

**IN THE COMMONWEALTH COURT OF PENNSYLVANIA**

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

*In Re: Application for Approval of an Estimated Claims Value Process – Order Approving Form and Scope of Notice*

**MEMORANDUM and ORDER**

The Statutory Liquidator of Reliance Insurance Company (in Liquidation)<sup>1</sup> has filed an Application for Approval of an Estimated Claims Value Process (Application) in order to facilitate a more timely resolution of unresolved Proofs of Claim (POCs), which, in turn, will help to expedite completion of the liquidation proceedings. No responses have been filed to the Application.

According to the Liquidator, a Notice of Determination (NOD) has not yet been issued for 728 pending POCs. Apparently, the Liquidator’s ability to issue a NOD for many of these claims has been hampered because liability or damages remain contingent and unresolved.<sup>2</sup> The Liquidator believes that potentially delaying conclusion of the liquidation proceedings for decades in order for these claims to be more fully resolved with certainty is not in the best interest of the vast majority of the Reliance claimants nor the Estate. Consequently, she has requested

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<sup>1</sup> On August 21, 2017, Jessica K. Altman became the Acting Insurance Commissioner of Pennsylvania, thereby replacing former Insurance Commissioner Teresa D. Miller.

<sup>2</sup> The majority of these POCs stem from long-tail lines of business such as workers’ compensation, medical malpractice, errors and omissions, and environmental.

approval of a process, the Estimated Claims Value Process, or ECVP (described in her Application), which is intended to facilitate negotiation of a final value for the pending POCs, if possible. If a final value cannot be negotiated, however, the proposed ECVP provides for a more expedited objection proceeding than that currently in place.

In connection with her Application, the Liquidator seeks Court approval of a proposed Notice regarding the filing of her Application, attached thereto as Exhibit A, which she intends to send by first class mail to those claimants, including guaranty associations, for whom NODs have not yet been issued in response to their pending POCs, and to any referee assigned to hear an unresolved objection.

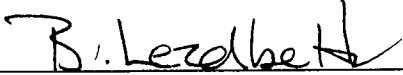
Considering the Liquidator's representations, the lack of any objection to the Application, and the Liquidator's broad authority to administer the Estate in a manner which protects the interest of the insureds, public and creditors, *see* Sections 501 through 563 of The Insurance Department Act of 1921, Act of May 17, 1921, P.L. 789, added by the Act of December 14, 1977, P.L. 280, *as amended*, 40 P.S. §§ 221.1 – 221.63, the Court approves the form and scope of Notice proposed in the Application and as forth in Exhibit A thereto in the following Order.

AND NOW, this 14th day of March, 2018, upon consideration of the Liquidator's request for Court approval of the form and scope of Notice proposed in her Application and as forth in Exhibit A thereto, the Notice is approved as follows:

1. The Notice attached to the Application as Exhibit A (pertaining to the Liquidator's Application for Approval of an Estimated Claims Value Process) is approved as to form and scope. The Notice shall be provided by first class mail to all claimants, including guaranty associations, for whom Notices of Determination

have not yet been issued for Proofs of Claim filed with the Liquidator, and to any referees that had been assigned to hear an unresolved objection as of the date the Application was filed.

2. Any response to the Liquidator's Application for Approval of an Estimated Claims Value Process must be filed with this Court on or before April 30, 2018.

  
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**Bonnie Brigance Leadbetter,**  
Senior Judge

Certified from the Record

MAR 14 2018

And Order Exit