

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

IN RE:

**Reliance Insurance Company
In Liquidation**

NO. 1 REL 2001

RE: Liquidator's Report and Recommendation on
LA and OR Undisputed GA Administrative
Expenses Submitted through December 31, 2014

ORDER

AND NOW, this _____ day of _____, 2016, upon consideration of
the Liquidator's Application For Approval of Report and Recommendation on
Louisiana and Oregon Undisputed Guaranty Association Administrative Expenses
Submitted through December 31, 2014 ("Application") and the representations
made therein, it is hereby ORDERED and DECREED that:

1. the Application is GRANTED; and
2. the Total Undisputed Administrative Expenses (Pending Court Approval) listed on Exhibit B (“Report”) to the Application are hereby approved as class (a) claims for the “expenses of a guaranty association in handling claims”.

Further, the Court finds that the Total Undisputed Administrative Expenses (Pending Court Approval) listed on the Report and not disputed by the Liquidator were necessary, reasonable, and incurred in the best interest of the Estate.

Bonnie Brigance Leadbetter, Judge

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

IN RE:

**Reliance Insurance Company
In Liquidation**

NO. 1 REL 2001

**APPLICATION FOR APPROVAL OF REPORT AND
RECOMMENDATION ON LOUISIANA AND OREGON
UNDISPUTED GUARANTY ASSOCIATION
ADMINISTRATIVE EXPENSES SUBMITTED THROUGH
DECEMBER 31, 2014**

Applicant, Teresa D. Miller, Insurance Commissioner of the Commonwealth of Pennsylvania, in her official capacity as the Statutory Liquidator ("Liquidator") of Reliance Insurance Company ("Reliance or Estate"), in compliance with this Court's Orders of November 19, 2007, Pa. R.A.P. 3784(a), and pursuant to 40 P.S. §221.45, respectfully applies to this Court for an order approving her Report and Recommendation on Louisiana and Oregon Undisputed Guaranty Association ("GA") Administrative Expenses Submitted through December 31, 2014. In support of this Application, the Liquidator avers the following:

BACKGROUND

1. Applicant, Insurance Commissioner of the Commonwealth of Pennsylvania, was appointed Liquidator of Reliance pursuant to this Court's Order dated October 3, 2001.

2. On November 19, 2007, this Court issued its Order regarding the administration of GA claims ("GA Claims Order") which approved the Liquidator's Amended Petition to Supplement the Court's September 9, 2002 Claims Procedures Order to Address the Administration of Guaranty Association Claims. Pursuant to the GA Claims Order, the Liquidator is only required to issue Notices of Determination ("NODs") for those GA claims which will not be allowed by the Liquidator or which will be contested by the GAs. Undisputed GA claims, including administrative expense claims, are to be submitted in a separate report for approval by this Court.

3. On June 8, 2012, this Court issued Pa. R.A.P. Nos. 2771-3784 which apply to all actions in this Court arising under Article V of the Insurance Department Act of 1921, 40 P.S. §§221.1-221.63 ("Act"). Both Pa. R.A.P. No. 3784(a) and 40 P.S. §221.45(a) require that the Liquidator present to the Court a report of claims with her recommendation as to those claims. Pa. R.A.P. No. 3784(a) specifically requires that:

The Claims Report shall include the following: each claimant's name, address, priority class, allowed amount, and whether the

claim determination was finalized because no objection was filed, no exceptions were taken to a referee's recommended decision, a recommended decision was sustained by the court or the parties agreed to a settlement.

40 P.S. §221.45(a) requires that the "particulars of the claim" be included also.

STATE GUARANTY ASSOCIATIONS

4. Most states have established GAs to generally provide a means for the payment of certain types of claims under certain policies issued by an insurer which becomes insolvent, in part, to avoid excessive delay in the payment of such claims and to mitigate financial loss to covered claimants.¹ The GAs are separate legal entities created by statute in each state and are obligated to pay covered claims of an insolvent insurer in accordance with, and subject to the limitations set forth in, their governing statutes.

5. This Report includes the administrative expense claims of the Louisiana Insurance Guaranty Association ("LIGA") relating to property, casualty, and worker compensation claims, and the administrative expense claims of the Oregon Insurance Guaranty Association ("OIGA") relating only to non-worker compensation property and casualty claims.² Due to reconciliation

¹ See e.g., 40 P.S. §991.1801-1820 of the Pennsylvania Property and Casualty Insurance Guaranty Association Act. Oregon and Louisiana have similar statutes.

² OIGA executed a Limited Scope Refunding Agreement, approved by this Court's Order of December 11, 2003, choosing to rely solely on the Oregon special deposit for reimbursement of both worker compensation claims and expenses.

issues, this is the first time both LIGA and OIGA have been included in an undisputed administrative expense report.

6. In most liquidation proceedings, including Reliance, due to the ongoing nature of the relationship between the Liquidator and the GAs, the GAs file omnibus Proofs of Claim (“POCs”) covering all of their claims. By Order dated December 11, 2003, this Court authorized the GAs to file omnibus POCs in lieu of separate proofs for each claim. Both LIGA and OIGA have submitted timely filed omnibus POCs covering all of their claims.

7. Certain administrative expenses of the GAs are accorded a priority equal to that of the Liquidator’s administrative expenses pursuant to provisions of the Act. Section 221.44(a) of the Act provides as follows:

The order of distribution of claims from the insurer’s estate shall be in accordance with the order in which each class of claim is herein set forth. Every claim in each class shall be paid in full or adequate funds retained for such payment before the members of the next class receive any payment. No subclasses shall be established within any class.

(a) The costs and expenses of administration, including but not limited to the following; the expenses of a guaranty association in handling claims.

The types of GA administrative expenses which are submitted to Reliance include expenses in the following broad categories: Employee/Contractor; Claim Adjusting; Professional Services (including certain legal expenses which

are not otherwise policy benefit defense costs); Office Rent and Utilities; General Office; and Other Expenses.

8. Early in the liquidation process, the Reliance Internal Audit Department was assigned the task of coordinating with the various GAs to establish and manage a data reporting process for GA administrative expenses. In 2003, Reliance proposed a standard reporting format for administrative expenses and most GAs began reporting using the Reliance format or a similar format. Then the National Conference of Insurance Guaranty Funds ("NCIGF"), a trade association for GAs, developed a Quarterly Financial Report which would become part of the automated interface of the Uniform Data Standards ("UDS") system which is also used to report the paid GA loss claims. Both LIGA and OIGA currently utilize the UDS "D" record for reporting administrative expenses.

9. Generally, the GAs submit administrative expense reports to Reliance on a quarterly basis. Each submission is subject to a desk top review by Reliance staff. The desk top review process is a high level review performed in the Reliance offices where GA expenses are reviewed for reasonableness and consistency. Trend analysis is also performed during the desk top review and the expense submissions are reviewed to verify the proper priority classification. Additional information, quantification, or documentation may be requested from

the GA for individual categories of expenses where more detailed analysis is deemed necessary. Certain expenses are allocated by GAs among various insurance companies in liquidation for which the GA is obligated to pay claims. These allocated expenses are tested to ensure mathematical accuracy and to evaluate the reasonableness of the allocation methodology.

10. Based on these reviews, the Liquidator determines if the expenses submitted are “expenses of a guaranty association in handling claims” and therefore reimbursable as valid class (a) expenses pursuant to 40 P.S. §221.44 (a). If the Liquidator determines that certain expenses are not “expenses of a guaranty association in handling claims” and therefore not reimbursable as class (a) claims, the GA is asked to revise their quarterly administrative expense submission. If the GA is either unable or unwilling to prepare a revised submission, the amounts identified as not class (a) expenses are excluded to determine the undisputed amount of administrative expenses for the GA. For any expense determined not to be reimbursable or to be reimbursable at a priority lower than class (a), the Liquidator will issue a NOD pursuant to the GA Claims Order and Pa. R.A.P. No. 3781(b) which will allow the GA to dispute the administrative expense adjustment.

11. Exhibit A attached to this Application shows the administrative expenses submitted by each GA, through March 31, 2016, totaling

approximately \$368 million for all GAs (net of \$24.6 million in Court approved disallowed amounts).³ Out of that total amount, Reliance has reimbursed all GAs for administrative expenses totaling \$350.3 million through March 31, 2016. GA administrative expenses are reimbursed only after approval by this Court.

LIMITS ON GA ADMINISTRATIVE EXPENSES

12. As part of the GA reviews, Reliance performs trend and comparative analyses of GA administrative expenses in relation to the total amount of GA paid losses. Through this process, Reliance has identified certain GA submissions which have a significantly higher ratio of administrative expenses as a percentage of GA paid losses. The Liquidator believes that a benchmark limit on administrative expenses in relation to paid losses is warranted: a) to impose a degree of accountability for those GAs whose ratio of administrative expenses to paid losses are disproportionately higher than the vast majority of GAs; (b) to ensure that GA expenses are not disproportionately charged to Reliance as claim payments are winding down; and c) to ensure consistency of reimbursement and relative equal treatment among all GAs.

³ Additional information regarding the operations and expenses of the GAs can be found in the Quarterly Status Reports regularly filed with the Court by the Liquidator.

13. In developing an appropriate benchmark for a GA ratio level of administrative expenses versus paid losses, the Liquidator reviewed, among other things: a) comparisons to the aggregate expense ratio for all GAs (currently approximately 12%); b) "Study of Property and Casualty Insurance Guaranty Fund Expenses" dated October 17, 2007 by the NCIGF (which indicated an average of approximately 10%); and c) each GA's line of business and statutory limits on claim payments. Based on the analysis, an upper threshold for administrative expenses of 18% of paid losses was established.

14. The dollar amount of administrative expenses that exceed 18% of a GA's paid losses are excluded from this Report, subject to a minimum payment of \$10,000. If any GA's administrative expense reimbursement payment would be reduced below \$10,000 due to the 18% benchmark, a minimum reimbursement of \$10,000 is allowed. NODs have been and will be issued to those GAs who have exceeded the 18% benchmark without providing an acceptable explanation, disallowing the administrative expenses that exceed the benchmark. Each GA will have the opportunity to dispute the 18% threshold imposed on their administrative expenses when a NOD is issued.

15. Reliance notifies a GA in writing when the 18% benchmark has been reached and advises that no further administrative expenses will be reimbursed. At that time, Reliance requests an explanation for what factors

might be contributing to an unusually high ratio of administrative expenses to paid losses. If a GA provides an explanation, those factors are considered to determine if an exception is warranted, and adjustments have been made in limited circumstances. Additionally, if subsequent loss claims paid by a GA bring the total administrative expenses of that GA back within the 18% benchmark, then the excluded expenses would be reversed and subject to reimbursement, including those previously in excess of the threshold.

16. A further limit on GA administrative expenses is imposed by the Liquidator when a GA is no longer handling and paying Reliance claims. When a GA has closed all claims and has not reported any paid losses or open claim reserves for 3 consecutive months, Reliance notifies the GA that further administrative expenses will not be reimbursed as of a specific cut-off date. Expenses incurred prior to the cut-off date, but reported after that, may qualify for reimbursement. NODs will be issued to GAs disallowing any administrative expenses submitted after the cut-off date and a GA may, at that point, challenge this limitation on GA administrative expenses. This limit was necessary to prevent GAs from continuing to charge expenses to Reliance even when no Reliance claims are being handled. In certain circumstances, a limited amount of administrative expenses are allowed after the cut-off date if Reliance requests the GA to perform specific tasks.

**REPORT AND RECOMMENDATION ON LIGA AND OIGA
UNDISPUTED GA ADMINISTRATIVE EXPENSES SUBMITTED
THROUGH DECEMBER 31, 2014**

17. The Report, attached as Exhibit B, lists the undisputed administrative expenses for LIGA and OIGA through December 31, 2014. The columns included in the Report consist of the following:

Total Submitted Administrative Expenses: This column reflects the total amount of administrative expenses submitted by each GA from the inception of the liquidation through December 31, 2014, prior to any reductions or adjustments for excluded expenses.⁴

Excluded Administrative Expenses: This column shows administrative expenses submitted by the GAs which the Liquidator is not allowing as a class (a) reimbursable expense either because the priority class and/or the amount are disputed. This column also includes a) reductions pursuant to the Legal Expense Settlement Agreement; b) any amounts in excess of the 18% ratio of administrative expenses to paid losses, subject to the minimum payment; and c) any amounts excluded because a GA has not reported paid losses or open claim reserves for three consecutive months. Each GA has been notified of the reason why administrative expense amounts in this column are being excluded.

⁴ The total for each GA in this column may not match the total for the same GA in Exhibit A because the reporting periods are different.

Inception to Date Undisputed Administrative Expenses: This column shows the Total Submitted Administrative Expenses of the GAs from the inception of the liquidation through December 31, 2014, less the Excluded Administrative Expenses in column 3.

Expenses Previously Approved by Court: This column shows all of the GA administrative expenses that have previously been approved by this Court after review of earlier undisputed GA administrative expense report applications or after review of settlement agreements with individual GAs, such as the Deductible Settlement Agreement approved by this Court on June 20, 2006.

Total Undisputed Administrative Expenses (Pending Court Approval): This column represents the remainder of GA administrative expenses which are undisputed by the Liquidator after subtracting the Excluded Administrative Expenses (column 3) and any Expenses Previously Approved by this Court (column 5) from the Total Submitted Administrative Expenses (column 2). The Liquidator is seeking approval from this Court for the amounts shown in this column for each individual GA.

18. All of the Total Undisputed Administrative Expenses (Pending Court Approval) listed in Exhibit B have been determined by the Liquidator to be reasonable and necessary class (a) "expenses of a guaranty association in handling claims". Unless otherwise resolved, NODs will be issued to each GA

for the individual expenses which comprise their Excluded Administrative Expenses and each GA will be able to dispute the NOD pursuant to the Act and Pa. R.A. P. No. 3781(c). If any payments submitted through the quarterly administrative expense submissions for class (a) expense claims are determined by the Liquidator to be appropriate class (b) claims under policies for losses, a class (a) \$0 NOD will be issued to the GA with an explanation that the payment will be considered for class (b) priority with an appropriate amount if the GA submits the claims through their automated UDS feed. The GA will have the option of resubmitting the payment as a class (b) claim or disputing the NOD which did not allow the claim as class (a).

19. The amounts reported in Exhibit B for both LIGA and OIGA were calculated using the administrative expense submissions for the period covered by this Report, inception through December 31, 2014. Any administrative expenses submitted by a GA after December 31, 2014 will be included on future reports if the payment amounts are undisputed. Further, as the Liquidator continues her periodic desk-top and on-site reviews of GA administrative expense submissions, the Liquidator reserves her right to revise amounts previously approved by the Court and there may be adjustments to the Total Undisputed Administrative Expense (Pending Court Approval) amounts listed in Exhibit B for each GA. Those future adjustments, if undisputed, will be

included in future reports. If a future adjustment is disputed, the Liquidator will issue a NOD which will allow the GA to dispute the administrative expense adjustment as provided in the Act and Pa. R.A.P. No. 3781(c).

20. The GA administrative expenses included in the Report as Total Undisputed Administrative Expenses (Pending Court Approval) are undisputed and therefore, pursuant to the GA Claims Order, NODs were not issued regarding these administrative expense claims. Because NODs were not issued and the administrative expense claims are undisputed, no objections have been filed regarding these claims; no exceptions were taken to a referee recommendation; no recommended decision was sustained by this Court; and the parties did not agree to a settlement after the filing of an objection.

21. The Liquidator believes that the Total Undisputed Administrative Expenses (Pending Court Approval) determined as class (a) claims for both LIGA and OIGA listed in Exhibit B are appropriately reimbursable as reasonable and necessary expenses of a GA in handling claims, and are otherwise consistent with the relevant provisions of the Act. The Liquidator further believes that the approval of these undisputed administrative expense claims listed on Exhibit B is in the best interests of the Reliance Estate, its policyholders, claimants and other creditors.

22. Pursuant to 40 P.S. §221.45(b), Pa. R.A.P. No. 3784(a), and the GA Claims Order, the Liquidator respectfully requests that this Court approve and allow the Total Undisputed Administrative Expenses (Pending Court Approval) as class (a) claims for each GA listed in the Report.

WHEREFORE, the Liquidator respectfully requests that this Court enter an Order as follows:

- a. granting the Application;
- b. approving the Total Undisputed Administrative Expenses (Pending Court Approval) listed on Exhibit B as class (a) claims for the “expenses of a guaranty association in handling claims”; and
- c. finding that the Total Undisputed Administrative Expenses (Pending Court Approval) listed on Exhibit B and undisputed by the Liquidator were necessary, reasonable, and incurred in the best interest of the Estate.

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Respectfully submitted:

By: 

PRESTON BUCKMAN (I.D. #57570)
Special Funds Counsel
Pennsylvania Insurance Department
Capitol Associates Building
Office of Chief Counsel
901 North 7th Street
Harrisburg, PA 17102
(717) 787-6009


Date: July 21, 2016

VERIFICATION

I, David S. Brietling, am authorized by Teresa D. Miller, Insurance Commissioner of the Commonwealth of Pennsylvania, pursuant to 40 P.S. §221.23, to act on her behalf in her capacity as the Liquidator of Reliance Insurance Company and to supervise the daily operations as Chief Liquidation Officer for Reliance Insurance Company. I hereby verify that the facts set forth in the foregoing pleading are true and correct to the best of my knowledge, information and belief.

I understand that this Verification is made subject to the penalties of 18 P.S. §4904 relating to unsworn falsification to authorities.

Date: July 21, 2016



DAVID S. BRIETLING
Chief Liquidation Officer

Exhibit A

**Guaranty Association Data as of
03-31-2016**

STATE	LOCATION	CLAIMS & ALAE PAID	CLAIMS & ALAE RESERVES	ADMIN EXPENSES	TOTAL BY STATE
ALABAMA	P&C	68,007,607.94	56,191,492.04	9,210,730.89	133,409,830.87
ALASKA	P&C	12,461,595.06	2,259,315.00	1,037,326.58	15,758,236.64
ARIZONA	P&C	6,249,673.47	1,100.00	1,196,503.37	7,447,276.84
ARIZONA	WC	10,995,286.78	7,291,484.51	0.00	18,286,771.29
ARKANSAS	P&C	6,979,475.84	1,074,008.59	485,429.79	8,538,914.22
CALIFORNIA	P&C	700,755,032.02	131,043,361.80	104,883,125.68	936,681,519.50
COLORADO	P&C	26,842,682.59	20,984,750.46	2,474,787.45	50,302,220.50
CONNECTICUT	P&C	50,932,000.82	18,907,275.14	7,295,364.33	77,134,640.29
DELAWARE	P&C	5,721,149.37	3,865,435.30	1,477,833.88	11,064,418.55
DISTRICT OF COLUMBIA	P&C	14,051,919.61	22,993,324.89	1,463,459.89	38,508,704.39
FLORIDA	P&C	84,609,722.87	251,846.70	4,315,662.77	89,177,232.34
FLORIDA	WC	246,201,240.20	40,509,047.14	8,274,876.91	294,985,164.25
GEORGIA	P&C	53,116,975.01	18,662,532.34	5,764,406.91	77,543,914.26
HAWAII	P&C	5,366,064.07	901,747.11	865,678.77	7,133,489.95
IDAHO	P&C	2,897,131.71	262,536.94	345,635.37	3,505,304.02
ILLINOIS	P&C	52,444,584.31	2,980,198.75	8,830,287.07	64,255,070.13
INDIANA	P&C	5,681,815.39	303,377.33	1,033,227.35	7,018,420.07
IOWA	P&C	10,082,952.88	805,874.58	911,300.89	11,800,128.35
KANSAS	P&C	17,284,671.13	5,328,445.07	1,441,502.50	24,054,618.70
KENTUCKY	L&H	109,079.00	0.00	1,709.00	110,788.00
KENTUCKY	P&C	28,742,334.92	23,291,654.82	1,986,904.64	54,020,894.38
LOUISIANA	P&C	69,827,897.19	34,442,159.30	2,025,691.92	106,295,748.41
MAINE	P&C	5,976,877.69	5,868,678.38	934,990.30	12,780,546.37
MARYLAND	P&C	36,560,308.88	15,596,020.81	8,922,416.33	61,078,746.02
MASSACHUSETTS	P&C	13,322,039.27	6,210.58	1,464,386.15	14,792,636.00
MASSACHUSETTS	WC	42,956,766.70	41,580,319.98	6,426,929.18	90,964,015.86
MICHIGAN	P&C	58,288,806.21	9,706,899.28	7,931,884.71	75,927,590.20
MINNESOTA	P&C	18,182,679.52	3,830,381.56	1,917,669.81	23,930,730.89
MISSISSIPPI	P&C	42,739,854.10	13,598,485.08	3,949,694.01	60,288,033.19
MISSOURI	P&C	36,380,508.60	5,204,937.10	2,686,278.33	44,271,724.03
MONTANA	P&C	5,147,629.66	1,824,502.64	776,361.85	7,748,494.15
NEBRASKA	P&C	8,783,498.36	4,079,626.41	876,278.68	13,739,403.45
NEVADA	P&C	9,107,291.08	5,473,416.73	1,319,670.20	15,900,378.01
NEW HAMPSHIRE	L&H	56,659.00	0.00	46,225.00	102,884.00
NEW HAMPSHIRE	P&C	14,958,527.55	12,556,677.62	2,109,908.54	29,625,113.71
NEW JERSEY	P&C	64,717,839.78	13,145,456.87	4,320,955.58	82,184,252.23
NEW JERSEY	SL	11,509,736.26	213,462.00	686,104.51	12,409,302.77
NEW JERSEY	WC	53,226,430.45	18,745,529.03	2,796,753.15	74,768,712.63
NEW MEXICO	P&C	7,608,391.20	1,692,864.65	813,224.12	10,114,479.97
NEW YORK	P&C	334,245,900.57	33,183,309.23	75,064,261.52	442,493,471.32
NEW YORK	PMV	17,928,912.98	1,228,735.64	0.00	19,157,648.62
NEW YORK	WC	202,253,349.09	163,868,827.99	0.00	366,122,177.08
NOLHGA		32,241,440.80	0.00	6,445,769.46	38,687,210.26
NORTH CAROLINA	P&C	78,406,088.76	19,159,913.39	6,152,040.14	103,718,042.29
NORTH DAKOTA	P&C	245,976.90	0.00	8,550.00	254,526.90
OHIO	P&C	9,272,092.18	146,542.82	2,029,317.18	11,447,952.18
OKLAHOMA	P&C	20,244,390.94	6,868,238.20	2,697,559.70	29,810,188.84
OREGON	P&C	24,876,440.90	5,356,915.56	1,325,317.72	31,558,674.18
PENNSYLVANIA	P&C	41,188,658.62	11,472,091.49	2,240,335.20	54,901,085.31
PENNSYLVANIA	WC	166,637,437.19	56,738,239.15	13,198,320.50	236,573,996.84
PUERTO RICO	P&C	8,722,174.04	65,000.00	1,145,043.00	9,932,217.04
RHODE ISLAND	P&C	9,928,763.45	2,745,609.20	943,371.48	13,617,744.13
SOUTH CAROLINA	P&C	26,894,359.47	4,458,596.37	3,879,369.18	35,232,325.02
SOUTH DAKOTA	P&C	1,768,183.61	0.00	155,734.59	1,923,918.20
TENNESSEE	P&C	41,622,754.94	18,070,180.35	6,278,844.38	65,971,779.67
TEXAS	P&C	148,039,244.98	63,454,734.42	20,334,893.98	231,828,873.38
UTAH	P&C	8,699,594.63	3,075,794.08	1,235,630.60	13,011,019.31
VERMONT	P&C	10,445,967.66	3,715,802.07	913,884.58	15,075,654.31
VIRGIN ISLANDS	P&C	658,225.89	1.00	0.00	658,226.89
VIRGINIA	P&C	42,094,367.41	23,417,736.86	4,694,380.49	70,206,484.76
WASHINGTON	P&C	32,153,546.26	2,452,142.02	3,036,665.38	37,642,353.66
WEST VIRGINIA	P&C	3,579,342.69	0.00	345,146.62	3,924,489.31
WISCONSIN	P&C	11,350,038.18	622,770.19	1,888,705.73	13,861,514.10
WYOMING	P&C	487,906.98	0.00	78,935.33	566,842.31
TOTAL:		3,182,869,895.61	965,575,616.56	367,393,253.17	4,515,838,765.34

****New York WC, New York PMV and NY P&C Administrative Expenses are combined and reported under NY P&C**

Exhibit B

Reliance Insurance Company (In Liquidation)

Report of LA and OR GA Undisputed Administrative Expenses ("UAE") Submitted Through December 31, 2014

Legal Entity Name	Total Submitted Administrative Expenses	Excluded Administrative Expenses	Inception to Date Undisputed Administrative Expenses	Expenses Previously Approved by Court	Total Undisputed Administrative Expenses (Pending Court Approval)
Louisiana Insurance Guaranty Association	1 5,298,170.59	18,750.27	5,279,420.32	50,810.92	5,228,609.40
Oregon Insurance Guaranty Association	1 569,882.66	14,480.70	555,401.96	-	555,401.96
Total GAs	\$ 5,868,053.25	\$ 33,230.97	\$ 5,834,822.28	\$ 50,810.92	\$ 5,784,011.36

¹ - The column titled "Expenses Previously Approved by Court" includes large deductible litigation expenses allowed as part of a settlement with the GAs which was previously approved by the Court. The large deductible litigation expenses relate only to workers compensation administrative expenses. Because this exhibit reports only non workers compensation administrative expenses for Oregon, no large deductible litigation expenses are shown for Oregon.