



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)

**OMNIBUS ORDER CONCERNING
SIXTH REPORTED CLAIM RECOMMENDATIONS**

WHEREAS:

A. 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 the Delaware Uniform Insurers Liquidation Act (“DUILA”), 18 *Del. C.* § 5901, *et seq.*

B. 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.

C. 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”),¹ the Receiver has filed the Sixth Report of Claims Recommendations Pursuant to Paragraph (C) 8 and 9 of the Claim Final

¹ Docket Item (“D.I.”) 899.

Determination Plan (“Sixth Report”);² the Court has entered an Order to Show Cause fixing a time, date, and objection deadline to respond to the claim recommendations in the Sixth Report;³ the Court and Receiver have given notice to claimants whose claims are in the Sixth Report;⁴ and September 2, 2024 Objection Deadline passed with the submission of five objections via the Claimant Portal, POC #'s 0037, 0992 (continued from the Fifth Report), 1042, 2515, and 2752 (collectively, the “Objections”).⁵

D. A telephonic hearing on the Objections was held on October 1, 2024, at 9:15 a.m. The Court considered the Receiver’s Claim Recommendation in view of the Objections and supporting materials as submitted through the Claimant Portal under an abuse of discretion standard.⁶

E. The Objection in POC # 0037 was **WITHDRAWN**.

F. The Objection in POC # 2752 is **MOOT**. The Receiver agrees, and the Court so grants, that the claim shall be treated as a timely filed Class III claim.

² D.I. 1022.

³ D.I. 1024.

⁴ D.I. 1025, 1026.

⁵ Materials submitted by the claimant and Receiver via the Claimant Portal in connection with these objections, other than POC # 0092, are docketed under seal as exhibits to this Order. The largest documents were not electronically served to counsel of record.

⁶ *Matter of Scottish Re (U.S.), Inc.*, 273 A.3d 277, 293 (Del. Ch. Mar. 31, 2022) (“Black letter authorities generally state that an abuse of discretion standard applies when a court reviews the decision of an insurance commissioner acting as a receiver for a delinquent insurer.” (collecting authorities)).

G. The Receiver submitted to the Court for *in camera* review its notices of determination for the Sixth Report claims for which no objection was received (the “Unopposed Determinations”). The Court reviewed the Unopposed Determinations under an abuse of discretion standard.⁷

NOW, THEREFORE, IT IS HEREBY **ORDERED** as follows:

1. On the Receiver’s request, the late filing of POC # 2811 is **EXCUSED**.
2. The Objection in POC # 1042 is **DENIED**. No party appeared at the hearing in support of this objection. The claimant, a law firm, seeks payment of legal fees incurred pre-liquidation in the defense of an IICRRG affiliate. The claimant is a class VI general creditor.
3. The Objection in POC # 2515 is **DENIED**. No party appeared at the hearing in support of this objection. The claimant, a law firm, seeks payment of legal fees incurred in the defense of an IICRRG insured, but on the law firm’s own behalf. The claimant is a Class VI general creditor. The claimant’s defense costs are also included in POC# 2511 submitted by the insured.
4. The Objection in POC # 0992 was continued from the Fifth Report, to be heard with any objections to the Sixth Report of Claims Recommendations Pursuant to Paragraph (C) 8 and 9 of the Claim Final Determination Plan. The

⁷ See *id.*

hearing on that objection was postponed for approximately thirty days, and will be addressed in a later order.⁸

5. The Unopposed Determinations are confirmed. The Court saw no basis to conclude the Receiver abused its discretion in making those Determinations.

6. This Order shall be sent to the Objectors through the Claimant Portal, and served on counsel for the Receiver. This Order will be publicly available to claimants in the Unopposed Determinations.

SO ORDERED this 1st day of October, 2024.

/s/ Morgan T. Zurn
Vice Chancellor Morgan T. Zurn

⁸ D.I. 1027.