

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

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

In Re: Motion to Approve the Liquidator's Application for Approval of an Estimated Claims Value Process

ORDER

AND NOW, this 29th day of May, 2018, upon consideration of the Motion to Approve the Liquidator's Application for Approval of an Estimated Claims Value Process (Application),¹ to which no objections have been filed,² the Application is GRANTED as follows.

1. The Liquidator's Estimated Claims Value Process is approved as modified below.
2. Within 90 days from the date of a request by the Liquidator for an Estimated Claim Value (ECV), all claimants with Proofs of Claim (POCs) for which Notices of Determination (NODs) have not yet been issued

¹ As the Court noted in its Memorandum and Order of March 14, 2018, the Liquidator's proposed Estimated Claims Value Process is designed to facilitate a more timely resolution of the pending unresolved Proofs of Claim. *See* Memorandum and Order dated March 14, 2018, at 1.

² On April 30, 2018, Gallagher Fluid Seals, Inc. (GFS) filed an "Application for Leave to Intervene for a Limited Purpose and to File Response to Application for Approval of an Estimated Claims Value Process," seeking to intervene in order to oppose the Liquidator's proposed Estimated Claims Value Process (ECVP). The Court denied GFS's application to intervene without prejudice to file an amended application seeking leave to intervene. By letter dated May 15, 2018, GFS notified the Court that it had reached an "amicable resolution" with the Liquidator regarding its objections to the ECVP and, thus, would not file an amended application seeking to intervene in the action.

(Pending POCs) must provide the Liquidator with an ECV, along with an explanation of the ECV calculation, and information and documentation supporting the calculation for that Pending POC.

3. If a claimant does not provide a properly supported ECV within the 90-day deadline,³ the Liquidator shall issue to the claimant a NOD with a claim value of \$0 to which objections will not be allowed.

4. NODs will be submitted to the Court for approval in the next Report and Recommendation on Resolved Claims once the objection period has expired and no objections are filed. Once the Court approves the NODs, the Liquidator will issue checks for a distribution (currently 80% of the class (b) NOD allowed amount) to the claimants with approved NODs in the next distribution cycle.

5. The requirement for providing a properly supported ECV does not apply to any NODs that have already been issued by the Liquidator (including those currently in objection proceedings) or to Guaranty Associations.

6. Referees currently appointed to hear Reliance objection disputes or Referees appointed to hear Reliance objection disputes in the future, including those involving Guaranty Associations, are directed to expedite the resolution of the objection disputes with the following measures, when appropriate:

a. promptly issuing case management orders for appropriately limited discovery, dispositive motions, and briefing schedules;

³ If the 90-day deadline falls on Saturday or Sunday, or a federal or state holiday, the required information and documentation will be due on the next business day.

b. bifurcating issues, especially when certain dispositive issues would not require factual development;

c. utilizing stipulations to limit factual disputes;

d. addressing any discovery issues by promptly ruling on, for example, motions to compel, motions for protective orders, or motions in limine;

e. utilizing dispositive motions, such as full or partial summary judgments, when facts are not disputed;

f. avoiding extensive or unnecessary hearings and oral argument, but scheduling them promptly if the referee deems either to be necessary; and

g. submitting a report and recommendation to the Court within 45 days after the close of evidence or final briefing in an objection proceeding.

7. The Liquidator must serve a copy of this Order on all claimants with Pending POCs, including Guaranty Associations, any Referees currently assigned to hear a Reliance objection dispute, and any Referees appointed in the future to hear Reliance objection disputes.



BONNIE BRIGANCE LEADBETTER,
Senior Judge

Certified from the Record

MAY 30 2018

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