IN THE COMMONWEALTH COURT OF PENNSYLVANIA

IN RE: **Reliance Insurance Company in Liquidation**	**NO. 1 REL 2001**

RE: Approval of Notice for Liquidator's Application to Establish a Claims Bar Date and for Approval of Notice

ORDER

AND NOW, this _____ day of ____________, 2014, upon consideration of the Liquidator's Application to Establish a Claims Bar Date and for Approval of Notice ("Application") filed by Michael F. Consedine, Insurance Commissioner for the Commonwealth of Pennsylvania, in his official capacity as Statutory Liquidator ("Liquidator") of Reliance Insurance Company in Liquidation ("Reliance Estate"), the form and scope of notice is APPROVED, and it is hereby ORDERED and DECREED that:

1. Any responses to the Liquidator's Application to Establish a Claims Bar Date and For Approval of Notice must be filed with this Court on or before _________________.

2. Notice of the filing of the Application shall be provided to the following "Notice Recipients", as set forth in the Application, at the address shown in the books, records, and systems of the Reliance Estate as of the date of this Order:

a. all insureds and third party claimants who filed class (b) POCs (including their identified counsel), including those whose claim was subordinated to priority class (e) or (g);

b. insureds with Open Claims known by the Liquidator;

c. all relevant litigants in known pending actions against the Reliance Estate or the Liquidator, including those which have been stayed, and not dismissed, by court order or by agreement;

d. the Department of Labor, the Department of Justice, the Center for Medicaid Services, the Internal Revenue Service, the Environmental Protection Agency; and

e. all Guaranty Associations.

3. The form of notice attached to the Application as Exhibit N shall be provided to the Notice Recipients by first class mail within approximately fourteen (14) business days after the date of this Order.

4. The form of notice attached to the Application as Exhibit N shall also be published in USA Today, the Philadelphia Inquirer, the national edition of the Wall Street Journal, and the national edition of the New York Times once within approximately two weeks of this Order, and in Business Insurance once within approximately three weeks of this Order.

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Bonnie Brigance Leadbetter, Judge

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

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

LIQUIDATOR'S APPLICATION TO ESTABLISH A CLAIMS BAR DATE AND FOR APPROVAL OF NOTICE

Applicant, Michael F. Consedine, Insurance Commissioner for the Commonwealth of Pennsylvania, in his official capacity as the Statutory Liquidator ("Liquidator") of Reliance Insurance Company in Liquidation, by his undersigned counsel, respectfully applies to this Court to establish a claims bar date ("Bar Date") and for approval of the form and scope of notice for the Bar Date ("Application"). In support of his Application, the Liquidator avers the following:

BACKGROUND

1. This Court found Reliance Insurance Company to be insolvent pursuant to Article V of the Insurance Department Act of 1921, 40 P.S. §221.1 *et seq.* ("Act") and appointed the Insurance Commissioner for the Commonwealth of Pennsylvania as Liquidator of Reliance Insurance Company, Reliance National Indemnity Company, Reliance National Insurance Company, United Pacific Insurance Company, Reliance Direct Company, Reliance Surety Company, Reliance Universal Insurance Company, United Pacific Insurance Company of New York, and Reliance Insurance Company of Illinois (collectively "Reliance Estate") in its Order dated October 3, 2001 ("Liquidation Order").

2. The Liquidation Order, at paragraph 19, directed that:

> The Liquidator shall give notice by first-class mail to all persons which or who may have claims against Reliance, contingent or otherwise, as disclosed by its books and records, and advising claimants to file with the Liquidator their claims together with proper proofs thereof on or before the date (which shall be no earlier than one year from the date of the notice) the Liquidator shall specify therein. The Liquidator shall also cause a notice to be published in newspapers of general circulation where Reliance has its principal places of business, as well as in the national edition of the Wall Street Journal . . . .

The September 9, 2002 Order ("Claims Order") of this Court confirmed December 31, 2003 as the "Claim Filing Deadline" and directed the Liquidator to publish additional notice of the Claim Filing Deadline in various publications.

3. Beginning in February 2002, in compliance with the Liquidation Order, the Liquidator provided Proof of Claim ("POC") forms with instructions to insureds, third party claimants, and creditors of Reliance (collectively, "Claimants") as identified by the books and records of Reliance. Additionally, since the first quarter of 2002, the POC form and instructions have been available on the Reliance Documents website at www.reliancedocuments.com. In total Reliance has mailed more than 2 million POC packets to Claimants. Notice of the Claim Filing Deadline was published in February of 2002 in the Wall Street Journal, USA Today, the Harrisburg Patriot News, the Philadelphia Inquirer, and the New York Times. A second notice of the Claim Filing Deadline, approved by this Court in its Claims Order, was also published twice within a two week period in September of 2002 in the following publications: the Wall Street Journal, USA Today, the Harrisburg Patriot News, the Philadelphia Inquirer and the Pittsburgh Post Gazette.

4. In accordance with 40 P.S. §221.21, all insurance and risks in effect at the time of the Liquidation Order were cancelled effective (i) November 2, 2001; (ii) upon the normal expiration of the policy coverage; (iii) upon replacement of the insurance coverage by the

insured; or (iv) upon a transfer of the policy obligation by the Liquidator, whichever time is less. Notice of this cancellation was included in the POC packets.

5. For purposes of this Application, the Liquidator sets forth the following defined terms which are capitalized hereafter.

(a) **Timely POC:**

(i) A POC filed before the Claim Filing Deadline of December 31, 2003; or

(ii) A POC filed after the Claim Filing Deadline, but BEFORE the Bar Date, with good cause for late filing pursuant to 40 P.S. §221.37; or

(iii) A POC filed within thirty (30) days of when a cause of action accrues if the cause of action accrues within thirty (30) days prior to the Bar Date.

(b) **Non-Barred Claims:** Complete Claims and Unresolved Claims, as defined below, are NOT affected by the Bar Date.

(i) **Complete Claim.** A Complete Claim is a specific claim by a known and identified Claimant for existing injuries or damages reported to the Liquidator under a Timely POC. The specific claim has accrued and the Claimant has provided to the Liquidator all information or documents to establish the claim (including liability, damages, and priority) as required by the Act or requested by the Liquidator pursuant to the Act or relevant orders of this Court.

(ii) **Unresolved Claim.** An Unresolved Claim is a specific claim by a known and identified Claimant for known and identified existing injuries or damages reported to the Liquidator under a Timely POC. The specific claim has accrued but it is not a Complete Claim because liability and/or damages have not been determined (A) in an active, underlying Legal Proceeding[1] filed before the Bar Date; (B) through settlement; or (C) by the Liquidator, including through any disputed claim proceeding before this Court.

(c) **Barred Claims**: Post Bar Date Claims and Potential Claims, as defined below, are BARRED effective as of the Bar Date and will not share in any distribution from the assets of the Reliance Estate.

(i) **Post Bar Date Claim.** Except as stated in (a)(iii) above, a Post Bar Date Claim is ***any*** POC which is filed ON or AFTER the Bar Date, even if good cause exists for filing on or after the Bar Date. This includes POCs filed to reopen a closed claim after a Notice of Determination has issued.

(ii) **Potential Claim.** A Potential Claim is a claim intended to be covered by a Timely POC, but where the specific claim or cause of action occurs, arises, accrues and/or is asserted ON or AFTER the Bar Date.

By way of illustrative example only, without intending to limit the scope of Potential Claims to the examples cited or to identify every possible example, the following are Potential Claims which will be BARRED effective as of the Bar Date. These examples are NOT Complete Claims or Unresolved Claims.

(A) Any claims or causes of action in a Legal Proceeding initiated before the Bar Date by or on behalf of Claimants who have not been specifically identified in, or filed claims in, that Legal Proceeding before the Bar Date, including but not limited to "John Doe" or unknown parties, and future class members or plaintiffs;

[1] Legal Proceeding means a lawsuit or legal or administrative proceeding, including but not limited to a class action lawsuit, bankruptcy proceeding, or Trust established to process claims.

(B) Any claims identified in a Timely POC, but as to which a cause of action is not asserted or does not accrue until on or after the Bar Date, even if the cause of action is asserted or accrues within the applicable statute of limitations or is subject to a tolling agreement or a statute of repose;

(C) Any claims or causes of action by or against a Claimant who, on or after the Bar Date, becomes a party to a Legal Proceeding filed before the Bar Date;

(D) Any claims or causes of action asserted on or after the Bar Date in any Legal Proceeding or Timely POC;

(E) Any Legal Proceeding filed on or after the Bar Date whether or not it relates to a separate Legal Proceeding filed before the Bar Date;

(F) Reports or notices, whether or not formal demands for payment were included, which do not include a claim or cause of action that accrued before the Bar Date;

(G) Projections of claims expected or anticipated to be filed on or after the Bar Date, by known or unknown Claimants, in a Legal Proceeding filed before the Bar Date;

(H) Claims for future injuries or damages which have not occurred before the Bar Date; and

(I) A POC which asserts that a policy issued by Reliance might apply to unspecified claims which have not been identified to the Liquidator and have not accrued before the Bar Date.

6. Thirteen years into the liquidation proceedings, the Reliance Estate is winding down. It is time to establish a Bar Date so that the finite universe of claims against the assets of the Reliance Estate can be determined, a final pro-rata distribution can be calculated, and the Reliance Estate can be closed. The Act provides in 40 P.S. 221.46 that

> Under the direction of the court, the liquidator shall 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, including third party claims.

Establishing the appropriate Bar Date requires striking a reasonable balance between cutting off the rights of some Claimants to participate in any distribution on Barred Claims and the benefit of bringing these proceedings to a close (which includes eliminating administrative expenses) so that a final distribution can be made to Claimants with Non-Barred Claims. In the Liquidator's judgment, for the reasons which follow, the time has come to strike that balance and it is fairly achieved by establishing the recommended Bar Date. As set forth in more detail in the following sections:

(a) Few POCs remain to be processed. Only 1.3% of the 160,544 POCs filed through December 31, 2013 remain to be processed. See **Status of Reliance POCs**.

(b) Most claims appear to have been filed.

(i) New POCs have dwindled to 22 in the fourth quarter of 2013, down from 1,967 filed in the first quarter of 2004. See **Late Filed POCs**.

(ii) New claims (which may or may not be associated with a POC) have dwindled to 310 in 2013, down from 983 in 2010. See **New Reported Claims.**

(c) According to the Reliance Estate claim systems which track known, open claims (even if a POC is not yet filed), there were 72,519 open claims in 2005, but that decreased to 10,272 by the end of 2013. That number is further reduced to 8,675 if class (e) assumed reinsurance claims are excluded; the claims remaining are Direct Claims. These Claimants will have the opportunity to file a POC before the recommended Bar Date if they have not already done so. See **Open Claims**.

(d) If the current estimated reserves for incurred but not reported claims prove to be high, even fewer claims will be barred than the current estimate for total ultimate reserves might suggest. See **Analysis by Line of Business**.

(e) Actuarial analysis of claims that develop over a long time (e.g. workers compensation, mass tort, construction defect, and environmental claims) indicates that a Bar Date would have to be postponed *for many years* to provide finality and certainty for these claims and that there would likely be no appreciable increase in the total class (b) liabilities of the Reliance Estate. Meanwhile, the Reliance Estate will continue to incur administrative expenses which erode its assets and the vast majority of Claimants would be unfairly deprived of a more timely distribution. See **Analysis by Line of Business**

STATUS OF RELIANCE POCS

7. The Claim Filing Deadline was December 31, 2003. Ten years later, as of December 31, 2013, the Reliance Estate has received a total of 160,544 POCs. Of these 160,544 POCs, 11,829 were received after the Claim Filing Deadline. See Exhibit A. Because no Bar Date has been established, POCs received after the Claim Filing Deadline may be considered

timely filed under the Act if the Claimant can show good cause for the late filing pursuant to 40 P.S. §221.37.

8. As of December 31, 2013, the Liquidator had issued Notices of Determination ("NODs") for 158,438 of the 160,544 POCs, or over 98.6%, for a total allowed amount of approximately $1.16 billion. This Court has approved 158,068 of those NODs, as of December 31, 2013, for a total allowed amount of approximately $1.1 billion. Exhibit A also breaks down this information by priority class.

9. Exhibit B indicates the status of all 160,544 POCs received as of December 31, 2013. Of the 2,106 POCs remaining to be evaluated, 396 relate to claims currently being handled by the GAs. These POCs will be addressed by the Liquidator, if action is required, once the GAs close the claim files and return them. Approximately 549 of the 2,106 remaining POCs are for Potential Claims. Approximately 1,042 POCs are for Unresolved Claims in various stages of review where the Liquidator is awaiting information. As of December 31, 2013, there were 119 POCs for Complete Claims and for which NODs were issued within 180 days. In 2007, this Court issued Orders on May 1, and November 27 ("Claim Information Orders"), requiring Claimants to submit complete information about their claims in a timely fashion. Those Claim Information Orders continue to assist the Liquidator in obtaining current and timely information from Claimants.

10. On January 17, 2008, this Court approved the Liquidator's Petition for First Interim Distribution allowing a 20% distribution to all class (b) claimants whose NOD has been approved by this Court. On March 29, 2010, this Court issued its Order approving the Liquidator's Petition for Second Interim Distribution which increased the total cumulative interim distribution percentage to 30% for all class (b) claimants whose NOD has been approved

by the Court. Again, on December 1, 2011, this Court approved the Liquidator's Petition for Third Interim Distribution increasing the interim distribution percentage by another 10%, for a total cumulative interim distribution of 40%. The Liquidator continues to periodically issue distribution checks to class (b) claimants whose NOD is approved by the Court through the regular filing process. As of December 31, 2013, $343 million has been distributed to class (b) claimants for approximately 6,100 NODs.

11. On November 19, 2007, this Court approved the Liquidator's Petition to Supplement the Court's 9/9/02 Claims Procedure Order to Address Claims Under Aggregate Policies which established the first aggregate safety factor percentage of 60%, which was applicable to any distribution on NODs approved by this Court for claims under aggregate policies. The safety factor percentage is designed to hold back a portion of the aggregate limits for any future adverse claims development in order to comply with 40 P.S. §221.40(d). On February 23, 2010, this Court approved a reduction in the safety factor percentage by 20% (from 60% to 40%), and then on December 9, 2011, this Court again approved a further reduction of the safety factor percentage by 10% (from 40% to 30%). At December 31, 2013, the total aggregate safety factor hold back as applied to the distribution calculation was $34 million.

12. As of December 31, 2013, the Liquidator has received a total of 316 objections involving 1,763 POCs from the 158,438 NODs issued to Claimants (other than GAs), an objection rate of approximately 1%. See Exhibit C. A large number of these objections are from Claimants who have a group of similar claims. Where possible, to save time and money for the parties, multiple objections filed by a single Claimant are resolved together through the dispute resolution process. Of the 316 objections received, 306 have been resolved. Exhibit D breaks

down this information by priority class and also includes the allowed amounts for POCs in each priority class for which objections were filed by non-GA Claimants.

13. In addition to the POCs filed by Claimants, all of the GAs have filed POCs representing their claims against the Reliance Estate. The GAs are currently handling approximately 6,330 open claims against the Reliance Estate. As of December 31, 2013, this Court has approved class (b) claims totaling $1.6 billion for property casualty GAs, some of which may be subject to 40 P.S. §221.40(d) regarding aggregate limits, and $32.2 million for the life and health GAs. As of December 31, 2013, the GAs have paid approximately $3.1 billion under Reliance policies ("Covered Claim Payments") and $1.76 billion of cash advances have been made to them from the Reliance Estate through early access, in addition to $421 million held in special deposits by the states. The GAs' outstanding reserves for future Covered Claim Payments total approximately $1.1 billion. Therefore, in total through the end of the liquidation, the GAs have estimated approximately $4.2 billion in Covered Claim Payments. Exhibit E shows the total Covered Claim Payments, as well as reserves for future Covered Claim Payments, reported by each GA at December 31, 2013. The GAs have paid approximately 75% of the total dollar amount that they ultimately expect to incur for all Covered Claim Payments. These totals do not include past or future GA administrative expenses.

14. NODs are issued to the GAs only when a GA claim, or portion of a GA claim, will not be allowed by the Liquidator. Through December 31, 2013, the Liquidator has issued 473 NODs to GAs. Through December 31, 2013, this Court has approved 337 NODs issued to the GAs, to which the GAs did not object, for a total allowed amount of $17.1 million and a total disallowed amount of $8.5 million. Through December 31, 2013, objections have been filed to the NODs issued for 31 GA claims, 14 of which have been resolved.

LATE-FILED POCS

15. As noted above in paragraph 7, the Claim Filing Deadline for claims against assets of the Reliance Estate was December 31, 2003. However, pursuant to statute and the Claims Order, that deadline was specifically subject to the late filing provisions of the Act. A total of 148,715 POCs were received by the Claim Filing Deadline. An additional 11,829 POCs have been received since the Claim Filing Deadline through December 31, 2013. The late filing provisions at 40 P.S. §221.37 provide as follows:

> (b) For good cause shown, the liquidator may permit a claimant making a late filing to share in distributions, whether past or future, as if he were not late, to the extent that any such payment will not prejudice the orderly administration of the liquidation. Good cause shall include but shall not be limited to the following:
>
> (1) that existence of [sic] claim was not known to the claimant and that he filed his claim as promptly thereafter as reasonably possible after learning of it;
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> (2) that a transfer to a creditor was avoided under sections 528 through 530, or was voluntarily surrendered under section 531, and that the filing satisfies [sic] that conditions of section 531;
>
> (3) that valuation under section 543 of security held by a secured creditor shows a deficiency, which is filed within thirty days after the valuation;
>
> (4) that a claim was contingent and became absolute, and was filed as soon as reasonably possible after it became absolute; and
>
> (5) that the claim was the claim of a guaranty association for reimbursement of covered claims paid and/or expenses incurred, subsequent to the last day for filing where such payments were made and expenses incurred as a result of requirements of law.
>
> (c) The liquidator may consider any claim filed late which is not covered by subsection (b), and permit it to receive distributions which are subsequently declared on any claims of the same or lower priority if the payment does not prejudice the orderly administration of the liquidation. The late-filing claimant shall receive, at each distribution the same percentage of the amount allowed on his claim as is then being paid to other claimants of the same priority plus the same percentage of the amount allowed on his claim as is then being paid to claimants of any lower priority. This shall continue until his claim has been paid in full.

Approximately 585 POCs have been assigned a class (g) priority by the Liquidator pursuant to 40 P.S. §221.44(g)(2) solely because the POCs were filed after the Claim Filing Deadline without good cause. Many thousands of other POCs have been assigned class (g) priority for different reasons or a combination of reasons.

16. The number of POCS being received after the Claim Filing Deadline has dwindled dramatically. In the first quarter of 2004, the first quarter after the Claim Filing Deadline, a total of 1,967 late-filed POCS were received. But in the fourth quarter of 2013, only 22 late-filed POCs were received and only 18 of those represented actual new claims.

17. The late filed claim provisions of the Act, as set forth above, allow late-filed POCs to be treated as timely filed ONLY if the late filing would not prejudice the orderly administration of the Reliance Estate. The Liquidator submits that, after 13 years, and as more fully explained below, the liquidation process has reached the point at which allowing any further late filed POCs, even if there is good cause for the late filing, will hamper efforts to bring the liquidation to a close, thereby prejudicing the orderly administration of the Reliance Estate. Consequently, it has become necessary to establish a Bar Date after which any Post Bar Date Claim or Potential Claim would be deemed to prejudice the orderly administration of the Reliance Estate and would be barred even under the late filing provisions of 40 P.S.§221.37. Unless a Bar Date is established to bar claims and causes of action which have not yet accrued, the finite universe of claims against the Reliance Estate assets cannot be determined, a final pro-rata distribution cannot be calculated, and the Reliance Estate cannot be closed.

OPEN CLAIMS

18. The Reliance Estate maintains computer systems which track all the open claims[2] asserted under policies of insurance or reinsurance. All open claims in the systems of the

[2] Open claims are those claims which remain open in the Reliance Estate computer systems, but which may or may not be associated with a POC. The Liquidator is made aware of these claims through routine reports provided by insureds and GAs, and occasionally through collateral reviews of exposures under certain policies, among other

Reliance Estate represent the universe of claims known to the Liquidator that could ultimately become POCs, if a POC has not already been filed. In 2005 there were 72,519 open claims, but by the end of 2013 that number was reduced to 10,272, a decrease of 86%. See Exhibit F. Excluding assumed reinsurance claims, which are class (e), there are 8,675 open claims ("Open Claims"). As of the end of 2013, 6,330 of the Open Claims are being handled by GAs while 2,345 are being handled by insureds ("Insured Handled Open Claims"). See Exhibit G. If POCS have been filed for the Insured Handled Open Claims, the Liquidator processes these claims and issues NODs to the insureds when complete information is received.

19. As of the end of 2013, 7,475 of the Open Claims, or 86%, are workers' compensation ("WC") claims and 1,200 are claims under other lines of business. Of the Insured Handled Open Claims, 1,607 or 69% are WC claims. The other 738 Insured Handled Open Claims, or 31%, fall under other lines of business such as mass tort, construction defect, asbestos/environmental, professional liability, or excess liability. See Exhibit G.

ANALYSIS BY LINE OF BUSINESS

20. In June 2009, PricewaterhouseCoopers LLP ("PwC") completed a post-liquidation independent actuarial review of estimated losses, both known and unknown, but excluding assumed reinsurance. Estimates were based on information as of September 30, 2008, including GA claim data, POC and NOD data, pre-liquidation historical data, and industry data modified for current trends as well as prevailing economic, legal, and social conditions. Estimates of ultimate losses, which are reflected in the current financial statement attached to the most recent quarterly status report under class (b) liabilities, have not been updated to reflect loss experience subsequent to September 30, 2008. However, in 2011, actuaries for the Reliance

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sources. A claim is then set up in the Reliance Estate computer systems in order to monitor the impact of a potential POC (where none has been filed) on financial statements, interim distribution calculations and for other purposes.

Estate updated the asset distribution model to reflect actual losses through 2010, including PwC data developed in 2010 to compare actual paid and incurred losses to expected paid and incurred losses between September 30, 2008 and June 30, 2010. This asset distribution model was reviewed by PwC and was developed to analyze possible interim distribution scenarios in support of the interim distribution percentages recommended by the Liquidator and approved by this Court. Assumptions used in the asset distribution model were utilized in some of the analyses explained below and in the related exhibits. Claims which have been paid by the GAs or allowed by the Liquidator through December 31, 2013, plus the current case reserves for Open Claims as of December 31, 2013, are "Reported Losses". Reported Losses plus estimated reserves for incurred but not reported losses as of December 31, 2013 are "Ultimate Losses". If the incurred but not reported reserves based on the PwC review prove to be higher than necessary, then the total claims paid and allowed for Timely POCs will be closer to Reported Losses.

21. Claims in the WC line of business develop very differently from other long-tail lines of business. Most known WC claims would be considered Complete Claims or Unresolved Claims because they have been resolved or because payments for indemnity, medical costs and expenses on non-settled WC claims can continue for many years into the future, often for the lifetime of the claimant. However, WC claimants often settle indemnity benefits by accepting a fixed lump sum amount for future benefits. The settlement of medical benefits is also possible, but occurs less often, in part because some states do not permit medical benefits to be settled. Similarly, the Liquidator can process WC claims with GAs and insureds under Timely POCs by estimating the present value of the stream of future payments for indemnity, medical costs and expenses, and issuing appropriate NODs.

22. The mix of Open Claims in the Reliance Estate illustrates the difference between WC and other lines of business. At the end of 2001, 54% of all Open Claims were WC claims; that percentage increased to 86% by the end of 2013. WC claims close more slowly than claims in other lines of business due to the long-term payout nature of the benefits. Approximately $2 billion of WC losses have been paid by the GAs or allowed by the Liquidator through 2013. Based on the most recent estimate of Ultimate Losses, this amount represents 44% of WC Ultimate Losses and 49% of WC Reported Losses. See Exhibit H. The 2011 asset distribution model predicted that at the end of 2018, 61% to 68% of WC Ultimate Losses would be paid or allowed. Five years after that, at the end of 2023, 74% to 79% of WC Ultimate Losses for WC claims would be paid or allowed. Approximately 2% to 3% of WC Ultimate Losses would still remain to be paid or allowed after 2049. As demonstrated by these numbers, waiting another few years to establish the Bar Date would likely have no appreciable effect on the total dollar amounts of WC claims that are ultimately allowed in the Reliance Estate. In order to achieve finality and certainty regarding the payment of WC claims, the Reliance Estate would have to remain open, and a final distribution would be delayed, for a significant period of time. However, as explained in paragraph 21 above, there are accepted methods of settling the Non Barred WC Claims under Timely POCs.

23. After the Bar Date, most Barred WC claims would be paid by either the insured or a GA which may still be required to pay those claims under its statute or, in some cases, by special catastrophe funds established by state law. However, any claim against the Reliance Estate by a GA or the insured or a state catastrophe fund for payment of Post Bar Date Claims or Potential Claims would be barred. Only if the insured is bankrupt and there is no GA coverage and no state catastrophe fund, would any WC claimant possibly go unpaid.

24. Approximately $2.1 billion of non-WC losses have been paid by the GAs or allowed by the Liquidator through 2013. Based on the most recent estimate of Ultimate Losses, this represents 71% of Ultimate Losses and 85% of Reported Losses. See Exhibit I. While there are a number of difficult and complex issues to resolve, these non-WC claims are closer to resolution than the WC claims described above because the non-WC claims have a shorter life. If the incurred but not reported estimates included in the Ultimate Losses are not realized, the total non-WC claims paid and allowed for Timely POCs would be closer to the percentage of Reported Losses. In that case fewer claims would actually be barred than implied by current Ultimate Losses. The 2011 asset distribution model predicted that at the end of 2018, 87% to 91% of non-WC Ultimate Losses would be paid or allowed. Five years after that, at the end of 2023, 95% to 97% of non WC Ultimate Losses would be paid or allowed. Again, waiting another few years to establish the Bar Date would have no appreciable effect on the total dollar amounts of non-WC claims that are ultimately allowed in the Reliance Estate. In order to achieve certainty and finality regarding the payment of non-WC claims, the Reliance Estate would have to remain open, and a final distribution would be delayed, for a significant period of time.

25. The non-WC lines of business include a small subgroup of business involving asbestos, environmental, other mass torts, and construction defect claims, all of which are particularly long tailed lines of business ("Mass Tort & CD"). Through 2013, $132 million of losses have been paid by the GAs or allowed by the Liquidator for Mass Tort & CD claims. Based on the most recent estimate of Ultimate Losses for the Mass Tort & CD lines of business, this represents 37% of Ultimate Losses that have been paid or allowed through 2013 and that percentage increases to 61% for Reported Losses. See Exhibit J. The 2011 asset distribution

study predicted that at the end of 2018, 75% of Ultimate Losses would be paid or allowed in the Mass Tort & CD lines of business. Five years after that, at the end of 2023, 84% of Mass Tort & CD Ultimate Losses would be paid or allowed.

26. Mass Tort & CD claims can develop quite differently in a liquidation context involving an insolvent carrier. These claims are often covered by multiple insurers in multiple layers or a tower of insurance. Logically, the claimants first seek recovery from any solvent carriers which may mean that no claim is ultimately pursued against the Reliance Estate unless other coverage is exhausted. Consequently, the reporting time frames and the true ultimate exposure for the Mass Tort & CD lines of business are quite variable. Additionally, statutes of limitation are starting to preclude some of these claims, particularly in the construction defect line of business. Again, if the incurred but not reported estimates included in the Ultimate Losses are not realized, the total Mass Tort & CD claims paid and allowed for Timely POCs would be closer to the percentage of Reported Losses. In that case, fewer claims would actually be barred than implied by current Ultimate Losses.

27. As this section demonstrates, regardless of the type of claim, imposition of a Bar Date at this juncture is appropriate.

(a) While WC claims can involve long term payments, Timely POCs can be processed by the Liquidator through accepted industry estimation practices.

(b) Up to 85% of non-WC Reported Losses have been paid or allowed. Based on declining Open Claim counts, it is not expected that a significant dollar amount of losses will be barred, as most POCs will have been filed before the Bar Date due to statutes of limitations or insurance policy notice requirements.

(c) A small subgroup of Non-WC claims involve long-term exposures like asbestos, environmental, construction defect, or mass tort which are more variable in terms of exposure and reporting time frame. However, based on past experience, a significant percentage of Mass Tort & CD claims will be paid by other solvent insurers, thereby reducing the impact of a Bar Date.

New Reported Claims

28. Post Bar Date Claims and Potential Claims, including unreported claims and claims for which a cause of action has not yet accrued, will be barred by the Bar Date. The trends and types of new reported claims (not including reopened claims) over the last four years (2010 to 2013) illustrate the types of claims that may be cut-off after the Bar Date and are detailed in Exhibit K. New reported claims for all lines of business (whether or not a POC was filed and excluding assumed reinsurance) declined over the four year period from 983 in 2010 to 310 in 2013, a decrease of 68%. The current estimated value of these new reported claims over this 4 year period is $64 million, which is only 0.9% of the most recent estimate of Ultimate Losses. New claims will continue for many years, but the number of new claims will most likely continue to decline. The dollar amount of losses attributable to any new claims should not be significant in relation to total Ultimate Losses in the Estate.

29. New claims in the WC line of business have declined from 269 in 2010 to 188 in 2013. For this same 4 year period, a total of 936 new claims were received which are currently valued at $38 million which is 0.8% of the most recent estimate of Ultimate Losses for the WC line of business. Of the new WC claims reported in the last 4 years, 35% have been sports-related cumulative trauma claims and another 40% have arisen for a variety of reasons such as other types of cumulative trauma or exposure to asbestos or other hazardous substances. About

25% of these new WC claims are under excess or large deductible policies where the insured has been handling the claim. See Exhibit K. Consequently these excess or large deductible claims are known to the insured. Therefore, as long as the insured files a Timely POC for these claims, the claims can be processed by the Liquidator.

30. New claims in the non-WC lines of business have declined from 714 in 2010 to 122 in 2013. For this same 4 year period, a total of 1,415 new claims were received which are currently valued at $26 million which is 0.9% of the most recent estimate of Ultimate Losses for these lines of business. A further breakdown of these lines shows a total of 185 new mass tort claims have been reported in the last 4 years (39 in 2013),with a total estimated value of $6 million. Only 76 new claims were reported over these 4 years (only 9 in 2013) in other lines of business, including general liability and auto liability, with a total estimated value of only $2 million. A total of 1,154 new construction defect claims have been reported to the Liquidator over the same four year period, with a total estimated value of $18 million, including $17 million in losses from a single insured. Construction defect claims reported to the Liquidator declined from 622 in 2010 to 74 in 2013, partly due to the impact of statutes of limitation. See Exhibit K. These claims are usually closed quickly for no value due to other coverage, so only 4% of these claims reported in the last 4 years remain open. More rarely, an insured with no remaining insurance coverage from other insurers may file claims with the Reliance Estate, which can result in a large loss for a single claim. But there is no way to predict the impact of single unreported claims.

31. In summary, the Liquidator is mindful of the need to give claimants a full and fair opportunity to file claims. However, after review of the declining number of Open Claims and POCs being filed, along with their current estimated value, the Liquidator believes that there will

not be a significant number of future claims with sizable dollar exposures to warrant postponing a Bar Date. For example,

(a) Most WC claims have already been processed, but remain open for continuing indemnity payments and future medical payments. These claims would be considered Non-Barred Claims because liability has been determined and damages can be estimated, if not finalized.

(b) While some new claims are being reported in the Mass Tort & CD component of the non-WC lines of business, those claims generally have involved a low dollar value. Of the 185 mass tort claims received from 2010 through 2013, only 97 remain open with incurred losses of $6 million. Of the 1,154 construction defect claims received from 2010 through 2013, only 44 remain open with incurred losses of $18 million, $17 million of which is largely attributable to one insured.

(c) The non-WC lines of business, not including Mass Tort & CD claims, has the highest percentage of claims already paid by GAs or allowed by the Liquidator in comparison with Ultimate Losses. Seventy-six percent to 87% of the Ultimate Losses for these lines (including general liability, professional liability, and auto liability) were paid by the GAs or allowed by the Liquidator by the end of 2013.

At some point in the life of an Estate, the balance in favor of allowing Claimants the opportunity to file claims must give way to the need for finality. After careful review and consideration, it is the Liquidator's judgment that the time has arrived for a Bar Date. At this point in the administration of the Reliance Estate, it has become inequitable to delay a final distribution to the vast majority of Claimants, for a significant period of time, for the benefit of a small number of potential future Claimants whose Barred Claims may or may not develop for many years.

32. Although interim distributions have been made as approved by this Court, it is not possible to determine the final distribution percentage and distribute money to Claimants unless the finite universe of claims against the Reliance Estate is known. Even prior to the final distribution, the implementation of a Bar Date would allow a more accurate evaluation of whether an increase might be possible in the interim distribution percentage and in what amount. If the Bar Date is delayed and the Reliance Estate remains open, additional claims will continue to be filed, processed, and allowed, and administrative expenses will continue to be incurred which would decrease the distribution percentage for those Claimants still waiting for a final distribution. If a Bar Date is established, the only claims that will be barred are Post Bar Date Claims and Potential Claims.

BAR DATE ORDER

33. After due consideration, the Liquidator proposes and recommends that the Bar Date be fixed on a weekday approximately 90 days from the date of this Court's Order establishing the Bar Date. Allowing less than 90 days in a large and complex estate such as the Reliance Estate might not allow Claimants adequate time to prepare and file their POCs. Conversely, allowing more than 90 days unduly delays the process of winding down the Reliance Estate and increases the concomitant administrative costs without significant advantage to the Claimants, given that the Reliance Estate has been open for close to 13 years and the Liquidator does not expect large numbers of new claims to be filed. Notably, the imposition of a 90 day deadline will not bar Unresolved Claims. Those claims will continue to be processed and allowed, so it is not necessary to delay the Bar Date to allow pending litigation to conclude, for example.

34. For all the reasons stated above, the Liquidator respectfully submits that this Court should issue its Order establishing a Bar Date ("Bar Date Order"), in the form attached hereto as Exhibit L, before which any and all claims against the Reliance Estate or the Liquidator and his agents and representatives (as set forth in paragraph 36 below) or claims in any way affecting or seeking to affect any assets of the Reliance Estate, wherever located or however such assets may be owned or held, directly or indirectly, must be filed with the Liquidator or be forever barred from any distribution from the assets of the Reliance Estate. Barred Claims should further be unenforceable against the Reliance Estate and the Liquidator. Subject only to the few exceptions stated in this Application, the Bar Date Order would prohibit the filing of any POC for any type of claim on or after the Bar Date for any reason, including, without limitation, a reason constituting "good cause" under 40 P.S. §221.37. The Bar Date Order should prohibit the filing of any and all new POCs on or after the Bar Date even for claims as to which a cause of action accrued prior to the Bar Date except that if a cause of action first accrues within the thirty (30) days prior to the Bar Date, a POC should be considered timely filed if it is filed within thirty (30) days of when the cause of action first accrued.

35. The Bar Date should also apply to any and all claims arising out of acts, errors, or omissions of the Reliance companies listed in paragraph 1, their officers, employees, agents, and representatives prior to liquidation. The Bar Date should further apply to any and all claims arising out of post-liquidation acts, errors, or omissions of the Reliance Estate, the Liquidator or their officers, employees, agents and representatives (including, but not limited to, attorneys, auditors, actuaries, accountants, consultants and other professionals, whether employees or independent contractors) (collectively "Liquidator Representatives"), including those arising out of post-liquidation contracts entered into by the Reliance Estate or the Liquidator.

36. The Bar Date should not apply to expenses incurred by the Reliance Estate or the Liquidator or to the expense claims of the GAs reimbursable under 40 P.S. §221.44(a). However, the Bar Date should apply to claims allegedly arising out of or based in any way on the conduct of the liquidation proceedings by the Liquidator Representatives, and the effect of the Liquidation Order, even if such claims could possibly be characterized as expense claims or insured claims.

37. The Bar Date should not apply to or affect in any way, claims, actions, or rights of the Reliance Estate or the Liquidator, including those against third parties or others. Further, the Bar Date should not constitute a waiver of any rights or defenses that the Liquidator or the Reliance Estate have or may have with respect to any claims or POCs. Any and all rights and defenses to such claims or POCs should remain available to the Reliance Estate and the Liquidator. Any POC filed before the Bar Date, but after December 31, 2003, should remain subject to the late filing provisions of 40 P.S. §221.37; a showing of good cause should be required in order for the POC to be considered a Timely POC. All POCs should remain subject to the Claim Information Orders which require Claimants to submit complete information about their claims in a timely fashion.

38. The entry of the Bar Date Order should not be viewed as an occasion for Claimants to refile a POC previously filed with the Liquidator or to reargue a NOD previously issued by the Liquidator. Accordingly, the filing of duplicate POCs should not be permitted. If duplicative POCs are filed, the Liquidator should be authorized to reject duplicative POCs without further consideration of their merits, even if timely filed.

39. The Bar Date should apply to GAs equally as it applies to non-GA Claimants. Consequently, any claims of a GA for Covered Claim Payments should be barred and disallowed

by the Liquidator if the Covered Claim Payments were made for a Barred Claim. Any Barred Claim should no longer be considered an obligation of the Reliance Estate, whether statutory, legal, contractual, or otherwise.

40. The Bar Date Order should require that any claims must be submitted to the Liquidator on the POC form attached hereto as Exhibit M, which includes information regarding the Bar Date. However, claims submitted on the POC form distributed beginning in 2002 will be processed by the Liquidator and so should also be subject to the provisions of the Bar Date Order. In accordance with the Claims Order issued by this Court, the POC should be signed by the claimant or the claimant's attorney, and should contain the claimant's current address, including zip code and telephone number. A POC filed by a corporation should be signed by an officer of the corporation, designated by his/her title, or the attorney for the corporation.

41. Barred Claims should no longer represent a statutory, contractual, or legal obligation of the Reliance Estate or the Liquidator and should not be entitled to receive any distribution from the Reliance Estate, whether or not a Timely POC was filed. The reserve liabilities associated with such Barred Claims as of the Bar Date, in an amount to be determined by the Liquidator, constitute obligations which should be discharged and eliminated accordingly, with no payment or distribution from the Reliance Estate. The books and records of the Reliance Estate should be adjusted accordingly to reflect such discharge, including the liabilities reported in the Special Purpose Statement of Assets and Liabilities of the Reliance Estate.

SCOPE AND FORM OF NOTICE OF FILING THIS APPLICATION

42. The notice provided by the Liquidator regarding the Claim Filing Deadline of December 31, 2003 is set forth in paragraph 3 above. For the following reasons, the Liquidator does not believe it would be effective, efficient, or even feasible to provide notice of the Bar

Date to the same group of Claimants originally noticed in 2002 and 2003. In 2002 and 2003, the Liquidator mailed out approximately 2 million POC packets at a cost of approximately $1.8 million for postage, printing, and address research. Through December 31, 2013, 160,544 POCs have been filed with the Liquidator or approximately 8% of all the POC packets mailed. Of the almost 2 million mailed, approximately 1.2 million of the POC packets were mailed to Reliance insureds; only 13,350 POCs were filed by those insureds, slightly over 1%. Also, of the 1.2 million POC packets mailed to insureds, 83,544 or about 7% were returned due to incorrect addresses. Over 100,000, about 12%, of the approximately 800,000 POC packets mailed to creditors and third party claimants were returned due to incorrect addresses. After 13 years, the likelihood of incorrect addresses for potential Claimants who have not already filed POCs would be much higher.

43. Consequently, the Liquidator does not believe it would be effective, efficient, or even feasible to provide notice of this Application to the same group of Claimants originally noticed in 2002 and 2003 of the Claim Filing Deadline. However, for reasons primarily related to the size and complex nature of this liquidation, the Liquidator does propose to provide notice of the filing of this Application well beyond the scope of the requirements of Pa. R.A.P. 3780, to include thousands of individual insureds and claimants who would be most likely to have an interest in the establishment of a Bar Date and for whom valid address information is more likely available. The Liquidator also proposes to publish notice of the filing in various newspapers and one additional relevant publication. It is expected that the proposed notice can be mailed and published in newspapers within approximately two weeks from the date of this Court's order approving the proposed notice. An additional week will be necessary for publication in an industry periodical that only publishes every other week.

44. In order for the notice recipients to have sufficient time to review the Application, the Liquidator is proposing that the time period for any response to this Application be expanded beyond the thirty (30) days mandated by Pa. R.A.P. 3776. The Liquidator requests that this Court set a deadline for any and all responses on a weekday approximately 45 days from the date of this Court's order approving the proposed notice. The response deadline for this Application will be included in both the mailed and published notices.

45. The Liquidator proposes that notice of this Application be provided by first class mail to the following (collectively "Notice Recipients") at the address shown in the books, records, and systems of the Reliance Estate[3] as of the date this Court approves the form and scope of notice:

a. all insureds and third party claimants who filed class (b) POCs (including their identified counsel), including those whose claim was subordinated to priority class (e) or (g);

b. insureds with Open Claims[4] known by the Liquidator;

c. all relevant litigants in known pending actions against Reliance, including those which have been stayed, and not dismissed, by court order or by agreement;

d. the Department of Labor, the Department of Justice, the Center for Medicaid Services, the Internal Revenue Service, and the Environmental Protection Agency; and

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[3] For those Notice Recipients who have not filed POCs, addresses will be updated, to the extent possible, through the U. S. Postal Service National Change of Address ("NCOA") database. POC filers are required, by 40 P.S. §221.24(b), to inform the Liquidator of any change of address.

[4] It is more difficult to identify Open Claims for third party claimants in the Reliance Estate books, records and systems. Additionally, while address information for insureds with Open Claims is likely to be current, address information for third parties with Open Claims, who have not filed POCs, is more likely to be inaccurate, not current, and often not provided to the Liquidator at all. However, to the extent that third party claimants with Open Claims can be identified, the Liquidator will notify those third party claimants for whom address information exists in the books, records, and systems of the Reliance Estate, with updates from the NCOA database.

e. all Guaranty Associations.

46. The proposed form of notice regarding this Application ("Application Notice") is attached as Exhibit N. The Application Notice provides the Notice Recipients with the deadline for filing any response to this Application, with a website address for viewing this Application, and advises any Notice Recipient without internet access to contact the Liquidator for a paper copy of this Application. It is similar to the notice of filing required by Pa. R.A.P. 3780(b).

47. The Liquidator also proposes that the Application Notice be published in USA Today, the Philadelphia Inquirer, the national edition of the Wall Street Journal, and the national edition of the New York Times, once within approximately two weeks of this Court's order approving the proposed notice, and published in Business Insurance once within three weeks of this Court's order approving the proposed notice. These publications include newspapers in the two cities where the Reliance Estate has offices, 2 additional newspapers with national circulation, and a widely circulated insurance industry publication. The Liquidator believes that these publications provide the best opportunity to provide notice to Claimants who may have an interest in the establishment of a Bar Date, but for whom the Liquidator lacks a current address.

48. In compliance with Pa. R.A.P. 3779, the Liquidator will post this Application on the Reliance Documents website (www.reliancedocuments.com), within three (3) days of when the proposed notice is approved.

RELIEF REQUESTED

WHEREFORE, the Liquidator respectfully requests that this Court enter an order in the form attached hereto fixing the deadline for responses to this Application on a weekday approximately forty-five (45) days from the date of the Order approving a) the proposed

Application Notice attached as Exhibit N; b) the Notice Recipients as a proper scope of notice for this Application; and c) the mailing and publication as proposed by the Liquidator.

Remainder of page intentionally left blank.

Respectfully submitted:

By: ______________________

PRESTON BUCKMAN (I.D. #57570)
Special Funds Counsel
Pennsylvania Insurance Department
Capitol Associates Building
Office of Chief Counsel
901 North 7th Street
Harrisburg, PA 17102
(717) 787-6009

Date: July 14, 2014

VERIFICATION

I, David S. Brietling, am authorized by the Insurance Commissioner of the Commonwealth of Pennsylvania~~,~~ pursuant to 40 P.S. §221.23, to act on his behalf in his capacity as the Liquidator of Reliance Insurance Company and to supervise the daily operations as Chief Liquidation Officer for Reliance Insurance Company. I hereby verify that the facts set forth in the foregoing pleading are true and correct to the best of my knowledge, information and belief.

I understand that this Verification is made subject to the penalties of 18 P.S. §4904 relating to unsworn falsification to authorities.

Date: July 14, 2014

David S. Brietling

DAVID S. BRIETLING
Chief Liquidation Officer

CERTIFICATE OF SERVICE

I, Marilyn K. Kincaid, hereby certify that I am this day serving notice of the foregoing document in this proceeding and upon the persons indicated below and in the manner indicated below in accordance with Pa. R.A.P. Nos. 121, 3780, and 3784:

Upon the attached Master Service Parties List by first class U.S. Mail or e-mail;

Upon the attached Master Service Non-Parties List by a Notice of Filing;

Dated: July 14, 2014

Marilyn K Kincaid
MARILYN K. KINCAID

Master Service List
Parties

IN RE: Reliance Insurance Company In Liquidation
No. 1 REL 2001 (Commonwealth Court of Pennsylvania)

Preston M. Buckman, Esquire, (717) 787-6009
Department Counsel for Insurance
Governor's Office of General Counsel
Commonwealth of Pennsylvania
Insurance Department
Office of the Chief Counsel
Capitol Associates Building
901 North 7th Street
Harrisburg, PA 17102
Phone: (717) 787-6009
Fax: (717) 772 4543
E-mail: pbuckman@pa.gov
(Attorneys for the Pennsylvania
Insurance Department)

Marilyn K. Kincaid, Esquire, (215) 864-4205
Reliance Insurance Company
(in Liquidation)
Three Parkway
5th Floor
Philadelphia, PA 19102
Phone: (215) 864-4205
Fax: (215) 864-4105
E-mail: marilyn.kincaid@relianceinsurance.com
(Attorney for Reliance Insurance
Company (in Liquidation))

Frank P. DeGiulio, (215) 625-9900
Charles P. Neely
Palmer Biezup & Henderson LLP
190 North Independence Mall West
Suite 401
Philadelphia, PA 19106
Phone: (215) 625-9900
Fax: (215) 625-0185
e-mail: fpd@pbh.com
cneely@pbh.com
(Counsel for Republic Western Insurance Company)

Timothy J. O'Driscoll, (215) 988-2700
Thomas L. Mueller
Drinker Biddle & Reath LLP
One Logan Square
Suite 2000
Philadelphia, PA 19103
Phone: (215) 988-2700
Fax: (215) 988-2757
Timothy.ODriscoll@dbr.com
Thomas.Mueller@dbr.com
(Counsel for Aurora National Life Assurance
Company)

114582.00600/21231974v.1

Master Service List
Non-Parties

IN RE: Reliance Insurance Company In Liquidation
No. 1 REL 2001 (Commonwealth Court of Pennsylvania)

Richard F. McMenamin, Esquire, (215) 963-5751
David L. Harbaugh, Esquire
Morgan, Lewis & Bockius LLP
1701 Market Street
Philadelphia, PA 19103-2921
Phone: (215) 963-5751
Fax: (215) 963-5001
E-mail: dharbaugh@morganlewis.com
rmcmenamin@morganlewis.com
(Attorneys for Fuji Bank)

Richard F. McMenamin, Esquire, (215) 963-5596
Morgan, Lewis & Bockius LLP
1701 Market Street
Philadelphia, PA 19103-2921
Phone: (215) 963-5596
Fax: (215) 963-5001
E-mail: rmcmenamin@morganlewis.com
(Attorney for Milliken & Company)

Richard F. McMenamin, Esquire, (215) 963-5596
Morgan, Lewis & Bockius LLP
1701 Market Street
Philadelphia, PA 19103-2921
Phone: (215) 963-5596
Fax: (215) 963-5001
E-mail: rmcmenamin@morganlewis.com
(Attorneys for The Bank of New York Mellon
(Formerly Mellon Bank, N.A.)

Jayson R. Wolfgang, Esquire, (717) 237-4852
Buchanan Ingersoll
One South Market Square
213 Market Street, 3rd Floor
Harrisburg, PA 17101
Phone: (717) 237-4852
Fax: (717) 233-0852
E-mail: jayson.wolfgang@bipc.com
(Attorneys for Federal Insurance Company)

Rowe W. Snider, Esquire, (312) 443-0700
Steven T. Whitmer, Esquire
Julie L. Young, Esquire
Locke Lord Bissell & Liddell LLP
111 S. Wacker Drive
Chicago, Illinois 60606
Phone: (312) 443-0700
Fax: (312) 443-0336
E-mail: rsnider@lockelord.com
swhitmer@lockelord.com
jyoung@lockelord.com
(Attorneys for Illinois Insurance Guaranty Fund)

Daryn E. Rush, Esquire, (215) 864-6360
White and Williams LLP
1650 Market Street
One Liberty Place, Suite 1800
Philadelphia, PA 19103
Phone: 215-864-6360
Fax: 215-789-7683
E-mail: rushd@whiteandwilliams.com
(Attorney for Baptist Health South Florida, Inc., Palm Springs General Hospital, and Travelers Casualty and Surety Co.)

Timothy P. Law, (215) 851-8100
Matthew D. Rosso
Reed Smith LLP
2500 One Liberty Place
1650 Market Street
Philadelphia, PA 19103
Phone: (215) 851-8100
Fax: (215) 851-1420
E-mail: tlaw@reedsmith.com
mrosso@reedsmith.com
(Counsel for Unisys Corporation and Tribune Company, Lincoln National Corporation, Warrantech et. al)

Henry M. Sneath, (412) 288-4000
Bridget M. Gillespie, (412) 288-4017
Picadio Sneath Miller & Norton, P.C.
4710 US Steel Tower
600 Grant Street
Pittsburgh, PA 15219-2702
Phone: (412) 288-4000
(412) 288-4017
Fax: (412) 288-2405
E-mail: hsneath@psmn.com
bgillespie@psmn.com
(Counsel for Washington Mutual Bank ("WAMU"), as successor to Hawthorne Financial Corp. and Hawthorne Saving, F.S.B.)

Craig Tractenberg, (212) 940-3722
NIXON PEABODY LLP
Two Penn Center
1500 JFK Blvd
Suite 200
Philadelphia, PA 19102
Phone: (212) 940-3722
Fax: (866) 852-3722
E-Mail: ctractenberg@nixonpeabody.com
(Counsel for Massachusetts Insurers Insolvency Fund)

Nicholas E. Chimicles, Esquire, (610) 642-8500
Anthony A. Geyelin, Esquire
Chimicles & Tikellis LLP
361 W. Lancaster Avenue
Haverford, PA 19041
Phone: (610) 642-8500
Fax: (610) 649-3633
Email: Nick@Chimicles.com
TonyGeyelin@Chimicles.com
(Counsel for Petitioner, the Certified Class in the In re Phoenix Leasing Limited Partnership Litigation)

Jayne A. Risk, (215)656-3328
DLA Piper (US) LLP
One Liberty Place
1650 Market Street
Philadelphia PA 19103
Phone: (215)656-3328
fax: (215)606-3328
Email: jayne.risk@dlapiper.com

Stephen A. Loney, Jr., (267) 675-4600
Hogan & Hartson LLP
1835 Market Street
29th Floor
Philadelphia, PA 19103
Phone: (267) 675-4600
Fax: 267-675-4601
e-mail: saloney@hhlaw.com
(Counsel for Genworth Life Insurance Company and Genworth Life and Annuity Insurance Company (formerly General Electric Capital Assurance Company, First Colony Life Insurance Life Insurance Company, Federal Home Life Insurance Company, and GE Life and Annuity Assurance Company) and National Structured Settlements Trade Association)

Timothy A. Diemer, (313)965-1900
Jacobs and Diemer, P.C.
The Guardian Building
500 Griswold St., Suite 2825
Detroit, MI 48226
Phone: (313)965-1900
Fax: (313)965-1919
E-mail: TimDiemer@jacobsdiemer.com
(Counsel for DTE Energy Company)

Exhibit A

Proof Of Claim Statistics - Inception To Date
December 31, 2013

CLASS DESCRIPTION	TOTAL POCS RECEIVED	POCS RECEIVED AFTER 12-31-03	TOTAL NODS ISSUED	LIQUIDATOR ALLOWED AMOUNTS	NODs APPROVED FOR DISTRIBUTION	NODs AMOUNT APPROVED FOR DISTRIBUTION
NO CLASS ASSIGNED	0	0	0	$0.00	0	$0.00
A - ADMIN COSTS AND EXPENSES	3,981	398	3,855	$0.00	3,854	$0.00
B - POLICY HOLDER CLAIMS	61,416	4,060	60,020	$1,009,468,412.20	59,810	$999,774,552.16
C - FEDERAL GOVT	9	0	9	$0.00	9	$0.00
D - EMPLOYEES	0	0	0	$0.00	0	$0.00
E - GEN CREDITORS/UNEARNED PREM	65,532	3,702	65,251	$121,886,236.73	65,116	$95,542,068.04
F - STATE/LOCAL GOVT	189	3	189	$7,039.85	189	$7,039.85
G - LATE FILED/SUBROGATION	29,414	3,666	29,111	$28,547,554.93	29,087	$28,546,754.93
H - SURPLUS, PREM REFUNDS	0	0	0	$0.00	0	$0.00
I - SHAREHOLDERS, OTHER OWNERS	3	0	3	$0.00	3	$0.00
TOTAL:	**160,544**	**11,829**	**158,438**	**$1,159,909,243.71**	**158,068**	**$1,123,870,414.98**

OTHER COUNTS	INCEPTION TO DATE
POCs With Claims at GAs	396
Potential Claims	549
Complete Claims	119
Unresolved Claims	1,042
TOTAL:	**2,106**

Exhibit B

Status of POCs as of 12-31-2013
Total:160,544

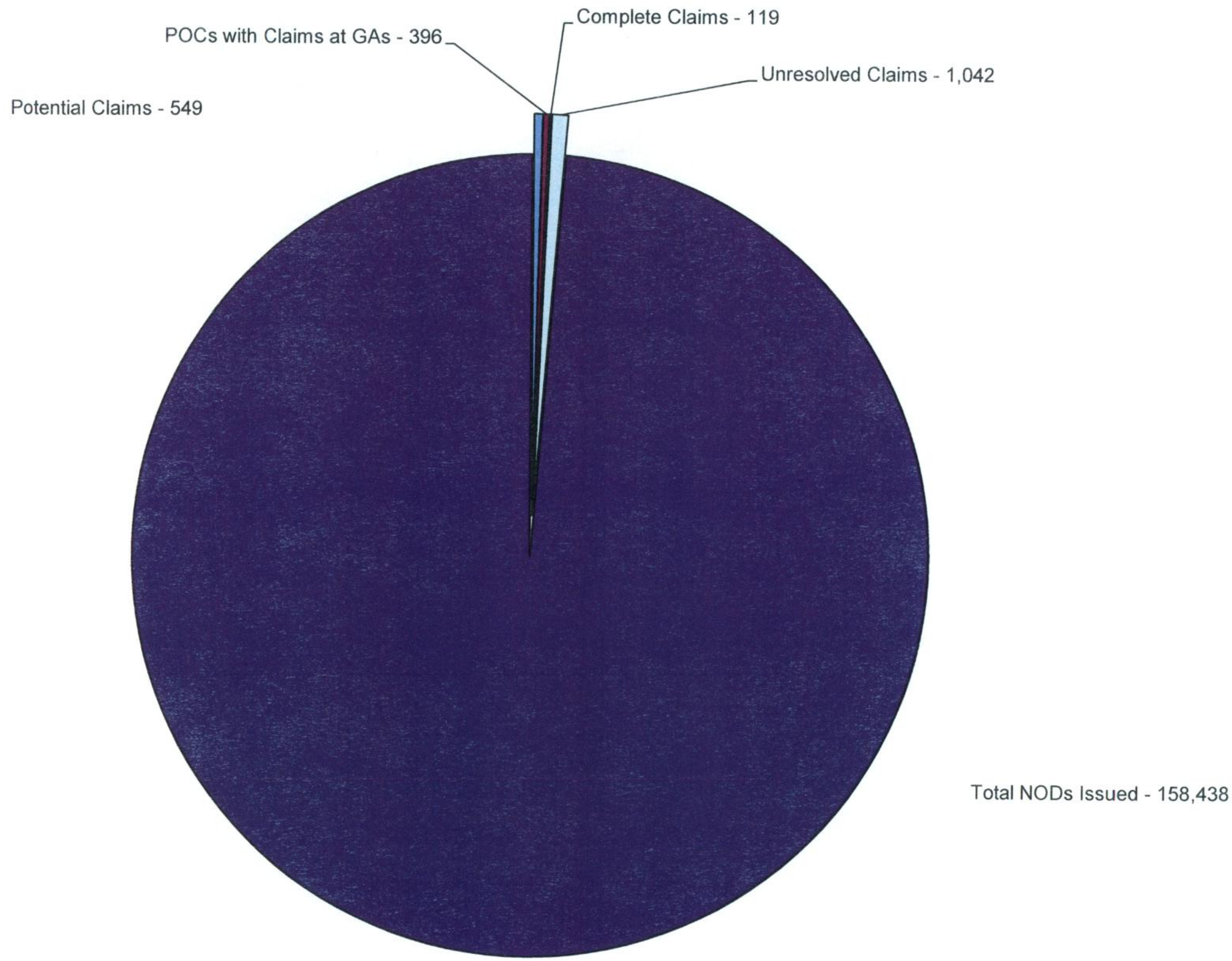
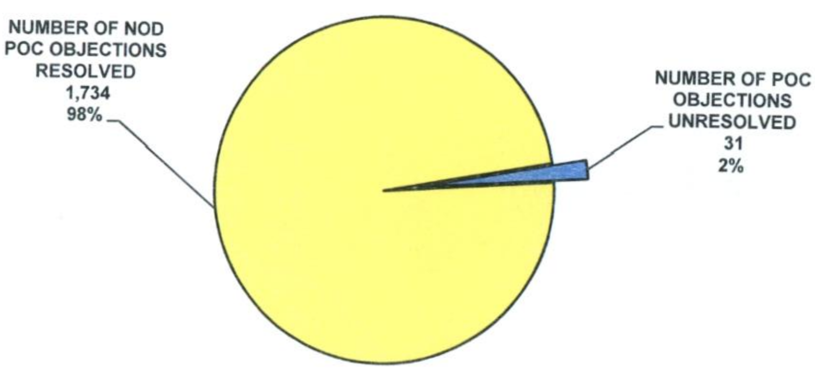


Exhibit C

Objection Status through 12/31/13 (POC count vs number of objections)



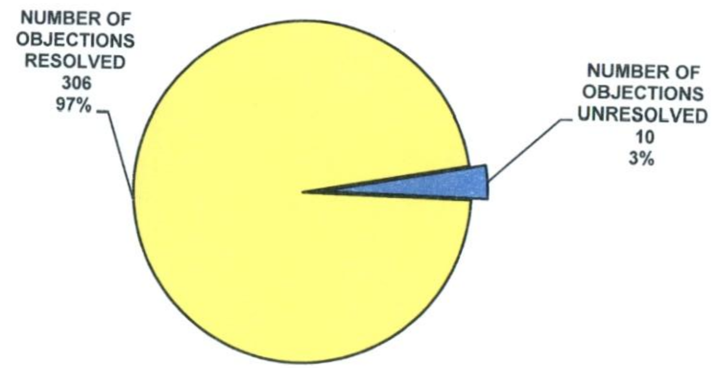


Exhibit D

Objection Statistics - Inception To Date
December 31, 2013

CLASS DESCRIPTION	NUMBER OF NOD OBJECTIONS RECEIVED	LIQUIDATOR ALLOWED AMOUNTS ON OBJECTIONS RECEIVED	NUMBER OF NOD OBJECTIONS RESOLVED	LIQUIDATOR ALLOWED AMOUNTS ON OBJECTIONS RESOLVED
NO CLASS ASSIGNED	0	$0.00	0	$0.00
A - ADMIN COSTS AND EXPENSES	141	$518.00	141	$518.00
B - POLICY HOLDER CLAIMS	312	$32,632,410.47	284	$30,337,026.89
C - FEDERAL GOVT	0	$0.00	0	$0.00
D - EMPLOYEES	0	$0.00	0	$0.00
E - GEN CREDITORS/UNEARNED PREM	863	$22,276,220.28	862	$15,074,086.79
F - STATE/LOCAL GOVT	1	$0.00	1	$0.00
G - LATE FILED/SUBROGATION	446	$9,108,593.00	446	$9,108,593.00
H - SURPLUS, PREM REFUNDS	0	$0.00	0	$0.00
I - SHAREHOLDERS, OTHER OWNERS	0	$0.00	0	$0.00
TOTAL:	**1,763**	**$64,017,741.75**	**1,734**	**$54,520,224.68**

CLASS DESCRIPTION	NUMBER OF OBJECTIONS UNRESOLVED	LIQUIDATOR ALLOWED AMOUNTS ON OBJECTIONS UNRESOLVED	NUMBER OF OBJECTIONS UNRESOLVED ASSIGNED TO REFEREES	LIQUIDATOR ALLOWED AMOUNTS ON OBJECTIONS UNRESOLVED ASSIGNED TO REFEREES	NUMBER OF OBJECTIONS UNRESOLVED NOT ASSIGNED TO REFEREES	LIQUIDATOR ALLOWED AMOUNTS ON OBJECTIONS UNRESOLVED NOT ASSIGNED TO REFEREES
NO CLASS ASSIGNED	0	$0.00	0	$0.00	0	$0.00
A - ADMIN COSTS AND EXPENSES	0	$0.00	0	$0.00	0	$0.00
B - POLICY HOLDER CLAIMS	28	$2,295,383.58	24	$2,250,000.00	4	$45,383.58
C - FEDERAL GOVT	0	$0.00	0	$0.00	0	$0.00
D - EMPLOYEES	0	$0.00	0	$0.00	0	$0.00
E - GEN CREDITORS/UNEARNED PREM	1	$7,202,133.49	0	$0.00	1	$7,202,133.49
F - STATE/LOCAL GOVT	0	$0.00	0	$0.00	0	$0.00
G - LATE FILED/SUBROGATION	0	$0.00	0	$0.00	0	$0.00
H - SURPLUS, PREM REFUNDS	0	$0.00	0	$0.00	0	$0.00
I - SHAREHOLDERS, OTHER OWNERS	0	$0.00	0	$0.00	0	$0.00
TOTAL:	**29**	**$9,497,517.07**	**24**	**$2,250,000.00**	**5**	**$7,247,517.07**

Exhibit E

Guaranty Association Data as of 12-31-2013

STATE	LOCATION	CLAIMS & ALAE PAID	CLAIMS & ALAE RESERVES	ADMIN EXPENSES	TOTAL BY STATE
ALABAMA	P&C	63,047,407.97	61,107,595.53	7,979,059.69	132,134,063.19
ALASKA	P&C	11,597,565.12	5,125,125.72	940,212.24	17,662,903.08
ARIZONA	P&C	6,324,186.49	100.00	1,888,063.27	8,212,349.76
ARIZONA	WC	10,304,131.87	10,353,980.09	0.00	20,658,111.96
ARKANSAS	P&C	7,216,527.82	1,063,418.54	457,272.09	8,737,218.45
CALIFORNIA	P&C	705,559,908.39	176,755,332.82	87,124,011.68	969,439,252.89
COLORADO	P&C	27,074,360.69	21,347,004.13	2,311,496.69	50,732,861.51
CONNECTICUT	P&C	49,575,375.08	18,969,066.81	6,910,440.65	75,454,882.54
DELAWARE	P&C	5,785,927.35	3,985,704.68	1,660,169.74	11,431,801.77
DISTRICT OF COLUMBIA	P&C	13,486,692.87	17,166,404.04	1,225,870.13	31,878,967.04
FLORIDA	P&C	84,653,324.13	88,523.06	4,309,185.50	89,051,032.69
FLORIDA	WC	257,971,632.25	42,374,326.83	8,060,199.64	308,406,158.72
GEORGIA	P&C	52,405,725.46	22,734,891.51	5,476,989.09	80,617,606.06
HAWAII	P&C	6,142,698.55	1,248,641.08	823,896.47	8,215,236.10
IDAHO	P&C	2,865,196.29	329,457.77	330,262.37	3,524,916.43
ILLINOIS	P&C	55,314,363.22	4,270,911.08	9,123,089.47	68,708,363.77
INDIANA	P&C	5,950,964.38	436,491.15	1,134,888.26	7,522,343.79
IOWA	P&C	10,666,669.26	994,556.37	890,270.67	12,551,496.30
KANSAS	P&C	17,627,081.06	3,520,199.07	1,335,914.93	22,483,195.06
KENTUCKY	L&H	0.00	0.00	1,558.28	1,558.28
KENTUCKY	P&C	26,739,149.68	22,108,179.47	1,737,205.45	50,584,534.60
LOUISIANA	P&C	68,225,315.33	133,762,093.35	2,027,415.84	204,014,824.52
MAINE	P&C	5,393,309.82	5,069,702.43	905,989.79	11,369,002.04
MARYLAND	P&C	36,709,983.58	6,823,737.54	9,383,797.69	52,917,518.81
MASSACHUSETTS	P&C	13,158,754.23	69,429.45	1,455,858.71	14,684,042.39
MASSACHUSETTS	WC	39,826,638.39	29,518,155.32	5,796,874.98	75,141,668.69
MICHIGAN	P&C	59,932,006.45	10,551,783.05	7,589,518.59	78,073,308.09
MINNESOTA	P&C	17,909,606.31	3,796,602.88	1,772,648.21	23,478,857.40
MISSISSIPPI	P&C	40,927,791.44	17,087,858.84	3,468,092.80	61,483,743.08
MISSOURI	P&C	37,324,638.79	6,269,629.81	2,533,679.36	46,127,947.96
MONTANA	P&C	4,567,699.90	6,158,830.20	699,463.63	11,425,993.73
NEBRASKA	P&C	8,292,450.58	3,889,129.25	796,578.54	12,978,158.37
NEVADA	P&C	8,643,508.09	6,741,797.70	1,336,805.62	16,722,111.41
NEW HAMPSHIRE	L&H	0.00	0.00	45,523.91	45,523.91
NEW HAMPSHIRE	P&C	15,286,155.18	11,379,857.91	1,831,402.24	28,497,415.33
NEW JERSEY	P&C	66,221,144.60	10,985,545.53	4,177,306.92	81,383,997.05
NEW JERSEY	SL	11,570,252.28	2,318,050.29	668,667.75	14,556,970.32
NEW JERSEY	WC	53,228,478.86	22,103,067.20	2,443,339.02	77,774,885.08
NEW MEXICO	P&C	7,752,003.94	3,004,975.94	1,160,408.80	11,917,388.68
NEW YORK	P&C	324,660,151.66	24,110,269.59	76,144,538.00	424,914,959.25
NEW YORK	PMV	16,601,708.26	3,197,395.86	0.00	19,799,104.12
NEW YORK	WC	201,365,509.01	102,949,594.35	0.00	304,315,103.36
NOLHGA		0.00	0.00	7,199,787.00	7,199,787.00
NORTH CAROLINA	P&C	76,420,509.30	18,975,416.57	5,776,378.84	101,172,304.71
NORTH DAKOTA	P&C	245,976.90	0.00	8,550.00	254,526.90
OHIO	P&C	9,405,858.30	446,361.82	2,109,140.61	11,961,360.73
OKLAHOMA	P&C	20,467,825.33	7,857,517.02	2,491,494.77	30,816,837.12
OREGON	P&C	24,029,378.70	8,602,789.15	1,199,833.40	33,832,001.25
PENNSYLVANIA	P&C	40,925,542.13	11,943,850.09	2,219,314.79	55,088,707.01
PENNSYLVANIA	WC	170,212,305.86	58,022,701.80	13,040,100.13	241,275,107.79
PUERTO RICO	P&C	8,735,671.73	200,000.00	990,925.00	9,926,596.73
RHODE ISLAND	P&C	9,975,750.82	2,523,336.97	923,782.14	13,422,869.93
SOUTH CAROLINA	P&C	30,192,525.67	4,787,994.97	3,810,687.13	38,791,207.77
SOUTH DAKOTA	P&C	1,782,424.67	0.00	151,668.59	1,934,093.26
TENNESSEE	P&C	41,064,956.70	23,898,836.71	5,664,587.52	70,628,380.93
TEXAS	P&C	148,892,291.99	69,982,607.00	19,501,237.56	238,376,136.55
UTAH	P&C	9,480,606.81	3,410,724.14	1,219,982.88	14,111,313.83
VERMONT	P&C	9,284,638.73	5,570,856.58	740,866.62	15,596,361.93
VIRGIN ISLANDS	P&C	658,225.89	1.00	0.00	658,226.89
VIRGINIA	P&C	40,692,232.08	21,906,897.48	4,271,628.19	66,870,757.75
WASHINGTON	P&C	31,749,625.62	1,791,075.13	2,993,345.05	36,534,045.80
WEST VIRGINIA	P&C	3,578,889.10	0.00	347,099.19	3,925,988.29
WISCONSIN	P&C	11,511,591.45	2,644,019.03	1,825,821.73	15,981,432.21
WYOMING	P&C	487,998.22	0.00	79,007.32	567,005.54
TOTAL:		**3,147,700,820.63**	**1,066,332,401.70**	**344,523,205.17**	**4,558,556,427.50**

**** New York WC and NY P&C Administractive Expenses are combined and reported under NY P&C**

Exhibit F

Total Open Claim Count
2013 = 10,272

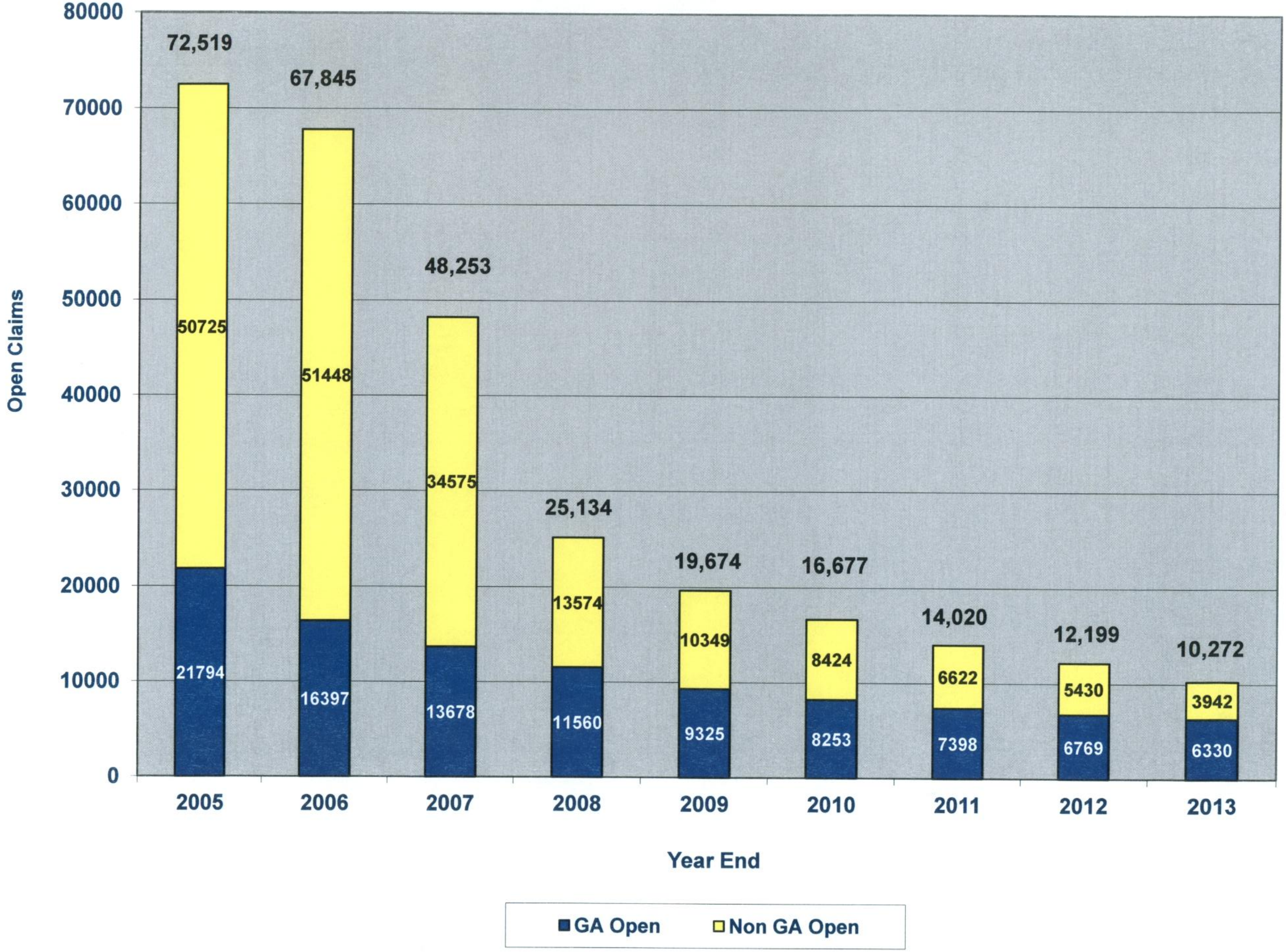
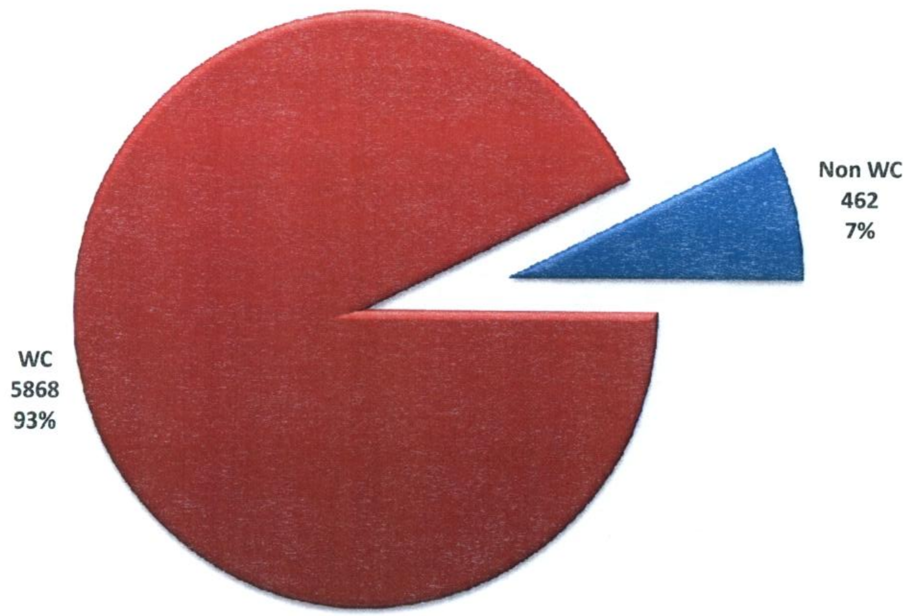


Exhibit G

GA vs Insured Handled Open Claim Counts as of 12/31/13
Total Direct Open Claims 8,675

GA Open Claims By LOB
6,330 Open Claims



Insured Handled by LOB
2,345 Open Claims

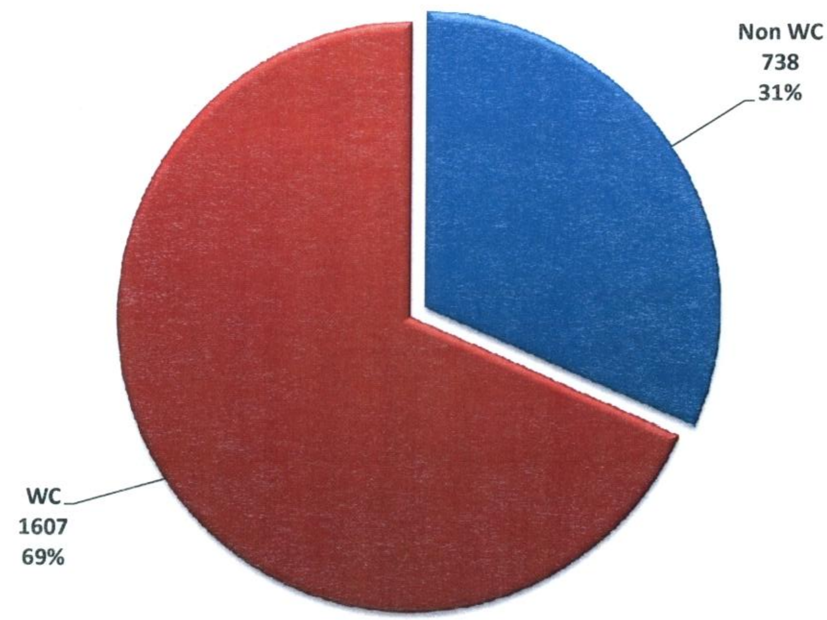


Exhibit H

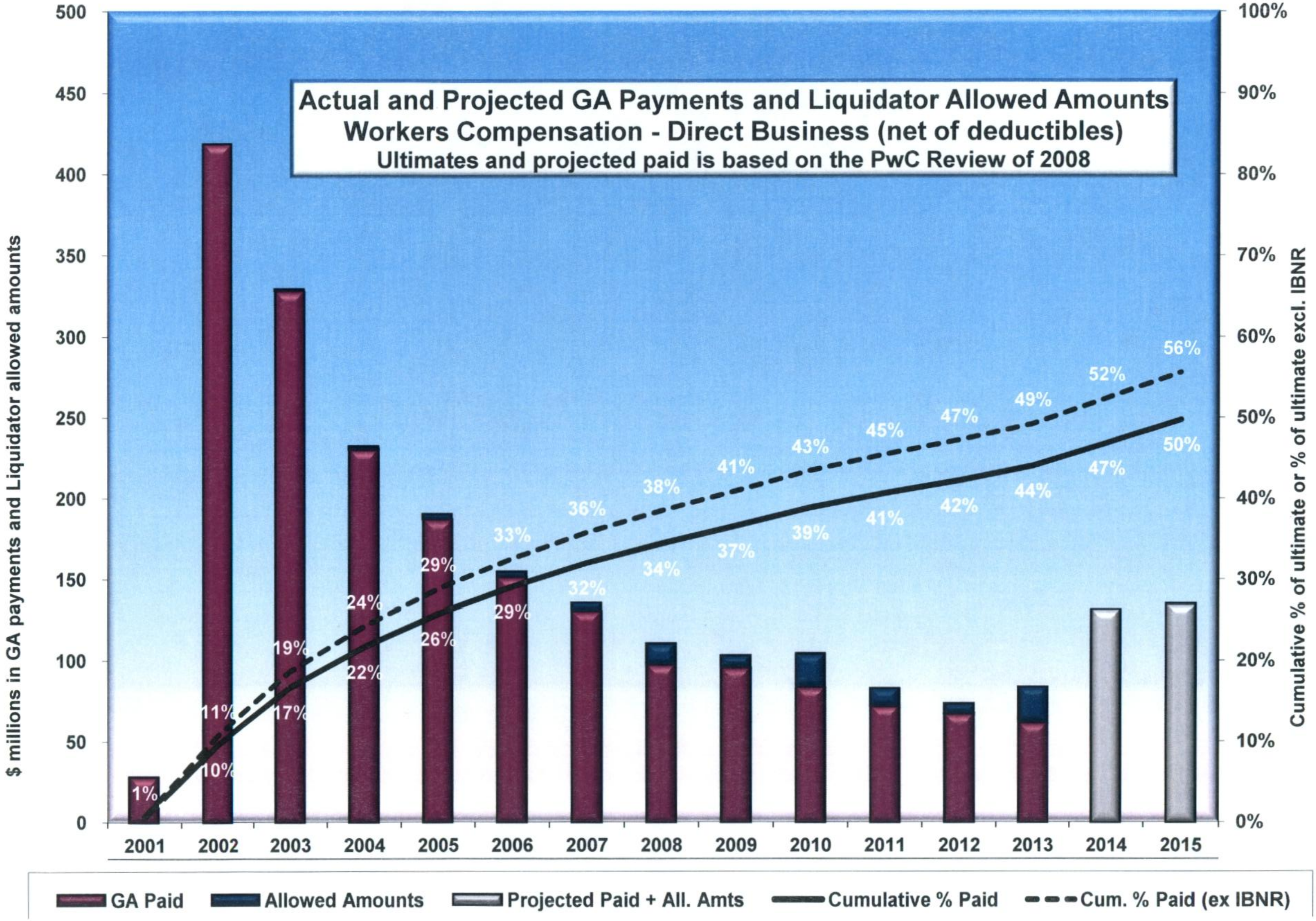

Actual and Projected GA Payments and Liquidator Allowed Amounts
Workers Compensation - Direct Business (net of deductibles)
Ultimates and projected paid is based on the PwC Review of 2008
$ millions in GA payments and Liquidator allowed amounts
Cumulative % of ultimate or % of ultimate excl. IBNR
500
450
400
350
300
250
200
150
100
50
0
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
1%
11%
10%
19%
17%
24%
22%
29%
26%
33%
29%
36%
32%
38%
34%
41%
37%
43%
39%
45%
41%
47%
42%
49%
44%
52%
47%
56%
50%
GA Paid
Allowed Amounts
Projected Paid + All. Amts
Cumulative % Paid
Cum. % Paid (ex IBNR)

Exhibit I

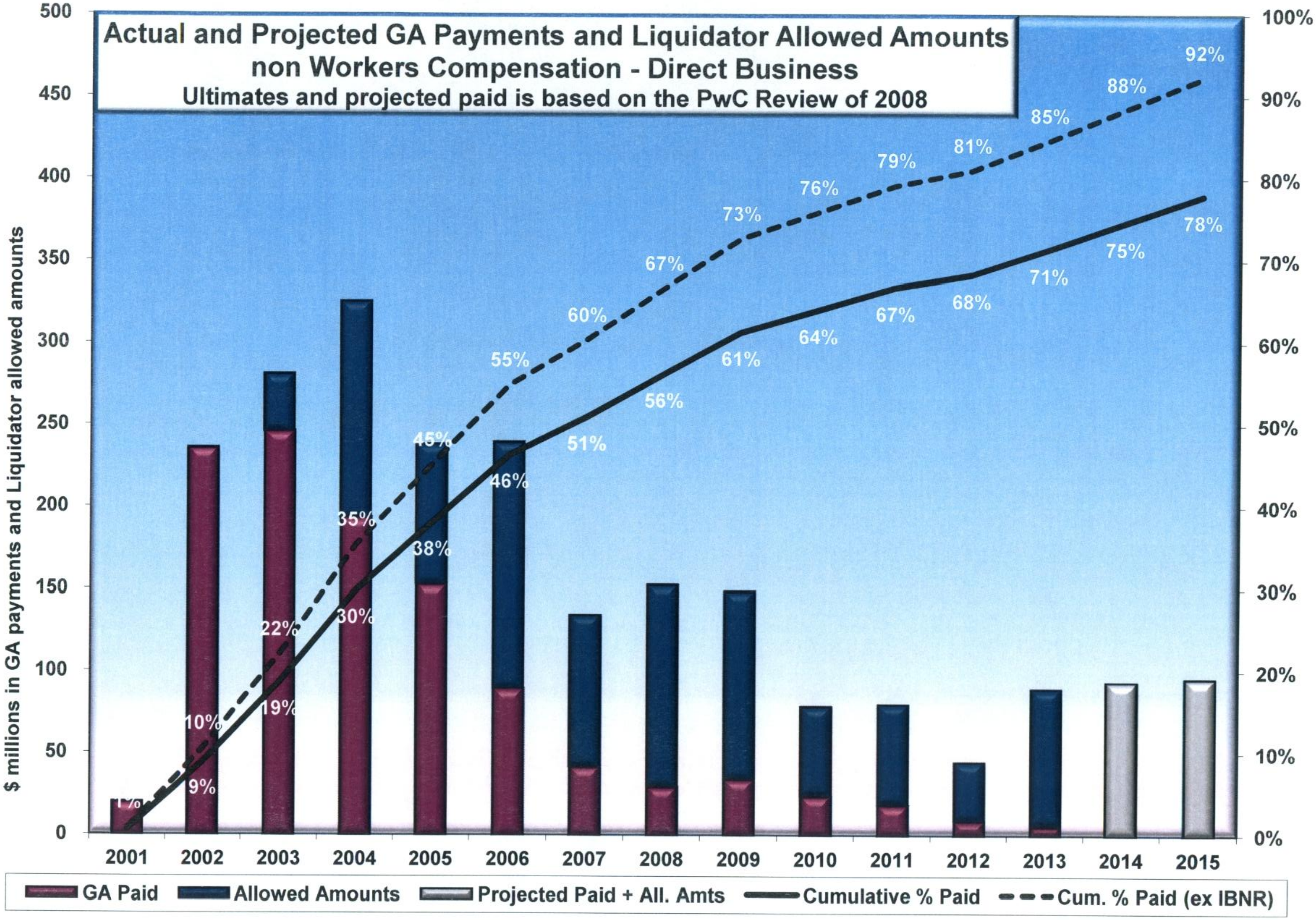
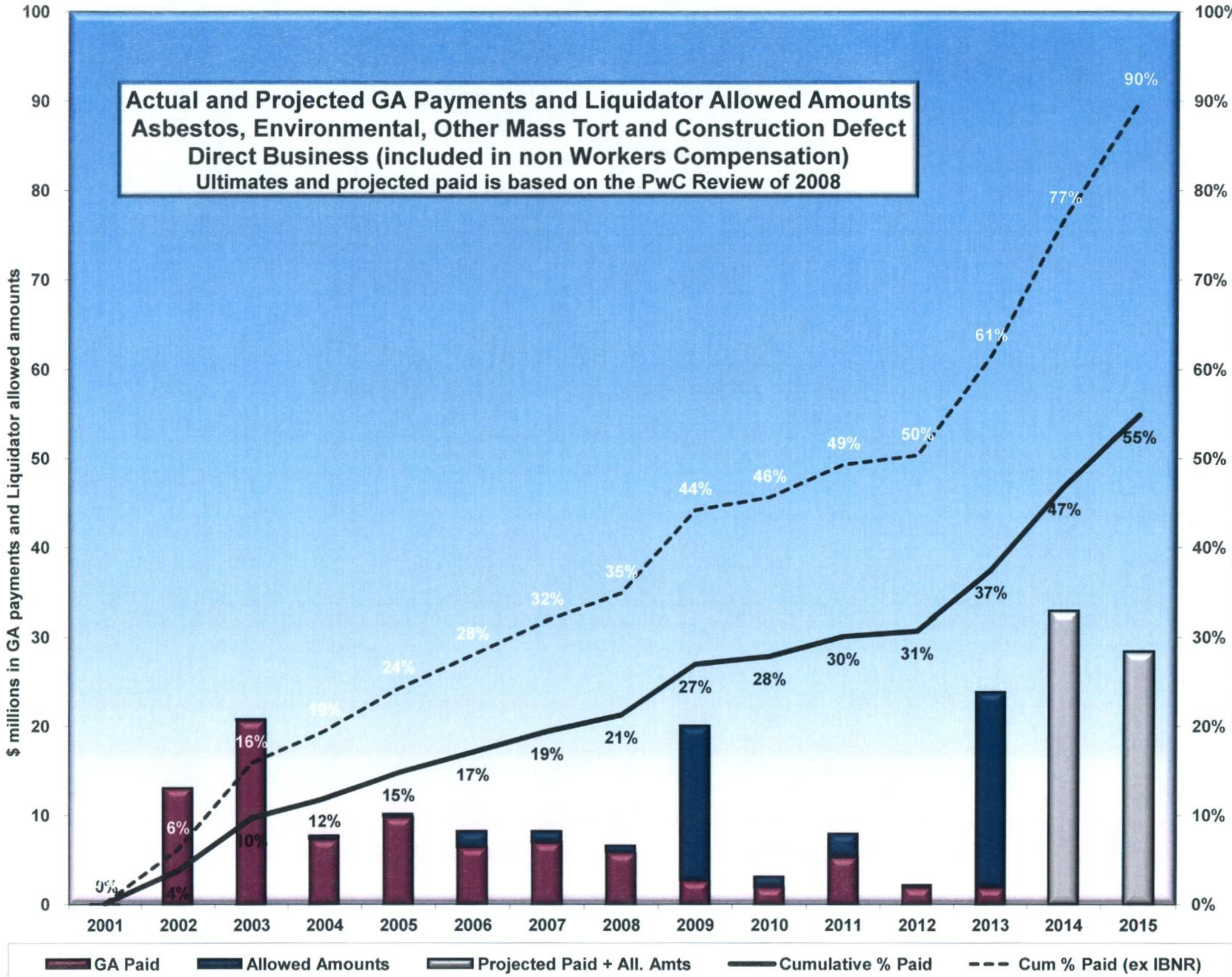

Actual and Projected GA Payments and Liquidator Allowed Amounts
non Workers Compensation - Direct Business
Ultimates and projected paid is based on the PwC Review of 2008
$ millions in GA payments and Liquidator allowed amounts
Cumulative % of ultimate or % of ultimate excl. IBNR
0
50
100
150
200
250
300
350
400
450
500
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
10%
9%
22%
19%
35%
30%
45%
38%
55%
46%
60%
51%
67%
56%
73%
61%
76%
64%
79%
67%
81%
68%
85%
71%
88%
75%
92%
78%
GA Paid
Allowed Amounts
Projected Paid + All. Amts
Cumulative % Paid
Cum. % Paid (ex IBNR)

Exhibit J


Actual and Projected GA Payments and Liquidator Allowed Amounts
Asbestos, Environmental, Other Mass Tort and Construction Defect
Direct Business (included in non Workers Compensation)
Ultimates and projected paid is based on the PwC Review of 2008
$ millions in GA payments and Liquidator allowed amounts
Cumulative % of ultimate or % of ultimate excl. IBNR
0
10
20
30
40
50
60
70
80
90
100
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
2001
2002
2003
2004
2005
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2007
2008
2009
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2011
2012
2013
2014
2015
4%
10%
12%
15%
17%
19%
21%
27%
28%
30%
31%
37%
47%
55%
6%
16%
19%
24%
28%
32%
35%
44%
46%
49%
50%
61%
77%
90%
GA Paid
Allowed Amounts
Projected Paid + All. Amts
Cumulative % Paid
Cum % Paid (ex IBNR)

Exhibit K

Direct Claims Newly Reported in 2010 through 2013
Dollars (in thousands) are Net of Deductibles

	Number of new claims					As of 12/31/2013 Incurred in $ thousands					As of 12/31/2013	
Claims reported in:	2010	2011	2012	2013	Total	2010	2011	2012	2013	Total	Number Open	% Open
Workers Compensation												
WC Excess/Large Deductible	92	58	49	38	237	$5,424	$4,640	$6,762	$2,298	$19,125	126	53%
Sports Cumulative Trauma	85	73	92	76	326	3,200	2,295	1,594	1,061	8,150	232	71%
Other Cumulative Trauma & New Report	92	107	100	74	373	3,125	4,014	2,534	987	10,659	224	60%
SUBTOTAL Workers Compensation	269	238	241	188	936	11,749	10,949	10,890	4,346	37,934	582	62%
Asbestos, Environmental, Other Mass Tort	62	42	42	39	185	285	1,691	4,264	240	6,480	97	52%
Other Lines	30	25	12	9	76	759	742	156	329	1,986	27	36%
SUBTOTAL Excluding Construction Defect	361	305	295	236	1,197	12,793	13,382	15,311	4,914	46,399	706	59%
Construction Defect	622	298	160	74	1,154	5	7,456	0	10,368	17,829	44	4%
TOTAL NEW CLAIMS	983	603	455	310	2,351	$12,798	$20,838	$15,311	$15,283	$64,228	750	32%

Claim counts are based on actuarial counting methodologies and combine claims set up over multiple policy years.

Exhibit L

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

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

RE: Liquidator's Application to Establish a Claims Bar Date and for Approval of Notice

CLAIMS BAR DATE ORDER

AND NOW, this _____ day of ____________, 2014, upon consideration of the Liquidator's Application to Establish a Claims Bar Date and for Approval of Notice ("Application") filed by Michael F. Consedine, Insurance Commissioner for the Commonwealth of Pennsylvania, in his official capacity as Statutory Liquidator ("Liquidator") of Reliance Insurance Company, In Liquidation, the Application is GRANTED and it is hereby ORDERED and DECREED that:

1. __________, 2014, is hereby established as the claims bar date ("Bar Date").

2. Except as provided in paragraph 11 below, any and all claims against the Reliance Estate, including claims against Reliance Insurance Company, Reliance National Indemnity Company, Reliance National Insurance Company, United Pacific Insurance Company, Reliance Direct Company, Reliance Surety Company, Reliance Universal Insurance Company, United Pacific Insurance Company of New York, and Reliance Insurance Company of Illinois (collectively, "Reliance Estate"); claims against the Liquidator, his agents and representatives; or

claims that in any way affect or seek to affect any assets of the Reliance Estate, wherever located or however such assets may be owned or held, directly or indirectly, must be filed with the Liquidator BEFORE the Bar Date or be forever barred from any distribution of the assets of the Reliance Estate. Further, all claims for which no POC is filed before the Bar Date are unenforceable against the Reliance Estate and the Liquidator.

3. All claims must be filed by means of a completed Proof of Claim ("POC") form, as attached to the Application as Exhibit M, together with proper documentation supporting the claim. Notwithstanding the foregoing, a claim submitted on the original POC form issued by the Liquidator shall be processed by the Liquidator and will be subject to the terms of this Order. The POC must be signed by the claimant or the claimant's attorney, and must contain the claimant's current address, including zip code and telephone number. A POC filed by a corporation must be signed by an officer of the corporation, designated by his/her title, or the attorney for the corporation. The Liquidator has the right to require other information deemed necessary to evaluate a POC pursuant to 40 P.S. §221.38 and this Court's Orders of May 1, 2007 and November 27, 2007. The claimant has a duty to keep the Liquidator informed of any change of address pursuant to 40 P.S. 221.24(b).

4. A POC is deemed to be filed when received by the Liquidator subject to the exceptions set forth in Pa. R.A.P. No. 3781(a)(3) as follows:

> The liquidator is deemed to have received the proof of claim form on the date of mailing as established by a United Postal Service Form 3817 Certificate of Mailing or by any similar form from which the date of deposit in the mail can be verified or the date of transmission by facsimile (fax) or electronic mail (e-mail), as documented by the sender's fax or computer.

If the POC is transmitted by fax, the claimant shall also comply with the requirements of Pa. R.C.P. No. 440(d)(2), relating to a fax cover sheet as follows:

> The copy served shall begin with a facsimile cover sheet containing
> (i) the name, firm, address, telephone number, of both the party making service and the party served,
> (ii) the facsimile telephone number of the party making service and the facsimile telephone number to which the copy was transmitted,
> (iii) the title of the legal paper served and
> (iv) the number of pages transmitted.

5. The definitions of Timely POC, Non-Barred Claims, and Barred Claims, including examples, as set forth in the Application are hereby specifically approved, adopted and incorporated herein. Except as provided in paragraph 11 below, the following claims are **BARRED** by this Order, and are deemed to prejudice the orderly administration of the Reliance Estate and the liquidation of its assets, effective as of the Bar Date:

(a) Post Bar Date Claim. A Post Bar Date Claim is *any* POC which is filed ON or AFTER the Bar Date, even if good cause exists for filing on or after the Bar Date. This includes POCs filed to reopen a closed claim after a Notice of Determination has issued.

(b) Potential Claim. A Potential Claim is a claim intended to be covered by a Timely POC, but where the specific claim or cause of action occurs, arises, accrues and/or is asserted on or after the Bar Date.

6. Except as provided in paragraph 11 below, this Order bars the filing of a Post Bar Date Claim for any reason, including, without limitation, any reason constituting "good cause" under the late filing provisions of 40 P.S. §221.37, such as

> (1) that existence of [sic] claim was not known to the claimant and that he filed his claim as promptly thereafter as reasonably possible after learning of it;
> (4) that a claim was contingent and became absolute, and was filed as soon as reasonably possible after it became absolute; and
> (5) that the claim was the claim of a guaranty association for reimbursement of covered claims paid and/or expenses incurred, subsequent to the last day for filing where such payments were made and expenses incurred as a result of requirements of law.

Any Post Bar Date Claim shall be rejected by the Liquidator without consideration of its merits and a Post Bar Date Claim shall be unenforceable against the Reliance Estate and the Liquidator.

7. Claims which are barred by this Order no longer represent a statutory, contractual, or legal obligation of the Reliance Estate or the Liquidator and shall not be entitled to receive any distribution from the Reliance Estate, whether or not a Timely POC was filed. The reserve liabilities associated with such Barred Claims as of the Bar Date, in an amount to be determined by the Liquidator, constitute obligations which are discharged and shall be eliminated accordingly with no payment or distribution from the Reliance Estate. The Liquidator shall adjust the books and records of the Reliance Estate accordingly to reflect such discharge, including the liabilities reported in the Special Purpose Statement of Assets and Liabilities of the Reliance Estate.

8. The establishment of the Bar Date does not constitute a waiver of any rights or defenses that the Liquidator or the Reliance Estate have or may have; all rights and defenses remain available to the Reliance Estate and the Liquidator. The Bar Date does not apply to, or affect in any way, claims, actions, or rights of the Reliance Estate or the Liquidator, including those against third parties or others.

9. Any POC filed before the Bar Date, but after December 31, 2003, remains subject to the late filing provisions of 40 P.S. §221.37 and good cause must be shown for the POC to be considered a Timely POC. All POCs remain subject to this Court's Orders of May 1, 2007 and November 27, 2007 which require claimants to submit complete information about their claims in a timely fashion.

10. The establishment of the Bar Date is not an opportunity to refile a POC previously filed with the Liquidator or to reargue a Notice of Determination previously issued by the

Liquidator. Duplicative POCs shall not be submitted. If duplicative POCs are filed contrary to this Order, the Liquidator shall reject them without further consideration of their merits, even if timely filed.

11. Notwithstanding the foregoing, the Bar Date shall not:

a. apply to expenses of the Liquidator or the Reliance Estate incurred in the ordinary course of the liquidation proceedings;

b. apply to expenses of Guaranty Associations ("GAs") under 40 P.S. §221.44(a); and

c. bar a Post Bar Date Claim if a cause of action for the claim first accrued within thirty (30) days before the Bar Date and the POC was filed within thirty (30) days of when the cause of action accrued.

12. Any claims of a GA for amounts it pays for claims under Reliance policies ("Covered Claim Payments"), shall be barred and shall be disallowed by the Liquidator if the Covered Claim Payments were made for a Barred Claim. Barred Claims are no longer an obligation of the Reliance Estate, whether statutory, legal, contractual, or otherwise.

13. The proposed scope of notice as set forth in the ___________ is hereby approved. Notice of the Bar Date shall be provided to the following "Notice Recipients" at the address shown in the books, records, and systems of the Reliance Estate as of the date of this Order:

a. all insureds and third party claimants who filed class (b) POCs (including their identified counsel), including those whose claim was subordinated to priority class (e) or (g);

b. insureds with Open Claims known by the Liquidator;

c. all relevant litigants in known pending actions against Reliance, including those which have been stayed, and not dismissed, by court order or by agreement;

d. the Department of Labor, the Department of Justice, the Center for Medicaid Services, the Internal Revenue Service, and the Environmental Protection Agency; and

e. all Guaranty Associations.

14. The proposed form of notice regarding the Bar Date ("Bar Date Notice") attached as Exhibit __________ to the _______________ is also approved. Within approximately fourteen (14) business days after the date of this Order, the Liquidator shall transmit the Bar Date Notice, by first class mail, to the Notice Recipients.

15. The Bar Date Notice shall also be published in USA Today, the Philadelphia Inquirer, the national edition of the Wall Street Journal, the national edition of the New York Times, and Business Insurance, once a week for two weeks, within approximately thirty (30) days of this Order.

____

Bonnie Brigance Leadbetter, Judge

Exhibit M

PROOF OF CLAIM

IN THE MATTER OF RELIANCE INSURANCE COMPANY (IN LIQUIDATION)

CLAIMS BAR DATE is_______________, 2014

READ ALL MATERIALS CAREFULLY BEFORE COMPLETING THIS FORM - COMPLETE ALL SECTIONS
FILL IN ALL BLANKS - PLEASE PRINT CAREFULLY OR TYPE

Make corrections to Name & Address below.
Claimant Name: ______________________
Address 1: ______________________
Address 2: ______________________
City: ______________ State: _____ Zip Code: ________
Country: ______________
Social Security/E.I.N. #: ______________ e-mail: ______________
Daytime Phone #: (include area code) ______________

Name of Insured: ______________
Policy Number: ______________ Claim Number: (if previously filed):
Date of Loss: ______________ Agent Number: ______________

Claim is for (Check X or specify Below)

1		POLICY HOLDER or THIRD PARTY CLAIM	Claim by insured of Reliance Insurance under a Reliance Insurance Policy for POLICY Benefits or Liability claim against an insured of Reliance Insurance for POLICY BENEFITS.
2		RETURN of UNEARNED PREMIUM or OTHER PREMIUM REFUNDS	Portion of paid premium not earned due to early cancellation of policy or retro or audit adjustment.
3		GENERAL CREDITOR	Such as Attorney fees, Adjuster fees, Vendors, Lessors, Consultants, Cedants and Reinsurers.
4		AGENTS' BALANCES	Agents' Earned Commissions.
5		ALL OTHER	Describe:

In the space below give a Concise Statement of the Facts giving rise to your claim. Attach additional sheets if required. _

AMOUNT OF CLAIM: $______________
Is there OTHER INSURANCE that may cover this claim? Yes ( ) No ( )
If YES provide name of insurer(s) and policy numbers(s):

Does AN ATTORNEY REPRESENT you? Yes ( ) No ( ) If YES provide attorney's name, address & telephone number: _

Has a Lawsuit or other LEGAL ACTION been instituted by anyone regarding this claim? Yes ( ) No ( ) If YES, provide the following:
COURT WHERE FILED: ______________
DATE FILED & DOCKET NUMBER: ______________
PLAINTIFF(S): ______________
DEFENDANT(S): ______________

I verify that the statements made in this Proof of Claim (POC) are true and correct to the best of my knowledge, information and belief. I understand that false statements made herein are subject to the penalties of 19 Pa. C.S. §4904 (relating to unsworn falsification to authorities). I have the right and authority to sign and submit this POC, have read the foregoing and know the contents thereof. No payment of or on account of the above stated claim has been made except as stated above; there are no offsets or counterclaims; and I am not a secured creditor or claimant and there is no security interest except as stated above.

If the foregoing POC alleges a claim against a Reliance insured (third party claim), the undersigned hereby releases any and all claims which have been or could be made against such Reliance insured based on or arising out of the facts supporting the above POC up to the amount of the applicable policy limits and subject to coverage being accepted by the Liquidator, regardless of whether any compensation is actually paid to the undersigned.

______________________ ______________
Claimant Signature Date

DO NOT FILE A PROOF OF CLAIM (POC) IF:

You have already filed a Proof of Claim for this specific claim.
You do not have a specific, existing claim, but only a claim that might occur in the future.
You can only report types of possible claims, but not claims involving specific identified persons/entities with specific injuries or damage.

INSTRUCTIONS FOR COMPLETING POC FORM

Please complete all of the applicable blanks. Attach additional sheets as required. In the event you do not know certain information, please write "unknown." Please print legibly in ink or type. The form may be duplicated. You are advised to keep a completed copy for your records.

The Liquidator has the right (but not the obligation) to request additional supporting information. The failure to promptly provide such additional information may result in denial or subordination of your claim.

The POC form must be signed by the claimant, and must contain the claimant's current address and zip code. If the claimant is a corporation, it must be signed by an authorized officer, designated by his or her title, or by the attorney for the corporation. No POC can be considered for payment without a social security number or tax identification number. Where applicable, the name and address as well as the telephone number of the claimant's attorney, if any, must be provided. **YOU MUST FILE A SEPARATE POC FORM FOR EACH CLAIM YOU MAKE. IF YOU HAVE MORE THAN ONE CLAIM, YOU MAY MAKE COPIES OF THIS FORM, OR CALL (215) 864-4000 FOR ADDITIONAL POC FORMS OR DOWNLOAD ADDITIONAL COPIES FROM www.reliancedocuments.com.**

You must sign the proof of claim form and send it:

by mail:	Proof of Claim Department Reliance Insurance Company (In Liquidation) P. O. Box 7757, Philadelphia, PA 19101, or Three Parkway, 5th Floor, Philadelphia, PA 19102
by fax:	(215)-864-4400 or
by email:	assumedre@relianceinsurance.com

NOTE: This form must be received no later than ______________, 2014 and must include a good cause explanation, pursuant to 40 P.S. §221.37, for being filed after the claim filing deadline of December 31, 2003.

CHANGE OF ADDRESS
You are required by 40 P.S. §221.24(b) to notify the Statutory Liquidator of your change of address. If you fail to do so you may jeopardize your chance of recovery from this estate.

INFORMATION REGARDING CLAIMS AGAINST RELIANCE INSURANCE COMPANY

After all claims against this company are evaluated by the Statutory Liquidator and approved by the Court, approved claims will be paid by priority level based on available funds in accordance with 40 P.S. Section 221.1 et seq. The amount of the payment will depend on the assets available. The amount to be paid on an individual claim, if any, will not be known until all claims are evaluated. The Statutory Liquidator's receipt of this POC form does not constitute any waiver or relinquishment by the Statutory Liquidator of any defense, setoff, or counterclaim that may exist against any person, entity, or governmental agency, regarding any actions pursued by the Statutory Liquidator of Reliance Insurance Company on behalf of Reliance Insurance Company claimants, insureds, and creditors.

Exhibit N

NOTICE OF FILING OF AN APPLICATION TO ESTABLISH A
CLAIMS BAR DATE FOR RELIANCE INSURANCE COMPANY IN LIQUIDATION

The Liquidator of Reliance Insurance Company is providing this Notice in compliance with the Order of the Commonwealth Court of Pennsylvania issued on __________________. In that Order the Commonwealth Court established a deadline for filing any objections to the Liquidator's Application to Establish a Claims Bar Date and for Approval of Notice ("Bar Date Application").

The DEADLINE for filing any RESPONSE to the Bar Date Application is ____________________.

You may view, download, or print a copy of the Bar Date Application by accessing the Reliance Documents website at www.reliancedocuments.com, and choosing the link for the Bar Date Application. If you do not have access to the internet or if for any reason you are unable to view, download, or print the Bar Date Application from the Reliance Documents website, you may contact Reliance as follows and request that a copy of the Bar Date Application be mailed to you:

by mail:	Liquidator-Bar Date Application Reliance Insurance Company (In Liquidation) Three Parkway, 5th Floor, Philadelphia, PA 19102 or P. O. Box 7757, Philadelphia, PA 19101
by telephone:	(215) 864-4000 or
by fax:	(215)-864-4010 or
by email:	Liquidator@relianceinsurance.com.

Commonwealth Court rules applicable to filing responses are also available at www.reliancedocuments.com by clicking on the link for Selected PA Rules Governing Insurance Liquidations.