



**IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE**

IN THE MATTER OF: )  
 ) C.A. No. 8601-VCZ  
INDEMNITY INSURANCE CORPORATION, )  
RRG, IN LIQUIDATION )

**RECEIVER’S MOTION FOR AN ORDER TO SHOW  
CAUSE SETTING A DEADLINE FOR CLAIMANTS TO OBJECT  
TO THE RECEIVER’S FIRST CLAIMS RECOMMENDATION REPORT,  
AND AN UNCONTESTED RECOMMENDATION HEARING DATE, AND  
FOR AN ORDER SETTING A CONTESTED RECOMMENDATION  
HEARING DATE AFTER LETTER NOTICE FROM THE RECEIVER**

Petitioner, the Honorable Trinidad Navarro, Insurance Commissioner of the State of Delaware, in his capacity as the Receiver (“Receiver”) of Indemnity Insurance Corporation, RRG, in Liquidation (“IICRRG”), moves this Honorable Court to: (a) enter an Order to Show Cause Setting an Objection Deadline and Uncontested Recommendation Hearing Date; and (b) after letter notice from the Receiver to the Court notifying the Court of objections to the Receiver’s First Claim Recommendation Report, entering an Order Setting a Date or Dates for a Contested Recommendation Hearing, pursuant to the Plan for the Receiver’s Claim Recommendation Report and Final Determination of Claims By The Court (the “Claim Final Determination Plan”) which was approved on August 17, 2020 [D.I. 811], and 18 *Del. C.* § 5917(c).

## **I. Introduction**

To implement an orderly, expeditious, and equitable resolution of all claims against an insolvent insurer, Delaware, like other states, has established a Proof of Claims Process which has, as an overarching principle, the conservation of Estate assets. The principle is served through the use of a streamlined process for the Receiver to determine Proof of Claims through a Notice of Determination and make recommendations to the Court in a summary manner that: (a) recognizes the insurance insolvency expertise of the Receiver; (b) recognizes the supervisory role of the Court; (c) minimizes expense to the IICRRG Estate; and (d) balances the procedural due process rights of the affected claimant(s) with the statutory framework and purpose of the Delaware Uniform Insurers Liquidation Act (“DUILA”) codified at 18 *Del. C.* § 5901, *et. seq.*

The final determination of a claim is a multi-step process. First, a claimant submits a Proof of Claim (“POC”) and supporting documentation. Second, the Receiver issues a Notice of Determination (“NOD”) as to the priority class assigned to the claim and its value if applicable. Afterward, the claimant and Receiver have an opportunity to resolve any disputes concerning the NOD. Third, the Receiver makes a recommendation to the Court regarding the claim and other claims that have received an NOD (“Claim Recommendation Report”). Fourth, the Court reviews the Receiver’s claim recommendations in the Claim

Recommendation Report and makes final determinations regarding them. *In Matter of Liquidation of Freestone Ins. Co.*, 143 A.3d 1234, 1246 (Del. Ch. 2016) (citing 18 *Del. C.* § 5917(c) & (d)).

This is the first of many motions that the Receiver will file with the Court to make final claim determinations. In this motion, the Receiver requests that the Court enter an Order to Show Cause to set an objection deadline to the Receiver's claim recommendations that are contained in the First Claim Recommendation Report and to fix an uncontested hearing date regarding those claims that are not contested. The motion also requests that, in the event objections are filed, the Court enter a subsequent order setting a date or dates for a Contested Recommendation Hearing to adjudicate those contested claims by the Court. Alternatively, the Court may wish to appoint a Special Master to make recommendations for final claim determinations for contested claims.

This first motion is more detailed than future motions as it establishes the framework that subsequent motions will mirror procedurally.

## **II. Background**

### **A. Procedural Background**

1. On April 10, 2014, this Court placed IICRRG into liquidation by a Liquidation and Injunction Order with Bar Date ("Liquidation Order"), pursuant to the DUILA.

2. Prior to liquidation, IICRRG's management consented to the Court's entry of the Rehabilitation and Injunction Order ("Rehabilitation Order") but finding no additional capital or viable purchaser to restore IICRRG to solvency, the Commissioner filed a Petition for Entry of a Liquidation and Injunction Order and Bar Date ("Liquidation Petition II").<sup>1</sup>

3. The Liquidation Order set a bar date of January 15, 2015 for filing POCs against IICRRG. Information for filing claims, including a POC form, was sent to potential claimants.

4. Pursuant to the DUILA, all claims are filed first with the Receiver. Afterward, the Receiver must report to the Court the Receiver's recommendations concerning those claims. Upon receipt of the report, the Court is to fix a date and time for the hearing of the claim and thereafter to enter an order allowing, allowing in part, or disallowing the claim. 18 *Del. C.* § 5917.

5. IICRRG has received over 2,900 POCs. The Receiver has retained claims professionals to evaluate the POCs and make an initial determination as to

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<sup>1</sup> By way of brief background, on May 30, 2013, this Court entered a confidential Seizure and Injunction Order because of the Delaware Department of Insurance's concerns about IICRRG's financial viability and its suspicion that Jeffrey B. Cohen had engaged in fraud. After investigation, in July 2013, the Insurance Commissioner filed a Petition for the Entry of a Liquidation and Injunction Order ("Liquidation Petition I"). While Liquidation Petition I was pending, the Insurance Commissioner agreed, at the request of the company, to dismiss Liquidation Petition I in favor of rehabilitation to give new company management an opportunity to sell the company. This was not successful.



priority class and value of the claim, if applicable, and to notify each claimant of the Receiver's initial determination through a written NOD.

6. The Receiver determined that it was in the best interest of the IICRRG Estate to provide a framework for the final determination of the claims set forth in the POCs that have been filed with the Estate.

7. Thus, the Receiver submitted the Claim Final Determination Plan, which was approved on August 17, 2020 (D.I. 811).

**B. Claim Final Determination Plan and Timeline**

8. The Claim Final Determination Plan, attached hereto as Exhibit "A", sets forth the process by which the priority and value of the claims of policyholders, creditors, and other claimants are determined and confirmed. (Ex. A., Definitions ¶¶ 2, 10; Procedures ¶¶ 1, 2).

9. The Claim Final Determination Plan provides that the Receiver will make the initial determination of claims (the "Claims Recommendation") and include them in a report filed with the Court concerning claims in which the POC/NOD process has become final (the "Report"). (Ex. A, Procedures ¶ 8; 18 *Del. C.* 1953 § 5917(c)).

10. Because of the volume of claims, the Receiver has divided the Claim Recommendations into tranches; the Receiver anticipates that the Court will

receive a new tranche approximately every quarter.<sup>2</sup> Within each tranche there will be recommendations for multiple claims and the Report will specify the Receiver's Claim Recommendation for each claim identified in the Report.

11. The Claim Final Determination Plan provides for a procedure to allow a hearing for any claimant who desires to have the Court review the Receiver's Claim Recommendation of that claimant's claim. (Ex. A, Procedures ¶ 17).

12. The Claim Final Determination Plan provides for the Court, upon receiving the Claim Recommendation Report, to enter an Order to Show Cause ("OSC") setting a deadline for claimants whose claims are contained in the Claim Recommendation Report to file an objection to the Receiver's Claim Recommendations ("Objection Deadline"). (Ex. A, Procedures ¶¶ 7, 12).

13. The Claim Final Determination Plan also provides that the OSC will fix the date and time for a proceeding for the Court to address those Claim Recommendations in the Claim Recommendation Report for which there is no objection ("Uncontested Recommendation Hearing"). (Ex. A, Procedures, ¶ 10).

14. The Claim Final Determination Plan provides that any claimant who desires Court review of that claimant's objection to the Receiver's Claim

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<sup>2</sup> The Receiver notes that the size of these tranches and frequency with which the Court receives them for review and final determination depends upon Court resources, preferences, and scheduling.

Recommendation must file an objection with the Court by the deadline set forth in the OSC.

15. Objections that have been previously filed to an NOD will not be considered in compliance for purposes of meeting the Objection Deadline. (Ex. A., Procedures ¶¶ 12, 13). By way of illustration:

- a. If a claimant filed a previous objection to the Receiver's NOD, the claimant must still file an objection to the Receiver's Claim Recommendation that complies with the information requested in the OSC.
- b. If the claimant filed a previous objection to the Receiver's NOD, and wishes to withdraw its objection, the claimant need do nothing.
- c. If the claimant did not file a previous objection, but the claimant now wishes to object to the Receiver's Claim Recommendation, the Claimant must file an objection to the Receiver's Claim Recommendation that complies with the information requested in the OSC.
- d. If the claimant has not filed a previous objection and does not object to the Receiver's Claim Recommendation, the claimant need do nothing.

16. The Claim Final Determination Plan provides that untimely filed objections to the Receiver's Claim Recommendation are deemed "uncontested" and subject to the procedure for the Uncontested Recommendation Hearing. (Ex. A, Procedures ¶ 10).

17. The Claim Final Determination Plan provides that not less than seven (7) days prior to the date of the Uncontested Recommendation Hearing, the Receiver shall provide to the Court, for *in camera* review, a copy of the Notice of Determination Claim Review Summary for each Claim Determination identified in the Claim Recommendation Report. (Ex. A., Procedures ¶ 15).

18. The Claim Final Determination Plan provides that the Court will make a final determination on the Uncontested Claim Determinations either at the Uncontested Recommendation Hearing or at such other date and time and in such manner as the Court deems appropriate after which the Court shall enter an appropriate order allowing, allowing in part, or disallowing the uncontested Claim Determinations. (Ex. A, Procedures ¶ 16).

19. The Claim Final Determination Plan provides that where a Claimant files an objection to a Claim Determination by the Objection Deadline, a subsequent hearing will be scheduled no earlier than thirty (30) days after the Objection Deadline, in order to adjudicate the issues raised ("Contested Recommendation Hearing"). (Ex. A, Procedures ¶ 17).

20. The Claim Final Determination Plan provides the following schedule for the Contested Recommendation Hearing:

- a. No later than twenty-one (21) days prior to the Contested Recommendation Hearing, the Receiver shall provide to the Court, Claimant(s), and any interested party(ies) a complete copy of the POC file and Notice of Determination Claim Review Summary for the relevant Claim;
- b. No later than fourteen (14) days prior to the Contested Recommendation Hearing, the Claimant(s) and any interested party(ies), shall provide to the Court and Receiver, with a copy of all documents other than those provided by the Receiver in accordance with subpart (a), above, that Claimant(s) and any interests party(ies) wish to rely on in support of the objection(s).

(Ex. A, Procedures ¶ 18).

21. At the Contested Recommendation Hearing, all persons interested<sup>3</sup> shall be entitled to appear and the Court shall enter an order allowing, allowing in part, or disallowing the claim. (Ex. A, Procedures ¶ 19).

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<sup>3</sup> As noted in the Claim Final Determination Plan, an interested party is any non-claimant person or business entity that has an interest specifically in the POC at issue, such as an injured third party, an insured, or joint tortfeasor. It is not a person or business entity that has an interest common with those of other members

22. The Claim Final Determination Plan provides that after all claims have received a final determination and all general assets of the Estate are known and liquidated, the Receiver shall, at a time within the discretion of the Receiver, file a petition with the Court for the final distribution of Estate assets and the closing of the IICRRG Estate. (Ex. A, Procedures ¶ 24).

23. Concurrent with filing this motion, the Receiver has filed his First Report of Claims Recommendations (“First Claim Recommendations Report”). A true and correct copy of the Report is also attached hereto as Exhibit “B”. The Report can be summarized as follows:

- a. The First Claims Recommendations Report addresses one hundred (100) claims.
- b. Twenty-one (21) of the claims are unearned premium claims. In ten (10) of them, the Receiver recommends a value of \$0. The Receiver recommends varying values for the other eleven (11) claims in the aggregate amount of \$314,640.20.
- c. Seventy-nine (79) claims are liability claims. There are eleven (11) connected claim groups<sup>4</sup>. The Receiver recommends a

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of the claimant’s priority classes that may have their *pro rata* distribution affected by the Court’s determination as to the final value of the claim.

<sup>4</sup> Claims that are within a connected group are claims that are related by a discrete event from which the claim arose (i.e., claims arising from slip-and-fall at insured establishment bar on x date may have more than one POC. For example, in the

value for only one claim within a connected group. The Receiver recommends valuing thirty (30) liability claims at zero. The Receiver recommends varying values for the remaining thirty-three (33) liability claims in the aggregate amount of \$6,453,512.00.

24. The Priority Classes that are relevant to this motion are identified in the Claims Recommendation Report as follows:

- a. III – Claims of policy holders and injured persons against a policyholder (Liability Claims) or claims for return of unearned premiums (Unearned Premium Claims)

### **III. Service Of the Order To Show Cause, Motion, And First Report**

25. By Order dated August 17, 2020 (D.I. 811) this Court approved, along with the Claim Final Determination Plan, the Receiver’s Plan Regarding Service of the Receiver’s Public Court Filings Concerning the Proof of Claims Process (the “Service Plan”).

26. The purpose of the Service Plan was to conserve Estate assets to maximize the return to the IICRRG policyholders.

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slip-and-fall scenario, there may be separate POCs for the injured party, the insured establishment, and a law firm seeking attorney’s fees after representing the insured).

27. As the relief requested in this motion concerns the Proof of Claims process and involves a large number of claimants, the Receiver respectfully submits that it is in the best interest of the IICRRG estate and its creditors to use the procedures in the Service Plan to notify claimants whose claims are the subject of the Receiver's First Claim Recommendations Report of the dates set by the Court for the Objection Deadline and the Uncontested Recommendation Hearing, and to provide those claimants with copies of the OSC, this motion, the Receiver's First Claim Recommendations Report and any subsequent order setting a Contested Recommendation Hearing, if applicable.

28. Accordingly, the Receiver requests that the procedures in the Service Plan be used to notify claimants whose claims are the subject of the Receiver's Recommendations in the First Claim Recommendations Report of the dates set by the Court for the Objection Deadline and Uncontested Recommendation Hearing, and to provide those claimants with copies of the OSC, this motion, the Receiver's First Claim Recommendations Report, and the order setting a Contested Recommendation Hearing, if any, in the manner set forth in the Service Plan.

#### **IV. Order For Contested Recommendation Hearing**

29. The Receiver submits that it would promote efficiency and assist the Court if, after the Objection Deadline, the Receiver were to provide the Court, in writing, with a list of those claimants who filed objections to the First Claim



Recommendations Report together with proposed forms of alternative orders to set the Contested Recommendation Hearing Date(s) related to the Court's final determination of the claims of the objecting claimants. A true and correct copy of a proposed form of letter to the Court and proposed alternative orders are attached hereto collectively as Exhibit "C" for the Court's review and consideration of this procedure.

30. Accordingly, it is further respectively requested that the Court permit this procedure for the setting of the date(s) for the Contested Recommendation Hearing(s).

WHEREFORE, pursuant to the Claims Final Determination Plan and Service Plan, the Receiver respectfully requests that this Honorable Court enter an Order to Show Cause setting a date for the Objection Deadline and the Uncontested Recommendation Hearing and thereafter, subsequent to the filing of the Receiver's letter notifying the Court of objectors to the First Claim Recommendations Report, enter a separate order for the Contested Recommendation Hearing(s).

Dated: December 20, 2021

**CROSS & SIMON, LLC**

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in his capacity as Receiver for Indemnity Insurance  
Company, RRG, in Liquidation*

Word count: 2666



# EXHIBIT "A"

**IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE**

IN THE MATTER OF: )  
 ) C.A. No. 8601-VCZ  
INDEMNITY INSURANCE CORPORATION, )  
RRG, IN LIQUIDATION )

**PLAN FOR THE RECEIVER’S CLAIM RECOMMENDATION REPORT  
AND FINAL DETERMINATION OF CLAIM BY THE COURT**

This plan shall apply to the Receiver’s Claim Recommendation Report and Final Determination of Claim by the Court (“Claim Final Determination Plan” or “Plan”).

**A. Purpose**

The over-arching principle that guides this Plan is creating an accurate, fair and efficient claims process for the distribution of IICRRG Estate General Assets.

**B. Definitions**

When used in connection with this Plan:

1. “Bar Date” refers to January 16, 2015 which is the deadline contained in the Liquidation Order to file claims with the Receiver. Regarding the Bar Date and the filing of the Receiver’s Claim Recommendations with the Court, paragraphs 16 and 22 of the Liquidation Order provide that:

16. ANY AND ALL CLAIMS NOT FILED WITH THE RECEIVER ON OR BEFORE THE CLOSE OF BUSINESS ON **January 16, 2015** (THE “BAR DATE”) SHALL BE BARRED FROM CLASSES III THROUGH VI AS THOSE CLASSES ARE

DEFINED IN 18 DEL. C. §§5918(e) (3) THROUGH (e) (6) AND SHALL NOT RECEIVE ANY DISTRIBUTIONS FROM THE GENERAL ASSETS OF THE ESTATE OF IICRRG UNLESS AND UNTIL ASSETS BECOME AVAILABLE FOR A DISTRIBUTION TO CLASS VII CLAIMANTS AS DEFINED IN 18 DEL.C. 5918(e) (7). THIS BAR DATE SHALL SUPERCEDE ANY APPLICABLE STATUTES OF LIMITATIONS OR OTHER STATUTORY OR CONTRACTUAL TIME LIMITS WHICH HAVE NOT YET EXPIRED WHETHER ARISING UNDER DELAWARE LAW, UNDER THE APPLICABLE LAWS OF ANY OTHER JURISDICTION, OR UNDER A CONTRACT WITH IICRRG BUT SHALL ONLY APPLY TO CLAIMS AGAINST IICRRG IN THE LIQUIDATION PROCEEDINGS AND DOES NOT APPLY TO, AND EXCLUDES, CLAIMS BROUGHT BY IICRRG. ALL CLAIMANTS SHALL ATTACH TO SUCH PROOF OF CLAIM DOCUMENTATION SUFFICIENT TO SUPPORT SUCH CLAIM. THE FILED CLAIMS SHALL NOT BE REQUIRED TO BE LIQUIDATED AND ABSOLUTE ON OR BEFORE THE BAR DATE SET FORTH HEREIN.

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22. The Receiver shall submit claim Recommendation Reports to the Court within a reasonable time after the Receiver's investigation concerning all claims submitted by a particular claimant has been completed.

2. “Below Distribution Level Claim(s)” refers to Claims in those Classes that will not receive a distributive share from the General Assets of the Estate. In this matter, it is expected Classes IV through IX of Section 5918(e) of the DUILA will be Below Distribution Level Claims based on the Receiver’s Claim Recommendations.

3. “Claim(s)” refers to claims asserted against the assets of the IICRRG Estate and set forth in a Proof of Claim filed with the Receiver.

4. “Claim(s) Determination(s)” refers to the Receiver’s determination as to Class and Value with respect to a Claim as stated in the Notice of Determination (NOD).

5. “Claims Specialist” refers to persons who have special expertise in claims adjustment and who evaluate, analyze, determine and Value Claims on behalf of the Receiver and IICRRG Estate for the purposes of the POC Process.

6. “Claimant” refers to the business entity or person on whose behalf a Claim was made against the IICRRG Estate.

7. “Class” when it refers to a Claim means those nine categories or classes established and referenced by Section 5918(e) of the DUILA.

8. “Delaware Uniform Insurers Liquidation Act” or “DUILA” refers to 18 *Del. C.* § 5901, *et. seq.* Chapter 59 of the Delaware Code governs insurer delinquency proceedings including rehabilitation, liquidation and confidential summary proceedings such as seizure proceedings. With respect to Claims Determinations, Section 5917 of the DUILA provides:

§ 5917 Form of claim; notice; hearing.

(a) All claims against an insurer against which delinquency proceedings have been begun shall set forth in reasonable detail the amount of the claim or the basis upon which such amount can be ascertained, the facts upon which the claim is based and the priorities asserted, if any. All such claims shall be verified by the affidavit of the claimant or someone authorized to act on the claimant's behalf and having knowledge of the facts and shall be supported by such documents as may be material thereto.

(b) All claims filed in this State shall be filed with the receiver, whether domiciliary or ancillary, in this State on or before the last date for filing as specified in this chapter.

(c) Within 10 days of the receipt of any claim or within such further period as the court may fix for good cause shown, the receiver shall report the claim to the court, specifying in such report the receiver's recommendation with respect to the action to be taken thereon. Upon receipt of such report, the court shall fix a time for hearing the claim and shall direct that the claimant or the receiver, as the court shall specify, shall give such notice as the court shall determine to such persons as shall appear to the court to be interested therein. All such notices shall specify the time and place of the hearing and shall concisely state the amount and nature of the claim, the priorities asserted, if any, and the recommendation of the receiver with reference thereto.

(d) At the hearing, all persons interested shall be entitled to appear and the court shall enter an order allowing, allowing in part, or disallowing the claim. Any such order shall be deemed to be an appealable order.

9. "Department" refers to the Delaware Department of Insurance.

10. "Distribution Level Claims" refers to Claim(s) in those Classes that will receive a distributive share from the General Assets of the Estate. In this matter, it is expected that Classes I through III of Section 5918(e) of the DUILA will be Distribution Level Claims and that Class III claims will not be paid in full, based upon the Receiver's Claim Recommendations.

11. "Final Determination" refers to the Final Determination Class and Final Determination Value.

12. “Final Determination Class” refers to the Class assigned to the Claim by the Court under this Plan.

13. “Final Determination Value” refers to the Value of the Claim approved by the Court under this Plan.

14. “General Assets” of the IICRRG Estate is coterminous with the definition of general assets stated in 18 *Del. C.* §5901(9):

(9) "General assets" means all property, real, personal or otherwise, not specifically mortgaged, pledged, deposited or otherwise encumbered for the security or benefit of specified persons or a limited class or classes of persons, and as to such specifically encumbered property, the term includes all such property or its proceeds in excess of the amount necessary to discharge the sum or sums secured thereby. Assets held in trust and assets held on deposit for the security or benefit of all policyholders or all policyholders and creditors in the United States shall be deemed general assets.

15. “IICRRG Estate” refers to the Indemnity Insurance Corporation, RRG in Liquidation, including its assets, liabilities and affairs.

16. “Liquidation Order” refers to the Liquidation and Injunction Order with Bar Date entered by the Delaware Chancery Court on April 10, 2014.

17. “Notice of Determination” or “NOD” refers to a writing provided by the Receiver to the Claimant advising the Claimant of the Class assignment and Value of the Claim determined by the Receiver.

18. “Notice of Determination Claim Review Summary” refers to a form completed by a Claims Specialist that contains information regarding the POC, the



Policy at issue, an overview of the loss, the Class assigned to the Claim, the Value assigned to the Claim and a summary of the Claims Specialist's evaluation and support for the Claim Determination. This document is supplied to the Court to assist in approving or not approving the Receiver's Claim Recommendation and, in the absence of exceptional circumstances, is presented in lieu of live testimony from the Claims Specialist.

19. "Priority of Distribution" or "Distribution Priority" refers to the scheme of distribution priority (Classes 1 through IX) set forth in Section 5918 of the DUILA.

20. "Proof of Claim" or "POC" refers to the Proof of Claim Form and other documentation filed with the Receiver, including supplemental information, in which a Claimant sets forth the Claim or Claim(s) against the IICRRG Estate and the documentary support for such Claim(s).

21. "Proof of Claim File" refers to those documents, communications and other information, including in electronic form, considered, reviewed or relied upon by the Claims Specialist in assigning a Class and Value to a Claim. It does not include privileged or confidential communications or documents, communications, or other information, including in electronic form, that if produced would reflect the mental impressions, thought processes, and opinions of the Claims Specialist or communications with legal counsel.

22. “Proof of Claim Process” or “POC Process” refers generally to the process during the liquidation proceedings in which: POCs are filed with the Receiver; the Receiver reviews, analyzes, and determines the POCs and issues NODs; the Receiver files the Receiver’s Claim Recommendation(s) with the Court; and the Court renders a Final Determination regarding the Receiver’s Claim Recommendation(s).

23. “Proration Factor” with respect to the Value or Valuation of a Claim refers to the factor (percentage) applied to the Final Determination Value at the time of ultimate distribution of the General Assets of the IICRRG Estate such that the amount distributed to a Claimant represents the Claimant’s pro-rata share of General Assets in relation to the distributed share received by other Claimants who are members of the same Class.

24. “Receiver” refers to the Insurance Commissioner of the State of Delaware in his or her capacity as the Receiver of Indemnity Insurance Corporation, RRG, in Liquidation. It also refers to the Receiver’s designees such as the Receiver’s Deputy Receiver(s), legal counsel, and estate representatives.

25. “Receiver’s Claim Recommendation(s)” refers to the Claim Value and Class recommended by the Receiver to the Court for approval.

26. “Receiver’s Claim Recommendation(s) Report” refers to the report filed with the Court regarding the Receiver’s Claim Recommendation(s).

27. “Value” or “Valuation” with respect to a Claim refers to the gross amount in U.S. dollars that the Receiver attributes to the Claim.

**C. Procedures for Final Determination of Claims**

The following procedures shall apply to the Receiver’s Claim Recommendation Report (“Report”) and the Court’s Final Determination of the Receiver’s Claim Recommendations in accordance with the Liquidation Order and 18 *Del. C.* § 5917:

1. The Receiver shall have discretion to group or batch POCs for review and analysis based upon the claim type or amount, the coverage or coverages implicated by the claim, or upon any other reasonable basis that promotes an efficient administration of the POC Process. Further, the Receiver shall have the discretion to determine whether, to what degree, and at what point in the review process, Below Distribution Level Claims are evaluated.

2. The Receiver shall have the authority to delegate review of Claims to a Claims Specialist. In such event, after the Claims Specialist has completed the analysis of the Claim and has assigned a Class and Value to the POC<sup>1</sup>, the Receiver shall cause the Claimant(s) to receive a Notice of Determination (“NOD”).

3. The NOD will include the Receiver’s Claim Determination.

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<sup>1</sup> For Below Distribution Level Claims other than Class VII, the Receiver will only assign a Class, and not a Value, and that process will not begin until the Receiver has made a Claim Determination for all Distribution Level Claims.

4. The NOD will advise the Claimant of the process for accepting or objecting to the NOD.

5. If a Claimant objects to the Class or Value assigned to a Claim, the Claimant may submit such objection to the Court in the IICRRG Liquidation Proceedings for Final Determination in accordance with the procedures outlined in the NOD and this Plan.

6. Any such objection shall contain all of the grounds upon which the objection is based.

7. Failure to file a timely objection as provided for in paragraphs 5 and 6 of this Section C shall mean the Claimant has accepted the NOD, subject to a final order by the Court approving the Report as it concerns that NOD.

#### Receiver's Claim Recommendation Report

8. From time to time, and at the discretion of the Receiver, the Receiver will file a Report with the Court concerning those Claims where the Receiver's Claim Determination and NOD have become final.<sup>2</sup>

9. The Report shall specify, for each Claim identified in the Report, the Receiver's Claim Recommendation.

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<sup>2</sup> An NOD is final for the purposes of this Plan when an NOD has been served upon the Claimant(s) with respect to a particular POC, the Receiver and Claimant(s) have either agreed to the NOD or the parties are unable to agree to the NOD.

### The Order to Show Cause

10. Upon the filing of the Report with the Court, the Court shall enter an Order to Show Cause (“OSC”) fixing the date and time for a proceeding for the Court to address those Claim Recommendations in the Report for which there is no objection (“Uncontested Recommendation Proceeding”). The Uncontested Recommendation Proceeding will be scheduled for a date forty-five (45) days or longer after the date of the OSC and set a deadline for objection(s) to the Report (“Objection Deadline”) at least thirty (30) days after the date of the OSC.

11. The procedure established by the OSC shall be for the purpose of determining whether any Claimant objects to the Claim Recommendation and seeks to present evidence to the Court in support of the objection.

12. Any Claimant who objects to the Receiver’s Claim Recommendation must notify the Court, in writing, of all of the Claimant’s objections(s) to the Receiver’s Claim Recommendation and the basis for each objection. The objection(s) shall be filed on or before the Objection Deadline set forth in the OSC.

**13. Any Claimant entitled to a Court review of the Receiver’s Claim Recommendation who fails to notify the Court of their objections and intent to seek a Court review of the Receiver’s Claim Recommendation on or before the objection deadline set forth in the OSC will have been deemed to have waived any right to a Court review of the Receiver’s Claim Recommendation**

**concerning their claim, will be deemed to have abandoned any objection to the Receiver's Claim Recommendation, and will have their Claim determined by the Court on that basis.**

Procedure Where No Objection to Report

14. All Claim Recommendations identified in the Report for which no objection is filed are considered to be uncontested and subject to the procedure for the Uncontested Recommendation Proceeding which does not require the Receiver or the Claimant(s) to appear, file substantive arguments, submit exhibits, or introduce testimony in support of their positions.

15. However, notwithstanding paragraph 14 of this Section C, following the Objection Deadline, and in no event less than seven (7) days prior to the date of the Uncontested Recommendation Proceeding, the Receiver shall provide to the Court, for *in camera* review, a copy of the Notice of Determination Claim Review Summary for each Claim Determination identified in the Report where no objection was filed.

16. The Court will make a Final Determination of all uncontested Claim Determinations either at the Uncontested Recommendation Proceeding or at such other date and time and in such manner as the Court deems appropriate. After such Final Determination has been made, the Court shall enter an Order allowing, allowing in part, or disallowing any uncontested Claim Determination identified in

the Report based upon the papers filed as part of the Report or thereafter supplemented pursuant to paragraph 15 of this Section C.

Procedure Where Objection is Filed to the Report

17. If a Claimant files an objection to a Claim Determination identified in the Report, a subsequent hearing will be scheduled at least thirty (30) days after the objection deadline in the OSC to adjudicate the issues raised by that objection (“Contested Recommendation Hearing”).

18. For the purposes of the documentary evidentiary record for the Contested Recommendation Hearing, the Receiver, Claimant(s) and/or interested party(ies) shall provide the Court with the following documents in accordance with the following schedule:

- (a) no later than twenty-one (21) days prior to the Contested Recommendation Hearing, the Receiver shall provide the Court, with a copy to the Claimant(s) and interested party(ies), if any, a complete copy of the POC file together with the Notice of Determination Claim Review Summary for that Claim. The documents provided to the Court hereunder shall be considered admitted into evidence and part of the record of the Contested Recommendation Hearing;
- (b) no later than fourteen (14) days prior to the Contested Recommendation Hearing, the Claimant(s) and interested party (ies),

if any, shall provide the Court, with a copy to the Receiver, complete copies of all documents other than those provided to the Court by the Receiver in accordance with subpart (a) above that the Claimant(s) or interested party(ies) seek to rely upon in support of the objection(s).

There shall be no right to pre-hearing discovery other than as set forth in this paragraph.

19. The Claimant shall have the burden of proof as to the objection(s), and to the Class or Value of the Claim. All Claimant(s) or interested parties<sup>3</sup> shall have the right to be heard at the Contested Recommendation Hearing which right shall, at the discretion of the Court, include but not be limited to, the right to examine or cross examine witnesses at the Hearing and introduce documentary evidence in support of the objection(s).

20. The Receiver may, but shall not be required to, participate in the Contested Recommendation Hearing unless otherwise directed by the Court.

21. Upon the conclusion of the Contested Recommendation Hearing, or at such later date as the Court deems appropriate, the Court shall determine the

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<sup>3</sup> For the purposes of this Plan for the Receiver's Claim Recommendation Report and Final Determination of Claim by the Court, an interested party is any non-Claimant person or business entity that has an interest specifically in the Proof of Claim at issue, such as an injured third party, an insured, or a joint tortfeasor. It is not a person or business entity that has an interest common with those of other members of the Claimant's priority class or other priority classes that may have their *pro rata* distribution affected by the Court's determination as to the final value of the claim.



objection(s) to the Claim Determination and make a Final Determination of the Claim.

22. After such Final Determination has been made, the Court shall enter an Order allowing, allowing in part, or disallowing the Claim Determination that was the subject of the objection(s).

Timing of Distributions Subject to Asset Availability

23. Until all of the Distribution Level Claims have received a Final Determination, the Receiver shall not be required to distribute the General Assets of the IICRRG Estate. IICRRG's General Assets will be allocated and distributed first to administrative expenses and then to the allowed claims in each Class within the Distribution Level. All Claimants in a particular Class will be subject to the Proration Factor and share on that basis with other Claimants in that Class from assets that are available for distribution to that Class. No Claims in subordinate Classes within the Distribution Level Class shall receive distributions unless and until all Claims in higher priority Classes have been paid in full pursuant to 18 *Del. C.* § 5918.

24. After there has been a Final Determination of all Claims within a Distribution Level Class, including those Claims that had previously been assigned to a Below Distribution Level Class, the Receiver, at a time within his or her discretion and when all General Assets of the Estate are known and liquidated,

shall file a Petition with the Court for the final distribution of Estate assets and the closing of the IICRRG Estate.



# EXHIBIT “B”

**IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE**

IN THE MATTER OF: )  
 ) C.A. No. 8601-VCZ  
INDEMNITY INSURANCE CORPORATION, )  
RRG, IN LIQUIDATION )

**RECEIVER’S FIRST REPORT OF CLAIMS RECOMMENDATIONS  
PURSUANT TO PARAGRAPH 10 OF THE CLAIM FINAL  
DETERMINATION PLAN**

Petitioner, the Honorable Trinidad Navarro, Insurance Commissioner of the State of Delaware, in his capacity as the Receiver (“Receiver”) of Indemnity Insurance Corporation, RRG, in Liquidation (“IICRRG”), presents to this Honorable Court the Receiver’s First Report of Claims Recommendations (the “First Claims Recommendation Report”) Pursuant to the Plan for the Receiver’s Claim Recommendation Report and Final Determination of Claim By The Court (the “Claim Final Determination Plan”).

**I. Background**

1. The Claim Final Determination Plan [D.I. 726, Ex. “A”] filed with the Court on September 10, 2019 and approved by the Court by Order of August 17, 2020 [D.I. 811] sets forth the process by which the priority and value of Claims of policyholders, creditors, and other Claimants are determined and confirmed.

2. The Claim Final Determination Plan provides that, *inter alia*, the Receiver will file a report with the Court concerning Claims in which the Proof of Claim/Notice of Determination process has become final (the “Claim Recommendation Report”). This is the Receiver’s First Claims Recommendation Report,<sup>1</sup> which is comprised of multiple Claims and for each Claim identified, specifies the Receiver’s Claim Recommendation.

## **II. Receiver’s First Report of Claims Recommendations Summary**

3. Submitted in this First Report are 99 claims. The Receiver recommends that all of the Claims should be accorded Priority Class III.

4. Priority Class III claims include:

Claims by policyholders, beneficiaries and insureds, including the federal or any state or local government if such government is a named policyholder, beneficiary or insured under the policy, arising from and within the coverage of and not in excess of the applicable limits of insurance policies, insurance contracts and funding agreements issued by the company; liability claims, including liability claims of the federal or any state or local government, against insureds which claims are within the coverage of and not in excess of the applicable limits of insurance policies, insurance contracts and funding agreements issued by the company, including claims for

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<sup>1</sup> This will be the first of multiple Claims Recommendations. As discussed in the Receiver’s First Motion for Rule to Show Cause to Set a Deadline for Claimants to Object to Receiver’s Claims Recommendation Report, Pursuant to Paragraph 10 of the Claim Final Determination Plan, because of the volume of Claims the Receiver has divided the Claim Recommendations into tranches and the Court will receive a new tranche approximately every quarter, or as directed by the Court. Within each tranche there will be recommendations for multiple Claims.

reasonable attorneys” fees incurred by the policyholder to defend against the liability claim if such attorneys” fees are covered under the policy, but only to the extent covered; policyholder’s claims for refunds of unearned premium;...provided, however, that this paragraph shall not apply to the following claims:

- a. Claims arising under reinsurance contracts, including any claims for reinsurance premium due;
- b. Claims of insurers, insurance pools or underwriting associations for contribution, indemnity or subrogation, equitable or otherwise.

18 *Del. C.* § 5918(e)(3).

5. The pertinent information for each claim, including the Receiver’s Recommendation as to class and amount, are shown in the attached Schedules. Schedule “1” contains twenty-one (21) claims for refund of unearned premium. Schedule “2” contains seventy-nine (79) claims for liability from policyholders, beneficiaries, or insureds under policies with IICRRG. The Schedules and the information contained therein, are discussed more fully in Section III, below.

6. The claims on Schedules 1 and 2 are subject to several caveats:
- a. For Class III claims, “interest shall not be allowed or paid” other than for pre-liquidation judgments other than by default or collusion. 18 *Del. C.* § 5918(e)(3);
  - b. For Class III claims, all claims must be “within the coverage” of the insurance policy. 18 *Del. C.* § 5918(e)(3);

- c. For Class III claims, all claims must be within the applicable policy limit (including any excess policy issued by IICRRG). 18 *Del. C.* § 5918(e)(3); and
- d. The Court cannot consider a post-liquidation judgment as evidence of either liability or damages. 18 *Del. C.* §5928(c).

### **III. Receiver's Recommendations**

#### **A. Schedule 1 - Refund of Unearned Premium**

7. Each of the claims listed on Schedule 1 are claims for the refund of unearned premium.

8. Thus, the Receiver recommends that the Court determine that each of the claims listed on Schedule 1 are Class III claims, pursuant to 18 *Del. C.* §5918(e)(3).

9. Each of the rows on Schedule 1 represents a single claim for unearned premium.

10. The columns in Schedule 1 provide the following information for each claim:

- a. Proof of Claim Number. This is the number assigned to the Proof of Claim (“POC”) by the Receiver. It is communicated to the claimant through the Notice of Determination (“NOD”), as described below.
- b. Policy Number. This is the number assigned to the policy of insurance by IICRRG when the policy was issued.
- c. Amount Claimed on Proof of Claim Form. This is the amount which the claimant indicated it was due on the POC form submitted by the claimant. Where blank, the claimant did not request a specific dollar amount.

- d. Receiver's Recommended Priority Class. This is the priority class under 18 *Del. C.* § 5918(e) recommended by the Receiver.<sup>2</sup>
- e. Receiver's Recommended Value. This is the value for the claim for return premium recommended by the Receiver.
- f. NOD Number. This is the number assigned to the NOD by the Receiver. An NOD was provided to each claimant providing the POC Number, the Receiver's recommended priority class and the Receiver's recommended value.

11. Of the twenty-one (21) claims for refund of unearned premium claims on Schedule 1, for ten (10) of those claims the Receiver recommends a value of \$0. For the remaining eleven (11), the Receiver recommends varying values, totaling \$314,640.20.

**B. Claims for Liability From Policyholders, Beneficiaries, or Insureds Under Policies with IICRRG**

12. Each of the claims listed on Schedule 2 are claims for liability from policyholders, beneficiaries, or insureds under policies with IICRRG.

13. Thus, the Receiver recommends that the Court determine that each of the claims listed on Schedule 2 are Class III claims, pursuant to 18 *Del. C.* §5918(e)(3).

14. In order to facilitate the determination of claims subject to the applicable policy limits and sub-limits, Schedule 2 is organized by policy.

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<sup>2</sup> As discussed above, each of the claims on Schedule 1 are for the refund of unearned premium, and thus fall within Class III under the terms of 18 *Del. C.* § 5918(e)(3).



15. The first column contains information specific to the policy of insurance issued to a policyholder including:

- a. The Policy Number. The number assigned to the policy of insurance by IICRRG when the policy was issued. All claims for liability from policyholders, beneficiaries, or insureds under the policy listed in this column are included in this First Report of Claims Recommendations.
- b. Limits. These are the limits of the insurance policy listed by the dollar amount of the limits of insurance by occurrence (“Occ”) and by aggregate (“Agg”). For example, a listing of “Limits (Occ/Agg): \$1M/\$2M” refers to policy limits of \$1,000,000 per each occurrence and \$2,000,000 in aggregate.<sup>3</sup> Some policies also have a limit by location (“Loc”), which is noted where applicable.
- c. Excess Limits. For some policies, there was also an additional policy providing for excess coverage. Where this is the case, the first column contains an entry stating “Excess Limits (Occ/Agg)” which then has numerical values similar to the listing of the policy’s general limits.
- d. Prior Payments. This is a dollar amount for claims paid pre-liquidation on that policy. It is used in computing the proper amount under the aggregate. (*See* footnote 3).

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<sup>3</sup> “Aggregate” refers to a policy provision providing a limitation on total liability under each policy, such that once claims had been paid under a policy by IICRRG in an amount equaling the aggregate limit, no further payments would be due under the policy even if such claim were below the “occurrence” limit. In an operating insurance company, the aggregate is generally applied as paid on a “first-come-first-served” basis. At the time of distribution and to the extent applicable, the Receiver will apply the aggregate on a *pro-rata* basis. By way of illustration, if there are four claimants awarded \$1,000,000 by the Court on a policy with an aggregate limit of \$2,000,000 there has not been a prior payment under the policy term, the payment to each claimant would be based upon a value of \$500,000. In this First Report of Claims Recommendation, based upon the Receiver’s recommended values no aggregate limit or sub-limit for any policy is exceeded. This could change should the Court place a value for one or more claims higher than the Receiver’s recommended value.

16. Each of the rows containing a Proof of Claim number on Schedule 2 represents a single claim for liability from policyholders, beneficiaries, or insureds under policies with IICRRG. The columns in Schedule 2 provide the following information for each claim:

- a. Policy Info. This contains the information for each policy for which claims have been made in Schedule 2, as described in paragraph 15, above.
- b. Proof of Claim Number. This is the number assigned to the Proof of Claim (“POC”) by the Receiver.
- c. Claimant Type. This is the type of claimant, listed as either an “Insured”, denoting an entity which was either a policyholder and/or an insured under the applicable IICRRG policy, or as an “Injured Party,” being a third party under the policy who is claiming an injury.
- d. Connected Claim Group. Connected Claims are claims arising from the same occurrence. For this report, they generally consist of one injured party and one insureds and/or policyholders (with or without a duplicate claim). Connected Claims are listed in consecutive rows and are shaded in the same grayscale. The number in this column corresponds to one of the Proofs of Claim within the group of connected claims (*e.g.* the first Connected Claim Group consists of POCs 1082 (for the injured party) and 2113 (for the insured); the Connected Claim Group number is 1082 for both those claims).
- e. Primary Policy Number. The number assigned to the policy of insurance by IICRRG when the policy was issued.
- f. Sub-Limit and Type (if applicable to claim & less than standard policy limits). Under certain IICRRG policies of insurance, particular types of claims were subject to a separate “sub-limit” which is used in place of the general policy limits. This would apply generally to coverage for assault and battery, and/or to coverage for liquor liability. Where this is the case, for a particular claim, the amount of the sublimit is

shown in the form of, for example (\$100K/\$1M) representing a \$100,000 per occurrence limit, and a \$1,000,000 aggregate limit for the applicable coverage, which is also shown. If there is no entry in this column for a claim, the claim is not subject to a sub-limit, and instead is governed by the policy limits set forth in the Policy Info set forth in column 1.

- g. Amount Claimed on Proof of Claim Form. This is the amount which the claimant indicated it was due on the POC form submitted by the claimant. Where blank, the claimant did not request a specific dollar amount.
- h. Receiver's Recommended Priority Class. This is the priority class under 18 *Del. C.* § 5918(e) recommended by the Receiver.<sup>4</sup>
- i. Receiver's Recommended Value. This is the value for the claim for liability recommended by the Receiver. As discussed below—for claims which are not Connected Claims, the recommendation is for that particular claimant. For claims which are Connected Claims, where there is an insured/policyholder who is a claimant, the recommended value is for the value of the indemnity claim and for the value of the cost of defense (if applicable). Actual payment of the *pro-rata* portion of the indemnity part of the claim is to be made to the insured/policyholder if it provides proof at the time of distribution that it made such payment to the injured party, otherwise it will be made directly to the injured party.
- j. Asterisk – Certain limits and sub-limits of insurance show an asterisk (*e.g.* \$1M/\$2M\*). The asterisk denotes that the indemnity payments under this limit or sub-limit is reduced by the costs paid for defense, sometimes referred to as being “inside limits.” For example, if \$100,000 in defense costs were paid on a claim for an injured party which was valued at \$1,000,000 (on a \$1,000,000 per occurrence “inside limits” policy), the claimant's value would be only \$900,000. If no asterisk is marked on a limit or sub-limit, the defense costs do not impact the limits of insurance for an injured party (*i.e.*, under the same

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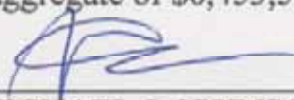
<sup>4</sup> As discussed above, each of the claims on Schedule 2 are claims for liability from policyholders, beneficiaries, or insureds under policies with IICRRG, and thus fall within Class III under the terms of 18 *Del. C.* § 5918(e)(3).

scenario as above, the \$100,000 defense payment would not affect the limit for the injured party, and the injured party's value would be \$1,000,000).

17. Schedule 2 contains seventy-nine (79) claims for liability from policyholders, beneficiaries, or insureds under policies with IICRRG. There are nineteen (18) Connected Claim Groups. For this Recommendation, the Receiver is recommending a value for only one claim within a Connected Claims Group. Where there is an insured/policyholder, that entity receives the recommendation, with the value generally reflecting a component for costs of defense, and a component for the indemnity claim to the injured party. If the insured/policyholder presents proof at the time of distribution that it has paid some or all of the indemnity portion of the claim amount as valued by the Court to the injured person, the insured/policyholder receives the *pro-rata* distribution for the indemnity portion that it paid, with the remainder of any partial payment being distributed to the injured party. Otherwise, the injured party receives the full *pro-rata* distribution for the indemnity portion.

18. For the seventy-nine (79) claims for liability from policyholders, beneficiaries, or insureds under policies with IICRRG, the Receiver's recommendation is in varying amounts in the aggregate of \$6,453,512.00.

Date: 12/30/2021

  
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MICHAEL J. JOHNSON  
Deputy Receiver of Indemnity  
Insurance Corporation, RRG in  
Liquidation

# SCHEDULE “1”



**Indemnity Insurance Corp, in Liquidation**  
**Receiver's First Claim Recommendation Report**  
**Schedule 1**  
**Unearned Premium Claims**

<b>Proof of Claim Number</b>	<b>Policy Number</b>	<b>Amount Claimed on Proof of Claim Form</b>	<b>Receiver's Recommended Priority Class</b>	<b>Receiver's Recommended Value</b>	<b>NOD Number</b>
0940	6003502	\$30,000.00	3	\$0.00	3893
1751	3007417	\$50,950.00	3	\$0.00	3899
1752	3007418	\$31,500.00	3	\$0.00	3900
1753	3007694	\$69,500.00	3	\$0.00	3901
2180	6000710	\$68,286.90	3	\$0.00	3911
2375	6002921	\$34,346.00	3	\$0.00	3912
2376	6002922	\$4,000.00	3	\$0.00	3947
2377	6004072	\$34,300.00	3	\$0.00	3651
2378	6004073	\$4,000.00	3	\$0.00	3948
0061D	6003057		3	\$0.00	3682
0142	6004179	\$194,804.00	3	\$116,363.84	3602
0156	6004364	\$12,688.00	3	\$11,109.70	3603
0191	6004147	\$25,239.00	3	\$22,941.30	3606
0220	6004199	\$59,599.00	3	\$52,452.82	3607
0245	6004187	\$17,072.00	3	\$15,608.91	3610
0269	6004329	\$30,500.00	3	\$33,901.82	3611
0281	6004040	\$10,986.26	3	\$10,369.97	3612
0346	6004494	\$11,736.00	3	\$11,736.00	3616
0402	6004413	\$26,614.35	3	\$34,780.53	3617
0403	6004414	\$2,247.40	3	\$2,936.99	3618
0050	6004233	\$2,340.00	3	\$2,438.33	3597

**GRAND TOTAL**

\$720,708.91

\$314,640.20

# SCHEDULE “2”

**Indemnity Insurance Corp, RRG in Liquidation  
Receiver's First Claim Recommendation Report  
Schedule 2  
Liability Claims - Grouped by Policy Number**

Policy Info	Proof of Claim No.	Claimant Type	Connected Claims	Primary Policy No.	Sub-Limit & Type (If applicable to claim & less than standard policy limits)	Amount Claimed on Proof of Claim Form	Receiver's Recommended Policy Class	Receiver's Recommended Total Value	
<b>Policy No: 3007148</b> <b>Limits (Occ/Agg): \$1M/\$2M*</b> <b>Prior Payments: \$42,312</b>	2076	Insured		3007148		\$1,000,000 00	3	\$75,000.00	
	2090	Insured		3007148		\$1,000,000 00	3	\$17,000.00	
				<b>3007148 Total</b>				\$92,000.00	
<b>Policy No: 3007306</b> <b>Limits (Occ/Agg): \$1M/\$2M</b> <b>Excess Limits (Occ/Agg): \$2M/\$2M</b> <b>Prior Payments: \$571,649</b>	2111	Insured		3007306	\$100K/\$1M* Assault and Battery	\$1,000,000 00	3	\$0 00	
	2112	Insured		3007306		\$1,000,000 00	3	\$0 00	
	2120	Insured		3007306	\$100K/\$1M* Assault and Battery	\$1,000,000 00	3	\$77,400 00	
				<b>3007306 Total</b>				\$77,400 00	
<b>Policy No: 6000485</b> <b>Limits (Occ/Agg/Loc): \$1M/\$5M/\$2M</b> <b>Excess Limits (Occ/Agg.): \$2M/\$2M</b> <b>Prior Payments: \$404,894</b>	1082	Injured party	1082	6000485	\$100K/\$1M* Assault and Battery	\$795,000 00	3	\$0 00	
	2113	Insured	1082	6000485	\$100K/\$1M* Assault and Battery	\$1,000,000 00	3	\$100,000 00	
	0493	Injured party	2079	6000485	\$1M/\$5M/\$1M Liquor Liability	\$1,000,000 00	3	\$0 00	
	2079	Insured	2079	6000485	\$1M/\$5M/\$1M Liquor Liability		3	\$175,000 00	
	2084	Insured		6000485	\$100K/\$1M* Assault and Battery	\$1,000,000 00	3	\$85,000 00	
	0945	Injured party	2104	6000485	\$1M/\$5M/\$1M Liquor Liability	\$250,000 00	3	\$0 00	
	2104	Insured	2104	6000485	\$1M/\$5M/\$1M Liquor Liability	\$1,000,000 00	3	\$0 00	
	2052	Injured party		6000485	\$1M/\$5M/\$1M Liquor Liability	\$2,000,000 00	3	\$400,000 00	
	2105	Insured		6000485	\$100K/\$1M* Assault and Battery	\$1,000,000 00	3	\$88,896 00	
	2117	Insured		6000485		\$1,000,000 00	3	\$5,000 00	
	2119	Insured		6000485		\$1,000,000 00	3	\$5,000 00	
				<b>6000485 Total</b>					\$858,896 00
	<b>Policy No: 6002095</b> <b>Limits (Occ/Agg): \$1M/\$2M*</b> <b>Prior Claims: \$42,312</b>	1685	Insured		6002095		\$65,000 00	3	\$35,000 00
1824		Insured		6002095		\$10,392 00	3	\$15,000 00	
				<b>6002095 Total</b>				\$50,000 00	
<b>POLICY CANCELLED TO INCEPTION</b>	0795	Injured party		6002104		\$1,000,000 00	3	\$0.00	
				<b>6002104 Total</b>					



Policy Info	Proof of Claim No.	Claimant Type	Connected Claims	Primary Policy No.	Sub-Limit & Type (If applicable to claim & less than standard policy limits)	Amount Claimed on Proof of Claim Form	Receiver's Recommended Policy Class	Receiver's Recommended Total Value
<b>Policy No. 6002225</b> <b>Limits (Occ/Agg/Loc):</b> <b>\$1M/\$5M/\$2M</b> <b>Excess Limit (Occ/Agg):</b> <b>\$1M/\$1M</b> <b>Prio Payment: \$88,967</b>			0019					
	0019	Injured party		6002225		\$31,500 00	3	\$0.00
	2121	Insured	0019	6002225		\$1,000,000 00	3	\$25,000.00
	0258	Injured party	0258	6002225		\$600,000 00	3	\$0.00
	2110	Insured	0258	6002225		\$1,000,000 00	3	\$30,000.00
	0387	Injured party		6002225	\$1M/\$1M * Assault and Battery	\$100,000 00	3	\$0.00
	2001	Injured party - duplicate		6002225	\$1M/\$1M * Assault and Battery	\$100,000 00	3	\$0.00
	2106	Insured		6002225	\$1M/\$1M * Assault and Battery	\$1,000,000 00	3	\$30,000.00
	0420	Injured Party		6002225	\$1M/\$1M * Assault and Battery	\$750,000 00	3	\$0.00
	2075	Insured		6002225	\$1M/\$1M * Assault and Battery	\$1,000,000 00	3	\$430,000.00
	0944	Injured Party		6002225	\$1M/\$1M * Assault and Battery	\$150,000 00	3	\$0 00
	2080	Insured		6002225	\$1M/\$1M * Assault and Battery	\$1,000,000 00	3	\$155,000 00
	1049	Injured Party		6002225	\$1M/\$1M * Assault and Battery	\$50,000 00	3	\$0 00
	2077	Insured		6002225	\$1M/\$1M * Assault and Battery	\$1,000,000 00	3	\$15,000 00
	1355	Injured Party		6002225	\$1M/\$5M/\$1M - Liquor Liability	\$50,000 00	3	\$0 00

Policy Info	Proof of Claim No.	Claimant Type	Connected Claims	Primary Policy No.	Sub-Limit & Type (If applicable to claim & less than standard policy limits)	Amount Claimed on Proof of Claim Form	Receiver's Recommended Policy Class	Receiver's Recommended Total Value
	2085	Insured	1355	6002225	\$1M/\$5M/\$1M - Liquor Liability	\$1,000,000 00	3	\$215,000.00
	1549	Injured Party	1549	6002225	\$1M/\$1M* Assault and Battery	\$100,000 00	3	\$0 00
	2083	Insured	1549	6002225	\$1M/\$1M* Assault and Battery	\$1,000,000 00	3	\$45,000 00
	0370	Injured Party	2089	6002225	\$1M/\$1M * Assault and Battery	\$50,000 00	3	\$0 00
	2089	Insured	2089	6002225	\$1M/\$1M * Assault and Battery	\$1,000,000 00	3	\$25,000 00
	2091	Insured		6002225	\$1M/\$1M * Assault and Battery	\$350,000 00	3	\$40,000 00
	2093	Insured		6002225		\$1,000,000 00	3	\$0 00
	2115	Insured		6002225	\$1M/\$1M * Assault and Battery	\$1,000,000 00	3	\$62,500 00
				<b>6002225 Total</b>				\$1,072,500 00
	0078	Injured Party		6002513		\$2,260 00	3	\$2,260 00
				<b>6002513 Total</b>				\$2,260 00
<b>Policy No.: 6002724</b> <b>Limits (Occ/Agg): \$1M/\$2M</b> <b>Excess Limits (Occ/Agg): \$4M/\$4M</b> <b>Prior Payments: \$8,077</b>	1425	Injured Party	1425	6002723		\$1,000,000 00	3	\$0 00
	2202	Insured	1425	6002723		\$135,000 00	3	\$93,000 00
	2200	Insured	2200	6002723		\$235,000 00	3	\$70,000 00
	2466	Injured Party	2200	6002723		\$1,000,000 00	3	\$0 00
				<b>6002723 Total</b>				\$163,000 00
<b>Policy No.: 6002750</b> <b>Limits (Occ/Agg): \$1M/\$2M</b>	0096	Injured Party		6002750		\$8,500 00	3	\$8,500 00
				<b>6002750 Total</b>				\$8,500 00
<b>Policy No. 6002769</b> <b>Limits (Occ/Agg): \$1M/\$2M</b> <b>Prior Payments: \$43,816</b>	0668	Insured		6002769	\$1M/\$1M * Assault and Battery		3	\$0 00
				<b>6002769 Total</b>				\$0 00
<b>Policy No. 6002770</b> <b>Limits (Occ/Agg): \$1M/\$2M</b>	0323	Injured Party		6002770		\$150,000 00	3	\$45,000 00
				<b>6002770 Total</b>				\$45,000 00
<b>Policy No. 6003246</b> <b>Limits (Occ/Agg): \$1M/\$2M</b>	0049	Insured		6003246	\$1M/\$1M * Assault and Battery	\$5,000 00	3	\$0 00
				<b>6003246 Total</b>				\$0 00

Policy Info	Proof of Claim No.	Claimant Type	Connected Claims	Primary Policy No.	Sub-Limit & Type (If applicable to claim & less than standard policy limits)	Amount Claimed on Proof of Claim Form	Receiver's Recommended Policy Class	Receiver's Recommended Total Value
Policy No. 6003253 Limits (Occ/Agg): \$1M/\$2M Excess Limits (Occ/Agg): \$1M/\$2M	0123	Injured party	0123	6003253		\$450,000 00	3	\$0.00
	1026	Injured party - duplicate	0123	6003253		\$900,000 00	3	\$0.00
	0373	Injured party		6003253		\$300,000 00	3	\$75,000.00
	0476	Injured party		6003253	\$1M/\$1M Liquor Liability	\$1,000,000 00	3	\$310,000.00
					<b>6003253 Total</b>			
Policy No. 6003434 Limits (Occ/Agg): \$1M/\$2M	1441	Insured		6003434	\$1M/\$1M Liquor Liability	\$15,000 00	3	\$0.00
					<b>6003434 Total</b>			
Policy No. 6003549 Limits (Occ/Agg): \$1M/\$2M* Excess Limits (Occ/Agg): \$4M/\$4M Prior Payments: \$14,376	0222	Insured	1074	6003549	\$1M/\$1M Liquor Liability	\$124,200 00	3	\$3,050,000.00
	1074	Injured party	1074	6003549		\$10,000,000 00	3	\$0.00
	1016	Injured party		6003549		\$150,000 00	3	\$25,000.00
					<b>6003549 Total</b>			
Policy No. ICA000028-13 Limits (Occ/Agg): \$1M/\$2M	0595	Injured party		ICA000028-13		\$500,000 00	3	\$0.00
	0669	Insured		ICA000028-13			3	\$0.00
					<b>ICA000028-13 Total</b>			
Policy No. ICA000628-13 Limits (Occ/Agg): \$1M/\$2M	0588	Injured party		ICA000628-13		\$1,000 00	3	\$1,089.00
					<b>ICA000628-13 Total</b>			
Policy No. ICA001199-13 Limits (Occ/Agg): \$1M/\$2M	0310	Insured		ICA001199-13			3	\$0.00
					<b>ICA001199-13 Total</b>			
Policy No. ICA001283-13 Limits (Occ/Agg): \$1M/\$2M	0490	Injured party	0490	ICA001283-13		\$1,000,000 00	3	\$400,000.00
	0656	Injured party - duplicate	0490	ICA001283-13		\$1,000,000 00	3	\$0.00
					<b>ICA001283-13 Total</b>			
Policy No. ICA002256-13 Limits (Occ/Agg): \$1M/\$2M	0473	Injured party		ICA002256-13		\$1,000,000 00	3	\$35,000 00
					<b>ICA002256-13 Total</b>			
Policy No. ICB100103-13 Limits (Occ/Agg): \$1M/\$2M	0423	Insured		ICB100103-13			3	\$0 00
					<b>ICB100103-13 Total</b>			
Policy No. ICB100338-13 Limits (Occ/Agg): \$1M/\$2M	0266	Injured party		ICB100338-13		\$14,300 30	3	\$30,000 00
					<b>ICB100338-13 Total</b>			
Policy No. ICC200012-13 Limits (Occ/Agg): \$1M/\$2M	0527	Injured party		ICC200012-13		\$5,000 00	3	\$3,500 00
					<b>ICC200012-13 Total</b>			
Policy No. ICC200027-13 Limits (Occ/Agg): \$1M/\$2M	2619	Insured		ICC200027-13			3	\$0 00
					<b>ICC200027-13 Total</b>			
Policy No. ICC200042-13 Limits (Occ/Agg): \$1M/\$2M	0058	Insured		ICC200042-13		\$8,117 00	3	\$8,117 00
					<b>ICC200042-13 Total</b>			
Policy No. ICC200058-13 Limits (Occ/Agg): \$1M/\$2M	0009	Injured party	0009	ICC200058-13		\$1,000,000 00	3	\$0 00
	1888	Insured	0009	ICC200058-13		\$150,000 00	3	\$75,000 00
	2123	Insured - Duplicate	0009	ICC200058-13			3	\$0 00
					<b>ICC200058-13 Total</b>			
Policy No. ICC200425-13	0042	Injured party		ICC200425-13		\$1,097 00	3	

Policy Info	Proof of Claim No.	Claimant Type	Connected Claims	Primary Policy No.	Sub-Limit & Type (If applicable to claim & less than standard policy limits)	Amount Claimed on Proof of Claim Form	Receiver's Recommended Policy Class	Receiver's Recommended Total Value
Limits (Occ/Agg): \$1M/\$2M				ICC200425-13 Total				\$0.00
Policy No. ICC200724-13 Limits (Occ/Agg): \$1M/\$2M	0558	Injured party		ICC200724-13			3	\$0.00
				ICC200724-13 Total				\$0.00
Policy No. ICF500124-13 Limits (Occ/Agg): \$1M/\$2M	0418	Injured party		ICF500124-13		\$75,000.00	3	\$60,000.00
				ICF500124-13 Total				\$60,000.00
Policy No. ICF500230-13 Limits (Occ/Agg): \$1M/\$2M	0374	Insured		ICF500230-13		\$3,129.17	3	\$3,250.00
				ICF500230-13 Total				\$3,250.00
Policy No. ICF500468-13 Limits (Occ/Agg): \$1M/\$2M	2459	Injured party		ICF500468-13		\$4,500,000.00	3	\$0.00
				ICF500468-13 Total				\$0.00
Policy No. ICG600229-13 Limits (Occ/Agg): \$1M/\$2M	0090	Injured party		ICG600229-13		\$25,000.00	3	\$8,000.00
				ICG600229-13 Total				\$8,000.00
				<b>Grand Total</b>		<b>\$54,209,495.47</b>		<b>\$6,453,512.00</b>



# EXHIBIT “C”

DATE

**BY LEXIS-NEXIS FILE AND SERVE**

The Honorable Morgan T. Zurn  
Court of Chancery of the State of Delaware  
Leonard L. Williams Justice Center  
500 North King Street, Suite 11400  
Wilmington, Delaware 19801

***RE: In the Matter of the Rehabilitation of Indemnity Insurance Corp., RRG,  
Notice of Objectors to Receiver's Claim Recommendation Report  
C.A. No. 8601-VCZ***

Dear Vice Chancellor Zurn:

The Receiver writes to inform the Court that, pursuant to the Order to Show Cause to Set a Deadline for Claimants to Object to the Receiver's First Recommendation Report, the Objection Deadline of \_\_\_\_\_ has passed with \_\_\_\_ objections having been filed by the following Claimants ("Objecting Claimants"):

Proof of Claim Number	Policy Number	Amount claimed on POC Form	Receiver's Recommended Priority Class	Receiver's Recommended Value

The Honorable Morgan T. Zurn  
Court of Chancery of the State of Delaware  
DATE  
Page 2

Pursuant to the Receiver's Motion for an Order to Show Cause Setting a Deadline for Claimants to Object to the Receiver's First Claims Recommendation Report, an Uncontested Recommendation Hearing Date, and for a Contested Recommendation Hearing Date After Letter Notice from the Receiver, the Receiver respectfully requests the Court to enter an Order to Show Cause setting a Contested Recommendation Hearing Date no earlier than thirty (30) days from the Objection Deadline of \_\_[date]\_\_\_\_\_ for the above listed Objecting Claimants.

To assist the Court, and for the Court's consideration, attached to this letter please find proposed forms of Orders setting the hearing dates or alternatively appointing a special master to schedule and administer the hearing dates, to hear contested POCs, and to make reports and recommendations concerning them for review and final disposition by the Court.

Respectfully submitted,

/s/

**IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE**

IN THE MATTER OF: )  
 ) C.A. No. 8601-VCZ  
INDEMNITY INSURANCE CORPORATION, )  
RRG, IN LIQUIDATION )

**PROPOSED FORM OF ORDER SETTING CONTESTED HEARING  
DATE REGARDING OBJECTION TO THE RECEIVER'S  
FIRST CLAIMS RECOMMENDATION REPORT**

**PLEASE READ THIS ORDER CAREFULLY AS IT MIGHT AFFECT  
YOUR RIGHTS AS A CLAIMANT CONCERNING INDEMNITY  
INSURANCE CORPORATION, RRG, IN LIQUIDATION.**

WHEREAS, on April 10, 2014, the Delaware Court of Chancery placed Indemnity Insurance Corporation, RRG (“IICRRG”) into liquidation by a Liquidation and Injunction Order with Bar Date (“Liquidation Order”), pursuant to DUILA, 18 *Del. C.* § 5901, *et seq.*;

WHEREAS, the Liquidation Order, *inter alia*, appointed the Delaware Insurance Commissioner as the Receiver (“Receiver”) of IICRRG, set a bar date of January 15, 2015 for the filing of proofs of claims against IICRRG, and was sent to potential claimants along with information for filing claims that included a Proof of Claim (“POC”) form; and

WHEREAS, pursuant to 18 *Del. C.* § 5902(a) and the Plan for the Receiver’s Claim Recommendation Report and Final Determination of Claim By The Court



(the “Claim Final Determination Plan”), the Receiver filed the Receiver’s Motion for an Order to Show Cause Setting a Deadline for Claimants to Object to the Receiver’s First Claims Recommendation Report and Uncontested Recommendation Hearing Date, and for an Order Setting an Contested Recommendation Hearing Date After Letter Notice from the Receiver (the “Motion for OSC”);

WHEREAS, the Receiver has filed the First Report of Claims Recommendations Pursuant to Section C, Paragraphs 8 and 9, of the Claim Final Determination Plan (“First Claim Recommendations Report”);

WHEREAS, the Court issued an Order to Show Cause on \_\_\_\_\_ with respect to the Motion for OSC which has scheduled a deadline of \_\_\_\_\_ for filing objections to the First Claim Recommendations Report and an Uncontested Recommendation Hearing date of \_\_\_\_\_; and

WHEREAS, \_\_\_\_\_ (the “Objecting Claimant”) has filed an objection to the Receiver’s Claim Recommendation (the “Contested Claim”);

NOW, THEREFORE, IT IS HEREBY ORDERED, this \_\_\_\_\_ day of \_\_\_\_\_, 2021 that:

## **CONTESTED RECOMMENDATION HEARING DATE**

1. A hearing is scheduled for \_\_\_\_\_, 2021, \_\_\_\_M. (at least thirty (30) days from the date this Order is recorded on the Court's docket) at Leonard L. Williams Justice Center, 500 North King St., Wilmington, Delaware 19801, Courtroom \_\_\_\_\_, or virtually by Zoom or such other similar provider in a link to be provided by the Court twenty-four (24) hours in advance of the hearing date, or otherwise as the Court may so direct, for the Court to make a final determination of the Contested Claim, number \_\_\_\_\_, pursuant to Section C, paragraph 17 of the Claim Final Determination Plan (the "Contested Recommendation Hearing Date"). The Court's final determination may be made without appearance by the Receiver and will occur on the Contested Recommendation Hearing Date or, upon further notice from the Court, at such other date and time and in such manner as the Court deems appropriate.

2. On \_\_\_\_\_, which is at least twenty-one (21) days prior to the Contested Recommendation Hearing Date, the Receiver shall provide to the Court and Objecting Claimant(s), and any interested party(ies) with

respect to such Contested Claim, if applicable, a complete copy of the POC file and Notice of Determination Claim Review Summary for the Contested Claim.

3. On \_\_\_\_\_, which is at least fourteen (14) days prior to the Contested Recommendation Hearing Date, the Objecting Claimant(s) and any interested party(ies) with respect to the Contested Claim, if applicable, shall provide to the Court and Receiver, with a copy of all documents other than those provided by the Receiver in accordance with paragraph 2 above, that the Objecting Claimant(s) and any interested party(ies) with respect to the Contested Claim, if applicable, intend to rely on in support of the objection(s).

4. At the Contested Recommendation Hearing, the Receiver, all Objecting Claimants, and other interested party(ies) with respect to the Contested Claim, if applicable, shall be entitled to appear and the Court shall enter an order allowing, allowing in part, or disallowing the Contested Claim.

**5. PLEASE TAKE NOTICE THAT if you fail to appear at the Contested Recommendation Hearing, you will be deemed to have waived any right to Court review of the Receiver's Claim Recommendation concerning the Contested Claim, will be deemed to have abandoned any objection to the Receiver's Claim Recommendation, and the Contested Claim will be determined by the Court as uncontested.**

**SERVICE OF NOTICE OF THIS ORDER TO SHOW CAUSE**

6. Within three (3) business days of receipt of this signed Order, the Receiver shall serve upon all claimants that are the subject of the Receiver's First Claim Recommendations Report, copies of this Order in accordance with the Plan Regarding Service of the Receiver's Public Court Filings Concerning the Proof of Claims Process that was approved by this Court pursuant to an Order dated August 17, 2020 (D.I. 811).

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MORGAN T. ZURN, Vice Chancellor

**IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE**

IN THE MATTER OF: )  
 ) C.A. No. 8601-VCZ  
INDEMNITY INSURANCE CORPORATION, )  
RRG, IN LIQUIDATION )

**[PROPOSED] ORDER APPOINTING SPECIAL MASTER**

**PLEASE READ THIS ORDER CAREFULLY AS IT MIGHT AFFECT  
YOUR RIGHTS AS A CLAIMANT CONCERNING INDEMNITY  
INSURANCE CORPORATION, RRG, IN LIQUIDATION.**

WHEREAS, on April 10, 2014, the Delaware Court of Chancery placed Indemnity Insurance Corporation, RRG (“IICRRG”) into liquidation by a Liquidation and Injunction Order with Bar Date (“Liquidation Order”), pursuant to DUILA, 18 *Del. C.* § 5901, *et seq.*;

WHEREAS, the Liquidation Order, *inter alia*, appointed the Delaware Insurance Commissioner as the Receiver (“Receiver”) of IICRRG, set a bar date of January 15, 2015 for the filing of proofs of claims against IICRRG, and was sent to potential claimants along with information for filing claims that included a Proof of Claim (“POC”) form; and

WHEREAS, pursuant to 18 *Del. C.* § 5902(a) and the Plan for the Receiver’s Claim Recommendation Report and Final Determination of Claim By The Court (the “Claim Final Determination Plan”), the Receiver filed the Receiver’s Motion

for an Order to Show Cause Setting a Deadline for Claimants to Object to the Receiver's First Claims Recommendation Report and Uncontested Recommendation Hearing Date, and for an Order Setting an Contested Recommendation Hearing Date After Letter Notice from the Receiver (the "Motion for OSC");

WHEREAS, the Receiver has filed the First Report of Claims Recommendations Pursuant to Section C, Paragraphs 8 and 9, of the Claim Final Determination Plan ("First Claim Recommendations Report"); and

WHEREAS, the Court issued an Order to Show Cause on \_\_\_\_\_ with respect to the Motion for OSC which has scheduled a deadline of \_\_\_\_\_ for filing objections to the First Claim Recommendations Report and an Uncontested Recommendation Hearing date of \_\_\_\_\_.

NOW, THEREFORE, IT IS HEREBY ORDERED, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ that:

**APPOINTMENT OF SPECIAL MASTER**

1. \_\_\_\_\_ is appointed as Special Master to make recommendations to the Court in connection with those Proof of Claims

(“POC” or “POCs”) identified in the First Claim Recommendations Report [D.I.] and in accordance with the procedures set forth in the Claim Final Determination Plan [D.I.] that address the final determination of contested POCs, including, but not limited to, Section C, paragraphs 17 through 21, of the Claim Final Determination Plan.

2. The Special Master shall have the authority set forth in 10 *Del. C.* § 372 and Court of Chancery Rules 135-47 subject to and as applicable and consistent with the procedures set forth in the Claim Final Determination Plan, such authority shall include, but not be limited to, the authority to: (a) issue Orders scheduling all Contested Claim Recommendation Hearings before the Special Master and the dates regarding the submissions of documentary evidence regarding them consistent with the Claims Final Determination Plan; (b) review the documentary submissions and hear contested claims and make recommendations to the Court regarding the final determination of them; and (c) make recommendations regarding any other matters that would have otherwise been brought before the Court with respect to the POCs at issue.

3. The Special Master shall also have the authority to assist the claimant(s) and the Receiver in resolving any claims disputes that fall within this appointment without resort to a motion and/or final report when reasonably feasible.

4. The Special Master shall endeavor to promptly issue a final report regarding those claims that are within the scope of this appointment within thirty (30) days after having made determinations and recommendations regarding them.

5. Exceptions to any final report issued by the Special Master may be taken to the Court. A notice of exceptions and an Opening Brief in support thereof, together with an appendix containing the record on which the Special Master's decision was made must be filed and served no later than eleven (11) days after the Special Master issues the final report; provided, however, that if the eleventh day falls on a Saturday, Sunday, or legal holiday, the deadline shall be extended to 5:00 p.m. (ET) on the next day that is not a Saturday, Sunday or legal holiday. An Answering Brief must be filed within twenty (20) days after the receipt of the Notice of Exception; provided, however, that if the twentieth day falls on a Saturday, Sunday, or legal holiday, the deadline shall be extended to 5:00 p.m. (ET) on the next day that is not a Saturday, Sunday or legal holiday. A Reply Brief must be filed and served within fifteen (15) days after the receipt of the Answering Brief; provided, however, that if the fifteenth day falls on a Saturday, Sunday, or legal holiday, the deadline shall be extended to 5:00 p.m. (ET) on the next day that is not a Saturday, Sunday, or legal holiday. Neither the Opening Brief nor the Answering Brief shall exceed \_\_\_\_\_ ( ) pages in length, and the Reply Brief shall not exceed \_\_\_\_\_ ( ) pages. The parties shall provide a courtesy copy of briefing



to Chambers. If the Court determines to hold oral argument, such argument will be scheduled at the earliest convenience of the Court.

**6. PLEASE TAKE NOTICE THAT if you object to the Receiver's Claim Recommendation for your claim in the First Claim Recommendation Report and fail to appear at the Contested Recommendation Hearing before the Special Master, you will be deemed to have waived any right to file an exception to any final report issued by the Special Master regarding that claim. Further, you will also be deemed to have waived court review of the Receiver's Claim Recommendation concerning the contested claim, will be deemed to have abandoned any objection to the Receiver's Claim Recommendation, and the contested claim will be determined by the Court as uncontested.**

**SERVICE OF NOTICE OF THIS ORDER APPOINTING MASTER**

7. Within three (3) business days of receipt of this signed Order, the Receiver shall serve upon all claimants that are the subject of the Receiver's First Claim Recommendations Report, copies of this Order in accordance with the Plan Regarding Service of the Receiver's Public Court Filings Concerning the Proof of Claims Process that was approved by this Court pursuant to an Order dated August 17, 2020 (D.I. 811).

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**MORGAN T. ZURN, Vice Chancellor**



**IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE**

IN THE MATTER OF: )  
 ) C.A. No. 8601-VCZ  
INDEMNITY INSURANCE CORPORATION, )  
RRG, IN LIQUIDATION )

**ORDER TO SHOW CAUSE TO SET A DEADLINE  
FOR CLAIMANTS TO OBJECT TO THE RECEIVER'S  
FIRST CLAIMS RECOMMENDATION REPORT AND  
TO SET AN UNCONTESTED HEARING DATE**

**PLEASE READ THIS ORDER CAREFULLY AS IT MIGHT AFFECT  
YOUR RIGHTS AS A CLAIMANT CONCERNING INDEMNITY  
INSURANCE CORPORATION, RRG, IN LIQUIDATION ("IICRRG").**

WHEREAS, on April 10, 2014, the Delaware Chancery Court placed Indemnity Insurance Corporation RRG ("IICRRG") into liquidation by a Liquidation and Injunction Order with Bar Date ("Liquidation Order"), pursuant to Delaware Uniform Insurers Liquidation Act ("DUILA"), 18 *Del. C.* § 5901, *et seq.*

WHEREAS, the Liquidation Order appointed the Delaware Insurance Commissioner as Receiver ("Receiver") and set a bar date of January 15, 2015 for the filing of proofs of claims against IICRRG and information for filing claims, including a Proof of Claim ("POC") form, was sent to potential claimants of IICRRG; and

WHEREAS, pursuant to 18 *Del. C.* § 5902(a) and the Plan for the Receiver's Claim Recommendation Report and Final Determination of Claim By The Court

(the “Claim Final Determination Plan”), the Receiver filed the Receiver’s Motion for an Order to Show Cause Setting a Deadline for Claimants to Object to the Receiver’s First Claims Recommendation Report and Uncontested Recommendation Hearing Date, and for an Order Setting an Contested Recommendation Hearing Date After Letter Notice from the Receiver (“Motion for OSC”); and

WHEREAS, the Receiver has filed the First Report of Claims Recommendations Pursuant to Paragraph (C) 8 and 9 of the Claim Final Determination Plan (“First Claim Recommendations Report”).

NOW, THEREFORE, IT IS HEREBY ORDERED as follows:

**UNCONTESTED HEARING DATE**

1. A hearing is scheduled for \_\_\_\_\_, 20\_\_\_\_, \_\_\_\_M., which is at least forty-five (45) days from the date this Order is recorded on the Court’s docket, for the Court to make a final determination of all Uncontested Claim Recommendations contained in the First Claim Recommendations Report pursuant to Section C, paragraph 16 of the Claim Final Determination Plan (the “Uncontested Hearing Date”). The Court’s final determination will be made without appearance by the Receiver or claimants and will occur on the Uncontested Hearing Date or at such other date and time and in such manner as the Court deems appropriate.

2. At least seven (7) days prior to the Uncontested Hearing Date, the Receiver shall provide to the Court, for *in camera* review, a copy of the Notice of Determination Claim Review Summary for each claim recommendation identified in the First Claim Recommendations Report that is uncontested.

**OBJECTION DEADLINE AND PROCEDURE**

3. Any claimant who objects to the Receiver's Claim Recommendation for that claimant as stated in the First Claim Recommendations Report must file such objection with the Court such that it is received by the Court no later than \_\_\_\_\_, 2022 (the "Objection Deadline"). Pursuant to Section C, paragraph 10 of the Claim Final Determination Report, such deadline shall be set at least thirty (30) calendar days prior to the Uncontested Hearing Date.

**PLEASE TAKE NOTICE THAT** even if you notified the Receiver previously that you objected to the Receiver's Notice of Determination and you continue to object to the Receiver's Claim Recommendation in the First Claim Recommendations Report, you must still file on or before the Objection Deadline a written objection with the Court that complies with this Order. **If you have no objection to the Receiver's Claim Recommendation for your claim identified in the Receiver's First Claim Recommendation Report or the relief sought therein, you do not need to take any further action in response to this Order to Show Cause.**

4. **PLEASE TAKE FURTHER NOTICE THAT if any claimant that has an objection to the Receiver's Recommendation in the First Claim Recommendations Report fails to file an objection that complies with this Order on or before the Objection Deadline, such claimant will be deemed to have waived any right to Court review of the Receiver's Claim Recommendation concerning the claimant's claim, and will be deemed to have abandoned any objection to the Receiver's Claim Recommendation, and will have their claim determined by the Court as uncontested.**

5. Any objection must be filed in writing on or before the Objection Deadline by Delaware counsel through electronic service as required by the Court's Rules or by unrepresented individuals with the Court at the Court's address at:

Register in Chancery  
Court of Chancery of the State of Delaware  
Leonard L. Williams Justice Center  
500 North King Street  
Wilmington, Delaware 19801

And shall include the following information:

a. The caption of these proceedings

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN THE MATTER OF: )  
) C.A. No. 8601-VCZ  
INDEMNITY INSURANCE CORPORATION, )  
RRG, IN LIQUIDATION )

- b. The nature of the document being filed (i.e., Objection to the Receiver's First Claim Recommendation Report);
- c. The name, address, and telephone number of the person filing the document;
- d. The date the document is being filed; and
- e. The grounds for such party's objection to the Receiver's Recommendation and the relief sought therein.

Please note that corporations and other entities are required to be represented by Delaware counsel to appear before the Court.

**SERVICE OF NOTICE OF THIS ORDER TO SHOW CAUSE**

6. Within three (3) business days of receipt of this signed Order to Show Cause, the Receiver shall serve upon all claimants that are the subject of the Receiver's First Claim Recommendations Report, notice of the filing of this Order to Show Cause, the Receiver's First Claim Recommendations Report, and the Exhibits thereto in accordance with the Plan Regarding Service of the Receiver's Public Court Filings Concerning the Proof of Claims Process that was approved by this Court pursuant to an Order dated August 17, 2020 (D.I. 811).

SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_.

\_\_\_\_\_  
MORGAN T. ZURN, Vice Chancellor