

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

IN RE: :  
: No. 1 REL 2001  
Reliance Insurance Company :  
In Liquidation :

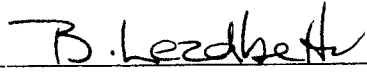
*In Re: Liquidator's Application for Approval of Fifth Interim Distribution Percentage*

**AMENDING ORDER**

AND NOW, this 13th day of September, 2017, the Memorandum and Order filed today, September 13, 2017, in the above-captioned matter is AMENDED as follows:

On page 3, subparagraph 4, line 7 (i.e., the last line of subparagraph 4), the reference to "805" is changed to "80%" so that the relevant sentence now provides: "GAs that have already received a 65% cumulative distribution (or had early access payments converted to distributions) will receive an additional distribution based on the increase in the cumulative distribution percentage to 80% . . . ."

A corrected copy of the Memorandum and Order is attached.

  
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**BONNIE BRIGANCE LEADBETTER,**  
Senior Judge

**Certified from the Record**

SEP 13 2017

**And Order Extt**

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**MEMORANDUM and ORDER**

Presently before the Court for consideration is the Liquidator's Application for Approval of Fifth Interim Distribution Percentage (Application). No responses were filed to the Application. In her Application, the Liquidator seeks Court approval to increase the current cumulative interim distribution percentage of 65% to 80%.

In support of her proposal, the Liquidator notes that Reliance actuaries have completed an update of the asset distribution model projecting cash inflows and outflows for future years in order to estimate ultimate distribution rates under a variety of conservative scenarios. The Liquidator further avers that PricewaterhouseCoopers LLP has reviewed the Liquidator's asset distribution model and proposed increased interim distribution percentage and has concluded that the proposed cumulative fifth distribution percentage "is reasonable at this time given the numerous uncertainties [that] could affect the ultimate distribution and provides

sufficient protection to the Estate and long-tail class (b) claimants.”<sup>1</sup> Based upon the foregoing, the Liquidator believes that the proposed cumulative fifth distribution percentage “fulfills her duty to ‘pay distributions in a manner that will assure the proper recognition of priorities and a reasonable balance between the expeditious completion of the liquidation and the protection of unliquidated and undetermined claims . . . .’ as required by [Section 546 of The Insurance Department Act of 1921, Act of May 17, 1921, P.L. 789, added by the Act of December 14, 1977, P.L. 280,] 40 P.S. § 221.46 [(pertaining to distribution of assets)].” Application, ¶ 23. After consideration of the Application and the aforesaid assertions, the Court enters the following Order:

**AND NOW**, this 13th day of September, 2017, the Liquidator’s Application for Approval of Fifth Interim Distribution Percentage is GRANTED as follows:

1. The cumulative Fifth Interim Distribution Percentage of 80% is approved;
2. Ineligible Claimants, as defined in the Application, must look to the Guaranty Association (GA) in their state or the special deposits held in their state for any payment of their claims;
3. The Liquidator shall issue checks based on the cumulative Fifth Interim Distribution Percentage to Eligible Claimants. Those Eligible Claimants who have already received a 65% cumulative distribution will

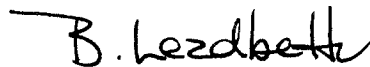
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<sup>1</sup> Application, ¶ 21c.

receive an additional distribution based on the increase in the cumulative distribution percentage to 80%;

4. The Liquidator shall issue checks based on the cumulative Fifth Interim Distribution Percentage to GAs that have been approved to receive a distribution once all early access payments have been converted to distributions. GAs that have already received a 65% cumulative distribution (or had early access payments converted to distributions) will receive an additional distribution based on the increase in the cumulative distribution percentage to 80%; and

5. For any distribution other than the final distribution, the Liquidator need not issue a distribution check for less than \$25 per Eligible Claimant.



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**BONNIE BRIGANCE LEADBETTER,**  
Senior Judge