

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

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IN RE: \_\_\_\_\_

Reliance Insurance Company  
in Liquidation  
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**[PROPOSED] ORDER**

AND NOW, this \_\_\_\_\_ day of \_\_\_\_\_, 2018, upon consideration of  
Gallagher Fluid Seals, Inc.’s (“Gallagher”) Application for Leave to Intervene for a  
Limited Purpose and to File Response to Application for Approval of an Estimated  
Claims Value Process (“ECVP Application”), and any response thereto, it is  
hereby ORDERED that,

(a) Said Application for Leave to Intervene is GRANTED, and Gallagher is  
hereby permitted to participate as a party for the limited purpose of opposing the  
ECVP Application; and

(b) The proposed Response to Application for Approval of an Estimated  
Claims Value Process attached as Exhibit A to the Application for Leave to  
Intervene, shall be deemed to have been filed with the Court as of \_\_\_\_\_,  
2018.

BY THE COURT:

\_\_\_\_\_  
, J.

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1 REL 2001

**APPLICATION FOR LEAVE TO INTERVENE FOR A  
LIMITED PURPOSE AND TO FILE RESPONSE TO APPLICATION  
FOR APPROVAL OF AN ESTIMATED CLAIMS VALUE PROCESS**

Interested party Gallagher Fluid Seals, Inc.’s (“Gallagher”), by its undersigned counsel, hereby respectfully submits this Application pursuant to Rules 3775 and 123 of the Pennsylvania Rules of Appellate Procedure for leave to intervene in the above-captioned matter for the limited purpose of responding to the Application for Approval of an Estimated Claims Value Process (“ECVP Application”) filed by the Liquidator on January 12, 2018. In support of its proposed intervention, Gallagher states as follows:

1. Rule 3775(a) authorizes intervention by any person with “direct and substantial interest in the administration of the insurer’s business or estate.” Where the proposed intervenor’s “interest involves a discrete controversy relating to the administration of the insurer’s business or estate,” Rule 3775(c)(2) authorizes “limited intervention to participate as a party in the discrete controversy.” The Court is specifically authorized to grant such limited intervention to an interested

party seeking to “[o]ppose an application by the receiver for an order relating to the administration of the insurer’s business or of estate.” Pa.R.A.P. 3775, *note*.

2. As a claimant with direct claims under POCs filed prior to the Bar Date, Gallagher seeks limited intervention in this case for the purpose of opposing the ECVP Application, because the proposed ECVP Application process does not provide the protection of its claims or the claims of other similarly situated insureds as contemplated by the liquidation statute and more particularly described in the proposed Response attached as Exhibit A.

WHEREFORE, Gallagher respectfully requests that the Court enter an order (a) granting Gallagher leave to intervene for the limited purpose of opposing the ECVP Application, and (b) accepting the filing of the proposed Response to Application for Approval of an Estimated Claims Value Process attached hereto as Exhibit A.

Dated: April 30, 2018

Respectfully Submitted,

/s/ Brian C. Pickard  
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Inc. and Walter B. Gallagher  
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# EXHIBIT A

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

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IN RE:

Reliance Insurance Company  
in Liquidation

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1 REL 2001

**RESPONSE TO APPLICATION  
FOR APPROVAL OF AN ESTIMATED CLAIMS VALUE PROCESS**

Gallagher Fluid Seals, Inc. and Walter B. Gallagher Company (collectively “Gallagher”) hereby respond to the Liquidator’s Application for Approval of an Estimated Claims Value Process (“ECVP Application”).

The ECVP Application notes that Reliance wrote a variety of long tail policies, which, by definition, means that claims—including asbestos claims—falling within the Pending POCs of such policies, will not be fully established for many years. *See* ECVP Application at ¶¶ 15-16. The express purpose of Article V of the Insurance Department Act of 1921 is the protection of the interests of insureds. 40 P.S. § 221.1(c). As a Reliance insured and claimant with direct claims under POCs filed prior to the Bar Date, which claims are of the nature described in paragraphs 15 and 16 of the ECVP Application, Gallagher objects, because the proposed ECVP Application process does not provide the protection of its claims or the claims of other similarly situated insureds contemplated by the statute.

Dated: April 30, 2018

Respectfully Submitted,

*/s/ Brian C. Pickard*

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## CERTIFICATE OF COMPLIANCE

I, Brian C. Pickard, certify that this filing complies with the provisions of the Public Access Policy of the Unified Judicial System of Pennsylvania: Case Records of the Appellate and Trial Courts that require filing confidential information and documents differently than non-confidential information and documents.

Date: April 30, 2018

/s/ Brian C. Pickard

## Master Service List Parties

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No. 1 REL 2001 (Commonwealth Court of Pennsylvania)

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