or further prosecuting any action at law or in equity or in other proceedings against AEIC, the Receiver, the Deputy Receiver(s), or the Designees in connection with their duties as such, or from obtaining preferences, judgments, attachments, or other like liens or encumbrances, or foreclosing upon or making any levy against AEIC or the Assets, or exercising any right adverse to the right of AEIC to or in the Assets, or in any way interfering with the Receiver, the Deputy Receiver(s), or the Designees in their possession and control of the Assets or in the discharge of their duties hereunder. For the avoidance of doubt, these provisions apply to the Jenkins Parties.

16. All persons and entities having notice of these proceedings or of this Liquidation Order, are hereby enjoined and restrained from asserting any claim against the Commissioner as Receiver of AEIC, the Deputy Receiver(s), or the

Designees in connection with their duties as such, or against AEIC or the Assets, except insofar as such claims are brought in the liquidation proceedings of AEIC and in a manner otherwise compliant with this Order. For the avoidance of doubt, these provisions apply to the Jenkins Parties.

17. All contracts of insurance and contracts of reinsurance, in which AEIC is the insurer or reinsurer, whether in the State of Delaware or elsewhere, in effect as of the date of this Liquidation Order shall only continue in force until the earlier of the following events: (i) the stated expiration or termination date and time of the contract of insurance or reinsurance; (ii) the effective date and time of a replacement contract of insurance or reinsurance of the same type issued by another insurer regardless of whether the coverage is identical coverage; (iii) the effective date and time that the AEIC contract of insurance or reinsurance 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 contract of insurance or reinsurance at 12:01 a.m. on the thirtieth (30th) calendar day from the date of this Order pursuant to Paragraph 18 below.

18. Except for those contracts of insurance or reinsurance which expire or are cancelled, terminated, or transferred earlier as set forth in Paragraph 17(i) through (iii) above, all contracts of insurance and contracts of reinsurance, in which AEIC is the insurer or reinsurer, whether in the State of Delaware or elsewhere, in effect as of the date of this Liquidation Order, are hereby cancelled and terminated for all purposes as of 12:01 a.m. on the thirtieth (30th) calendar day following the

date of this Liquidation Order. For purposes of this paragraph, even if the thirtieth (30th) calendar day following the date of this Liquidation Order is a Saturday, Sunday, or holiday, the contract of insurance or reinsurance shall be cancelled and terminated as of 12:01 a.m. on the thirtieth (30th) calendar day following the date of this Liquidation Order. The Receiver shall notify promptly all cedents and SCICs as applicable of such contract cancellation and termination by United States first class mail at their last known address.

19. Pursuant to 18 *Del. C.* § 5924, the rights and liabilities of AEIC and of its creditors, policyholders, principals, obligees, claimants, stockholders, members, subscribers, SCICs and all other persons interested in its estate shall, unless otherwise directed by the Court, be fixed as of the date of this Liquidation Order, subject to the provisions of Chapter 59 of Title 18 of the Delaware Code with respect to the rights of claimants holding contingent claims.

20. ANY AND ALL CLAIMS NOT FILED WITH THE RECEIVER ON OR BEFORE THE CLOSE OF BUSINESS ON **FEBRUARY 16, 2026** (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 AEIC 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 AEIC BUT SHALL ONLY APPLY TO CLAIMS AGAINST AEIC IN THE LIQUIDATION PROCEEDINGS AND DOES NOT APPLY TO, AND EXCLUDES, CLAIMS BROUGHT BY AEIC. ALL CLAIMANTS SHALL ATTACH TO SUCH PROOF OF CLAIM DOCUMENTATION SUFFICIENT TO SUPPORT SUCH CLAIM. FOR NON-CONTINGENT CLAIMS, THE FILED CLAIMS SHALL NOT BE REQUIRED TO BE LIQUIDATED AND ABSOLUTE ON OR BEFORE THE BAR DATE SET FORTH HEREIN.

21. 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 AEIC IN ACCORDANCE WITH 18 *DEL. C.* § 5928.

22. Within sixty (60) calendar days after the date of this Order, or as soon as possible after an interested party or potential creditor subsequently becomes known to the Receiver, the Receiver shall serve a copy of this Liquidation Order, on all interested parties, all SCICs, all known potential creditors, all current and former stockholders of AEIC, all former Board members of AEIC, its third party adjusters, its managing general underwriters, its brokers, its agents, its reinsurer(s), and any reinsurance intermediaries, all other known vendors, and all State Insurance Commissioners by United States first class mail, postage prepaid, provided that in the Receiver's discretion such notice may be mailed instead by United States first

class certified mail, return receipt requested, or other United States mail providing proof of mailing, to such interested party or potential creditor's last known address in the company's files.

23. Within thirty (30) calendar days after the date of this Order, the Receiver shall also publish this Liquidation Order, the Notice of Liquidation, Proof of Claim Form, and the Instructions to the Proof of Claim Form on the Delaware Department of Insurance website.

24. Pursuant to the provisions of 18 *Del. C.* §§ 5904(b) and 5928(c), no judgment against AEIC and/or one or more of its insureds taken after the date of this Liquidation Order shall be considered in the liquidation proceedings as evidence of liability or of the amount of damages, and no judgment against AEIC and/or one or more of its insureds taken by default or by collusion prior to the effective date of the Liquidation Order shall be considered as conclusive evidence in the liquidation proceedings, either of the liability of AEIC and/or one or more of its insureds to such person or entity upon such cause of action or of the amount of damages to which such person or entity is therein entitled.

25. The Receiver shall submit claim Recommendation Reports to the Court within a reasonable time after the Receiver's investigation concerning all claims submitted by a particular claimant has been completed.

26. The Receiver will file reports of receipts and disbursements with the Court on an annual basis in a form consistent with past practice in receiverships.

27. The filing or recording of this Order or a certified copy hereof with the Register in Chancery and with the recorder of deeds of the jurisdiction in which AEIC's corporate and administrative offices are located or, in the case of real estate or other recorded property interests, with the recorder of deeds of the jurisdictions where the property is located, shall impart the same notice as would be imparted by a deed, bill of sale, or other evidence of title duly filed or recorded with that recorder of deeds. Without limiting the foregoing, the filing of this Order with the Register in Chancery also constitutes notice to all sureties and fidelity bondholders of AEIC of all potential claims against AEIC under such policies and shall constitute the perfection of a lien in favor of AEIC under the Uniform Commercial Code or any like Federal or state law, regulation, or order dealing with the priority of claims.

28. The Receiver is hereby authorized to transfer some or all of AEIC's Assets and liabilities to a separate affiliate or subsidiary for the overall benefit of AEIC's SCICs, creditors, and shareholders, subject to approval by this Court.

29. The Receiver may, in his discretion, reject any executory contract to which AEIC is a party.

30. The Receiver may, in his discretion, appoint one or more consultants or other persons to serve as Deputy Receiver to assist the Receiver in accomplishing the directives of this Order. The Deputy Receiver(s) shall serve at the pleasure of the Receiver and, subject to the approval of the Receiver, shall be entitled to exercise all of the powers and authorities vested in the Receiver pursuant to this Order and applicable law.



31. The Receiver may employ or continue to employ and fix the compensation of such deputies, counsel, clerks, employees, accountants, actuaries, consultants, assistants and other personnel (collectively, the "Designees") as considered necessary, and all compensation and expenses of the Receiver, the Deputy Receiver(s) and the Designees and of taking possession of AEIC and conducting this proceeding shall be paid out of the funds and assets of AEIC as administrative expenses. The Receiver may also retain those of AEIC's current management personnel and other employees as Designees as he in his discretion determines would facilitate the liquidation of AEIC. All such Designees shall be deemed to have agreed to submit disputes concerning their rights, obligations, and compensation in their capacity as Designees to this Court.

32. The Receiver, the Deputy Receiver(s), and the Designees (collectively, the "Indemnitees") shall have no personal liability for their acts or omissions in connection with their duties, provided that such acts or omissions are or were undertaken in good faith and without willful misconduct, gross negligence or criminal intent. All expenses, costs and attorneys' fees incurred by the Indemnitees in connection with any lawsuit brought against them in their representative capacities shall be subject to the approval of the Receiver, except that in the event that the Receiver is the Indemnitee this Court's approval shall be required, and such expenses, costs and attorneys' fees shall be exclusively paid out of the funds and Assets of AEIC. The Indemnitees in their capacities as such shall not be deemed to be employees of the State of Delaware.

33. Hereafter the caption of this case and all pleadings in this matter shall read as:

“IN THE MATTER OF THE LIQUIDATION OF AMERICAN CASUALTY REINSURANCE OF DELAWARE LLC AND AMERICAN EQUINE INSURANCE COMPANY, LLC”

34. This Court shall retain jurisdiction in this case for the purpose of granting such other and further relief as this case, the interests of the creditors, SCICs and members of AEIC and the public may require. The Receiver, or any interested party upon notice to the Receiver, may at any time make application for such other and further relief as either sees fit.

SO ORDERED this 7th day of January, 2025.

  
VICE CHANCELLOR