

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In Re: Reliance Insurance Company :  
in Liquidation :  
 : No. 1 REL 2001  
 :

*IN RE: Liquidator’s Application for Approval of Report and Recommendations on Resolved Claims as of December 31, 2017*

**MEMORANDUM AND ORDER**

Presently before the Court is the Liquidator’s Application for Approval of Report and Recommendations on Resolved Claims as of December 31, 2017 (Application). The Liquidator is recommending a total allowed amount of \$11,303,511.34 for 246 Notices of Determination (NODs).<sup>1</sup> No responses have been filed to the Application.

Pursuant to Pa. R.A.P. 3784(a) and Section 545(a) of the Insurance Department Act of 1921 (Act), Act of May 17, 1921, P.L. 789, 40 P.S. § 221.45(a),<sup>2</sup> the Liquidator is required to present to the Court a report of the claims against the Reliance Estate along with her recommendations. The required report is attached as Exhibit C to the Liquidator’s Application. According to the Liquidator, in “evaluating the undisputed claims and resolving the disputed claims, the Liquidator carefully reviewed all documentation submitted by the claimants in support of the claims and independently determined the merit, classification and value of each

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<sup>1</sup> See Application, ¶13 and Exhibit C.

<sup>2</sup> Section 545 of the Act, part of Article V, was added by the Act of December 14, 1977.

claim, as required by the Act.” Application, ¶ 12. The Liquidator has further represented that:

[T]he classification and amounts she has determined for the reported claims are appropriate, fair and equitable, and consistent with the relevant provisions of the Act and this Court’s Orders. The Liquidator further believes that the approval of the claims listed in the attached Report is in the best interests of the Reliance estate, its policyholders, claimants and other creditors.

Application, ¶ 14. Accordingly, the Liquidator requests that the Court approve and allow the classification and/or amount (as applicable) of the claims listed in her report.

It is well settled that the Liquidator has broad discretion to administer the Reliance Estate in order to protect the interests of its policyholders, creditors and the general public. Considering that the Liquidator is statutorily authorized to “comport, compromise or in any other manner negotiate the amount for which claims will be recommended to the court,” *see* Section 545(a) of the Act, as well as the Liquidator’s above representations, the Court will approve the Report as directed in the following Order.

**AND NOW**, this **6th day of June, 2018**, the Liquidator’s Application is **GRANTED** as follows:

1. The claims listed in the Report and Recommendations on Resolved Claims (Report) as of December 31, 2017, are approved and allowed both as to classification and amount as listed;

2. The Report is incorporated herein by reference;
3. The Liquidator is authorized to withhold distributions to those claimants whom Reliance believes are Medicare recipients or potential Medicare recipients unless they have completed the Reliance questionnaire and returned it to Reliance;
4. The Liquidator is authorized to include Medicare as a payee on the distribution check if there is a current Medicare lien and/or issue a separate distribution to a Medicare trust for the claimant's future medical expenses; and
5. The claimants listed in the Report or their lawful assignees shall receive a distribution in accordance with Section 544 of the Act, added by the Act of December 14, 1977, *as amended*, 40 P.S. § 221.44, at the time and in the manner as approved and previously directed by this Court.



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**BONNIE BRIGANCE LEADBETTER,**  
Senior Judge

Certified from the Record

JUN 06 2018

And Order Exit